



LOCAL GOVERNMENT FUND AND YOUTH UNEMPLOYMENT IN UGANDA: A CASE STUDY OF KABAROLE DISTRICT LOCAL GOVERNMENT AUTHORITY

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ABSTRACT

This study examined how local government funding impacts youth unemployment in Uganda, specifically in Kabarole District. The research had specific goal: to investigate how Kabarole LGA's funds contribute to youth entrepreneurship and job creation. The study involved descriptive research design and used mixed approach (qualitative and quantitative approaches) for collecting data. The study used Slovin's formula to obtain the sample size of 100 from the target population 133 respondents. The study also adopted both purposive sampling and simple random probability sampling procedures. Purposive sampling was used on religious leaders, district political leaders and district officials in the office of the Chief Administrative Office (CAO) and district budget handling officials. Simple random sampling was used to all the youth in Kabarole district, simply to allow each youth member in the district to have equal and fair chance of being selected for the study. Lastly the study used questionnaire and interview tools for primary data and documentary review for secondary data. The findings showed that the LGA budget fund effectively supported youth initiatives and entrepreneurial endeavors, resulting in job creation and enhanced self-sufficiency, thus alleviating poverty and improving living standards in the community. In conclusion, access to credit empowered youth to engage in income-generating activities, enhancing their economic status and contributing to household welfare.

KEYWORDS: - Local Government, Youth, Unemployment.

1. INTRODUCTION

Local Government Authorities worldwide are a result of decentralization policies adopted by both developing and developed countries. According to OECD (2019), decentralization of authority promotes good governance in public affairs which in turn leads to more accountability, transparency, lower corruption, higher political participation and policy innovation. Decentralization also leads to greater citizens' engagement in local affairs, and political competition which leads to better policies and more efficient implementation of government programs (OECD, 2019). The closer the local government to its people, the better it works, this means local governments understand the concerns of their local people.

UCLG, (2008), opined that many countries across the globe have moved the long path of decentralization as a remarkable phenomenon. Eleri, (2009), urged that the role of local government in United Kingdom promoted new power of well-being hence validating development work. Developing countries like Finland, Norway, Denmark, Sweden and many more have the strongest local government authorities due to their small populations, great wealth and large geographical areas. These have made them enjoy luxury of practicing the detailed democracy and better public service delivery to the citizens, Ramanath (2021). In East African, countries including Kenya, Tanzania, and others adopted for the decentralization policies and processes in order to increase citizen participations in the decision making on the governances of their countries or jurisdictions, most especially through elective democracies.

The 1995 Constitution of the Republic of Uganda establishes a system of decentralization and local governments, which is further detailed in the Local Government Act of 1997 (Cap 243). Local government authorities in Uganda serve many purposes which maybe political or economical in nature. Politically LGAs empower citizens to participate in the decision making of governance of their jurisdictions through elective representation. Economically they provide social public services to the citizens including healthy services, education, security, water and other important things that affect their jurisdictions. Kiyaga-Nsubuga and Olum (2009), opined that in 1993 Uganda choose decentralization with the reason of enhancing governance and local democracy, aiming on focusing decentralization policy to empower citizens to participate in decision-making that affect their localities.

Worldwide youth unemployment is typically high in developing countries due to struggling economies to create jobs compared to developed countries. According to the Global economy.com's statistics from 1991 to 2022, the average for 2022 being 16.72% based on 176 countries. Developing countries have highest rate of youth unemployment with Djibouti leading with 77.19% taking the first position in ranking and countries like Qatar taking 0.3% as the lowest rank with a position of 176. Uganda was ranked 148 position with 6.58% youth unemployment. (The global economy.com). Youth in Uganda make up 78% of the total population in accordance with census of 2014. According to the World Bank macro trends data from 1999-2023 Uganda's youth unemployment keeps increasing year after year, namely from 2.90% in 2018 to 4.00% in 2021 (macrotrends.net). Also the Uganda Population report in 2018 with agenda of good governance; a prerequisite to harness the demographic dividend for sustainable development

highlighted a rapid population growth that is approximately 1.2 million youth aged 15 to 29 are either idle or unemployed. (New vision newspaper Uganda).

Uganda's economy is primarily based on agriculture, which serves as the largest employer, accounting for approximately 65% of the labor force, while the service and industrial sectors represent 28% and 7%, respectively. According to the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) in the 2017 National Strategy for Youth Employment in Agriculture (NSYEA), youth make up 63% of the total agricultural labor force, largely because most of them reside in rural areas where agriculture is the predominant economic activity. The ministries further revealed that three-quarters of youth in the workforce are engaged in vulnerable employment, meaning they lack decision-making power, are unable to negotiate their wages, and most do not have bank accounts. This situation has significantly contributed to their status as an unpaid labor force in household subsistence farming. (<https://www.agriculture.go.ug/wp-content/uploads/2019/08/National-Strategy-for-Youth-Employment-in-Agriculture-NSYEA.pdf>).

Despite agriculture being the backbone of Uganda's economy, less than 5% of youth are employed in paid agricultural jobs, primarily due to a lack of skills necessary for employment in other stages of the agricultural value chain, particularly in post-harvest handling, processing, and agribusiness. The International Labour Organization (ILO, 2015a) indicated that 92% of working youth live in poverty, representing one of the largest groups affected by extreme poverty.

Ban Ki-Moon (2012), emphasized that employment and decent work, especially for young people are fundamental to development. The absence of income results in poverty, adversely impacting future government earnings, tax revenue collection, and putting businesses at risk of losing an entire generation of customers, ultimately heightening the chances of widespread unemployment. Additionally, youth unemployment exposes young people to various crimes and social issues, such as robbery, prostitution, and theft (e.g., Panya Road gangs and Ki-face), while also escalating the potential for political instability. In 2001 the Government of the Republic of Uganda, via the Ministry of Gender, Labour, and Social Development, endorsed the development and implementation of the National Youth Policy of 2001, which was revised in 2016. This policy provides a framework for various stakeholders to tackle youth-related challenges and strengthen the capabilities of young people to enhance their participation in national development. (<https://mglsd.go.ug/wp-content/uploads/2019/05/National-Youth-Action-Plans-2016.pdf>). Kabarole District LGA budget is a result of thorough consultation and participatory processes. Lower local councils, department partners, civil society organizations, non-government organizations in the district, central government ministries, agencies and authorities are all engaged in the budget processes. To align the budget framework paper, the budget concludes with its tabulations at the district headquarters' budget conference meeting. (<https://budget.finance.go.ug/sites/default/files/Individual%20LG%20Budgets/KDLG%20BFP%20political%20signing.pdf>).

This study aims to investigate the relationship between local government funding and youth unemployment in Uganda, focusing specifically on the Kabarole District Local Government

Authority. It seeks to examine how the financial resources allocated by the local government influence youth unemployment levels in the region and to explore potential strategies for addressing this issue. It is anticipated that with changes in policy implementation, the rates of youth unemployment will gradually decrease. Nakijji, Kasirye, and Nabunya, (2020), emphasized the importance of providing marginalized youth with vocational skills training, guidance on business and careers, and other programs related to the labor market to enhance their economic empowerment significantly.

In 2011, the Ugandan Cabinet and Parliament approved 25 billion Ugandan shillings (approximately US\$10 million) for the National Youth Venture Capital Fund (NYVCF), aimed at enterprise development, job creation, and business skills training. (<https://eprcug.org/publication/creating-youth-employment-through-entrepreneurship-financing-the-uganda-youth-venture-capital-fund/>). In the fiscal year 2013/14, a budget of 265 billion Ugandan shillings (about US\$100 million) was approved for the Youth Livelihood Program (YLP), which launched on January 24, 2014. This program was designed for youth groups of 10-15 members that met the beneficiary criteria and proposed viable projects approved by the District Technical Planning Committee (DTPC). (<https://mglsd.go.ug/wp-content/uploads/2021/03/YLP-IMPLEMENTATION-PROGRESS-REPORT-Jan-2021.pdf>)

1.2 Statement of the problem

On August 17, 2023, Daily monitor newspaper “truth everyday” reported that the government had failed to recover 130 billion Ugandan shillings under the YLP since its inception in 2013, leading to the arrest of nine youth members for non-repayment. The policy's implementation negatively impacted youth programs, failing to deliver positive outcomes and return on investment (daily monitor newspaper “truth every day”). Furthermore, Kabahinda and Atuhairwe, (2018), highlighted several challenges facing the youth livelihood fund program, including poor group dynamics, insufficient monitoring and evaluation of projects by district authorities, limited participation of group members in decision-making, and inadequate financial accountability.

Despite the significant investments made by the Ugandan government in youth programs and projects, particularly through initiatives like the National Youth Venture Capital Fund and the Youth Livelihood Program, youth unemployment levels remain high. Issues such as poor management, inadequate monitoring and evaluation, and lack of financial accountability have hindered the effectiveness of these programs in addressing youth unemployment. The researcher assessed how Kabarole District LGA budget allocated to youth projects and programs contribute to solving unemployment among Ugandan youth. Furthermore, management of the allocated budget fund was also assessed, to find out whether or not value for money was realized. Therefore examining the relationship between local government fund and youth unemployment in Uganda, with a specific case study on Kabarole District Local Government Authority. This study investigated how the fund resources allocated by the local government impact the levels of youth unemployment in Kabarole district LGA and explore potential strategies for addressing this issue.

1.3 Study of Objective

- ❖ To assess the contribution of Kabarole district LGA funds allocated to youth projects and programs in making youth self-reliant in entrepreneurship and job creations.

2.0 LITERATURE REVIEW

According to Mariat, (2017), youth unemployment in Sheema District, Uganda stems from various factors. These include inadequate financial capital, poor education system, lack of training and skills for competing in the labour market, inadequate land for expansion to do business (agriculture purposes), inadequate knowledge about family planning leading to over population, tribalism, lack of capacity building from both at home and at school through guidance of both parents and teachers and lastly youth move from village to urban centers looking for better opportunities and many more challenges. In essence, rural residents seek better opportunities in urban areas, creating an oversupply of labor there. Moreover, the discrepancy between school education and job requirements contributes to unemployment.

Gemma, Ahaibwe, Ibrahim, and Kasirye, (2015), found out that engagement in youth fund program in Uganda faced a number of challenges such as the age of the participating entrepreneur mattered a lot such as age range of 26-35 years being with greater chances to access the fund than the young ones with age range of 18-25 years. Additionally, the business venue played a role; businesses located in urban centers had a greater probability of accessing funds. The type of business also mattered, with service-oriented businesses more likely to receive loans compared to others, and the maturity of the business was an influencing factor as well. While the fund had some positive effects on business expansion, the researchers did not find substantial evidence of its impact on job creation. Furthermore, it was revealed that key stakeholders were not fully meeting their responsibilities and had deviated from the program's original goals. To enhance the youth fund's efficacy, the researchers recommended a comprehensive approach to promoting youth entrepreneurship that goes beyond just the credit component, targeting productive sectors with high employment potential. They also emphasized the importance of establishing better and solid institutional framework alongside creation of free barriers environment to self-employment.

Mtunda, (2023), conducted a study on the accessibility of local government-mandated interest-free loans and their impact on women's socio-economic welfare, focusing on Temeke Municipal in Tanzania. Mtunda observed that local government authorities (LGAs) primary objective is to empower local communities and promote citizen engagement in governance. In Tanzania, LGAs were tasked to allocate 10% from their generated revenue to support well organized group including women groups, youth groups and disabled groups (marginalized groups). The researcher found that women benefited from access to these interest-free loans, enabling them to establish small businesses such as salons, clothing sales, and food vending, which improved their standard of living and socio-economic welfare. However, the study also identified that women's businesses were growing at a minimal rate due to challenges such as lack of bookkeeping skills, customer service issues, and limited market access. The study concluded that enhancing training and education on business practices provided by LGAs would help women improve their small business activities and achieve better outcomes.

3.0 METHODOLOGY

The study involved descriptive research design and used mixed approach (qualitative and quantitative approaches) for collecting data. The study used Slovin's formula to obtain the sample size of 100 from the target population 133 respondents. The study also adopted used both purposive sampling and simple random probability sampling procedures. Purposive sampling was used on religious leaders, district political leaders and district officials⁴ in the office of the Chief Administrative Office (CAO) and district budget handling officials. Simple random sampling was used to all the youth in Kabarole district, simply to allow each youth member in the district to have equal and fair chance of being selected for the study. Lastly the study used questionnaire and interview tools for primary data and documentary review for secondary data.

4.0 FINDINGS AND DISCUSSIONS.

4.1 Demographic characteristics of respondents

Demographics in research are characteristics of the population that have been categorized by distinct criteria or based on factors like gender, size, age, race, composition and distribution as a means of studying the attributes of a particular group. **Lusekelo, (2015)**, urged that social-demographics always affect the phenomena being investigated. Also under demographics, background characteristics of respondents helped the researcher to know more the type and nature of the selected population for the study and included age, gender, educational levels etc.

4.1.1 Gender of respondents

Table 4:1 Gender of respondents

Gender	Frequency	Percentage
Male	63	63%
Female	37	37%
Total	100	100

Source: (Field data, 2024)

Table 2 indicates that male gender were 63(63%) out of 100 respondents, whereas female gender were 37 (37%) respondents. This indicates that large employees' numbers in public sectors were men. This is similar to what is stated by **Meena, (2009)**, that in some communities, youth are treated as homemakers and not allowed to businesses, although currently policies and laws are gender balanced but few youths are still represented. Furthermore, limited access to formal education by females results into more males to have more chances of getting formal employment because they have more access to education.

4.1.2 Ages of respondents

Table 4:2 Ages of respondents

Age of respondents	Frequency	Percentages
20- 29	39	39%

30-39	43	43%
40-49	18	18%
Total	100	100

Source: (Field data, 2024)

Tables 3 indicate that age group between 20-29 were 39 respondents (39%). 43 respondents (43%) were in age group between 30-39, including 18 respondents (18%) were in age group between 40-49. From the findings, most of respondents were in between 20-40 age group. These findings imply that the respondents had at least the knowledge on business and entrepreneurial activities.

4.1.3 Education level for respondents

Table 4:3 Education level of respondents

Education level for staff	Frequency	Percentage
Secondary and Primary level	21	21%
Certificate	23	23%
Diploma	27	27%
Bachelor degree	20	20%
Master degree and above	9	9%
Total	100	100%

Source: (Field data, 2024)

Table 4.Indicates that 21(21%) respondents are secondary and primary education, 23 (23%) respondents were certificate level holders, 27 (27%) of respondents were diploma holders. 20 (20%) of respondents had bachelor degree and the remaining 9 (9%) of respondents had master degrees and above. Generally, the findings show that most of the respondents had education at least primary or secondary and at most they had masters. This indicates that respondents were at least educated making them aware and able to run their own businesses or projects.

4.2 The contribution of Kabarole District LGA budget fund allocated to youth projects and programs in making youth self-reliant in entrepreneurship and job creation.

Table 4:4 Contribution of Kabarole District LGA budget fund allocated to youth projects and programs

Statements	Agree	Strongest Agree	Disagree (%)	Strongly Disagree (%)	Don't know (%)	Total (%)
	(%)	(%)				
Kabarole district LGA youth know budget allocation to youth funds hence gives them knowledge about the youths	25	20	16	18	21	100
Kabarole district always has radio talk shows about youth funds and also	22	23	18	14	23	100

publishes all youth programs and projects available in public places						
Youth in Kabarole district are always given education and training on hands on work self-employment projects	26	30	14	11	19	100
Kabarole district youth know how much funds from the LGA budget is allocated to youth fund project	19	19	11	15	36	100
Kabarole district officials always make community group meetings to address youth problems and unemployment	24	19	18	17	22	100
All youths in Kabarole district know the youth policy and what it promises in elevating youths from poverty unemployment	21	19	18	15	27	100
Parents of youths in Kabarole district guide the youth on profit making projects after getting the LGA budget resource youth funds.	22	20	15	17	26	100

Source: Field Data (2024)

To assess the contribution of Kabarole district LGA budget fund allocated to youth projects and programs in making youth self-reliant in entrepreneurship and job creation, questions with five Likert scale was used as follows; 1= agree; 2= strongly agree; 3= disagree; 4= disagree and; 5= don't know. This objective was analyzed using frequency and percentage tools and presented in tables by the help of SPSS version 26 tool for data analysis shown above. This objective was measured using seven (7) questions.

The first question was, did Kabarole district LGA youth know budget allocation to youth funds hence gives them knowledge about the youth's funds? The respondents who strongly agreed were 20%, and those who agreed were 25% while those who didn't know were 21%. Further, those disagreed were 18 % and those who strongly disagreed were 16%. The findings indicate that Kabarole district LGA youth know budget allocation to youth and thus give them knowledge on the availability and accessibility.

A study conducted in Tanzania showed that youths accessed loans for periods of six months or more. Mwankuga, (2018), demonstrated that local governments allocated 10% of their budget revenues as interest-free loans to vulnerable groups, including youth, women and people with disabilities, to improve their standards of living and social-economic status. Mwankuga also noted that there is now greater public awareness regarding loan availability compared to 2014/15, aligning with the study's findings. Additionally, MpalalaAnangile, (2023), emphasized that the provision of loans by local governments had a great influence in improving the social-economic status of youth

through income-generating activities. While loan management was under the private financial institutions, the government's position was to reinforce its commitment on serving all citizens.

The second item shows that, Kabarole district always has radio talk shows about youth funds and also publishes all youth programs and projects available in public places; the percentage response of strongly agree was 23%, followed by agree with 22% and those who didn't know were 23%. In addition, those who disagreed with the statement were 18% while those who strongly disagreed were 14%. This means that respondents agreed that the district conduct radio talk shows on availability, accessibility and requirements for the access of the loan to the youths, therefore awareness level about the loan was high.

A study conducted by Mtunda, (2023), found that 5 respondents (8.33%) reported obtaining information about the LGA youth funds through media sources such as radio and television, which aligns with the study's findings. In contrast, Maheswaranathan and Kennedy, (2010), indicated that youths encountered with a lot of challenges such as limited access to information, inadequate productive resources, and limited social networks, which in turn hinder their ability to access and manage financial resources.

Further, another item (question) was: Youths in Kabarole district are always given education and training on hands on work self-employment projects; respondents strongly agreed with the statement with a percentage of 30, followed by agree with a percentage of 26 and further those who were not sure with the statement with a percentage of 19. In addition, respondents who disagreed with the statement had a percentage of 14 and finally those who strongly disagreed had a percentage of 11.

The finding indicates that respondents agreed that education and trainings are always given before Kabarole gives the loan. This education and training is about accessibility, requirement and the use of the LGA youth loans. The education and training enabled them to know the importance of accessing the loan and how it can be used to overcome unemployment and poverty.

This meant that most of the youths were trained before they sought for the loans and those who were not trained were not given the loan by the Kabarole district LGA budget management committee. By ensuring that loans were properly used by the concerned youth and not for leisure or personal needs, the district emphasized much on education, training and capacity building to all youth in its jurisdiction. Much as the benefits of training and education plus capacity building on youth loans scheme, some youth did not attend such trainings which in long run became difficult for them to run their businesses smoothly.

R1 district's official said that.

“The district put in place procedures, regulations, and guideline to be followed by beneficiaries who in this case are the Ugandan youth when accessing youth funds. And these guidelines included: must be a Ugandan with a national identification card, form groups that are also known by their local council one (lc1) administration (village government), open a bank account, must be a

resident of that village at least for six month and above, make an application and business proposal which must be reviewed thorough by loans team and district budget management team for decision-making. Before the money was paid on the different young entrepreneurs groups accounts, all members were given education, training and capacity building on how to use the money correctly.”
R1, 18th January, 2024.

The findings related to education and training align with those of Beriso, (2021), and Rwanda Charles, (2016), which indicated that youths who had training had more chances to improve on the existing businesses, gained skills on starting up businesses and positive attitudes compared to those who did not. Furthermore, they indicated that the frequency of training significantly influenced the economic empowerment of youths, with regular training being particularly critical during initial stages. Microfinance institutions provided training on credit usage, starting new businesses, and expanding existing ones, ensuring that youths remained committed and adequately planned for their business operations. The majority of respondents noted that all members of the microfinance institution participated in training before receiving credit.

Additionally, a question regarding whether the youth in Kabarole District were aware of the funds allocated from the LGA budget for youth fund projects. Study findings showed that 11% of respondents strongly agreed, 15% agreed, and 36% were unaware. Meanwhile, 15% disagreed and 11% strongly disagreed. These findings suggest that while respondents acknowledged the existence of LGA youth funds, they were uncertain about the specific allocation for youth projects. This uncertainty might be linked to a discrepancy between the allocated funds and the actual number of youths benefiting, as many do not receive the support due to insufficient resources.

A study conducted in Uganda indicated that local government authorities (LGAs) understood the financial requirements of youth budget projects, leading to the introduction of loans as a parliamentary measure for the first time. LGAs set aside 10% of their earnings for no-interest loans targeted at groups of youths and people with disabilities to engage in income-generating activities, with 4% of that amount specifically earmarked for youths (Ires, 2021).

A study conducted in Dar es Salaam found that 36.67% of respondents requested loans ranging from 200,000 to 500,000 shillings, making them the majority. Additionally, 28.33% sought amounts between 600,000 and 1,000,000 shillings, while 15% requested more than 1,000,000 shillings. This indicates that 80% of the respondents opted for the minimum amount, which was sufficient capital to establish their micro businesses (Mtunda, 2023).

Similarly, research by Miled et al. (2022) revealed that as loan amounts increased, youths allocated their credit towards income-generating activities. They pooled their income to initiate new businesses and expand existing ones. Those who borrowed larger amounts of credit achieved a higher economic empowerment index. Furthermore, youths receiving more credit were better positioned to attain higher levels of economic empowerment than those with smaller loans. Microfinance loans have the potential to enhance the relative income status of impoverished communities.

The results of this study align with the findings of Khan and Noreen, (2012), from their research in Pakistan, which indicated that credit provided by microfinance institutions significantly affected the economic empowerment of youths. Similarly, this study's outcomes correlate with those of Ringkvist, (2013) and Loomba, (2017), who found that access to microfinance loans and their effective utilization positively influenced the economic empowerment of young individuals.

Another read: Kabarole district officials always make community group meetings to address youth problems and unemployment. This item had those who strongly agreed with percentage of 19, agreed had 24% while those who were don't know had 22%. In addition, 18% respondent disagreed while 17% strongly disagreed. The findings indicated that the respondents agree that the district officials always meet with community group members to discuss the challenges the community is facing such as unemployment, thus it is easy to address them through offering of LGA loans to the youths and one of the strategies to address the identified challenges.

Another item that stated that all youths in Kabarole district know the youth policy and what it promises in elevating youths from poverty unemployment; those who strongly agreed were 19%, those who agreed were 21% while those who were undecided were 27. Additionally, those who disagreed were 18% while those who strongly disagreed were 15%. This also indicated that the majority of the youths do not know the policy and what it states regarding the access of loans and how it should be used effectively to eliminate unemployment and poverty.

Kabarole district LGA leader explained the role and importance of the national youth policy 2001 which was revised in 2016.

“Uganda adopted national youth policy in 2001 and it was drafted by the ministry of gender, labour and social development in consultation with youth focused agencies, young people themselves and youth leaders. The policy was to guide and coordinate all youth programming across government in acknowledgement of youth growing populations and the challenges they are facing. The primary aim of the policy was to improve the lives of the young people across the country. But in 2016 the national youth policy was reviewed with a purpose of responsiveness to the multitude of needs for young people. For operationalization the policy, national youth action plan was developed to provide a framework and practical guidelines for stakeholders to improve young people well-being and livelihood in Uganda. The officer advised and encouraged all Ugandan young people to read and understand the national youth policy so to know how they can benefit from government programs” R2, 18th January, 2024

Parents of youths in Kabarole district guide the youth on profit making projects after getting the LGA budget resource youth funds. Those who strongly agreed were 20%, those who agreed were 22% while those who were undecided were 26%. Furthermore, those who disagreed were 15% and those who strongly disagreed were 17% respondents. This indicates that the respondents agree that the parents in Kabarole districts guide their youths on profit making projects before they access the loans although to an average level. A study carried out by Mtunda, (2023), on local government

free interest loan showed that youths acquired information, advice, guidance on LGA youth loans from family members.

In conclusion, the assessment of the Kabarole District LGA budget fund's contribution to youth projects and programs aimed at fostering self-reliance through entrepreneurship and job creation showed that respondents acknowledged its significant impact. The findings showed that the LGA budget fund effectively supported youth initiatives and entrepreneurial endeavors, resulting in job creation and enhanced self-sufficiency, thus alleviating poverty and improving living standards in the community.

Loans were granted following a thorough review of applications by the LGA, ensuring that all required documentation was submitted in accordance with loan policies. Youth utilized their LGA youth funds for income-generating activities, starting new businesses and expanding existing ones. Importantly, those who received larger loans were more likely to attain higher levels of economic empowerment compared to those with smaller loans. Overall, the LGA youth funds have the potential to enhance the relative income status of the underprivileged in Kabarole District.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Credit availability made it possible for young people to engage in a range of income-generating activities. By participating in income-generating activities, they have also been able to improve their financial status and provide for their basic needs. Participation in household welfare by young people improves their self-esteem and sense of value, which seems to reduce marital conflict and raise their socioeconomic empowerment. Additionally, Local Government Loans has greatly benefited young initiatives to generate revenue and gain additional income for those who are employed by offering soft free loans.

5.2 Conclusion

It is clear that the primary focus of local government loans has been on providing credit to youth in order to enable them to finance their income-generating activities and satisfy their financial needs. Young people's level of education was one important aspect that affected their economic empowerment. Overall, by lending money to young people, LG improved living conditions for households, increased economic growth for young people, improved health, growth, and well-being for young people, and, lastly, increased human capital by teaching and training all participating youth in LG programs that give Ugandan youth useful work skills.

5.3 Recommendations

In order for young people to benefit from their labor and the government to profit from the return on investments, the researcher suggests that the government open up additional marketplaces for all of the products produced by youth organizations. Instead of limiting young people to working in agriculture, the local government can also encourage them to pursue other economic ventures, such as saloon hair styling, joinery and carpentry, food vending, and many more. Finally, when granting loans, local government authorities are advised to take into account the proposals of individual

youth projects rather than always considering youth groups, which frequently have conflicts of interest among their members, including absenteeism and unreliability.

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