POPULATION GROWTH AND YOUTH UNEMPLOYMENT IN UGANDA (1991-2014)

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ABSTRACT

This study was motivated by the fact the Uganda has one of the fastest population growth rates in the world accompanied by high unemployment rates thus the study aimed at investigating the relationship between population growth rates and youth unemployment in Uganda (1991 to 2014). The specific objectives of the study were; to find out the long run relationship between the population growth rate and youth unemployment rate in Uganda, to examine the causality between population growth and youth unemployment as well as to determine the effect of population growth rate on youth unemployment rate in Uganda. The hypothesis of the study was; there is no significant relationship between population growth rate and youth unemployment, There is no granger causality between population growth rate and youth unemployment rate in Uganda and there is no significant effect of population growth rate on youth unemployment rate in Uganda. The study was carried out using secondary data collected from 1991 to 2014. Augmented Dickey- Fuller (ADF), tests were carried out on the variables of population growth rate and youth unemployment and were found to non-stationary at level but stationary after first difference. Cointegration results of Trace and Maximum Eigenvalue findings showed that there is no long run relationship between population growth rate and youth unemployment. Granger causality tests also indicated that population growth causes youth unemployment in Uganda. A regression model encompassing all variables under study was developed to help assess how population growth rate in Uganda impacts youth unemployment rate. The results indicate that the independent variables account for 40.3% changes in youth unemployment rate. The overall model was significant on the basis of the F-statistic and the coefficient of determination that was reported by the data. The study concluded that there is appositive significant relationship between population growth rate and youth unemployment as was revealed from the model. Thus having discovered that there is a problem of rampant populationgrowth rate in Uganda, this study recommended that there is need to formulate population control measures like family planning methods that are aimed at reducing that rate at which population of Uganda grows. To encounter the problem of increasing youth unemployment, the study recommended that there should be proper and adequate education system and training facilities that empowers young men and women with skills that make them job creators rather than job seekers.