

THOUGHT & IDEAS

The crisis of unemployment in Uganda



Makerere University students during this year's graduation ceremony. PHOTO BY FAISWAL KASIRYE

IN SUMMARY

Thousands without jobs. As is becoming clear now, the rate of unemployment and economic crisis in Uganda is a much more urgent problem and sits much closer in Ugandans' minds than the political crisis.

Political election cycles come once in five years and a few by-elections once in a while in between. Newspaper and radio headlines on corruption scandals in the government or intrigue within the country's political circles are read and noted. But they do not affect Ugandans as directly and daily as the fact of rent, bills, school fees and yet one does not have a job.

Hundreds of families and individuals who had come to Kampala in the hope of taking part in the monetary economy are starting to fall behind on their rent and returning to the villages and townships from where they came.

Uganda's unemployment problem is an issue for politicians both from the ruling NRM party and the opposition. Members of Parliament are finding themselves overwhelmed by unending pleas and requests from their constituents for help with examination fees, wedding contributions, money to buy coffins or meet hospital bills and transport money back to the village.

And as has been reported over the last five Sundays by this writer, traffic to the Google.co.ug Internet search engine indicate that the predominant search theme by hundreds of thousands of Internet users in Uganda is economic and job-related.

These are desperate times

The problem is that the unemployment crisis is not easy to solve. There are few openings large enough to absorb the redundant youth population. The staff roll of most mobile phone companies in Uganda is about 600 people. Even if Uganda were to get 10 new major mobile phone companies (which, given the saturated market, is next to impossible), at most only about 6,000 new jobs would be created. It would still leave an army of hundreds of thousands without jobs.

Shopping malls, large supermarkets, restaurants are opening up all over Kampala these days. They create the impression of a bustling economy and yet the reality is of whole floors and wings that remain unoccupied.

The only entities that could have provided jobs on a fairly massive scale would have been cooperative societies, a large civil service spread in all parts of the country, labour intensive manufacturing and industrial agricultural businesses and so on, none of which are in place today. There would not have been such a high rate of unemployment had Uganda remained with only one university, Makerere University, as it was before the mid 1990s. With about 33 universities in the country and an uncountable number of secondary schools and tertiary institutions, the value of a degree, diploma and certificate has plummeted.

As pointed out last week, the long-time recourse of leaving Uganda for "greener pastures" abroad once worked, but not anymore. The Western world, particularly Britain and the United States where most Ugandans have ended up, is in the grip of a grim economic crisis of its own that no amount of stimulus and effort has been able to end.

Global crisis

The West is now three-and-a-half years into the financial crisis that erupted in September 2008 with the collapse of the New York Investment Bank, Lehman Brothers. There is nothing that has not been tried by the United States and the Eurozone nations and all this effort has only managed to create inconsistent recovery.

brothers. There is nothing that has not been tried by the United States and the European nations, and all this effort has only managed to create inconsistent recovery and growth. The amount of growth in the United States, the world's largest national economy, is simply not enough to provide jobs for the hundreds of thousands of people entering the workplace.

Many in America who still have jobs are having to take pay cuts or work at tasks far below their academic qualifications. Many Americans and foreigners resident in America are falling behind on their mortgage payments, many have had their homes seized and in general, life is a matter of barely getting by.

Last week, the Chinese food company, Bright Foods, bought out Weetabix, the 80-year-old British maker of breakfast cereals, instantly recognizable by its yellow box. It was a blow to British prestige and another reminder of the rising power of a nation called China.

"The purchase by Bright Foods is the latest evidence of how the fabulously wealthy Chinese government and its agencies are looking to snap up iconic British businesses," lamented the conservative newspaper, the Daily Mail, on May 4.

This "fabulously wealthy" China is on an urgent roll all over the world. The fast-growing Chinese economy that many somewhat envious and paranoid Western analysts have been forecasting since 1978 as about to implode, shows no sign of slowing down.

And yet China knows too well that it needs all the growth it can manage because of its peculiar problem. China's problem is different from those faced by the British Empire.

The British Empire needed foreign markets for surplus British industrial output. If these markets could be found, that ensured a powerful and prosperous Britain. But even if they could not be found, Britain would still be prosperous.

Population fear

China's huge population, fear of social instability and the haunting memories of its past political subjugation means that eight per cent growth rate is the pass mark. Any growth rate that dips below eight percent in China causes alarm.

The Chinese government will spend any money, fund any Chinese company, support any bank, pump any stimulus package and acquire any overseas company, land and contract to keep the country's growth rate about eight percent.

In other words, China will not be like the European and American imperial powers. It must grow by whatever means and exploit any resources anywhere in Africa, Latin America, the Middle East and Asia to maintain an eight per cent growth rate.

The huge hundreds of thousands of idle farm land in Africa will be bought up. African cities and towns will be flooded with inexpensive Chinese-made goods that will inevitably kill off the last remaining domestic Ugandan light manufacturing effort.

In response to my article "Is this the end of kyeyo in America, Europe?", a Sunday Monitor reader in Jinja last week suggested that the high unemployment rate in Kampala and other towns might force a return to the land and perhaps a revival of the old cooperative societies.

But as we now see, just before that happens there is every chance that Chinese interests will come in and buy up and convert to large-scale agricultural activity this same farm land in rural Uganda.

The satellite TV channel, Al-Jazeera, reported two weeks ago that land the size of the entire geographical area of Rwanda has been leased to China by the Government of South Sudan.

Not a hoeing country

Knowing Chinese efficiency, they are not likely to use hoes and oxen to cultivate the land that they are aggressively buying up in Africa but rather use highly mechanized production, making it unnecessary to employ more than a few farm managers, technicians and a few labourers in a country like Uganda.

Whichever direction we turn, despair and a lack of options stare us in the face. The nearest to a solution is what I will get into soon, and that is the area of information technology, data gathering, historical research and anything to do with creation of digital information content.

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