

Reassessing the 'Skills Gap' Narrative: A Critique of Conceptual Displacement in Ugandan Education Policy

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Abstract

Uganda's education and skilling policy discourse has, over the past decade, converged on the language of a 'skills gap' to explain youth unemployment and weak labour absorption, attributing the problem largely to mismatches between what graduates know and what employers need. This study interrogated that framing empirically and conceptually, asking whether the 'skills gap' is a verifiable labour-market phenomenon or a case of conceptual displacement in which structural, wage, and firm-level constraints are relabelled as deficiencies of graduates and training institutions. Adopting a cross-sectional analytical design, the study surveyed 420 formally registered firms across 14 districts of Uganda, capturing firm characteristics, training investment behaviour, wage offers, graduate qualification profiles, and firms' self-reported perception of a skills gap among recently hired graduates. Data were analysed using univariate description, bivariate chi-square and t-test comparisons, and a multilevel mixed-effects logistic regression with firms nested within districts to account for geographic clustering and unobserved district-level heterogeneity. Overall, 60.2% of firms reported a skills gap among recent graduate hires. Bivariate analysis showed that firm size, training investment, and qualification mismatch were significantly associated with reporting a skills gap ($p < 0.05$), while sector, locality, and graduate field of study were not significant at the bivariate level. After multilevel adjustment, firms investing below the sector median in structured on-the-job training were nearly three times more likely to report a skills gap (adjusted OR=2.88, 95% CI: 2.12-3.90) than firms investing at or above the median, and firms reporting underqualified hires had over twice the odds of reporting a gap (adjusted OR=2.60, 95% CI: 1.53-4.40), independent of wage offered. Wage offered showed an inverse, borderline-significant association with reporting a skills gap (adjusted OR=0.87 per UGX 100,000 increase, $p=0.092$), suggesting that low-wage firms were more inclined to frame recruitment difficulty as a deficiency of graduates rather than of compensation. District-level clustering explained approximately 10.1% of the residual variation in reported skills gaps (ICC=0.101), indicating that local labour-market and institutional context mattered independently of firm characteristics. The study concludes that the dominant 'skills gap' narrative in Uganda substantially overstates graduate deficiency while understating the role of firm-level underinvestment in training and below-market wage offers, both of which are demand-side and structural rather than supply-side educational failures. The study recommends disaggregating policy diagnostics to separate genuine technical mismatches from wage- and investment-driven recruitment friction, mandating employer co-investment in structured induction and apprenticeship schemes, and embedding district-sensitive labour-market monitoring into Uganda's skilling policy architecture.

Key Words: Ugandan Education Policy

Introduction

Across sub-Saharan Africa, and in Uganda in particular, public discourse on youth unemployment has been dominated for over a decade by the language of a 'skills gap', a framing that locates the cause of weak labour absorption primarily in the inadequacy of what graduates know, can do, or have been trained to do relative to what employers require

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(Kazaara & Nancy, 2025; Mainga et al., 2022; Sophie & Crispus, 2024). This narrative has shaped curriculum reform, the expansion of Technical and Vocational Education and Training (TVET), and donor-funded employability programming, and it has become the default diagnostic lens through which government ministries, development partners, and the private sector interpret persistently high graduate unemployment and underemployment (Abelha et al., 2020; Julius & Sula, 2025; Nizhenkovska et al., 2022). Yet the concept of a 'skills gap' is analytically slippery: it conflates at least three distinct phenomena, namely a genuine technical mismatch between curriculum content and job task requirements, a wage-setting problem in which employers are unwilling or unable to pay market-clearing wages for the skills they claim to need, and a structural problem of insufficient formal job creation relative to the number of labour-market entrants (Gracious Kazaara & Julius, 2025; Justus, 2024; Mbalinda et al., 2024; Ntale & Ssempebwa, 2022). When these three are collapsed into a single undifferentiated narrative, the policy response defaults almost exclusively to supply-side interventions, such as curriculum revision and skilling expansion, while demand-side constraints, including firm-level under-investment in training, low wage offers, and weak job creation, escape scrutiny. This study undertakes a critical reassessment of the 'skills gap' narrative as it operates in Ugandan education policy, treating it not as a settled empirical fact but as a contestable conceptual construct whose persuasive power may rest partly on a process of conceptual displacement, whereby structural and demand-side failures are relabelled, consciously or not, as deficiencies of graduates and the institutions that train them (Gracious Kaazara & Audrey, 2025; Julius & Gracious Kaazara, 2025b; Julius & Gracious Kazaara, 2026a, 2026b). By combining a conceptual critique with original quantitative evidence from a survey of formal-sector employers across multiple Ugandan districts, the study seeks to establish empirically which firm- and labour-market-level factors actually predict an employer's likelihood of reporting a skills gap, and whether these predictors are more consistent with genuine technical mismatch or with displaced demand-side constraints.

Background of the Study

Uganda's National Development Plan III, the Skilling Uganda strategy, and successive Ministry of Education and Sports policy statements have each identified a 'skills gap' between the output of the education and training system and the requirements of the labour market as a central constraint on youth employment and national competitiveness (Gogojewicz et al., 2023; Gracious Kaazara & Nancy, 2025; Julius & Gracious Kaazara, 2025d, 2025a; Su & Yang, 2022). This framing has informed substantial public and donor investment in TVET expansion, competency-based curriculum reform at secondary level, and employer-facing employability assessments, on the assumption that closing the gap between curriculum content and employer expectations would translate directly into improved graduate absorption. At the same time, independent labour-market analyses of Uganda's formal private sector have repeatedly documented that firms, particularly micro and small enterprises, invest comparatively little in structured on-the-job training, that wage offers for entry-level graduate positions in many sectors remain below levels that would be expected to clear the market for the qualifications advertised, and that net formal job creation has lagged far behind the annual number of new labour-market entrants graduating from tertiary and TVET institutions (Gracious Kazaara & Nancy, 2025; Julius & Gracious Kaazara, 2025c; Julius & Gracious Kazaara, 2025a, 2025b). These observations sit uneasily with a pure 'skills gap' account, since a textbook skills mismatch would be expected to manifest as rising wages for scarce skills and strong demand from well-resourced firms, rather than stagnant wages and weak training

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investment across the firm population (Gracious Kazaara & Julius, 2024; Halimah & Gracious Kazaara, 2024; Julius & Gracious Kazaara, 2025c; Sarah & Gracious Kazaara, 2024). The conceptual displacement thesis advanced in this study draws on a growing critical literature in labour economics and education policy studies, particularly work originating in OECD and Sub-Saharan African contexts, which argues that 'skills gap' rhetoric can function as a politically convenient explanation that shifts responsibility for unemployment away from employers, wage-setting institutions, and macroeconomic job-creation failures and onto education systems and individual graduates (Julius & Godfrey, 2025; Julius & Milly, 2025; Julius & Nelson, 2024; Julius & Twinomujuni, 2025). Within this contested terrain, there is a need for Uganda-specific, firm-level empirical evidence that can adjudicate between competing explanations, which is the gap this study addresses by directly surveying employers on their training investment, wage offers, and qualification-fit experiences alongside their self-reported perception of a skills gap.

Problem Statement

Despite more than a decade of curriculum reform and TVET expansion explicitly justified by reference to a 'skills gap', graduate unemployment and underemployment in Uganda have remained persistently high, raising the empirical question of whether the diagnosis underlying these reforms has been correctly specified. Existing policy documents and much of the applied research on graduate employability in Uganda treat the 'skills gap' as a self-evident, unidimensional fact rather than as a construct that may bundle together genuine technical mismatch with demand-side constraints such as low wage offers, weak firm-level training investment, and insufficient job creation (Ongera & Dennis Juma, 2023; Rebecca & Vincent, 2024; Vázquez-Rodríguez et al., 2023). Without disaggregated, firm-level evidence on what actually predicts an employer's perception of a skills gap, education policy risks committing scarce public resources to supply-side curriculum and skilling interventions that address only one possible cause among several, while structural and demand-side constraints that may be equally or more important remain unaddressed and unmeasured (Akter et al., 2019b, 2019a; Godfrey et al., 2021). This study responds to that gap by empirically testing, using nationally distributed firm-level data and rigorous multilevel statistical methods, which firm characteristics, training behaviours, and wage practices are associated with reporting a skills gap, thereby providing an evidence base for distinguishing genuine skills mismatch from conceptually displaced demand-side failure in Ugandan education policy discourse.

Main Objective

To critically reassess the 'skills gap' narrative in Ugandan education policy by empirically examining the firm-level, training, and wage-related correlates of employers' reported perception of a skills gap among recently hired graduates.

Specific Objectives

1. To describe the distribution of firm characteristics, graduate qualification profiles, training investment, and wage offers among surveyed firms, and the prevalence of reported skills gaps across these characteristics.
2. To examine the bivariate associations between firm size, sector, locality, training investment, qualification mismatch, and graduate field of study with employers' reported perception of a skills gap.

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3. To determine the independent, multilevel-adjusted predictors of reporting a skills gap, accounting for district-level clustering, in order to assess the relative contribution of genuine skills mismatch versus demand-side and structural factors.

Research Questions

1. What is the distribution of firm characteristics, training investment, wage offers, and graduate qualification profiles among surveyed firms, and what proportion of firms report a skills gap among recent graduate hires?
2. Which firm and graduate characteristics are significantly associated, at the bivariate level, with employers' reported perception of a skills gap?
3. After adjusting for district-level clustering in a multilevel mixed-effects model, which factors independently predict an employer's likelihood of reporting a skills gap, and what does the pattern of predictors suggest about the validity of the 'skills gap' narrative?

Methodology

This study adopted a cross-sectional analytical design conducted among formally registered firms operating in five broad economic sectors, namely manufacturing, services, agro-processing, ICT/finance, and construction, drawn from 14 purposively selected districts spanning Uganda's central, eastern, western, and northern regions to capture geographic heterogeneity in local labour markets. A total of 420 firms were sampled using a multistage approach, in which districts were first selected to ensure regional representation, after which firms within each district were sampled from business registries stratified by sector and firm size, with the human resource or hiring manager at each firm serving as the key informant. Data were collected through a structured questionnaire administered to hiring managers, capturing firm-level characteristics (sector, firm size, locality, years of operation), training investment behaviour (whether the firm's structured on-the-job training expenditure fell below or at/above the sector median), wage offers for entry-level graduate positions (recorded in thousands of Ugandan shillings per month), the qualification-fit profile of recently hired graduates (no mismatch, overqualified for the role, or underqualified for the role), the academic field of recently hired graduates (TVET/technical, business/commerce, humanities/education, or STEM/engineering), and the firm's self-reported binary perception of whether a skills gap existed among its recent graduate hires. Data were analysed in three stages corresponding to the study's specific objectives. First, univariate descriptive statistics, including frequencies, percentages, means, and standard deviations, were computed to characterise the distribution of firm attributes, training investment, wage offers, and the overall prevalence of reported skills gaps. Second, bivariate associations between categorical firm and graduate characteristics and the binary skills-gap outcome were assessed using Pearson's chi-square test of independence, while the association between continuous variables (wage offered and years of operation) and the outcome was assessed using Welch's two-sample t-test, with statistical significance set at $p < 0.05$. Third, to determine independent predictors of reporting a skills gap while accounting for the non-independence of firms sampled from the same district, a multilevel (two-level) mixed-effects logistic regression model was fitted using a Bayesian variational approximation, specifying firm as the level-one unit

nested within district as the level-two random-intercept grouping factor, with fixed effects for sector, firm size, locality, graduate field, centred wage offered, training investment, centred years of operation, and qualification mismatch; model output was expressed as adjusted odds ratios with 95% confidence intervals, and the proportion of outcome variation attributable to district-level clustering was quantified using the intraclass correlation coefficient derived from the estimated district-level variance on the latent logistic scale. All analyses were conducted in Python (version 3.11) using the pandas, scipy, and statsmodels libraries, and statistical significance throughout was interpreted at the conventional 5% level (Nelson et al., 2022, 2023).

Results

Table 1: Univariate Distribution of Firm Characteristics, Training Investment, and Wage Offers (N=420)

Variable	Category	n	%
Sector	Services	126	30.0
	Manufacturing	92	21.9
	Agro-processing	80	19.0
	Construction	63	15.0
	ICT/Finance	59	14.0
Firm size	Micro/Small (<20 staff)	194	46.2
	Medium (20-99 staff)	151	36.0
	Large (100+ staff)	75	17.9
Locality	Urban	268	63.8
	Rural	152	36.2
Graduate field (recent hires)	Business/Commerce	121	28.8
	TVET/Technical	112	26.7
	Humanities/Education	102	24.3
	STEM/Engineering	85	20.2
Training investment	Below sector median	243	57.9
	At/above sector median	177	42.1
Qualification mismatch	No mismatch	232	55.2
	Overqualified for role	112	26.7
	Underqualified for role	76	18.1
Skills gap reported	Yes	253	60.2
	No	167	39.8

Mean monthly wage offered = UGX 415,400 (SD = 129,900); mean years of operation = 9.9 (SD = 3.0).

The descriptive profile in Table 1 showed a sample dominated by smaller firms, with 46.2% classified as micro or small enterprises employing fewer than 20 staff, compared to only 17.9% large firms with 100 or more employees, a distribution broadly consistent with the structure of Uganda's formal private sector, which remains heavily weighted toward small and medium enterprises. The sectoral spread was reasonably balanced across services, manufacturing, agro-processing, construction, and ICT/finance, although ICT/finance firms constituted the smallest share at 14.0%, reflecting the relatively narrow formal ICT/finance employer base outside Kampala. Recently hired graduates were fairly evenly distributed across the four academic fields, with business/commerce (28.8%) and TVET/technical (26.7%) graduates slightly more represented than humanities/education (24.3%) and STEM/engineering (20.2%) graduates, suggesting that the surveyed firms were not narrowly concentrated in a single graduate-field niche.

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Two patterns in Table 1 carry direct bearing on the conceptual displacement thesis. First, a majority of firms, 57.9%, reported training investment below their sector median, indicating that under-investment in structured on-the-job training was the modal rather than the exceptional condition among surveyed employers; if firms systematically under-train new hires and then describe those hires as lacking requisite skills, the resulting 'skills gap' partly reflects firm behaviour rather than curriculum failure. Second, the overall prevalence of self-reported skills gaps was high at 60.2%, a figure that, taken alone and uncritically, would appear to validate the dominant policy narrative; however, this descriptive prevalence cannot by itself distinguish genuine mismatch from displaced demand-side constraints, which is precisely the analytical task taken up in the bivariate and multilevel stages that follow. The relatively even split in qualification mismatch, with 18.1% of firms reporting underqualified hires and 26.7% reporting overqualified hires, further indicates that mismatch in Uganda's graduate labour market is not unidirectional, a nuance that a single aggregate 'skills gap' statistic obscures entirely.

Table 2: Bivariate Associations Between Firm/Graduate Characteristics and Reported Skills Gap

Variable	Test statistic	df	p-value	Significant (p<0.05)
Sector	$\chi^2 = 3.041$	4	0.551	No
Firm size	$\chi^2 = 9.058$	2	0.011	Yes
Locality	$\chi^2 = 0.293$	1	0.588	No
Graduate field	$\chi^2 = 3.279$	3	0.351	No
Training investment	$\chi^2 = 18.308$	1	<0.001	Yes
Qualification mismatch	$\chi^2 = 9.012$	2	0.011	Yes
Wage offered ('000 UGX)	$t = -1.654$	n/a	0.099	No (borderline)
Years of operation	$t = 0.392$	n/a	0.695	No

The bivariate results in Table 2 narrowed the field of plausible explanatory factors considerably. Firm size (chi-square=9.058, df=2, p=0.011), training investment (chi-square=18.308, df=1, p<0.001), and qualification mismatch (chi-square=9.012, df=2, p=0.011) were each significantly associated with whether a firm reported a skills gap, whereas sector, locality, graduate field of study, and years of operation showed no significant bivariate association. This pattern is analytically important because graduate field of study is the variable most directly tied to curriculum content and therefore most relevant to a genuine, curriculum-driven skills mismatch; its statistical non-significance at the bivariate stage already weakens the proposition that the skills gap is primarily a matter of graduates having studied the 'wrong' subjects. Wage offered showed a negative but only borderline-significant association ($t=-1.654$, p=0.099), with firms reporting a skills gap offering somewhat lower average wages, a direction of association that is consistent with the demand-side displacement hypothesis even though it did not cross the conventional significance threshold at the bivariate level.

The strength of the training-investment association is particularly noteworthy from a methodological standpoint: with a chi-square value more than twice that of any other categorical predictor and a p-value below 0.001, training investment emerged as the single strongest bivariate correlate of reporting a skills gap. Because training investment is a firm decision rather than a graduate attribute, this result is difficult to reconcile with a purely supply-side account of the skills gap; firms that invest less in structured induction and on-the-job training are simply more likely to perceive

their hires as deficient, regardless of those hires' formal qualifications. Similarly, the significant association with qualification mismatch, driven primarily by underqualification rather than overqualification, suggests that genuine recruitment mismatch does exist but is concentrated in a specific subset of hiring decisions rather than being a generalised feature of the graduate population. These bivariate findings, however, do not account for confounding between firm size, training investment, and wage offers, nor for the clustering of firms within districts, motivating the multilevel adjustment presented next.

Table 3: Multilevel Mixed-Effects Logistic Regression of Reported Skills Gap (Firms Nested within Districts)

Predictor	Adjusted OR	95% CI	p-value
Sector: Manufacturing (ref: Services)	1.09	0.71 - 1.67	0.690
Sector: Agro-processing (ref: Services)	0.85	0.48 - 1.50	0.582
Sector: Construction (ref: Services)	0.88	0.53 - 1.48	0.636
Sector: ICT/Finance (ref: Services)	1.42	0.78 - 2.58	0.250
Firm size: Micro/Small (ref: Medium)	1.63	1.16 - 2.28	0.005
Firm size: Large 100+ (ref: Medium)	0.54	0.34 - 0.85	0.008
Locality: Rural (ref: Urban)	1.18	0.81 - 1.72	0.390
Graduate field: Business/Commerce (ref: STEM)	1.16	0.78 - 1.72	0.471
Graduate field: Humanities/Education (ref: STEM)	1.22	0.79 - 1.89	0.376
Graduate field: TVET/Technical (ref: STEM)	1.80	1.15 - 2.81	0.010
Training investment: Below median (ref: At/above)	2.88	2.12 - 3.90	<0.001
Qualification mismatch: Overqualified (ref: None)	1.37	0.94 - 2.01	0.103
Qualification mismatch: Underqualified (ref: None)	2.60	1.53 - 4.40	<0.001
Wage offered (per UGX 100,000 increase)	0.87	0.73 - 1.02	0.092
Years of operation (per 1-year increase)	1.00	0.93 - 1.08	0.938

The multilevel mixed-effects model in Table 3, which adjusted simultaneously for all predictors while accounting for district clustering, confirmed and refined the bivariate findings. Training investment retained the strongest and most precise effect in the adjusted model: firms investing below the sector median in structured training had nearly three times the odds of reporting a skills gap compared to firms investing at or above the median (adjusted OR=2.88, 95% CI: 2.12-3.90, $p<0.001$), and this association survived adjustment for firm size, sector, wage, and qualification profile, indicating it was not merely a proxy for firm size or sector composition. Qualification mismatch in the direction of underqualification remained independently significant (adjusted OR=2.60, 95% CI: 1.53-4.40, $p<0.001$), confirming that a genuine subset of hiring mismatch does exist and is not fully explained away by training or wage behaviour; overqualification, by contrast, showed only a weak and non-significant association (adjusted OR=1.37, $p=0.103$), suggesting employers do not strongly equate having 'too much' qualification with a skills problem.

Two further results bear directly on the conceptual displacement argument. Firm size showed a graded, statistically significant pattern, with micro/small firms having significantly elevated odds of reporting a skills gap relative to medium firms (adjusted OR=1.63, 95% CI: 1.16-2.28, $p=0.005$) and large firms having significantly reduced odds (adjusted OR=0.54, 95% CI: 0.34-0.85, $p=0.008$); since smaller firms typically have weaker human-resource systems and less capacity for structured induction, this gradient is more consistent with firm-side capacity constraints than

with graduates from particular institutions being systematically less skilled. Wage offered showed an inverse association that approached but did not reach conventional significance (adjusted OR=0.87 per UGX 100,000 increase, 95% CI: 0.73-1.02, $p=0.092$), meaning firms offering lower wages had a tendency, though not definitively confirmed at the 5% level in this sample, toward reporting skills gaps more often; this borderline result is exactly the pattern predicted by the displacement hypothesis, in which low-wage firms struggle to attract well-matched candidates and attribute the resulting recruitment friction to candidate deficiency rather than to their own compensation offer. Notably, graduate field of study showed only one significant contrast, with TVET/technical graduates associated with higher rather than lower odds of a reported gap relative to STEM/engineering graduates (adjusted OR=1.80, 95% CI: 1.15-2.81, $p=0.010$), a counter-intuitive finding given that TVET is the field most heavily promoted by skilling policy as the direct solution to the skills gap, and one that itself invites reassessment of how skilling investments are being deployed and matched to firm-level training practices.

Table 4: Variance Components, Model Fit, and Intraclass Correlation for the Multilevel Model

Parameter	Estimate
District-level random-intercept standard deviation (log-odds scale)	0.609
District-level variance (log-odds scale)	0.371
Level-1 (residual) variance (logistic distribution, fixed)	3.290
Intraclass correlation coefficient (ICC)	0.101 (10.1%)
Number of level-2 units (districts)	14
Number of level-1 units (firms)	420
Estimation method	Bayesian variational mixed-effects logistic GLM

The variance-component results in Table 4 established that district-level context accounted for a non-trivial share of the variation in employers' reported skills gap, with an intraclass correlation coefficient of 0.101, meaning that approximately 10.1% of the unexplained variation in skills-gap reporting was attributable to differences between districts rather than to the firm-level characteristics already included in the model. This magnitude of clustering, while moderate rather than large, is statistically and substantively important: it confirms that the choice of a multilevel rather than a single-level logistic model was methodologically justified, since ignoring district clustering would have produced overly narrow standard errors and inflated the apparent precision of the fixed-effect estimates reported in Table 3. The district-level random-intercept standard deviation of 0.609 on the log-odds scale further indicates that there was meaningful heterogeneity across districts in the baseline propensity to report a skills gap, even after accounting for firm size, sector, training investment, wage, and qualification mismatch.

From a policy-critique perspective, the existence of substantial residual district-level variation after adjusting for all measured firm characteristics is itself evidence against a purely supply-side, curriculum-driven account of the skills gap, since curriculum content is set nationally and should not, in principle, generate tenfold or even moderate district-to-district variation in reported skills gaps if curriculum-graduate mismatch were the dominant driver. Instead, this unexplained district variation is more plausibly attributable to local labour-market thickness, the presence or absence of supportive industry clusters, district-level differences in informal-sector competition for the same graduate pool,

and variation in local enforcement of minimum-wage or labour standards, none of which are captured by the national skilling and curriculum-reform agenda that the dominant 'skills gap' narrative has primarily targeted. Taken together with the fixed-effect findings, the variance decomposition in Table 4 reinforces the study's central conceptual argument: a meaningful portion of what is recorded statistically and rhetorically as a 'skills gap' in Uganda is better explained by firm-level training under-investment, wage-setting behaviour, and unmeasured local labour-market context than by deficiencies in what graduates have been taught.

Conclusion

This study set out to critically reassess the 'skills gap' narrative that dominates Ugandan education and skilling policy by testing, with firm-level data from 420 employers across 14 districts, which factors actually predict an employer's reported perception that recent graduate hires lack requisite skills. The evidence assembled through univariate, bivariate, and multilevel mixed-effects analysis converges on a clear conclusion: while a genuine, if modest, skills mismatch does exist, concentrated specifically among firms reporting underqualified hires and among TVET/technical graduate placements, the strongest and most consistent predictor of a firm reporting a skills gap was its own training investment behaviour, with firms under-investing in structured on-the-job training nearly three times more likely to report a gap, independent of the qualifications their hires actually held. Coupled with a borderline but directionally consistent inverse association between wage offered and skills-gap reporting, a significant firm-size gradient favouring larger, better-resourced firms, and a meaningful 10.1% share of unexplained variation attributable to district-level context rather than national curriculum content, the findings substantiate the conceptual displacement thesis: a considerable portion of what is publicly and politically labelled a 'skills gap' in Uganda is, on closer empirical inspection, a composite of firm-level under-investment in training, wage-setting behaviour below market-clearing levels, and unmeasured local labour-market frictions, rather than a straightforward failure of the education and training system to equip graduates with relevant competencies. Ugandan education policy that continues to respond to graduate unemployment exclusively through supply-side curriculum reform and skilling expansion, without simultaneously addressing employer-side training investment and wage practices, risks treating only one symptom of a multi-causal problem while leaving its demand-side and structural drivers unaddressed.

Recommendations

Uganda's Ministry of Education and Sports and the Ministry of Gender, Labour and Social Development should jointly develop disaggregated labour-market diagnostic tools that separate genuine curriculum-driven skills mismatch from firm-level training under-investment and wage-setting behaviour, so that future skilling and curriculum-reform investments target the specific driver of unemployment that the evidence actually supports.

Policy instruments such as tax incentives, matching grants, or mandatory minimum training-expenditure benchmarks should be introduced to encourage formal-sector firms, particularly micro and small enterprises, to co-invest in structured induction, mentorship, and on-the-job training for newly hired graduates, since under-investment in training was the single strongest predictor of reported skills gaps in this study.

National labour-market monitoring systems should incorporate district-level indicators, given that 10.1% of the variation in reported skills gaps was attributable to district context, so that skilling policy can be sensitised to local labour-market thickness and informal-sector competition rather than relying solely on uniform, nationally designed curriculum interventions.

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