Abstract

There has been an alarming increase in the rate of unemployment among active urban population in Tanzania whereby the youth are severely affected. In this regard Youth Economic Groups (YEGs) program was formed as one among the best alternative strategies to address this perennial problem. Membership in YEGs act as a means to complement youth abilities and strengths to accomplish their common goal of addressing unemployment problem, through facilitating access of financial, human and physical capital from various sources. This paper argues that the arrangement, in which YEGs program has been implemented, overlooks the pivotal role of social capital resource to ensure that youth undertake Income Generation Activities (IGAs) amicably and effectively. Most of previous research works on youth unemployment were focused on challenges related to financial, human and physical capital. Hence, very little attention has been paid on fact that YEGs are constituted by members with different socio-economic background whose behaviour and interests need to be harmonised by appropriate relations to achieve their common objectives. The paper contributes in filling that gap by drawing empirical evidence of YEGs in Kinondoni Municipal Council (KMC) and suggests how various forms of social capital can be nurtured to create and sustain viable Income Generation Groups (IGGs) in urban Tanzania so as to address the perennial unemployment problem facing the urban youth.
Keywords: Social Capital, Unemployment, Youth Economic Groups, Urban Tanzania.