

# LABOUR MARKET PROFILE 2019



## Uganda

Danish Trade Union  
Development Agency,  
Analytical Unit



ULANDSSEKRETARIATET – DTDA  
DANISH TRADE UNION DEVELOPMENT AGENCY

## PREFACE

**The Danish Trade Union Development Agency (DTDA)** is the international development organisation of the Danish trade union movement. It was established in 1987 by the two largest Danish confederations – the Danish Federation of Trade Unions (Danish acronym: LO) and the Danish Confederation of Professionals (Danish acronym: FTF) – that merged to become the Danish Trade Union Confederation (Danish acronym: FH) in January 2019. By the same token, the former name of this organisation, known as the LO/FTF Council, was changed to the DTDA.

The outset for the work of the DTDA is the International Labour Organization (ILO) Decent Work Agenda (DWA) with the four Decent Work Pillars: Creating decent jobs, guaranteeing rights at work, extending social protection and promoting social dialogue. The overall development objective of the DTDA's interventions in the South is to eradicate poverty and support the development of just and democratic societies, by furthering the DWA.

The Council works in partnership collaboration with trade union organisations in Africa, Asia, Latin America and the Middle East. The immediate objective of the program collaboration is to assist the partner organisations to become change agents in their own national and/or regional labour market context, capable of achieving tangible improvements in the national DWA conditions.

Support for development of strong, independent and democratic trade union organisations, as well as well-functioning and sustainable labour markets and framework conditions conducive for business and economic development contributes towards the creation of inclusive growth with due respect of human (labour) rights, thus towards the achievement of the United Nation's Sustainable Development Goals (SDGs) on labour market related indicators.

**The Labour Market Profiles (LMP)** provide a comprehensive overview of the labour market situation in the individual countries of engagement. The LMPs aim at giving a picture of structures, developments and challenges in the labour markets portrayed. They are divided into ten thematic sections describing trade unions, employers' organisations, tripartite fora and institutions, national labour legislation, violations of trade union rights, wages and working conditions, status of the workforce, education, social protection, and economy.

The LMPs are reporting on several key indicators within the framework of the DWA and the SDG8, and address a number of aspects of labour market development such as the trade union membership evolution, social dialogue and bi-/tri-partite mechanisms, policy development and legal reforms, status vis-à-vis ILO conventions and labour standards, among others.

Main sources of data and information for the LMPs are:

- As part of programme implementation and monitoring, national partner organisations provide annual narrative progress reports, including information on labour market developments. Furthermore, specific types of data and information relating to key indicators are collected by use of a unique data collection tool. This data collection is done and elaborated upon in collaboration between the DTDA Sub-Regional Offices (SRO) and the partner organisations.
- National statistical institutions and international databanks are used as source for collection of general (statistical) data and information. This includes the ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of violations of Trade Union Rights, the U.S. Department of State as well as other labour related global indexes.
- Academia and media sources (e.g. LabourStart, national news, etc.) are also used in the general research on labour market issues.

Through the compilation of information and data from the different sources, the Danish Trade Union Development Agency aims at providing easy access to core labour market data from a wide range of national and international sources as well as adding relevant data and information obtained from partner organisations and from staff and Sub-Regional Offices in the countries/regions mentioned.

Labour Market Profiles for more than 30 countries are available on the DTDA website:

<http://www.ulandssekretariatet.dk/content/landeanalyser>).

## ACKNOWLEDGMENT

This Labour Market Profile was prepared by the DTDA's Analytical Unit in Copenhagen. It could not compile information and data collection on key labour market indicators without the support from the DTDA Eastern Africa sub-Regional Office in Tanzania along with the National Organization of Trade Unions (NOTU) in Uganda.

The front page's photo is of Mary, a market vendor, from Uganda. The picture was photographed by Daniel Urhøj in October 2018.

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## EXECUTIVE SUMMARY

The labour market in Uganda is struggling with low skills and low productivity jobs, but important steps are taken to improve workers daily life. However, weak compliance with labour market regulations has had a deteriorating effect on upholding international standards on the workers' rights; and generally regulations do not make it easy doing business. Since 2017, reported violations of trade union rights have increased significantly, which includes employers with anti-union sentiments refusing workers to unionise. Almost nine out of ten workers operate in the informal economy, which is on a sluggishly declining trend, and most informal workers lack awareness of rights inscribed in labour legislation.

The social dialogue situation has demonstrated improvement in recent years, which is mirrored in breakthrough results, including the approval by Parliament of a new minimum wage system for private sector after joint pressure and evidence-based research from employers' and workers' organisations. Also, the government opened up for pensions' contributions from workers in the informal economy. The Labour Court is operating after years of non-functioning and provides a mechanism for peaceful settlement of labour disputes, even though the low capacity of the court results in a back-log of cases. Alternative dispute settlement on bi-partite basis is in infant stages. Ugandan employers find cooperation with trade unions in labour-employer relations relatively well. In regards to bipartite negotiations, the coverage of Collective Bargaining Agreements (CBAs) stood at 15% of employees in 2018 with an increase by 2.0 percentage points since 2017. This upsurge resulted from the conclusion in 2018 of a new CBA for almost all public employees. The CBA provides for significant wage increases over a five years' period. However, CBAs' coverage measured against total employment stays low because a majority of workers is active at informal enterprises with less than five workers.

Uganda has one of the youngest and most rapidly growing populations in the world. Although 45% of the workforce is economically inactive, the growing employment rate creates pressure on job creation. Most end in informal, low-productive and precarious low-paid occupations. At least one out of three workers is under-employed or unemployed, and more than 70% of young working Ugandans are under-educated. Many workers move from rural to urban areas, but it has so far not been mirrored in significant structural transformation in the

official statistical employment records: The employment share of the agricultural sector is declining slowly but continues to dominate the workforce, while the share rests low in the industry sector that is not evolving.

The Ugandan population growth also pushes a high out-migration flow of job-seekers, and the contribution from personal remittances is becoming more important in the economy. As the third-largest refugee-hosting country in the world, Uganda has experienced a massive in-migration of people from neighbouring conflictive countries in recent years. Policies to protect refugees give access to health care and primary education, and it puts pressure on the national spending on public goods and services.

Gender inequalities in the labour market are present in Uganda on a wide range of aspects such as legal status, access to land, employment and career development. This situation echoes deep gender earning gaps along with attitudes, beliefs and practices that deliberately discriminate or exclude women. Child labour stays rampant, and data reveals that it is declining very slowly. Weakness of the education system and its inter-linkage to the labour market is reflected in the fact that two out of three of the population does not have any trade/technical skills or any area of specialisation.

In consequence of limited access to contributory mechanism in the social security systems, the social protection coverage of Ugandan workers is low. The high informality in employment has shadowed the social protection possibilities. On the positive side, persistent trade unions advocacy, in 2019 made the government allow statutory contributions to the National Social Security Fund (NSSF) from workers in the informal economy. The impact is still too early to evaluate.

In 2017, thirteen trade unions previously belonging to the second national centre (COFTU) decided to shift their affiliation to NOTU. Besides, NOTU registered a high influx of associated members from the informal economy. It triggered a fast growing membership in NOTU, and today the organisation is by far the largest trade union organisation. This holds a great part of the explanation why more results have been achieved in bi- and tri-partite social dialogue in recent years. Trade unions density reached 6% of total employment in 2018.

The two tables below provide an overview of labour market indicators. The first table is based on key indicators that are followed by the DTDA in collaboration with the National Organization of Trade Unions (NOTU). Two additional indicators, the violation of trade union rights and the cooperation in labour-employer relations, are included in this table and summarises the overall status of trade unions rights violations and employers' organisations view on the labour-employer relations. 'Yes' and 'No'

measurements are based on assessments by the DTDA Sub-Regional Office and partners.

On page v, the second table presents an overview of the Sustainability Development Goals indicators' current value and targets for labour market issues.

#### Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Uganda, 2018

<b>Creating decent jobs</b>	
Policy reforms addressing creation of decent employment	Yes – Several policies were adopted in 2017 in line with the rolling out of the green jobs and fair labour market program; implementation of the Employment Policy; the National Biosafety Bill and the National Social Security Fund (NSSF) Bill.
ILO standard setting on improvement of status of workers from the informal economy	No - Tri-partite National Informal Economy Forum and policy addressing status of informal economy workers are not present. However, other national forums dealing with informal economy workers are ongoing, but not yet
<b>Guaranteeing rights at work</b>	
Growth in partner trade union members from year 2014 to 2018 (%) (NOTU)	203%. This high growth relates to the adoption of 13 trade unions from COFTU as well as a high influx of organised workers from the informal economy.
Violations of trade union rights	Ranking 4 out of 5 (5+ is worst). *
Labour legislation is improved according to ILO standards	Yes – The Occupational Safety and Health (Amendment) Bill 2017 is ongoing.
Partner organisations with minimum 30% women representation in decision-making bodies	Yes – 42 %.
<b>Extending social protection</b>	
Health social protection coverage as % of total population in partner countries	5 %
Workers from the informal economy have access to national social security schemes	Yes – but with limitations (only covering access to medical care and employment injury).
<b>Promoting social dialogue</b>	
Trade union density of total employment (%)	6.0 %
Trade union density of employees (%)	15 %
Cooperation in labour-employer relations	Ranking 63 out of 140 (1 is best). **
Number of Collective Bargaining Agreements (CBAs)	274 CBAs.
Workers' coverage of Collective Bargaining Agreements to employees	CBAs cover 535,217 workers, which equals 15% of employees in 2018, and it grew by 2 percentage points from 2017.
Bi-/tri- partite agreements concluded	Yes – The social dialogue has improved. Both NOTU and FUE develop position papers aimed to review minimum wages in the private sector, which were presented to the government. NOTU and FUE are planning to establish a bipartite national arbitration committee as an alternative dispute resolution aimed to assist the Industrial Court in handling labour disputes. Another evidence is the significant increase of the number of CBAs from 72 in 2016 to 282 in 2017.
* This is interpreted as systematic violations of rights. Countries with a rating of 4 are interpreted as the government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under threat (Source: ITUC, Global Rights Index).	
** This indicator is based on data from the Global Competitiveness Index that represents employers' opinion from surveys (Source: World Economic Forum). Other sources: MCTU, DTDA Sub-Regional Office Data-collection Tool and DTDA's Analytical Unit own calculations.	

**Status of key Sustainable Development Goals in labour market related issues in Uganda**

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of employed living below US\$1.90 PPP)	36 %	2019	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.25 a day.
1.3.1 Proportion of population covered by social protection floors/systems	2.9 %	2016	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
5.5.2: Female share of employment in managerial positions	32 %	2017	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
8.2.1: Annual growth rate of real GDP per employed person	2.4 %	2019	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
8.3.1: Proportion of informal employment in non-agriculture employment	83 %	2012	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
8.3.1: Men	81 %	2012	
8.3.1: Women	86 %	2012	
8.5.1: Average hourly earnings of women and men employees	-	-	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
8.5.2: Unemployment rate (Total)	9.4 %	2017	
8.5.2: Unemployment rate (Total, 15-24 years)	15 %	2017	
8.5.2: Men, 15+	8.1 %	2017	
8.5.2: Men, 15-24 years	13 %	2017	
8.5.2: Women, 15+	11 %	2017	
8.5.2: Women, 15-24 years	17 %	2017	
8.6.1: Proportion of youth (15-24 years) not in education, employment or training (NEET)	34 %	2017	By 2020, substantially reduce the proportion of youth not in employment, education or training.
8.6.1: Men	24 %	2017	
8.6.1: Women	42 %	2017	
8.7.1: Proportion and number of children aged 5-17 years engaged in child labour (Total)	21 %	2012	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.
8.7.1: Girls	20 %	2012	
8.7.1: Boys	21 %	2012	
8.8.1: Frequency rates of fatal and non-fatal occupational injuries	-	-	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
8.8.2: Level of national compliance with labour rights (freedom of association and collective bargaining)	-	-	
9.2.2: Manufacturing employment as a proportion of total employment	9.9 %	2017	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.
10.4.1: Labour income share as a percent of GDP	-	-	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Source: United Nations, Sustainable Development Goals, Knowledge Platform and ILO, Key Indicators of the Labour Market (KILM)

## COUNTRY MAP



Source: CIA, *The World Factbook*

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## TRADE UNION

The development of trade unions in Uganda goes back to the early 1930s.<sup>1</sup> Since then, trade unions have evolved from the old style of unionism of 'craft unions' to more industrial and general workers unions.

Table 1 below illustrates the status of unionism in Uganda. National Organization of Trade Unions (NOTU) and the Central Organization of Free Trade Unions (COFTU) represent close to 1 million members in 2018 with a trade union density at 6.0% of the total employment. The density among 'employees' is 15% (i.e. those who get a basic remuneration not directly dependent on the revenue of the employer). This measurement is in line with the latest National Labour Force Survey 2016/17 that presented membership in trade unions or similar employee/trade associations by employed persons at 6%. In terms of dues-paying members, the Manpower Survey 2016/17 noted a higher proportion of trade union density in the public sector (14%) than in the private sector (3%). Some of the main reasons for the relatively low trade union density is related to lack of awareness of labour unions (almost seven out of ten).<sup>2</sup> In addition, a large majority operate in informal economy in micro- and small enterprises.

**Table 1: Status of trade unions in Uganda, 2018**

Number of trade unions	42
Dues	1-3 % of wage
Members of trade unions	968,950
Members paying dues	535,217
Growth in membership, 2014-2018 (NOTU)	203 %
Trade union density (total employment)	6.0 %
Trade union density (employees)	15 % *
Members of affiliated trade unions from the informal economy (ATGWU and UMAEU)	471,000

\* This share excludes informal members from ATGWU (71%) and UMAEU (100%). See more in Appendix Table 22.

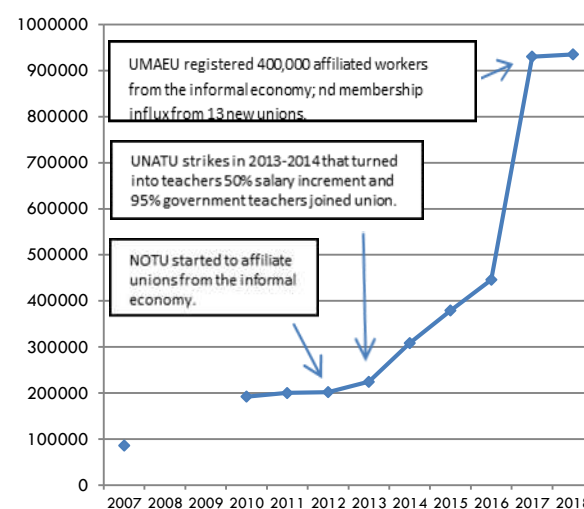
Source: NOTU and own calculation on trade union growth and density.

In 2017, 13 trade unions de-affiliated COFTU and joined NOTU. COFTU has 10 affiliated unions including the new union Uganda Liberal Teachers Union (a splinter union from Uganda National Teachers' Union – UNATU). NOTU peaking with 32 affiliated trade unions (see Appendix Table 22). Since most public workers are now members of NOTU affiliated unions, it is improving its negotiating and numerical strength in collective bargaining power vis-à-vis public employers. NOTU also

received members from several independent unions. The organisation additionally supports to formalise the informal economy, which includes amending its constitution to include it in representation in decision making fora. It really started to organise workers from the informal economy back in 2012 and enrolment of members skyrocketing.

Figure 1 below reveals that NOTU membership increased with 386% in the period from 2010 to 2018. Overall, NOTU is by far the largest national trade union centre with at least 935,000 members in 2018. COFTU registered around 34,000 members.

**Figure 1: NOTU membership growth, 2007-2018**



Source: NOTU

Regarding the high entry of informal organised workers in the trade union movement, around 71,000 were registered by the Amalgamated Transport and General Workers Union (ATGWU) in 2015. A new high inflow of organised informal workers to NOTU was recorded in 2017 peaking with 400,000 members in the Uganda Markets and Allied Employees Union (UMAEU). Around 65% of UMAEU members are women.

NOTU is affiliated to the International Trade Union Confederation (ITUC). The International Labour Organization (ILO) has barred COFTU from attending its meetings after NOTU threatened not to attend any ILO meeting. However, still both national centres work together when lobbying for matters of common interest. Evidence is that both federations jointly have secured a 50% representation in the National Social Security Fund (NSSF) Board after the recent High Court ruling (see section on Social Protection).

NOTU's constitution in 2018 agreed with four public unions and one from private sector union to have an immediate check-off from the source. The collection of dues from informal affiliated members is a challenge. They prefer to pay their contributions to their unions/associations daily since their income flow is uncertain and is difficult to collect monthly, and a majority of these informal workers often moves from one place to another. This situation challenges dues collectors from unions and NOTU. An issue has been how informal associations implement innovative strategies to organise, delivery services and collect dues. The Kampala Metropolitan BodaBoda Entrepreneurs (KAMBE), which covered 48,000 cyclists in 2018, uses an application similar to other digital platforms. While others target income generation, the association in addition targets effectively organising and other service delivery provisions.

During 2018, half of NOTU affiliated unions held their congresses, while NOTU held its pre- and general congress afterwards. NOTU youth and women committees were elected. During the general congress in December 2018, NOTU new Executive Board was elected and increased from 24 to 29 members after the constitutional amendment. Ten women sit in leadership positions and decision-making bodies, and represent 42% of the total board members. Women occupy positions like Vice Chairperson General and Deputy Secretary General. Similarly, NOTU elected disability representatives and representatives for informal workers to the Executive Board. In NOTU, around 15% of in leadership positions and decision-making bodies are occupied by youth below 30 years. Nevertheless, the majority of affiliated trade unions are still dominated by men.

## EMPLOYERS' ORGANISATIONS

The leading employers' organisation in Uganda is the Federation of Ugandan Employers (FUE), which was founded in 1958 and registered in 1960.<sup>3</sup> The organisation is represented in the most important bi/tripartite organs (see also the section: Central Bi/Tripartite Structures). FUE is affiliated to the International Organization of Employers (IOE) and the Business Africa and East African Employers Organization (EAEO). It is an officially recognised body that represents Ugandan Employers at the International Labour Organization's (ILO) Annual Labour Conference. FUE's mission is to enhance members' competitiveness through policy advocacy, promotion of best human resource practices and provision of business development

services. The organisation aims to be a leading organisation that serves employers' interests and needs by 2018. It has 354 enterprise members and 18 sectorial employers' organisation members. FUE is also present in handling industrial relations and providing (mainly legal) services to its members.

Annual subscription fees range from 'Copper Membership' of UGX 400,000 (US\$107) for start-up employers with between 6 – 15 employees to 'Platinum Membership' of UGX 3,000,000 (US\$805) for multi-nationals, international business associations, and government bodies.

Based on estimations from the International Labour Organization (ILO), around 3.3% of the total employment in Uganda consisted of employers in 2018 (see also Figure 3 ahead).

The Global Competitiveness Index provides a view on a wide range of aspects, including labour market efficiency. The latter is elaborated upon surveys among employers and other statistical data, and Uganda was measured on a high-medium level, ranking 63 out of 140 countries (1<sup>st</sup> is the best) in 2018. Out of the 12 labour market efficiency indicators, the highest scorings were about the flexibility of wage determination (3) and ease of hiring foreign labour (15). Worst rankings are the active labour policies (114) as well as pay and productivity (104). It is worthwhile to mention that cooperation in labour-employer relations is on a high-medium level (64). See more in Table 2 below.

**Table 2: Employers' view of the labour market efficiency in Uganda, 2018**

Labour market indicators	Rank *
Labour market efficiency	63
Redundancy costs (weeks of salary)	20
Hiring and firing practice	29
Cooperation in labour-employer relations	64
Flexibility of wage determination	3
Active labour policies	114
Workers' rights	60
Ease of hiring foreign labour	15
Internal labour mobility	62
Reliance on professional management	85
Pay and productivity	104
Women participation in the labour force	94
Labour tax rate	37

\* Rank from 1 to 140 (1 is best).

Source: [The Global Competitiveness Report, 2018, 8<sup>th</sup> pillar: Labour market efficiency](#)

Employers who violate a worker's right to form and join a trade union or bargain collectively may face up to four

years' imprisonment and a fine of 1.9 million shillings (US\$520). Penalties were generally insufficient to deter violations.<sup>4</sup>

## **CENTRAL TRIPARTITE STRUCTURES**

Tripartism is a collaboration based on contracts of employer/business, labour, and state affiliations within the economy. Each institution is to act as a social partner to create economic policy through cooperation, consultation, negotiation, and compromise. In practice, FUE and NOTU work as equal social partners in tripartite settings. Central tripartite institutions in Uganda are summarised below:

### **Labour Advisory Board (LAB)**

After almost a decade without a tripartite advisory body, LAB was inaugurated in 2011. The board advises the Minister of Labour on a wide range of matters: e.g. relating to employment and industrial relations, ILO matters, vocational guidance and training, implementation of Child Labour Policy, HIV and AIDS at Work Policy and the National Employment Policy, regulation of employment agencies and bureaus, and overseeing of the dispute resolution process. The institution consists of 13 members, of whom the employers' and trade union organisations have two representatives each, and six ministries are represented.

This institution continues to operate with some weaknesses. Employers and trade unions are both concerned with inefficient and under-staffed labour inspection services, but this board does not regularly address labour inspection issues.<sup>5</sup>

### **Minimum Wage Advisory Board**

The existence of a minimum wage in Uganda dates back to the 1930s when the first Minimum Wages Board was established. The minimum wage continued to be routinely adjusted until 1984 when it reached 6,000 Ugandan shilling per month. A revision of the minimum wage stalled until the beginning of the 2010s when the government attempted to fix a new minimum wage system. The government formed a body in 2016 consisting of seven members that studied the economic relationship between minimum wages, wage distribution, hours worked and poverty eradication, education, and training.<sup>6</sup> It is worthwhile to mention that NOTU and FUE jointly provide data collections and inputs to the government on fixing of minimum wages in the private sector. A new Minimum Wage Bill was finally approved and activated in July 2017 (see more in the section: Working Conditions). In

2019, joint position papers on minimum wage were submitted by NOTU and FUE. Subsequently, government amended the Minimum Wage Bill that covers four sectors and determines a minimum wages board to be established to regulate wages in the private sector.

### **Public Service Negotiation and Consultation Council (PSNCC)**

This institution represents public service negotiating, consultative and disputes settlement machinery between the government as the employer and public service labour unions. It consists of a chairperson and at least two members drawn from each public service union. The Council is required to meet at least twice a year with the option to convene an emergency meeting.

This institution aims to provide for the creation of consultative committees in each department or other unit or subdivision of government and each local government. These councils offer conciliation services in labour disputes, to establish a Public Service Tribunal to arbitrate labour disputes as well as secure harmonious labour relations in the public service, and to provide for other related matters.

### **Industrial Court**

The Industrial Court is mandated to adjudicate and arbitrate labour matters in the court. This institution operates with 11 panellists who are forwarded by trade unions, employers' representation and appointed from the Ministry of Gender, Labour and Social Development (MGLSD).

The establishment of the institution was confronted with not being constituted a long period that made the resolution of labour disputes through mediation impossible. The absence of an Industrial Court was found to greatly undermine union efforts to organise workers and also effectively promote and protect the social economic interests of workers.<sup>7</sup> On the positive side, the Industrial Court commenced to work in late 2014 following a long last appointment of six judges to handle labour disputes.

None-functionality of the court during the beginning of the 2010s created a large pile-up of disputes: the court inherited 500 labour disputes at its revival in 2014, and by 2017 the cases had risen to 2,135, of which the court has resolved only 515.<sup>8</sup> Besides, the Industrial Court also registered 40 Judgements in 2017 and 25 in 2018 (January - October).<sup>9</sup> This institution continues to face the burden of lawyers who are not sufficiently knowledgeable about representing clients in industrial

court matters. During 2018, the Industrial Court instituted stringent guidelines for lawyers that represent clients involved in labour disputes.

#### Other bi/tripartite organs

- National Negotiation and Consultation Council.
- Vocational Training Board.
- Immigration Board.
- Occupational Safety and Health Board.
- National Social Security Fund.
- HIV/AIDS Coordination Committee for the Private Sector.
- Industrial Training Council.
- Management Training and Advisory Centre.
- Business, Technical, Vocational Education and Training Examinations Board.
- National Steering Committee on Child Labour.
- Platform for Labour Action.

#### Social dialogue

Social dialogue covers several aspects: industrial relations, freedom of association and the right to organise, collective bargaining, consultation, examination of grievances and settlement of industrial disputes.

In May 2013, a National Tripartite Charter on Labour Relations was signed between the government, FUE and trade union representatives from NOTU and COFTU. The Charter was spelling out the working relations between the involved parties.<sup>10</sup> The charter holds clauses on “one workplace, one union”, addressing demarcation lines between trade unions thereby in effect regulating relations between NOTU and COFTU. Also, there was a bi-partite charter on industrial relations with the trade union movement and FUE addressing the private sector. According to the government, the charter is operational but without detailed information.

The government generally does not protect the constitutionally guaranteed rights to collective bargaining in practice. This is partly due to a lack of financial and human resources and restrictions on the principle of free and voluntary bargaining, i.e. compulsory conciliation and binding arbitration procedure in the event of disputes during collective bargaining, other than in essential services. Some employers even ignore the legal requirements to enter into collective bargaining agreements with registered unions.<sup>11</sup> Not to mention, a large majority of the workforce operates in the informal economy that is

known as not being covered by labour market regulations.

Overall, bipartite social dialogue between NOTU and FUE has improved notably in the areas of joint researches for the improvement of the labour market information system, position papers, among others. As an example, NOTU and FUE submitting joint position papers on minimum wages for the private sector illustrates how government accepted the bipartite proposal to minimum wages in four sectors and the introduction of a Minimum Wage Board. It is also illustrated in Table 2 above on labour market efficiency that suggests ‘Cooperation in labour-employer relations’ on a high-medium level. However, while bi-partite dispute resolution systems/mechanisms is on its initial stages in the country, the improved social dialogue has nevertheless averted major strikes planned by trade unions in the public sector.<sup>12</sup> For example, there was a massive campaign in 2018 to mobilise the affiliates to join a strike should the government refuse to enhance salaries in the public sector, but social dialogue helped to bring the parties into agreement.

Collective Bargaining Agreements (CBAs) are also a way of measuring social dialogue. For instance, NOTU registered a massive increase of CBAs from 76 in 2016 to a peak of 282 in 2017 and fall down to 274 in 2018. Only one is a national CBA. This increase was mainly caused by 13 affiliated unions in 2017 that produced 206 registered CBAs. CBAs covered around 540,000 employees in 2018, which equalled 15% of employees with a growth of 2 percentage points since 2017 (see more in Table 3). The significant CBA coverage upsurge in 2018 was a result of a new CBA that covers public employees, and it triggers wage increases of 225% during the next five years. This agreement is considered as a breakthrough on the social dialogue in Uganda. Generally, CBAs operate with annual increase in wages per CBAs between 0-15%.<sup>13</sup>

**Table 3: Status of Collective Bargaining Agreements (CBAs) in Uganda, 2018**

Type	Value
Number of CBAs	274
Coverage of CBAs (employees)	15 %
Coverage of CBAs (employment)	3.3 %
Growth in CBAs coverage (employees) *	2.0 p.p.
Growth in CBAs coverage (employment) *	0.4 p.p.

\* Growth in the period from 2017 to 2018.

Source: NOTU and own calculation on CBAs coverage based on employment estimations from ILO

It is observed that most of the non-wage benefits that the unions have secured in CBAs have largely been a replica

of what is already provided for in the labour laws.<sup>14</sup> Absence of recognition of CBA also has been distinguished and brought to the Industrial Court. As an example, in a case from the Uganda Scientific Researchers and Allied Workers Union as claimant against the National Bureau of Standards (an autonomous body of the government), the Court did not accept that the government recognises a labour union that is later denied by a branch/body of the same government.<sup>15</sup>

## NATIONAL LABOUR LEGISLATION

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The last decade has been a hectic period regarding new labour market reforms in Uganda. The purpose was to fill in the gaps in legislation and to improve the existing framework of the Labour Law for better implementation and compliance. A set of regulations in the area of labour and employment were adopted in 2011. These instruments were the result of tripartite consultations.

A total of 134 national labour, social security and human rights-related legislation were recorded per April 2019.<sup>16</sup> It is worthwhile to mention that very few new/amended labour-related legislations were listed as approved in recent years that mainly consisted of the Free Zones Act from 2014 and the Children's (Amendment) Act from 2016 (see more on Appendix Table 23).

In 2017, the Government promoted a wide range of new and amendment draft bills. These remain as work-in-progress and aim to improve the status of the labour market, especially job creation and decent work. Some of the listed bills are: The Social Impact Assessment and Accountability Bill, the National Council for Disability Amendment Bill, the Community Mobilization and Empowerment Bill, the Investment Code Amendment Bill, and the Labour Disputes (Arbitration and Settlement) Amendment Bill.

Appendix Table 24 provides an overview of the eight key legislations and three policies that currently support the labour market. Few of these core laws are furthermore summarised below:

### Constitution<sup>17</sup>

The constitution of 1995 includes the following: i) freedom of association, ii) right to work under safe and healthy conditions, iii) form and join unions, collective bargaining and representation, and iv) equal payment for equal work. In 2005 and 2013 reforms were launched. And the Constitutional Amendment Bill 2015

was passed, which ignored many views for constitutional reforms. In July 2016, the government started new plans of a complete overhaul of the Constitution. Pressure for constitutional reform was building up during 2018, and a Constitutional Review Commission was established to consider various constitutional reforms.

### Employment Act<sup>18</sup>

The Employment Act from 2006 establishes fundamental rights at work along with the Labour Advisory Board and the Labour Inspectorate. The Act regulates key labour market regulations: employment relationships, wages, leave, working hours and termination of employment. The law is considered as progressive but not complemented by a strong and effective mechanism for enforcement. Among others, domestic and agricultural workers, as well as those in informal economy, are excluded from the protection of the legislation.<sup>19</sup>

The law improved Uganda's compliance with ILO standards: it allows workers to form and join independent unions, except for a category of government employees including police, army and management-level officials. The law does not provide for the right to collective bargaining in the public service sector, though.

The National Employment Policy was launched in 2011.<sup>20</sup> Several changes and principles require legislative backing from the Employment Act. A study was implemented and submitted to the government along with a draft Bill to facilitate the process of amendment of the Employment Act. It is so far not approved.

### Trade Union Act<sup>21</sup>

The Trade Union Act was enacted in 2006. The law allows unions to conduct activities without interference, prohibits antiunion discrimination by an employer, and provides for reinstatement of workers dismissed for union activity. The bill also empowers the minister of labour to refer disputes to the Industrial Court when one or both parties to a dispute refuse to comply with the recommendations of the report issued by a board of inquiry. Compulsory arbitration is acceptable only for workers in "essential services" and public employees engaged in the administration of the state.<sup>22</sup> Albeit the Act outlines workers' right to strike, the freedom of association, and the right to bargain collectively, several observations are registered (see below).

## Observations on the labour legislation

Uganda is party to the 1998 ILO Declaration on Fundamental Principles and Rights at Work that is intertwined with the legal and regulatory framework to promote the rights of workers through the available labour laws and policies. However, the International Trade Union Confederation (ITUC) has registered observations of poor compliance with the labour market legislations within international standards on rights to organise, rights to collective bargaining, and rights to strike; among others:<sup>23</sup>

- Barriers to the establishment of organisations, i.e. formalities or requirements have excessively delayed or substantially impair the free establishment of organisations.
- Restrictions on the right to elect representatives and self-administer in full freedom.
- Administrative authorities' power to unilaterally dissolve, suspend or de-register trade union organisations.
- A foreigner shall not be a member of the executive committee of a trade union.
- Compulsory conciliation and/or binding arbitration procedure in the event of disputes during collective bargaining, other than in essential services.
- Compulsory recourse to arbitration, or too long and complex conciliation and mediation procedures prior to strike actions.
- An absence of an independent body, responsible for declaring a strike is legal or not.
- Excessive civil or penal sanctions for workers and unions involved in non-authorized strike actions.

## Ratified ILO Conventions

Regarding Uganda's ratification of international labour standards, a total of 31 ILO Conventions are ratified. First, the eight Fundamental Conventions are the most important conventions that cover four fundamental principles and rights at work. Uganda has ratified all of them.

Second, ILO has designated four Governance Conventions that are important to build national institutions and capacities that serve to promote employment, i.e. these conventions encourage a well-regulated and well-functioning labour market. The country has ratified 3 out of 4 of these Governance Conventions.

Third, ILO has furthermore 183 Technical Conventions, out of which 83 conventions are "Up-To-Date" and actively promoted, i.e. an Up-To-Date Convention is one that is ready for ratification by the Member States and one that has been examined by the ILO Governing Body and deemed to be still relevant.<sup>24</sup> Uganda has to this date ratified 20 of the Technical Conventions.

Out of the total 31 Conventions ratified by Uganda, of which 18 are in force, two Conventions have been denounced; and four instruments abrogated (see also Appendix Table 25).<sup>25</sup>

The latest ratified Conventions were the Discrimination (Employment and Occupation) Convention (C111), the Freedom of Association and Protection of the Right to Organize Convention (C87), and the Equal Remuneration Convention (C100), all from June 2005.

## Trade Agreements

Uganda has approved a wide range of trade agreements that influence the labour market. Some of the key aspects are that the country is a member of the East African Community (EAC) free trade agreement from 1999. This agreement contains a labour provision with cooperation on employment and working conditions. The Common Market for Eastern and Southern Africa (COMESA) agreement also extends to the collaboration on employment conditions and labour law.<sup>26</sup> Uganda signed the 2000 Cotonou Agreement between the European Union (EU) and African, Caribbean and Pacific (ACP) countries, which reaffirms commitment to ILO's Fundamental Conventions and includes a labour provision on cooperation on various labour and social issues.

In 2010, the members of the EAC agreed to establish a full common market with free movement for workers, goods, services, and capital. Freedom of association and collective bargaining is enshrined in the EAC common market in the sense that an EAC migrant worker has the same rights as a national citizen.<sup>27</sup> The free movement of labour within the EAC opens up questions of how to achieve equal opportunities and equal social labour rights for migrant workers, for example, if workers can bring pensions with them across borders. Free movement of labour is also a source of concern in some of the EAC countries, as the states' workforces have differences in productivity and educational level. However, the actual implementation of the economic integration has slowed down the last few years, especially in regards to lifting barriers to trade and free movement of labour. Although

formal tariffs are increasingly abolished, trade is still challenged by non-tariff barriers and corruption.

One objective of the East African trade union movement is to safeguard workers' interests in the EAC. This objective includes ensuring that ILO standards are upheld; member states' labour policies are harmonised; the tripartite model is institutionalised, and the free movement of labour is promoted. The group reached observer status in the EAC in 2009, and along with employers' organisations, they participate in ministerial summits, sectoral summits, and other summits that involve labour market issues. However, the Social Agenda is moving slowly in the EAC.

Since 2000, Uganda has benefitted from the United States' African Growth and Opportunity Act (AGOA), which is a Generalised System of Preferences (GSP). It allows duty and quota-free access for some products. Despite policy pronouncements, it has never managed to establish an apparel industry on the back of AGOA. The main reasons put forward for Uganda's failure to take advantage of AGOA provisions for the apparel sector are high transportation and logistical costs, the absence of an effective policy framework, weak government commitment, lack of industry-specific government support and the limited availability of quality raw materials.<sup>28</sup> In 2018, it was noted that the U.S. Government argued that the AGOA was unfairly blocking U.S. exports. To continue participation in this favourable trade system, Uganda needed to eliminate barriers to imports of U.S. apparel. Uganda accepted this encounter and initiated to prepare a new plan to increase its exports through the AGOA in the next five years.

## TRADE UNION RIGHTS VIOLATIONS

Since 2017, Uganda has witnessed increasing violations of trade union rights. This change was registered in the Global Rights Index where the country dropped from a ranking as 3 out of 5 (5 is worst) in 2014-2016 down to 4 out of 5 since 2017. For instance, the government and/or companies are engaged in serious efforts to crush the collective voice of workers and therefore ignoring fundamental rights.<sup>29</sup> The International Trade Union Confederation (ITUC) registered only one case in 2016 where over 80 workers were exposed to chemicals at a Dutch-owned flower farm.<sup>30</sup>

The government generally does not protect the constitutionally guaranteed rights to freedom of association and collective bargaining. Several other cases have also illustrated restrictions of public servants'

right to strike. For example, during a nationwide strike by medical doctors in November 2017, the minister of health stated that the government would punish doctors that refused to work and would terminate trainee doctors' internships if they participated in the strike. The minister argued that the Uganda Medical Association's (UMA) call for the strike was illegal as it did not have a collective bargaining agreement with the government, making its action illegal. UMA afterwards stated that the government's threats infringed on doctors' rights to freedom of association and collective bargaining.<sup>31</sup>

Anti-union discrimination occurs. Labour activists accused several companies of deterring employees from joining unions by denying promotions, not renewing their work contracts, and refusing to recognise unions. The local NGO Platform for Labour Action (PLA) reported that some sugar and rice producers threatened to dismiss employees who joined unions and then cited unrelated performance issues to justify firing the employees. Most workers were unaware of their right to join a trade union and did not contest employers' efforts to impinge upon this right. NOTU also reported that most employers do not provide their employees with written employment contracts, undermining employees' job security and access to union representation.<sup>32</sup>

NGOs and local media have reported forced labour. Especially citizens working overseas, particularly in the Arab Persian Gulf States have become victims of forced labour. Traffickers and legitimate recruitment companies continued to send mainly women job seekers to Gulf countries where many employers treated workers as indentured servants including withholding pay and leave and subjecting them to other harsh conditions (see also the sub-section: Migration). The Ministry of Labour lifted the ban on April 1, 2017 after having concluded that its 2016 ban on exporting domestic workers had failed to reduce the outflow of vulnerable women.<sup>33</sup>

ILO's Committee of Freedom of Association has no active Freedom of Association cases or follow-up cases with Uganda (Table 4).

**Table 4: Freedom of Association cases in Uganda, 2018**

ILO Complaints Procedure	
Active	0
Follow-up	0
Closed	4

Source: [ILO, NORMLEX, International Labour Standards country profile, Uganda](#)



## WORKING CONDITIONS

Reforming the outdated legal minimum wage from 1984 has been staid by lack of political will by the government argumentating that it could attract international investors. In 2015, the Minimum Wage Advisory Board recommended to assess the feasibility of a minimum wage and the government finally proposing a new monthly minimum wage for employees of Ugandan shillings (UGX) 130,000 (US\$36) in July 2017. Social dialogue between NOTU and FUE produced a Memorandum of Understanding from July 2018 on minimum wage of four agreed sectors (i.e. agriculture, hotels, construction and manufacturing) that was submitted to the government to address the gaps in the current Minimum Wage Advisory Board Act. In February 2019, the government approved the proposed minimum wage determination mechanism. While bearing in mind that such tri-partite mechanism has not in itself brought substantial changes yet, the joint lobbying by FUE and NOTU is nevertheless considered as an important breakthrough because it is the first time in Uganda that employers and workers jointly have provided evidence-based input to the government. The reform is currently in process in the parliament for its final approval (May 2019).

The proposed minimum wage was still low taking into account a standard family living wages per month (2 parents + 2 children) ranging from UGX 733,200 (US\$197) to UGX 1,254,300 (US\$336) and comparing with neighbouring countries.<sup>34</sup> The majority of the workforce is operating in the informal economy, and they are not applying the minimum wage determinations (see also the sub-section: Informal Economy).

**Table 5: Status of wages and earnings in Uganda, Monthly**

	Current Ugandan Shilling	Current US\$
Median earnings in paid employment (2016/17)	190,000	53
Men	240,000	66
Women	120,000	33
Minimum wage (1984- )	6,000	2.2
Minimum wage (proposed)	130,000	36

Sources: [UBS, National Labour Force Survey 2016/17](#) and [WageIndicator, Uganda](#)

According to the Equal Opportunities Commission, which is a constitutional body mandated to eliminate discrimination and inequalities, the wage disparities in Uganda are viewed as a cause of concern for the

country's efforts to keep its best professionals at home. Firstly, brain-drain has affected the economy (see also the sub-section: Migration). Neighbouring countries are benefitting from the best of Uganda's professionals, especially in the medical and education fields.<sup>35</sup> Secondly, the most recent NLFS 2016/17 revealed that the average (median) earnings in paid employment was estimated at UGX 190,000 (US\$53) per month with a deep gender gap of 50% (see Table 5 above). In contrast, average (mean) nominal earning among employees was found much higher at UGX 738,400 (US\$204) in 2017.

Violations of the Occupational Safety and Health (OSH) standards, such as standard wages and overtime pay, are typical in several sectors in Uganda. The labour law also includes provisions for district labour inspectors. Authorities are only carrying out few labour inspections in practice, though, due to inadequate training, funding, logistical support and lack of labour inspectors, and it has a negative impact on the labour arbitration and settlement system.

Some employers resort to sub-contracting and outsourcing services or hire workers temporarily to avoid such agreements.<sup>36</sup> Other employers do not give employees written contracts of employment resulting in a lack of job security and union representation.

It is a legal requirement in Uganda for the employer to provide an employment contract for each employee whom he/she employs. However, workers in paid employment cover around one-third of the total employment, and only three of every ten (30%) are engaged on a written contract, which equals 6.0% of the total employment. Written contracts are more present in urban areas than rural, and the proportion of women is almost similar to the men, 29% and 31%, respectively.<sup>37</sup>

Uganda does not operate with gender-non-discrimination in recruitment policies. Like Malawi and Kenya, Uganda has a maximum length of 12 months of probation period, which is high in comparison to many other Eastern and Southern African countries. More details of the working conditions in Uganda are available in Table 6.

**Table 6: Status of Working Conditions in Uganda**

Fixed-term contracts prohibited for permanent tasks	No
Maximum length of a single fixed-term contract (months)	No limit
Standard workday	8 hours
Premium for night work (% of hourly pay)	0 %
Premium for work overtime work (% of hourly pay)	50 %

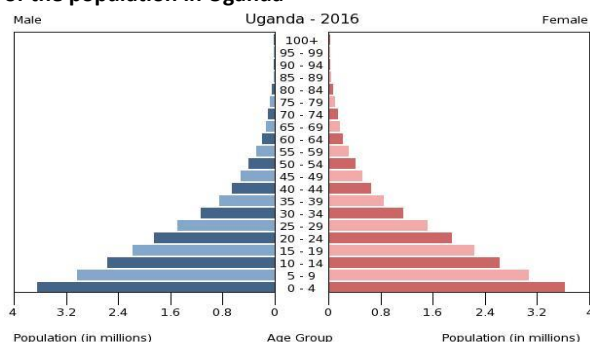
Paid annual leave (average for working days with 1, 5 and 10 years of tenure, in working days)	21
Minimum length of maternity leave	84
Receive 100% of wages on maternity leave	Yes
Five fully paid days of sick leave a year	Yes
Unemployment protection after one year of employment	No

Source: [World Bank, Doing Business, Labor Market Regulation](#)

## WORKFORCE

The total population in Uganda is 40.9 million (July 2018, est.). The fertility rate is among the world's highest of 5.8 children per woman. Figure 2 below illustrates that around three-quarters of the population are below the age of 30 years. Stated differently, Uganda has one of the youngest and fastest growing populations in Africa. This situation is putting pressure on job creation as well as education and social protection services in the country.

**Figure 2: Population pyramid based on the Age-Sex structure of the population in Uganda**



Source: [CIA, The World Factbook, Uganda](#)

Based on the latest National Labour Force Survey 2016/17 (NLFS 2016/17), the working population was estimated at 15.3 million persons. Employment-to-population ratio was set at 48% with a clear gender gap: men of 56% and women of 40%, respectively; similarly, the rural-urban gap was 43% and 61%, respectively. The NLFS 2016/17 applied the International Labour Organization (ILO) statistical standards on the definition of 'employment'. ILO presents some diverging data on this aspect. According to ILO, the employment-to-population ratio was estimated at 69% in 2019 with a similar gender gap of 9 percentage points. Estimations of the country's employment-to-population rates are below Eastern Africa's rates (see more in Table 7 and the sub-sections: Gender and Youth).

**Table 7: Estimations of employment-to-population ratio in Uganda and the Eastern Africa, Age and Sex distribution, 2019**

Sex	Age		Uganda	Eastern Africa
Total	Total	15+	69 %	72 %
	Youth	15-24	52 %	57 %
Men	Total	15+	74 %	78 %
	Youth	15-24	55 %	60 %
Women	Total	15+	65 %	67 %
	Youth	15-24	49 %	54 %

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

NLFS 2016/17 demonstrated some slight structural changes in the status of employment. Paid employment grew from 17% in 2011/12 to 20% in 2016/17, and self-employment also increased from 62% to 75%. In contrast, contributing family workers fell from 21% to 5.4% in the same period.

The abovementioned trends are similarly with the ILO's estimations, but diverging slightly due to statistically methodical divergences (see more in Figure 3).<sup>38</sup> First of all, employers represent around 3.3% of the total employment, and the trend is on upsurge. Also 'employees' (i.e. workers who get a basic remuneration) have increased from 14% in 2000 to 22% in 2019. This segment is slightly higher than the Eastern Africa average (20%), but far below the World average at 54%. Ugandan employees' upsurge was drawn from the segment of 'contributing family workers' (i.e. self-employment in an establishment operated by a related person) that dropped from 27% to 16% in the same period. During the last decade, the evolution of employees in skill-intensive jobs and formalised working conditions have moved slowly in Uganda.

Second, own-account workers (i.e. self-employment and not engaged as 'employees' on a continuous basis) stayed close on a status quo since 2005 at around 59%. Based on the NLFS 2016/17, main reasons for being own-account workers (and employers) are to a large degree due to lack of wage or salaried jobs as well as family requirement.

Own-account workers and contributing family workers are gathered under the concept of 'vulnerable employment' and represent 74% of the total employment. This reflects that a majority of the workers confront inadequate earnings, low productivity and difficult conditions of work that undermine workers' fundamental rights.<sup>39</sup>

**Figure 3: Estimations and projections of status of employment in Uganda, %, 2000-2020**



Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

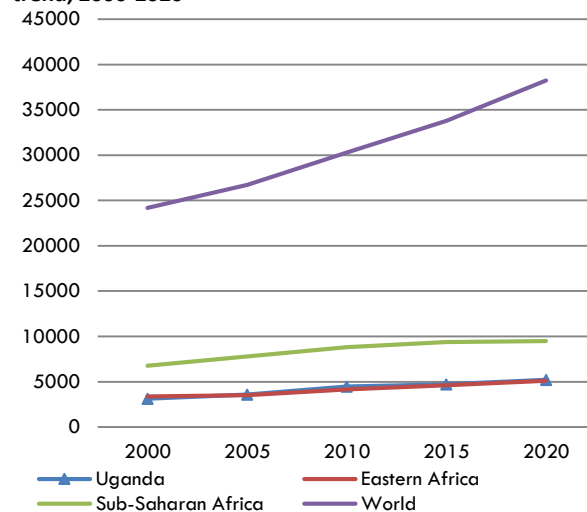
Other aspects characterise some of the labour market challenges in Uganda. Firstly, a large section of the workforce still depends on subsistence agriculture and informal non-agricultural enterprises. Close to 9 out of 10 (87%) of the total employment are in informal employment. Informality is down to 1 out of 3 (34%) among non-agricultural employment, which is related to the fact that employees are more present in the urban areas (see more in the sub-section: Informal Economy). A risk of this informal economy is that it absorbs workers into forms of employment with low labour productivity.

Secondly, Micro, Small and Medium Enterprises (MSMEs) are spread across all sectors. Many of those are micro-enterprises: 3 out of 5 (62%) of the urban employment work for themselves or their families. Over 2.5 million people are operating in MSME, equivalent to 90% of total non-farm sector workers; and they contribute with 75% of the Gross Domestic Product (GDP).<sup>40</sup> Especially the informal micro and small enterprises deliver low productivity activities due to lack of employment qualification match just as insufficient access to capital, finance, and training.

Thirdly, less than one-fifth of the youth in employment (18%) is engaged in occupations that match their level of education. Instead, 80% of working young people are under-educated for their occupations; 2.8% are over-educated. This situation signals weaknesses between the education system and the labour market's demands that suffers from low-skilled workers that usually are unproductive and/or work a few hours (see also the sections: Youth and Education).

The linkage between the status of employment, access to formal jobs and qualification match is mirrored in the labour productivity. In Uganda, labour productivity is in line with the Eastern Africa average. But, it stays lower than the sub-Saharan Africa average and far below the World average. Figure 4 below shows that the evolution of the labour productivity is slow with a growing gap widening between the World average. This aspect is also an impact of the country's demographic change in contributing to an increasing mismatch between labour supply and labour demand.

**Figure 4: Estimations and projects of the labour productivity trend, 2000-2020**



Note: Labour productivity is defined as output per worker (GDP constant 2011 international \$ in Purchasing Power Parity (PPP))  
Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

## Unemployment

Underutilisation is a problem in Uganda. According to the NLFS 2016/17, the unemployment rate was 9.7% and combined to the sum of the population in time-related underemployment (12%) and the potential labour force (19%), the labour underutilisation rate was estimated at 35%. Youth unemployment rate was 13% while their aggregate underutilisation rate was 38%. Women have a higher unemployed rate than men. This situation is challenging to reach the Sustainable Development Goal in terms of unemployment (see more on the SDG table, Indicator 8.5.2, in Page v).

The above applied statistical definition of unemployment is on 'relaxed' terms, i.e. the sum of persons who do not engage in any work or economic activity; be it paid employment or self-employment, are available for work but do not actively seek it. On a more 'strict' international statistical definition of unemployment, which are persons

that altogether lack employment,<sup>41</sup> the unemployment rate is estimated at 2.3% in 2019. The latter unemployment rate is much lower than the Eastern Africa average (see more in Table 8).

**Table 8: Estimations of unemployment and underutilisation in Uganda and Eastern Africa, 2019**

Type		Uganda	Eastern Africa
Unemployment	Total	2.3 %	6.5 %
	Men	1.5 %	4.9 %
	Women	3.1 %	8.2 %
Youth Unemployment	Total	3.1 %	11 %
	Men	2.3 %	9.1 %
	Women	4.0 %	12 %
Underutilization * (2016/17)	Total	35 %	-
	Men	32 %	-
	Women	39 %	-

\* Underutilisation constitutes of: i) insufficient of the volume of work (time-related underemployment), ii) low remuneration (low earnings), and iii) incompatibility of education and occupation (skills mismatch).

Source: ILO, *Key Indicators of the Labour Market (KILM)* and UBS, *National Labour Force Survey 2016/17*

The strict unemployment measurements are misleading the real challenge of the employment in Uganda. The agrarian nature of the country's economy and growing workforce with a limited expansion of formal jobs forces many workers to engage in some informal activities even for few hours with low earnings. Unemployment protection schemes are not present, and there is limited social safety net coverage (see more in the section: Social Protection). This condition is reflected in the labour underutilisation that refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. NLFS 2016/17 measured that one out of three (35%) of the total employment operates in labour underutilisation (see Table 8). It hints one of the reasons of the relatively low labour productivity rate.

Many young people are frustrated by the lack of access to formal jobs. They also often miss incentives in looking for jobs due to an absence of a minimum wage or not even being paid sums corresponding to the amount of work that they do in their places of employment. It is fostering a negative attitude towards work and the labour market. Not to mention, the youth is putting mounting pressure on the internal rural-urban migration as well as the external migration flows (see more on the sub-section: Migration).

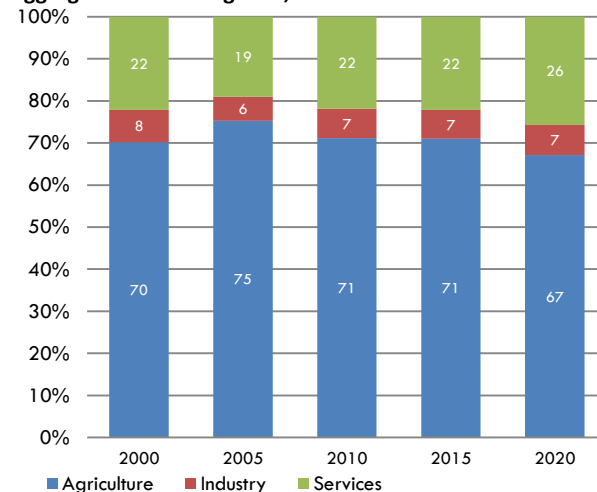
Overall, non-stable sources of income and the high level of urban unemployment have been expressed as central

constraints hindering the growth and development of the country to a middle income status by 2020.

### Sectoral Employment

Some small structural changes are reflected in the aggregate employment per sector. According to the NLFS 2016/17, key sectors, such as the agricultural sector that is the largest sector, dropped down by 3.1 percentage points in the period from 2011/12 to 2016/17 reaching 68% of total employment, and the service sector increased from 22% to 25% in the same period. Longer trends are furthermore represented in ILO's estimations and projections in Figure 5 below.

**Figure 5: Estimations and projections of employment by aggregate sector in Uganda, 2000-2020**



Source: ILO, *Key Indicators of the Labour Market (KILM)*

Disaggregated data shows that the agricultural sector share among women workers (73%) was higher than the share of men workers (63%). The trade sector is the second largest sector and represents 9.5% of the total working population followed by other services of 7.4%. Except the hotel and restaurant sector, men are dominating all other sectors and with especially stark gaps in construction and transportation (see more details in Table 9).

**Table 9: Industry of the main job for working population and ratio of men in sector employment in Uganda, 2016/17**

Sector	Number in employment *	Sector employment share, %	Ratio of men in sector employment, %
Agriculture	6,102,000	68 %	52 %
Manufacturing	422,000	4.7 %	74 %
Construction	197,000	2.2 %	100 %
Trade	852,000	9.5 %	56 %
Hotels and restaurants	180,000	2.0 %	28 %
Transportation and storage	215,000	2.4 %	100 %
Education	323,000	3.6 %	59 %
Others sources	664,000	7.4 %	57 %
Total	8,955,000	100 %	56 %

\* Rounded in numbers.

Source: [UBS, National Labour Force Survey 2016/17, 2018](#)

Manufacturing share of the employed population represents 9.4% (818,000 workers) in 2016/17. It is diverging from the Table 9 measurements of 4.7% due to statistically differences. The former is in line with the latest Urban Labour Force Survey that recorded 9.9% in 2017 (see SDG table, Indicator 9.2.2, in Page v). A technically broader estimation of the manufacturing share of the working population suggests that its employment stood on a flat growth from 6.8% in 2011/12 to 6.9% in 2016/17.<sup>42</sup> It suggests that Uganda is not taking sufficient steps towards industrialisation that challenges to reach the SDG targets in 2030.

A way to measure the strength of the interaction between the economy and the labour market is the employment per sub-sector relative to the Gross Domestic Product (GDP). These values are diverging significantly between sub-sectors in Uganda. For example, the agricultural sector has the highest share of employment with a GDP share of 26% equals a GDP per agricultural worker per year of US\$560. This value is quite low, and it supports the low labour productivity in the country. What keeps this value low is connected to the sector's overwhelming informality. The finance sector has the highest GDP value per worker that is related to a much more capital-intensive service sector. The manufacturing industry contributes to 9.7% of the GDP, but with a relatively low GDP share per worker. More details are available in Table 10 below.

**Table 10: GDP share by sector and per worker in Uganda**

Sector	GDP share by sector, %, 2016	GDP share by sector per worker per year, US\$ *
Agriculture	26 %	560
Mining & quarrying	0.8 %	3,971
Manufacturing	9.7 %	3,094
Electricity, gas & water	4.0 %	35,452
Construction	8.2 %	7,511
Trade, restaurants & hotels	17 %	2,765
Transport, storage & communication	5.8 %	5,020
Finance, real estate & business services	13 %	78,896
Public administration, education and health	2.5 %	675
Other sources	14 %	6,263
Total	100 %	14,421

\* Calculated by the total GDP (current US\$, Year: 2016) share per sector divided in number of workers per sector (Year: 2009).

Source: [African Economic Outlook 2018, Uganda](#) and own calculations on GDP share per worker based on data from [ILO, Key Indicators of the Labour Market \(KILM\)](#)

### Informal Economy

Although informal employment is on a slowly declining trend in Uganda, it continues playing a central role in the economy and income opportunities in both rural and urban areas. Informal units are typically run at a low level of organisation, with little or no division between labour and capital as factors of production, and they operate on a small scale. Informal labour relations are mostly based on casual employment, kinship or personal and social ties, rather than contractual arrangements with formal guarantees. Besides, informality is characterised by the absence of final accounts and is mostly unregistered entities without permanent addresses. On a more statistical interpretation, the informal employment is defined as:<sup>43</sup>

- Employees whose employers do not pay contributions to their social security or, if they do, do not benefit from annual leave or payment instead of leaving not taken, or paid sick leave in case of illness or injury or income tax deduction.
- Employers and own account workers employed in their own businesses or places of work that are not registered for income tax and/or Value Added Tax (VAT).
- Members of producers' cooperatives employed in their cooperatives that are not registered.
- Own account workers engaged in the production of goods exclusively for own final use by their

household (such as subsistence farming or do it yourself construction of own dwellings).

- Contributing family workers, irrespective of whether they work in formal or informal sector enterprises.

A central issue in Uganda is that the formal sector is not creating sufficient formal jobs to curb the fast rising workforce. Unemployment protection schemes do not cover workers, thus, a vast majority are forced to find some income to survive. Often, informal workers lack knowledge or incentives to formalise enterprises and apply labour market regulations, which are related to weaknesses in the education system. Informal jobs are often hazardous and precarious with – until recently – almost no access to social protection such as health and pension schemes.<sup>44</sup>

According to the latest NLFS 2016/17, the proportion in informal employment outside agriculture was estimated at 85% with basically no gender gap. National surveys illustrate a declining trend in this proportion by almost 9 percentage points in the period from 2011/12 to 2016/17. Other investigations reveal that the informal economy is measured to contribute with around 40% of the Gross Domestic Product (GDP). See also Table 11.

**Table 11: Employment in the informal economy in Uganda, %, 2016/17**

Proportion in informal employment outside agriculture	85 %
Change in proportion in informal employment outside agriculture	-8.6 p.p.
Vulnerable employment	74 %
Informal economy share of GDP	40 %

Source: [UBS, National Labour Force Survey 2016/17, 2018](#), [ILO, Key Indicators of the Labour Market \(KILM\)](#), and [IMF, The Informal Economy in Sub-Saharan Africa: Size and Determinants, 2017](#)

Overall, the informal economy is predominantly run by Ugandans (99%) compared to non-Ugandans (1%). Only a third (29%) of the informal enterprises' proprietors have previous working experience; and of those only 38% have their previous job matching their qualifications. These data show that workers' skills mismatch is an important challenge in the country. This incongruity is most often related to the fact that persons who are looking for employment fail to find their preferred job, and they tend to settle for the less preferred option to make ends meet.<sup>45</sup>

In terms of informal employment of total non-agricultural employment, trade (32%), hotels, restaurants and other eating places (26%), and manufacturing (20%) are the

most common business activities in the informal economy, accounting for 78% of all the activities. The activities that dominate the manufacturing sector include charcoal burning, brewing local drinks, and food processing, among others.

Especially the youth is caught in the informal economy. As an example, more than 80% of young workers are associated with enterprises with less than five workers, and the majority of these firms are unregistered. Without a doubt, this status of the informality of the labour market and the economy is challenging the Sustainable Development Goal's target on reducing the proportion of informal employment in non-agriculture employment (see also the SDG Table, Indicator 8.3.1, in Page v).

A Tripartite National Informal Economy Forum is not present in Uganda. Other national forums addressing the status of informal economy workers are ongoing and struggling for space. The government has adopted broader policy decisions, like tax holidays, to create an enabling environment for the private sector to thrive, but clearer policies addressing the status of informal economy workers are not present in the country.<sup>46</sup>

Two particular trade unions are representing at least 471,000 organised informal workers in NOTU. Especially formalisation efforts in the informal economy are in progress. As an example, transport workers have yielded results such as a reduction of police harassment, substantial gains through collective bargaining, and improving visibility and the status of women transport workers, among others. In addition, after six years of lobbying by trade unions, a draft bill that gives the National Social Security Fund (NSSF) a monopoly in the social security pension sector was adopted. The Liberalization Bill of 2011 eventually has been nullified. The new NSSF Law is now recognising a voluntary contribution by workers from the informal economy.<sup>47</sup>

## Migration

Migration in Uganda is acting as an origin, transit and destination country. It is immersed in South–South migration dynamics with cultural and tribal linkages along with a flow of workers. Full implementation of migration-related East African Community Protocols could lead to an increase in the number of Ugandans living in the East African States. This agreement could diminish immigration just as it could lead to a rise in the foreign-born population in Uganda.

Uganda's high population growth of 3.2% per annum has been a driver of migration both internally, as rural-

urban, and as a motivation for seeking jobs outside the borders. One point is that the growing youth population often lack ownership of natural resources that remain owned by older generations. Many have instead moved towards more urban areas to find job opportunities and to generate some income. Generally, Uganda’s urban population has increased significantly from less than 1 million in 1980 to 6.4 million persons in 2014. Estimations suggest that Uganda’s urban population will increase to over 20 million in 2040.<sup>48</sup>

Uganda is home to more refugees than any other country in Africa. This situation is an impact of multiple instability crises in the region. The country has the World’s third-largest refugee population, after Turkey and Pakistan. Around 1 million of its estimated 1.5 million refugees have arrived within the past two years. This influx of refugee is especially due to the impact of the 2013 civil war of South Sudan, the humanitarian crisis in Somalia in 2011 and political violence in Burundi and the Democratic Republic of Congo (DRC). Uganda’s government implements generous policies, e.g. permit refugees to work, cultivate land, move around freely, and enjoy primary education and government provided health care services. These rights are rarely granted to that extent in other countries of first asylum, where the arrivals are typically viewed as competition for jobs and scarce resources.<sup>49</sup>

Demand for skilled and unskilled labour in other countries is also a pull-factor. Many Ugandan emigrants move to supply this labour. Some brain drain factors are in progress and is the 12<sup>th</sup> highest emigrant country for highly skilled expats in OECD countries. Data reveals that the net migration rate in Uganda has been high during the 2010s, so far: many more are leaving than entering the country. Uganda receives higher personal remittances as a share of GDP than the sub-Saharan Africa average; most of this is used for household consumption (see Table 12 and Figure 6).

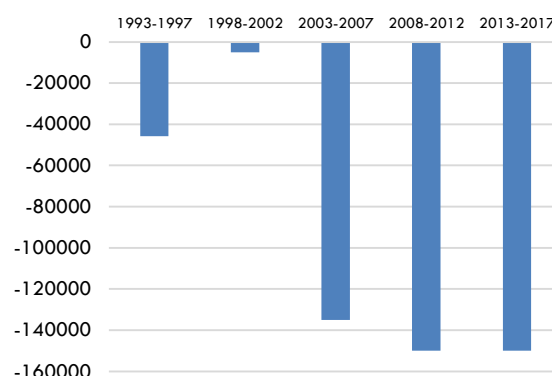
**Table 12: Migration Facts in Uganda**

Net number in migration (2012-2017)	Uganda	- 150,000 *
Personal remittances received, % of GDP (2013-2017, average)	Uganda	4.0 %
	Sub-Saharan Africa	2.7 %

\* Net migration is the net total of migrants during a period of five years; the total number of immigrants less the annual number of emigrants, including both citizens and non-citizens.

Source: [World Bank, World Development Indicators](#) and [KNOEMA](#)

**Figure 6: Net number of migration in Uganda, 1993-2017**



Source: [World Bank, World Development Indicators](#)

There have been some improvements in recruitment and support services in labour migration issues in Uganda. However, based on a recent Labour Migration Management Assessment, several problems are present: i) high costs for migrant workers, ii) incomplete supervision of recruitment agencies, iii) inadequate pre-departure orientation, and iv) an absence of return and reintegration measures.<sup>50</sup>

Uganda banned the deployment of domestic workers to Saudi Arabia and Jordan in 2016. The ban was lifted in April 2017, but issuing visas remain stalled in Saudi. It is noted that in 2016, Uganda signed a bilateral labour agreement with Jordan to pave the way for Ugandan migrant workers to find jobs in the country. Central features of the deal include an employment contract that will be signed by the employee, employer in Jordan, the recruitment company in Uganda and the recruitment company in Jordan. Also, the Ugandan and Jordanian recruitment companies, as well as the employers in Jordan, will be jointly and severally liable for the implementation of the employment contract.<sup>51</sup>

Uganda also signed a new General Labour Recruitment Bilateral Agreement with Saudi Arabia in 2018. The agreement allows for Ugandan professionals and manual labourers – such as doctors, engineers, carpenters and welders – to seek employment in the country. The Uganda Association of External Recruitment Agencies estimates that 20,000 Ugandans currently work in Saudi Arabia.<sup>52</sup> It is interesting to observe that the minimum wage for Ugandan workers is lower than the minimum wage set for Filipino, Indian, and Bangladeshi domestic workers. To improve the working conditions of Ugandans working in the Gulf states, trade unions are pushing for enactment of externalisation of Labour Bill that will safeguard the life of emigrant workers in the Arab states

## Child Labour

Child labour is visible in Uganda. Around 12.5 million children (aged 6-17 years) represented 33% of the total population in 2017. More than one half (60%) of all children attended school exclusively, while another quarter (24%) combined working and attending school at the same time.

Almost one out of three (30%) of Ugandan children are involved in work (a broader and more soft interpretation of children operating in economic activities). A more critical child labour is on a slightly declining trend in Uganda from 16% in 2012/13 to 15% in 2016/17. The number of children aged 5–11 working, but not supposed to, decreased from 21% to 13% in the same period. This change is related to the increasing school enrolment trends (see more in the section: Education). Child labour refers to work that is mental, physically, socially and/or morally dangerous and harmful to children as well as work or activities that interfere with children's school attendance. Those in hazardous work contributed 22% of child labour for children 12-17 years. Hazardous work's nature or the circumstances under which it is performed, it jeopardises the health, safety and morals of a child.

Ugandan children in employment are in line with the African average, but significantly lower than the child labour rate (see more on Table 13). However, the child labour estimation from Uganda is a lower bound estimate since it does not include children involved in the "unconditional worst forms" of child labour such as child trafficking and children involved in obscure non-economic activities. The first National Child Participation Strategy (NCPS) 2017/18-2021/22 was launched in 2017. An evaluation of this strategy's impact is still not available.

**Table 13: Status of working children proportion of all children in age group 5-17**

Region	Year	Type	Proportion
Uganda	2016/17	Children in employment	28 %
		Child labour	15 %
		Hazardous work	19 % *
Africa	2016	Children in employment	27 %
		Child labourers	20 %
		Hazardous work	8.6 %

\* Since children aged 5-11 are not supposed to work at all, they are excluded from the statistics, and the percentage covers only age 12-17 years.

Source: [UBS, National Labour Force Survey 2016/17](#) and [ILO, Global estimates of child labour: Results and trends, 2012-2016](#)

Child labour is particularly taking place in the informal economy. A vast majority (92%) of working children are in the agricultural sector such as cattle herding and commercial farming, and slightly more than four out of five (83%) are contributing family workers.<sup>53</sup> The relatively high level of working children are related to poverty, weak education and social protection systems. As an example, many children voluntarily leave school for agricultural or domestic work, to help their family meet expenses. Other children, particularly among the large orphan population, are forced to work due to the absence of parents or because their parents were too sick to work.

In 2016, the government approved the Children (Amendment) Act, which establishes age 16 as the minimum age for work and criminalises the use of a child for commercial sexual exploitation. However, the labour regulations regarding children are somewhat contradictory, and it has failed to stop exploitation due to inadequate implementation. The Ugandan authorities operate with a list of hazardous occupations prohibited to children under 18. On the other hand, the Employment of Children Regulations permits a Commissioner to allow children age 12 and older enrolled in an educational training or apprenticeship program to engage in hazardous work in violation of international standards. Not to mention, Ugandan children are required to attend school only up to age 13. This standard makes children aged 13 to 15 vulnerable to child labour, because they are not required to attend school but are not legally permitted to work.<sup>54</sup> On the positive side, the government is working to develop regulations to implement the Children Act.

The bill's minimum age protections do not apply to children working without a formal employment relationship. Since a large majority of the employment operates in the informal economy, this legal provision is not used in practice. Furthermore, data suggests that only 5.2% of the country's total employment of children is in paid work.<sup>55</sup>

## Gender

Gender inequalities in the labour market are present in Uganda on a wide range of aspects. First, there is a disconnection between Uganda's legal framework and its lack of effective implementation or enforcement.<sup>56</sup> Women's legal status is precarious, and their rights are not effectively guaranteed in practice. As an example, the different land tenure system and overlapping land



rights are affecting many landless women farmers, who cannot easily access land.<sup>57</sup>

Second, attitudes, beliefs and practices often serve to exclude women on the labour market, which is deeply entrenched throughout the country. The patriarchal structures create unbalanced power relations between men and women that continue to negatively affect women's human capital development and their activity in the labour market. This labour-related dysfunction is illustrated by measurements of discouraged job seekers in Uganda, which is much higher for women at 72% while it is down to 28% for men.<sup>58</sup>

Third, women's role on the labour market is intertwined with the disproportionate burden they bear of unpaid work in the household, including child and elder care, and provisioning of food, fuel, and water. These cores bring more labour constraints for women who face time trade-offs on income related activities. Another aspect is that women are still getting married at an early age. Nevertheless, trends in age-at-first marriage have somewhat changed since 1995. This alteration can partially be due to the implementation of the universal primary education. However, problems still exist on this latter issue, e.g. a majority of girls are still out of school due to pregnancy (see also the section: Education).

The Gender Inequality Index – measuring health, empowerment and economic status – ranked Uganda 126 out of 189 countries (1 is highest).<sup>59</sup> What keeps this relatively low ranking is related to the high maternal mortality ratio and adolescent birth rates, along with significant gender gaps in key labour market indicators in Table 14.

**Table 14: Estimation on workforce key indicators gender gaps in Uganda, 2019**

	Men	Women	Gender gap, percentage point (p.p.)
Employment	74 %	65 %	9 p.p.
Unemployment	1.5 %	3.1 %	-1.6 p.p.
Underutilisation *	24 %	16 %	8 p.p.
Employees	28 %	16 %	12 p.p.
Vulnerable employment **	68 %	81 %	-13 p.p.

\* Underutilisation constitutes of: i) insufficient of the volume of work (time-related underemployment), ii) low remuneration (low earnings), and iii) incompatibility of education and occupation (skills mismatch).

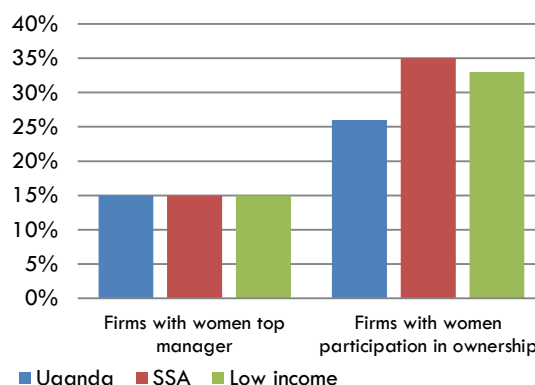
\*\* Aggregate own-account workers and contributing family workers.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#).

Another indicator of women's role in the economy is their relation to firms. Data reveals that Ugandan women

have a lower share in firms with women participation in ownership in comparison to the sub-Saharan Africa average, while it is in line with the firms with women top management (Figure 7).

**Figure 7: Women in firms' top management and ownership, 2013**



Source: [World Bank, Enterprise Survey, Uganda 2013 Country Profile](#)

Ugandan women's economic empowerment is widely regarded as an essential component of Uganda's development policies. However, this empowerment has often led to disengagement in practice. It is, among others, interesting to observe that women's representation in decision-making boards at all levels in the National Organization of Trade Unions (NOTU) is 38% on average. However, women's representation in the majority of trade unions is still dominated by men. NOTU is collaborating with the Trade Union Confederation for the East African Community (EATUC) to promote gender equality, both within the labour movement and in Uganda.<sup>60</sup>

## Youth

Uganda has one of the world's youngest populations: around four out of five (78%) of the population is below the age of 30. Around one out of two youth is in employment, but the quality of the jobs is low for most of them.

Some of the key aspects that characterise the Ugandan youth in the labour market are that a majority (71%) are in vulnerable employment (i.e. as own-account workers and contributing family workers). Only one out of five (20%) has attained a stable and satisfactory job, arriving from a previous position as a contributing family worker, and just 6% are employed as professionals. In addition, informal employment is covering at least nine out of ten (92%) of Ugandan youth workers. Only 18% of young people are in a paid employment, benefitting

from a written contract. Low-pay was common among the young workers, with 60% of paid young employees taking home less than the average monthly wages/salaries.<sup>61</sup> These aspects are also interlinked to the relatively low labour productivity in the country (revisit Figure 4).<sup>62</sup>

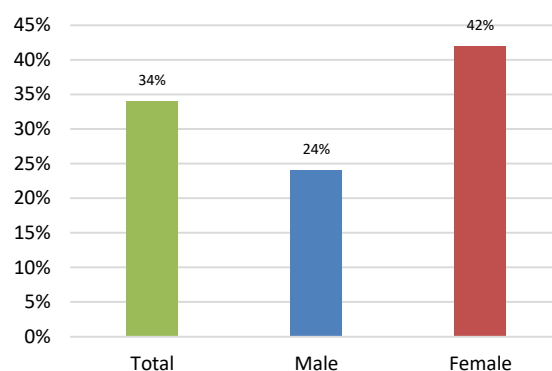
In Uganda, around 43% of young, organised informal workers are women, and 57% are men. Other estimations in terms of the distribution of young, informal workers by trade union membership suggest that 4.5% are men and 3.2% are women. This relatively low enrolment of youth from the informal economy in trade unions is frequently related to ignorance, either about the existence of trade unions or about the role of trade unions, i.e. estimated by survey at 73%. In contrast, the percentage of those who do not join a labour union due to lack of interest is only assessed at 6.1%.<sup>63</sup>

Youth unemployment appears to be relatively low at 3.1%, with some upsurge up to 11%, on the more 'relaxed' unemployment definition.<sup>64</sup> Urban youth are more likely to be unemployed (12%) than rural youth (3%). Young women are twice as likely to be unemployed, compared to young men. Overall, the low measured 'strict' unemployment figures do not necessarily signify a healthy labour market. First of all, the type of work, which a majority of the Ugandan youth covers, is with a lack of employable skills, with limited access to resources like land and capital, insufficient job creation in the formal sector, and most jobs are in the informal economy with some of the worst working conditions.

A statistical measurement on the Ugandan youth not in education, employment or training (the NEET rate), indicates untapped potential who could contribute to national development through work. The NEET group is neither improving their future employability through investment in skills nor gaining experience through employment. Thus, this group is particularly at risk, regarding both the labour market and social exclusion. A high NEET rate and a low youth unemployment rate may indicate significant discouragement of young people. A high NEET rate for young women suggests their engagement in household chores and the presence of strong institutional barriers limiting participation in labour markets for women.<sup>65</sup> On this background, the Ugandan youth confronts a quite high NEET rate, especially for women (Figure 8). This stance explains why Ugandan youth frequently have a negative attitude towards certain types of work, which has also contributed to their inability to find gainful employment. Existing

policies also continue focusing on creating job seekers instead of job creators.<sup>66</sup> The Sustainable Development Goal target by 2020 is to substantially reduce the proportion of youth not in employment, education or training (see SDG Table, Indicator 8.6.1, on Page v).

**Figure 8: Share of youth not in employment, education or training (NEET) in Uganda, 2017**



Note: The share of the NEET rate as a percentage of the total youth population.

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

## EDUCATION

Most Ugandan people can be said to have some sort of education due to a high enrolment rate on primary education level. The country's literacy rates has improved for persons aged ten years and above from 70% in 2012/13 to 74% in 2016/17.

About 11% of the employed population do not possess any formal education. The level of leaving school before completing the education level stays high: around one out of two (52%) in employment has basic education and fewer have progressed and completed into higher education levels (see more on Table 15). Results thus show that too many young Ugandans were leaving school early to take up work.

**Table 15: Employment by education in Uganda, % of employment distribution, 2017**

	Less than basic	Basic	Intermediate	Advanced
Total	11 %	52 %	27 %	9.7 %
Men	6.6 %	53 %	30 %	10 %
Women	17 %	50 %	25 %	8.9 %

Source: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

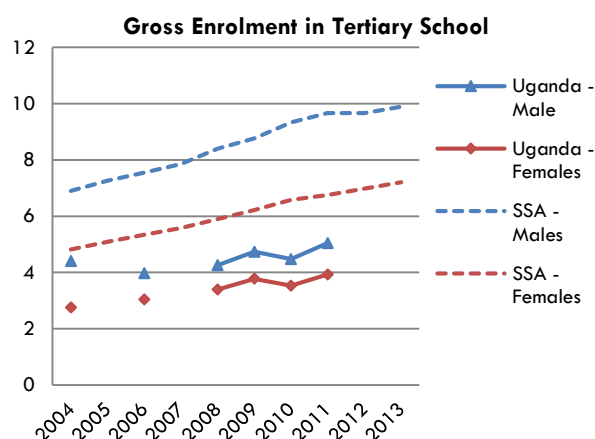
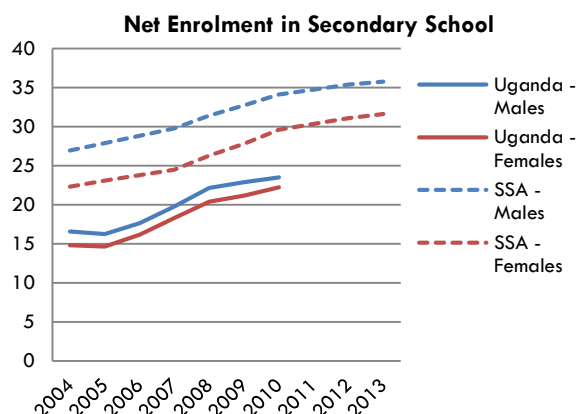
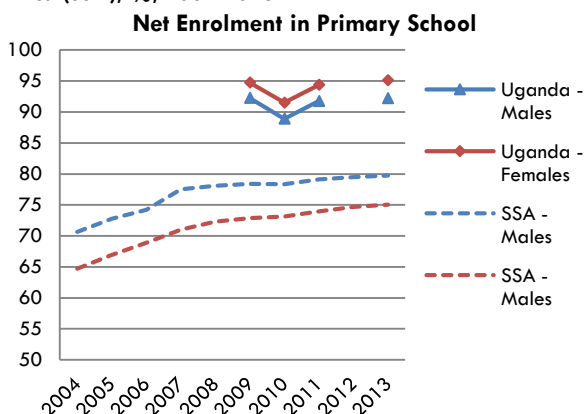
The government has implemented free universal primary education since 1997. That explains the high net enrolment in primary school in Uganda in Figure 9, and it stays significantly higher in comparison to the sub-

Saharan Africa average. This high rate is despite of the still relatively high child labour rate in Uganda. On the positive side, the education system had demonstrated improvements in Primary Leaving Examination (PLE) performance from 87% in 2016 to 91% in 2017 with Universal Primary Education (UPE) schools registering an increase of approximately three-quarters of enrolled students. However, the failure rate is higher in UPE schools at 11% compared to 4% of their counterparts in non-UPE schools.

Over the last decade, the government in Uganda has promoted interventions and strategies to ease access to secondary education. However, the net enrolment in secondary school is still low despite the improvement from 22% in 2012/13 to 28% in 2016/17. According to the government, the slowdown in enrolment is majorly attributed to abscondment of a large proportion of secondary schoolers being teenagers.<sup>67</sup> These changes have not yet been registered in Figure 9, but still, it signals that the country's net enrolment in secondary education level stays far below the regional average as well as with a gender gap that favours male.

Gross enrolment in tertiary education level continues to be low in Uganda (Figure 9). The estimated cost of tuition fees at the tertiary level per household is UGX1.86 million (US\$500). Many students are unable to enrol due to the high price. The government has provided support to needy students to ease access to education through the student loan scheme program. However, only 1,460 students were awarded loans by the Higher Education Students Financing Board (HESFB) in 2017. The Board increased the number of Higher Education Institutions to 19 and 13 Public and Private Chartered Universities and Tertiary Institutions, respectively.

**Figure 9: Enrolment in primary, secondary and tertiary education, Males and females, Uganda and sub-Saharan Africa (SSA), %, 2004-2013**



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age. Gross enrolment can therefore be higher than 100%, but with tertiary or university education, the age of the pupils is more diverse.  
Source: [World Bank, Education Statistics](#)

Uganda's education system has many challenges, for example, a high level of teacher and student absenteeism, weak school-level management structures, inadequate availability of learning material and a large number of students in the class. It is also important to realise that the availability of teachers in remote areas is the main problem. These aspects furthermore explain why only one out of two reaches a basic education level.

Another issue is that the education sector has gone through a liberalisation to introduce private institutions. This change opened up for numerous options to choose from depending on affordability, proximity and career choice. However, the sector is still characterised as supply-oriented rather than demand-oriented. And it makes many people enter into a mismatch of skills on the labour market, for example, as high as 71% of young working Ugandans are undereducated for the work they do. Those workers in mismatch are most often concentrated in skilled agriculture, forestry and fishery

work, plant and machine operators, assemblers and craft and related trades work. The high under-education rate is challenging an economic development and the young worker's sense of financial security.<sup>68</sup>

Uganda's government expenditure on education is relatively low in comparison to the sub-Saharan Africa average: 2.3% vs 4.5% of GDP, respectively. Other data reveals that the education sector accounts for 11% of the national budget in Financial Year 2018/19.<sup>69</sup>

Uganda is experiencing a challenge of a high influx of refugee children. More than half a million children are out of school: 57% of refugee children in Uganda (at least 353,000) and 34% of local children in refugee-hosting districts (around 171,000) do not have access to education.<sup>70</sup> Although the Ugandan government is promoting a quite 'open' policy, which includes access to education, it has created a high pressure on the country's education system. On the positive side, the Government of Uganda launched the Education Response Plan (ERP) in September 2018 to provide education for refugees. It is too early to assess the impact of this ERP.

### Vocational Training

Vocational education and training are some of the backbones of sustainable economic development. Where more skilled workers are available, companies can be more competitive. Uganda is standing in a weak position in this area: according to the latest NLFS 2016/17, two out of three (67%) of the population did not have any trade/technical skills or any area of specialisation. On the positive side, there is an upsurge of students as well as openings of new Technical Vocational Education and Training (TVET) institutions (more below).

The Business, Technical, Vocational Education and Training (BTJET) Act from 2008 was put in place to address the redundancy of the different institutions for vocational training. Most vocational programs are oriented towards pre-employment, supply-driven and targeting towards modern sector needs.

The public TVET system promotes individuals and enterprises to acquire the skills they need to raise productivity and income. The share of TVET in the Ministry of Education and Sports (MoES) budget is relatively low, though, approximately from 4% to 7%; and it is lower than the sub-Saharan Africa standards.

The Private Sector Foundation Uganda (PSFU) is Uganda's apex body for the private sector that offers

relevant technical and soft skills across different sectors. This institution consists of over 200 business associations, corporate bodies and the major public sector agencies. PSFU has served as a focal point for private sector advocacy and capacity building, and it continues to sustain a positive policy dialogue with the government.

The BTJET has reached over 124 (110 public; 14 private) training centres, schools and institutions, and polytechnics were established in 2018 with the aim of achieving a vocational school per district by the end of 2021. Other private TVET providers represent a stronger segment, estimated of more than 1,000 institutions, representing approximately 81% of all TVET providers.<sup>71</sup>

Enrolment in the BTJET increased by 3.2% from 105,905 students to 109,305 in the period from 2015/16 to 2016/17; 36% were women.<sup>72</sup> Although other stringent statistical data on vocational training is back from the 2000s, they still illustrate that Uganda stood far below on all vocational training indicators in comparison to the region's averages (see more in Table 16).

**Table 16: Status of Vocational Training in Uganda and the sub-Saharan Africa (SSA), 2010**

Pupils in vocational training (2010)	Uganda	39,250
Vocational pupils (% women) (2010)	Uganda	30 %
	SSA	39 %
Ratio of pupils in vocational student to all pupils in secondary education (Average 2008-2010)	Uganda	3.5 %
	SSA	6.2 %
Ratio of pupils in vocational training out of 15-24 year olds (Average 2008-2010)	Uganda	0.6 %
	SSA	1.6 %

Source: [World Bank, Education Statistics](#)

The BTJET system falls short on several aspects such as: i) the government funding to this sector is very minimal, ii) an absence of sufficient training and practice facilities/equipment makes it hard for the students to attain the best form of training and experience required, and iii) the purchase of the equipment to facilitate the work in the sector is very expensive and cannot be secured by the people pursuing this training.<sup>73</sup> Besides, the vocational training system is not in line with employment models and the character of the economy and labour market.<sup>74</sup>

It is estimated that 35% of formal firms are offering training programs for their permanent, full-time employees.<sup>75</sup> However, few wage and salaried workers

have permanent employment status and even fewer benefit from programmes of in-employment training provided by their employers.

A vast majority of workers in employment operate in the informal economy, and their enterprises cannot afford to offer long-term vocational training schemes. In practice, the TVET system is, to a large degree, neglecting the training needs in the informal economy and not geared to approach this segment's unique needs such as more demanded short-term courses. Stated differently, many of the training offers are supply-driven, not based on market assessments and only duplicate formal sector training at deficient levels.

## SOCIAL PROTECTION

The social protection system is fragile in Uganda. Around 5% of the population is covered by health insurance, and only 11% of persons aged 15 years and above are aware of health insurance.<sup>76</sup> Overall, 2.9% of the population is covered by at least one social protection benefit. There are no specific interventions that directly address unemployment benefits. All this is challenging the country's SDG target to implement nationally appropriate social protection systems and measures for all as well as by 2030 to achieve substantial coverage of the poor and the vulnerable (see also SDG Table, Indicator 1.3.1, in Page v).

**Table 17: Proportion of population covered by social protection floors/systems in Uganda, %, 2016/2017**

Indicators	%
Persons above retirement age receiving a pension (Contingency)	7.8 %
Population covered by at least one social protection benefit (Contingency)	2.9 %
Unemployed receiving unemployment benefits (Contingency)	0.0 %
Vulnerable persons covered by social assistance (Contingency)	0.6 %

Note: Refers to the population effectively covered by at least one social protection cash transfer.

Source: [ILO, SDG labour market indicators](#)

The existing social protection system in Uganda is including the Public Service Pensions Scheme (PSPS), the National Social Security Fund (NSSF), and the Parliamentary Pensions Scheme. These schemes consist of public servants' contributory and compulsory social insurance for formal workers. The country's pension sector went through liberalisation during the 2010s. As an aftermath of protest by NOTU, the government eventually repealed the pension schemes liberalisation

Act 2011 in March 2018 and annulled the privatisation of the social security schemes. The government has attempted to control the NSSF's management board members to govern loans through the Fund. However, the High Court ruled in April 2019 in favour of NOTU to order government to remove the blockade of worker's representatives in the NSSF Board. Today, NOTU enjoys 50% representation in the NSSF Board. In 2019, NOTU furthermore advocated with success for the statutory contribution for workers from the informal economy, and they can now contribute voluntarily to NSSF.

Other social protection initiatives are enrolled in various government programs, but they are limited in scope and coverage; see more in Table 18 below.<sup>77</sup>

**Table 18: Status of social protection programs and population coverage in Uganda**

Programs	Population coverage
The Public Service Pension Scheme	436,000
The National Social Security Fund, Workers Compensation	458,000
Voluntary retirement benefits Schemes	Very narrow and do not reach many individuals who requires social protection.
Workers Compensation Act	Only a few employers in the private sector. Government does not cover for its employees.
Private health insurance	Between 1% and 2% of the population.
Social Assistance Grants for Empowerment (SAGE) with two components: the Senior Citizens Grant (SCG) and the Vulnerable Family Grant (VFG).	Approximately 157,000 direct beneficiaries (59% are women, 41% are men) in 2018 in at least 15 districts out of 112. Senior citizens received their monthly allocations of UGX 25,000 (US\$6.7).
Public Works Programs	About 500,000 people.
The Social Assistance Grants for Empowerment	limited in coverage and do not guarantee regular and predictable minimum level of income for vulnerable households
Social Care and Support Services	Limited in scope and coverage
Informal and Traditional Social Protection, e.g. family and clan support systems, local credit and savings groups, mutual assistance schemes and burial groups.	Small proportion of the population

Source: [Uganda Ministry of Gender, Labour and Social Development](#) and [Ministry of Finance, Planning and Economic Development](#)

The government launched the National Social Protection Strategy in 2015, which aims to improve the coordination of a unified policy framework on the social protection programmes. Its impact has not yet been fully assessed, but some positive steps were reached in the Senior Citizens Grants and the Vulnerable Family Grants. Both include an extension of social security coverage to the

informal economy. The former is a universal pension covering all persons of 65 years and above (but lowered to 60 years in the case of the more vulnerable Karamojong region). The Vulnerable Family Grants is paid to poor and vulnerable households that lack labour capacity. Under this latter program, UGX 25,000 (US\$6.7) per month is to be paid to a qualifying senior citizen (65+ years of age), and 123,000 benefited under a pilot phase. In August 2015, the government launched to rolling-out the scheme in 40 districts until financial year 2019/20.

Overall, data reveals that Uganda lags behind the sub-Saharan Africa average in many aspects of social protection, e.g. the total social protection expenditure is estimated at 3.5% of the GDP, while it is 4.3% on the sub-Saharan Africa average. See more details on Table 19 below.

**Table 19: Status of public spending and coverage on social protection schemes in Uganda and sub-Saharan Africa (SSA), %, 2015**

Indicator	Measure	Uganda	SSA
Total social protection expenditure	% of GDP	3.5 %	4.3 %
Public health expenditure	% of GDP	2.3 %	5.4 %
Trends in government expenditure in health	Change, 2006-2015	12 p.p.*	N/a

\* Percentage point (p.p.).

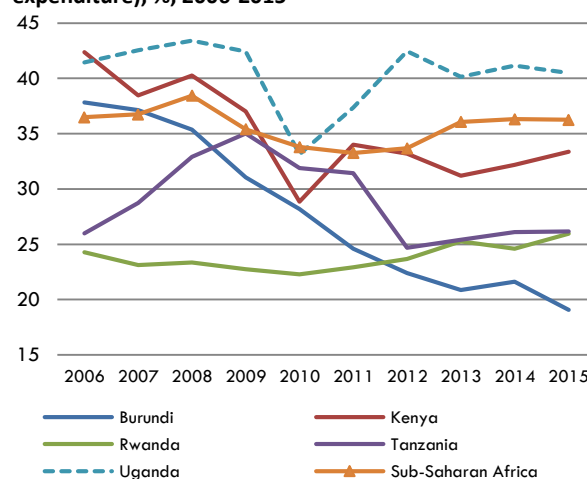
Source: [World Bank, World Development Indicators](#)

The government plans to introduce a nationwide National Health Insurance Scheme (NHIS). The parliament has not yet approved the crafted draft bill, but it is projected to start in financial year 2018/2019. The reform suggests that government and private employees will contribute 4% of their monthly salary to the NHIS, while employers will provide with 1% of each employee's monthly salary. Self-employed individuals will pay UGX 100,000 (US\$27) per year while pensioners will contribute with 1% of their monthly pension payment. The NHIS wraps three sub-schemes: The Social Health Insurance (SHI), the Community Based Health Insurance (CBHI), and the Private Commercial Health Insurance (PCHI). This system will be implemented concurrently. The CBHI component will mostly comprise workers from the informal economy. In addition, the NHIS draft Bill also aims to reduce the out-of-pocket expenditure.<sup>78</sup>

Current health expenditures were at a steady rate at around 8% of GDP on average during the 2010s, so far. It is 2.4 percentage points higher than the sub-Saharan Africa average. But, if this calculation lapses into

monetary terms (current US\$), it is much lower in Uganda of US\$51 versus the region's average of US\$89, respectively. Figure 10 below shows that although out-of-pocket health expenditures were on a declining trend, it is still a key share of private household expenditures. It remains significantly higher than other neighbouring countries. The government argues that the out-of-pocket health spending has been on the rise in recent years, which effects on the household consumption basket.

**Figure 10: Out-of-pocket expenditure (% of current health expenditure), %, 2006-2015**



Note: Out-of-pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

Source: [World Bank, World Development Indicators](#)

Uganda's system of contributory social protection mechanisms covers formal salaried or self-employed workers. The system is granting access to medical care, old-age pension, disability, maternity, and paid leave. As an example, the coverage of the proportion of total pensionable age receiving an old-age pension was estimated at 7.8% in comparison to the African average at 22%.

In 2016, the Uganda Retirement Benefits Regulatory Authority (URBRA) licensed a retirement benefits programme for the informal economy. The programme covers traders and individuals engaged in various forms of informal work.

The prevalence rate of HIV/AIDS rose to 34% of the total population in Uganda in the 1980s. Political will, donor support, the formation of various organisations to promote awareness of the disease confronted the epidemic. Uganda experienced a sharp drop in the HIV infection rate afterwards, as a result of diverse health

strategies directed towards to fight HIV infections in the 1990s. During the 2000s, the number of HIV cases was again rising: the HIV infection rate in Uganda grew from 6.4% in 2005 to 7.3% in 2012, and it was not only in urban areas but rural areas as well, particularly among those who were married.<sup>79</sup> The trade union movement has been active in promoting awareness activities of OSH and HIV/AIDS activities; e.g. support HIV/AIDS workplace policy/strategy and include the theme in CBAs.<sup>80</sup> A heated debate over the Anti-Homosexuality Act from 2014 – and the general public opinion of supporting it – was internationally considered a significant setback for the fight against HIV/AIDS. However, NOTU launched a standard CBA to negotiate better working conditions for people living with HIV/AIDS in different sectors.

## ECONOMIC PERFORMANCE

Uganda is a landlocked country, and the agriculture sector remains the economy's backbone. The country has substantial natural resources, which includes reserves of oil, and some deposits of copper, gold, and other minerals. The potential oil bonanza moves slowly along with the oil development. The economic development is even challenged by one of the lowest electrification rates in Africa - only 22% of Ugandans have access to electricity, dropping to 10% in rural areas.

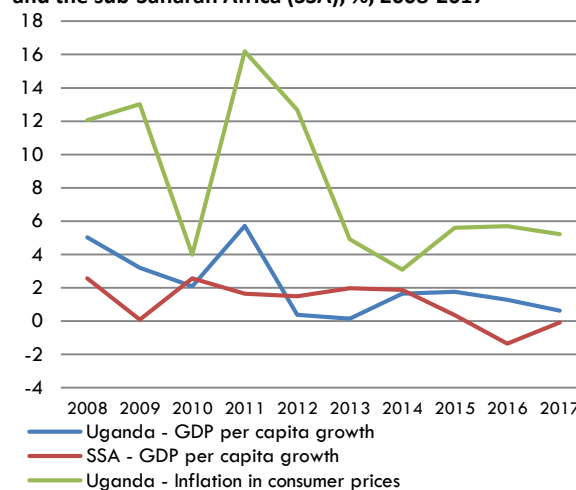
Economic growth was relatively high during the last three decades, but recently it slowed down its pace, reducing its impact on incomes and poverty reduction (see more in Table 20 and Figure 11). This economic downturn is due to adverse weather, private sector credit constraints and poor execution of public projects. Regional instability furthermore affected some of the countries that import Uganda's trade, e.g. South Sudan and the Democratic Republic of Congo (DRC) are Uganda's 2nd and 4th top export destinations. This drop in the export has raised concerns for Uganda's debt sustainability and the current account.<sup>81</sup> The country is still a low-income country with a GDP per capita (current US\$) of US\$604; ranking 200 out of 228 countries (1 is highest). Uganda's GDP per capita growth is slightly hovering above the sub-Saharan Africa average (Figure 11). Uganda's economic growth is projected to be at 5.9% in 2018 (see more in Table 20).<sup>82</sup>

**Table 20: Key economic data in Uganda, 2017**

GDP	US\$ 25.9 billion
GDP per capita (current US\$)	US\$ 604
GDP real Growth (av., 2008-2017)	5.7 %
Inflation in consumer prices (av., 2008-2017)	8.2 %
Tax revenue (% of GDP)	13 %

Source: [World Bank, World Development Indicators](#)

**Figure 11: GDP per capita growth and inflation rate, Uganda and the sub-Saharan Africa (SSA), %, 2008-2017**



Source: [World Bank, World Development Indicators](#)

The annual inflation in consumer prices has been fluctuating during the last decade at 8.2% on average. In recent years, this inflation has stayed below 6% (see Figure 11 above). The inflation is projected to be at 3.8% in 2018 according to the International Monetary Fund (IMF). This declining inflation rate advocates some improvements in protecting the workers' income purchasing power. However, in practice, salaries are most often not adjusted correspondently to the inflation rate, and it has prompted workers' strikes both in public and the private sector in recent years.

Inequality measured in the distribution of family income – The Gini index measures the degree of inequality in the distribution of family income in a country – is illustrating an increasing trend on the margin in Uganda from 41 in 2012 to 43 in 2016 (i.e. Gini index of 0 represents perfect equality, while an index of 100 implies inequality). Uganda stays on a low-medium level at 71 out of 158 countries.<sup>83</sup>

The steady economic growth and relatively high personal remittance have trickled down to a significant poverty reduction in the country. According to estimations and projections, the middle-class has increased from 9% in 2000 to a projected 28% in 2020. In contrast, the

extremely working poor fell by 35 percentage points in the same period, reaching 18%. Close to 47% of the workforce live below US\$3.1 per day. Around one out of four (23%) is as near-poor in 2018, and they remain vulnerable to the danger of falling into poverty, due to economic downturns, ill-health and environmental shocks (see more on Table 21). It is worthwhile to mention that the abovementioned estimations of extremely working poor rate are 16 percentage points higher than the register of the SDG value of 36% in 2019 (see SDG table, Indicator 1.1.1, in Page v). Both estimations are from ILO.

**Table 21: Estimation and projection of employment by economic class in Uganda, 2000-2020**

Year	Extremely poor (<US\$1.90)	Moderately poor (>=US\$1.90 & <US\$3.10)	Near poor (>=US\$3.10 & <US\$5)	Middle class (>=US\$5)
2000	53 %	25 %	13 %	9 %
2010	36 %	29 %	19 %	17 %
2020	18 %	29 %	24 %	28 %

Sources: [ILO, Key Indicators of the Labour Market \(KILM\)](#)

Gross fixed capital formation, signals how much of the new value added in the economy is invested rather than consumed. When the indicator's value increases, it points towards that economic activities are in progress that could support the economic development and job creation. Data shows that the gross fixed capital formation stayed at 25% during the last decade, and it hovers above the sub-Saharan Africa average that was set at 20%. This relatively higher level was mirrored by the abovementioned relatively higher GDP growth per capita and a slight upsurge of employees in the workforce.

Foreign Direct Investment (FDI) is the net inflows of investment to acquire a lasting management interest in an enterprise, operating in an economy, other than that of the investor. In Uganda, the amount of FDI was estimated at 3.8% of GDP on average in the last decade with a downturn in recent years. The FDI rate stayed above the sub-Saharan Africa average at 2.6% on average, though. This indicator demonstrates some international economic interests in the country, which has mainly been driven by infrastructure investments to boost the export sector. Developments in Uganda's oil sector are likely to increase FDI levels over the next five years. Tax incentives are not a deal-breaker for investors in Uganda since more than nine out of ten (92%) of investors are enjoying tax incentives that are directed towards the Special Economic Zones (see more below). These incentives are furthermore of limited value when

investors are motivated by the desire to access domestic markets or natural resources.<sup>84</sup>

Another aspect that confronts economic development is that it is not easy doing business in Uganda. The country is ranked relatively low on the global Doing Business Index as 127 out of 190 countries (1 is best) in 2019. Uganda stays above the sub-Saharan Africa average, but below the neighbouring countries such as Malawi, Kenya, and Rwanda. Out of ten doing business indicators, it was registered that enforcing contracts and getting credit had the highest rankings. Getting electricity, starting a business and dealing with construction permits have the lowest rankings (see more on Appendix Table 26). The cumbersome doing business regulations keeps many workers in the informal economy.

The oil production in Uganda has many aspirations, among others, oil revenues and taxes are expected to become a more significant source of government funding during the next five to ten years. Lower oil prices since 2014, protracted negotiations and legal disputes between the Ugandan government and oil companies may prove a challenge to further exploration and development.<sup>85</sup> So far, tax revenues have not increased and stayed at 13% of GDP during recent years.

### Special Economic Zones (SEZ)

In Uganda, there were long-standing interests in establishing SEZs. The progress was somewhat delayed by lack of clarity, despite the drafting of a Special Economic Zones Bill in 2002. As a latecomer, the Free Zone Act was finally approved in 2014. This bill included the establishment of the Uganda Free Zones Authority (UFZA).

The government signed an agreement in December 2015 to establish the first Special Economic Zone in Uganda, which is placed in Kaweweta, Nakaseke district, north-west of Kampala. The project is expected to accelerate infrastructure development and create up to 15,000 – 20,000 jobs in about 200 entities. The SEZ will be a specially demarcated duty-free enclave, which will be specialised with production, processing, packaging and export of agribusiness products. Official data is still not available on the signed number of companies and workers operating in SEZs in Uganda.

Some of the key benefits from the SEZs are: i) exemption from taxes and duties on all imported raw materials, intermediate goods and capital for exclusive use in the development of production output, ii) unrestricted



remittance of profit after tax, iii) tax holiday for 10 years on finished consumer and capital goods, and iv) 100% exemption from tax on income from agro-processing.<sup>86</sup>

One of the challenges of the SEZs in Uganda has been its landlocked situation. The government has planned to develop a railway, linking the whole of East Africa up to Ethiopia through South Sudan, and plans to develop the Entebbe Airport to become a regional and continental hub. At the same time, a shortage of serviced industrial land created constraints for the expansion of the manufacturing sector in general and exports in particular. For example, establishing locations within

Kampala are fully occupied and have little space for development.

East African Community (EAC) partner states negotiated to reach a consensus on the access threshold in Export Processing Zones (EPZs) / SEZ products to the regional market. It failed in June 2018. Kenya pushed to remove restrictions on investors, allowing them to sell more products to the regional market. However, Uganda along with Tanzania, Rwanda and Burundi stayed firm on their long standing positions on the EPZ market access threshold. EPZ/SEZ producers are allowed to sell 20% of their total annual production within the EAC. Uganda is also seeking further consultations and analysis to come up with a national position.

## APPENDIX: ADDITIONAL DATA

**Table 22: List of Trade Unions and affiliated organisations in Uganda, 2018**

Trade Union	Total Members	No. of CBAs
<b>NOTU</b>		
Amalgamated Transport and General Workers Union (ATGWU)	101,350 *	9
Uganda Beverage Tobacco and Allied Workers Union (UBTAWU)	3,962	8
Uganda Building Construction, Civil Engineering, Cement & Allied Workers' Union (UBCCECAWU)	6,000	14
Uganda Government and Allied Workers' Union (UGAWU)	5,300	1
National Union of Clerical, Commercial, Professional and Technical Employees (NUCCPTE)	213	6
National Union of Education Institutions (NUEI)	6,400	2
Uganda Mines, Metal and Allied Workers' Union (UMMAWU)	10,000	1
National Union of Plantation and Agricultural Work (NUPAWU)	120,000	12
Uganda Communication Employees' Union (UCEU)	221	3
Uganda Public Employees Union (UPEU)	10,500	1
Uganda Electricity and Allied Workers' Union (UEAWU)	3,600	6
Uganda Railways Workers Union (URWU)	300	1
Uganda Hospitality Leisure and Allied Workers Union (UHLAWU)	23	2
Uganda Media Union (UMU)	1,104	4
Uganda Nurses and Midwives Union (UNMU)	5,000	1
Uganda Fisheries and Allied Workers Union (UFAWU)	1,500	1
Uganda National Teachers' Union (UNATU)	160,000	1
National Union of Co-operative Movement Workers' Union (NUCMWU)	3,545	6
Uganda Horticultural, Industrial, Service Providers and Allied Workers Union (UHISPAWU)	1,000	3
Uganda Mine, Metal, Oil, Gas and Allied Workers' Union (UMMOGAWU)	1,767	6
National Union of Theatrical, Domestic and General Workers (NUTDGW)	17,500	8
National Union of Infrastructural, Civil Works and Wood Workers (NUICWWW)	2,929	8
Uganda Hotels, Food, Tourism and Allied Workers Union (UHFTAWU)	52,000	150
Uganda Printers, Polyfibre and Allied Workers Union (UPPAWU)	1,329	5
National Union of Government and Allied Workers (NUGAW)	5,000	1
Uganda Private Teachers Union (UPTU)	500	3
Uganda Bakers, Brewers, Millers and Allied Workers Union (UBBMAWU)	10,005	8
Uganda Local Government Workers Union (ULGWU)	1,200	1
Uganda Civil Society Organizations Workers' Union (UCSOWU)	1,214	1
National Union of Creative, Performing Artists and Allied Workers (NUCPAAW)	755	-
Uganda Journalists Union (UJU)	1,000	1
Uganda Markets and Allied Employees Union (UMAEU)	400,000 *	-
<b>COFTU</b>		
National Union of Drivers Cyclist and Allied Union Workers Union (NUDCAWU)	-	-
University Professionals and Academic Staff Union (UPASU)	-	-
National Union of Micro-Finance Savings and Credit Organization Workers (NUMFSCOW)	-	-
Agro Based Workers Union (ABWU)	-	-
Uganda Artisan and Allied Workers Union (UAAWU)	-	-

Uganda Courier and Telecom Union (UCTU)	-	-
Uganda Chemicals Petroleum and Allied Workers' Union (UCPAWU)	-	-
Uganda Parastatals, Statutory Authority and Judicial Workers' Union (UPSAJWU) **	680	-
Uganda Scientist, Researchers and Allied Workers Union (USRAWU) **	510	-
Uganda Liberal Teachers Union (ULTU)	-	-
<b>Independent unions</b>		
Kampala Metropolitan Boda-Boda Association	64,000	-
Namabitabodaboda association	-	-
Seetabodaboda association	-	-
AbaitaAbariki pick up and lorries association	-	-
Malaba taxi drivers association	-	-

\* Within the total membership in ATGWU, 71% (71,000 workers) are representing informal members; in UMAEU, all are informal members.

\*\* Trade union apply for affiliation to NOTU.

Sources: NOTU and DTDA

**Table 23: Labour market related national legislations approved in Uganda, 2014-2018 (November)**

Type	Legislation
<b>2014</b>	
General provisions	Free Zones Act, 2014 (No. 5 of 2014)
Education, vocational guidance and training	Higher Education Students Financing Act, 2014 (No. 2 of 2014)
<b>2015</b>	
General provisions	Presidential Elections (Amendment) Act, 2015 (No. 14 of 2015) Constitution (Amendment) Act, 2015 (No. 12 of 2015)
Equality of opportunity and treatment	National Women's Council (Amendment) Act 2015 (Act 17 of 2015)
Employment policy, promotion of employment and employment services	National Council for Disability (Amendment) Act (No. 19 of 2015)
<b>2016</b>	
General provisions	Non-Governmental Organisations Act, 2016 (Act of 2016) Tier 4 Microfinance Institutions & Money Lenders Act, 2016 (Act No. 4 of 2016).
Elimination of child labour, protection of children and young persons	Children's (Amendment) Act, 2016.
Migrant workers	The Hashemite Kingdom of Jordan and the Republic of Uganda Agreement on Employing Ugandans Workers in Jordan
<b>2017</b>	
None	None
<b>2018</b>	
None	None

Source: [ILO, NATLEX, Country Profile Uganda, Basic Laws](#)

**Table 24: Central laws and policies to the labour market conditions in Uganda, 2016/17**

<b>Laws</b>	<b>Issues</b>
Employment Act No. 6 of 2006	The Act was “to revise and consolidate the laws governing individual employment relationships, and to provide for other connected matters”. A bill from this act is before the 10th Parliament for approval.
The Workers Compensation Act Cap. 225 of 2000	The Act gives employees automatic compensation for any personal injury from an accident arising out and in the course of his work. It further details that, for an injury that leads to death, the compensation should be equivalent to an employer’s monthly pay multiplied by 60 months. Based on the act, compensation in case of occupational injury is automatic.
The Occupational Safety and Health Act No. 9 of 2006	The Act applies health and safety measures to every workplace or working environment and covers both the private and public sector Employers. The Act necessitates that the Employer provides compensation for any injuries sustained, diseases contracted or death suffered in the course of and as a result of employment. It also provides for general health and welfare provisions, including the provision of sound construction sites, proper ventilation of working environment, cleanliness, proper lighting, water, toilet services and first aid facilities for the workers. The Act applies to all Workers and Employers but excludes Men and Officers of the Armed Forces.
The Labour Unions Act No. 7 of 2006	Under the Act, employees are granted the right to organise themselves into Labour Unions and participate in the management of the said unions; collectively bargain; engage in other lawful activities for the purpose of collective bargaining or any other mutual aid practice; and withdraw their labour and take industrial action. Employers are also prohibited from interfering with the right of association of the different Unions; contravention of this legal position is an offence on the part of the Employer.
The Labour Disputes (Arbitration & Settlement) Act No. 8 of 2006	The Act provides for avenues of resolving disputes involving workers. The Act provides for the establishment of the Industrial Court, which is mandated to arbitrate on labour disputes and to adjudicate upon questions of Law and fact arising from references to the Industrial Court by any other Law. The Act also provides for other dispute resolution mechanisms such as references to the Labour Officer or a board of inquiry.
The Minimum Wages Advisory Boards and Wages Councils Act Cap.164 of 1964	The Act provides for the establishment of Minimum Wages Advisory Boards and Wage Councils, and for the regulation of the remuneration and conditions of employment of Employees.
Business, Technical, Vocational Education and Training (BTJET) Act 2008	The Act was put in place to address the redundancy of the different institutions for vocational training in Uganda and unemployment that was resultant from the scholar-oriented education system that provided minimal or no practical skills for students.
The Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations, No. 62 of 2005	The main objectives of these regulations are to promote full employment and equality of employment opportunities for all and to uphold the dignity and rights of Ugandan migrant workers; to allow deployment of Ugandans to countries which have existing labour and social laws or are signatories to international agreements protecting the rights of migrants; to protect every Ugandan desiring to work abroad by securing the best possible terms and conditions of employment; to provide a mechanism for issuing licenses to recruitment agencies.
<b>Policy</b>	<b>Themes</b>
National Youth Policy, 2001	The Policy recognises the right of youth to seek meaningful employment without discrimination.
National Employment Policy, 2011	The Policy sets to stimulate Government objectives and processes for generating jobs and ensuring a better employment environment for all workers.
National Development Plan II	The National Development Plan (NDP) II prioritised the question of job creation and employment. Evidence of this is shown by the theme of the development plan which is “Growth, Employment and Socio-Economic Transformation for Prosperity”.

Source: [UBS. National Labour Force Survey 2016/17, 2018](#)

**Table 25: Uganda's Ratified ILO Conventions**

Subject and/or right	Convention	Ratification date
<b>Fundamental Conventions</b>		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	2005
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1963
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1963
	C105 - Abolition of Forced Labour Convention, 1957	1963
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	2003
	C182 - Worst Forms of Child Labour Convention, 1999	2001
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	2005
	C111 - Discrimination (Employment and Occupation) Convention, 1958	2005
<b>Governance Conventions</b>		
Labour inspection	C081 - Labour Inspection Convention, 1947	1963
	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	1967
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	1994
<b>Up-to-date Conventions</b>		
Wages	C094 - Labour Clauses (Public Contracts) Convention, 1949	1963
	C095 - Protection of Wages Convention, 1949	1963
Young persons	C124 - Medical Examination of Young Persons (Underground Work), 1965	1967
Migrant workers	C143 - Migrant Workers (Supplementary Provisions) Convention, 1975	1978
Industrial relations	C154 - Collective Bargaining Convention, 1981	1990
Employment Policy	C159 - Vocational Rehabilitation and Employment (disabled persons), 1983	1990
Occupational Safety and Health	C162 - Asbestos Convention, 1986	1990

Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work. Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promotes a well-regulated and well-functioning labour market. In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.

Source: [ILO, NORMLEX, Uganda](#)

**Table 26: Ease of Doing Business in Uganda, 2019**

Topics	Ranking
Overall	127
Starting a Business	164
Dealing with Construction Permits	145
Getting Electricity	175
Registering Property	126
Getting Credit	73
Protecting Minority Investors	110
Paying Taxes	87
Trading Across Borders	119
Enforcing Contracts	71
Resolving Insolvency	112

*Note: Doing Business 2019 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.*

Source: [World Bank & IFC, Ease of Doing Business 2018 in Uganda](#)

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