

# LABOUR MARKET PROFILE

## Uganda



2026



### Key Labour Market Indicators



Population  
46 mio



Workforce  
23 mio



Informal Employment  
> 90%



Trade Union Rights Violations  
4 out of 5



ULANDSSEKRETARIATET – DTDA  
DANISH TRADE UNION DEVELOPMENT AGENCY

# LABOUR MARKET PROFILE

## Uganda 2026

### FACT SHEET



Labour Force Participation Rate

**79%**

**3%**

of population covered by at least one social protection benefit

Trade Union Density

**8%**



**25%**

of employees covered by CBAs



Child Labour Rate

**40%**

**36%**

Working-age population (15-24 years)

**16%**

Poverty Rate



**14%**

of youth not in education, employment or training



## PREFACE

The Danish Trade Union Development Agency (DTDA) is the development organisation of the Danish trade union movement. DTDA's work aligns with the International Labour Organization's global Decent Work Agenda (DWA), based on its four pillars: creating decent jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. The overall development objective is to eradicate poverty and support the development of just and democratic societies by promoting the DWA.

The DTDA collaborates with trade union organisations in Africa, Asia, Eastern Europe, Latin America, and the Middle East. The programmes' immediate objective is to assist the partner organisations in becoming change agents in their own national and regional labour market context, capable of achieving tangible improvements in the national DWA conditions and the labour-related Sustainable Development Goals (SDGs).

The labour market profile brings insights to the labour market model and its trends, status, and challenges. It is prepared in collaboration with national partner organisations, providing annual narrative progress reports as part of programme implementation and monitoring. National statistical institutions and international databanks (e.g., ILOSTAT and NATLEX, World Bank Open Data, and other internationally recognised labour-related global indexes) are also used as sources of data and information.

The profile is regularly updated to reflect the latest developments. Labour Market Profiles for more than 20 countries are available on DTDA's website, ensuring stakeholders have access to the most recent information:

<https://www.ulandssekretariatet.dk/>.

The DTDA supports development programmes in Uganda in collaboration with the National Organisation of Trade Unions (NOTU).



### Labour Market Profile 2025

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## EXECUTIVE SUMMARY

**Uganda's labour market model is supported by a legal framework that protects workers' rights**, and recent reforms have addressed longstanding challenges related to working conditions. However, a combination of high informality, a fast-growing workforce, and limited decent work opportunities continues to undermine the model's effectiveness.

**The country's membership in the East African Community (EAC) has expanded regional employment prospects**, which is a key driver of labour migration patterns and part of broader regional economic integration. This arrangement particularly benefits skilled and semi-skilled workers, but practical barriers continue to limit the full realisation of these opportunities.

**The officially low unemployment rate is misleading, as most workers are engaged in informal or low-hour employment**, thereby weakening the wage system. Given the relatively small formal sector, the country has a narrow income tax base, which constrains fiscal capacity for investment in education and social protection.

**Social dialogue is supported by legal provisions and the National Tripartite Charter, playing a central role in enabling cooperation among social partners.** Trade unions has demonstrated a notable increase in membership, particularly among organised workers in the informal economy. Similarly, coverage of collective bargaining agreements (CBAs) has expanded, leading to increased earnings for many formal-sector workers. This progress points to improved mutual recognition among social partners. Core factors shaping social dialogue in the labour market, such as efficiency, stability, trust,

security, and flexibility, remain negatively affected by the limited coverage of formal structures in practice.

**A series of major contemporary issues is reshaping the labour market landscape.** For example, the fourth industrial revolution (4IR), particularly the growth of the gig economy, is emerging amid systemic infrastructural deficiencies and skills gaps. In addition, Uganda is among the most climate-vulnerable countries, with climate shocks disrupting traditional forms of employment. Labour export has gained increasing importance in the economy, while a substantial influx of refugees and internally displaced persons (IDPs) places significant pressure on the labour market's capacity to respond to the specific challenges faced by these groups.

**There have been improvements in employment outcomes among individuals with basic and intermediate levels of education.** The country also promotes a diverse Technical and Vocational Education and Training (TVET) system. However, the labour market's failure to generate a significant increase in formal employment reflects weak linkages with the education system, as underscored by the persistently high rate of child labour.

**The social protection system provides limited security for most workers.** The approach lacks adequate income support for the unemployed, offers weak maternity leave coverage, and provides few tax-funded social benefits. Although the number of people receiving retirement pensions has increased, the scope of benefits remains insufficient to lift recipients out of poverty.





## TABLE OF CONTENTS

<b>PREFACE</b> .....	<b>I</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>II</b>
<b>ECONOMIC PERFORMANCE</b> .....	<b>1</b>
Just Transition Agenda .....	2
<b>LEGAL FRAMEWORK</b> .....	<b>2</b>
Ratified ILO Conventions .....	3
<b>SOCIAL PARTNERS</b> .....	<b>4</b>
Government.....	4
Trade Unions .....	5
Employers' Organisations.....	6
<b>SOCIAL DIALOGUE</b> .....	<b>7</b>
Industrial relations dispute system.....	8
<b>STATUS OF WORKING CONDITIONS</b> .....	<b>9</b>
<b>TRENDS THAT AFFECT THE LABOUR MARKET</b> .....	<b>10</b>
<b>THEMATIC DIMENSIONS SETTING THE WORKFORCE</b> .....	<b>11</b>
Informal economy.....	11
Migration.....	12
Child Labour.....	13
Gender.....	14
Youth.....	15
<b>EDUCATION AND TRAINING</b> .....	<b>16</b>
Vocational Training.....	18
<b>SOCIAL PROTECTION</b> .....	<b>19</b>
<b>APPENDIX: ADDITIONAL DATA</b> .....	<b>22</b>
<b>REFERENCES</b> .....	<b>27</b>

## Tables

Table 1: Proportion of population covered by social protection services in Uganda, %, latest data .....	20
Table 2: Context of recent legal reforms in Uganda's labour market .....	22
Table 3: Legal reservations in Uganda concerning the rights to organise, collective bargaining, and strikes .....	23
Table 4: Status of ratified ILO Conventions in Uganda.....	24
Table 5: Uganda's key workforce data .....	25
Table 6: The main demands of the African trade unions in the declaration statement calling for the Just Transition agenda, 2023 .....	26

## Figures

Figure 1: Gross domestic product, inflation, and unemployment growth trends in Uganda, %, 2010-2027 ...	1
Figure 2: Level of national compliance with labour rights among Uganda and neighbouring countries, 2023	4
Figure 3: The broadly status of the two trade union centres membership in Uganda in 2024 .....	5
Figure 4: Average monthly earnings of employees in Uganda, US\$, 2012-2021 .....	9
Figure 5: Net migration and personal remittance in Uganda, 2010-2024 .....	13
Figure 6: Proportion of women in senior, middle and management positions in Uganda and neighbouring countries, %, latest data .....	15
Figure 7: Proportion of youth (aged 15-24 years) not in education, employment or training in Uganda and other neighbouring countries, %, 2021.....	16
Figure 8: Uganda's employment by education, %, 2012-2021.....	17

## Boxes

Box 1: Central tripartite institutions.....	7
Box 2: Fourth Industrial Revolution (4IR).....	11
Box 3: Organising workers from the informal economy in Uganda.....	12

## ECONOMIC PERFORMANCE

### Key Findings

- Uganda's solid economic growth has started to **trickle down into poverty reduction**.
- Rapid population growth increases the number of new entrants into the labour market, **outpacing formal job creation**.
- The widespread informal economy is **undermining the tax system** and the labour market model's financial sustainability.

### Slowly Developing its Industrial Base

The country is a landlocked country in East Africa, with an economy that remains heavily reliant on the agricultural sector. This latter sector is under-modernised and highly vulnerable to climate shocks, complicating a just transition (see ahead). Manufacturing employment remains marginal, while the service sector, although dominant in the economy, is relatively low in job intensity (i.e., it creates relatively few jobs per unit of output or investment). Expansion in services, infrastructure, oil and gas, and agro-industries is driving the relatively high economic growth. Nevertheless, labour productivity in Uganda has stagnated with a widened gap to the average in Eastern Africa. This situation reflects a persistent human capital gap, and a rapidly growing working-age population present structural challenges to the creation of productive employment.

### Informal Workers Lack Inflation-Adjusted Wages

Consumer price inflation has been moderate in the aftermath of global supply chain disruptions in 2022. Although this has contributed to a more stable macroeconomic environment, inflation is projected to rise again in connection with the upcoming general elections in 2026, exposing to reduce purchasing power, especially affecting households with fixed or low incomes. Commonly,

most workers struggle to afford basics like food, rent, and transport, leading to increased financial stress and lowered productivity.

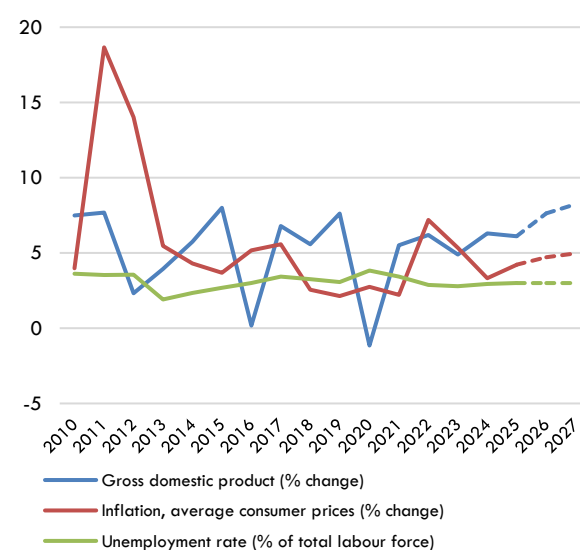
### Unemployment Rate is Underestimated

Uganda's official unemployment rate is relatively low (see Figure 1), but it does not fully reflect labour market conditions, as many individuals are engaged in informal, precarious, or low-hour employment. A large share of the workforce is involved in subsistence agriculture, which is seasonal and characterised by periods of underemployment, often referred to as 'disguised unemployment'.

### Poverty Reduction Fell

The latest official national poverty line was registered at 16% of population in 2025, a fall by four percentage points since 2019/2020.<sup>1</sup> This accomplishment suggests that the economy is gaining some progress in income or creating productive jobs, benefitting agricultural production, and strong activity in industrial and services sectors.

**Figure 1: Gross domestic product, inflation, and unemployment growth trends in Uganda, %, 2010-2027**



Source: International Monetary Fund, World Economic Outlook Databases; World Bank Group; Trading Economics.



### **Narrow Income Tax Base**

The country implements a progressive personal income tax rate, and both employees and employers are legally required to contribute to the National Social Security Fund (NSSF). The widespread informal economy brings few businesses and individuals pay direct taxes like income taxes or formal social security. These relatively low tax revenues make the country rely on external aid to fund public spending to implement critical infrastructure projects, social protection, and education improvements.

### **Free Zones (FZs) in Transformative Juncture**

Institutional reforms and infrastructure projects poised to enhance the country's export capabilities. In April 2024, legal reforms were launched to form the Uganda Free Zones and Export Promotions Authority (UFZEPA). This consolidation aims to streamline export promotion and industrial development efforts. The number of workers in FZs remains low, registering almost 10,000 workers or 0.3% of (formal) employees in 2021/2022.<sup>2</sup>

## **Just Transition Agenda**

### **Among Most Climate-Vulnerable Countries**

Uganda is increasingly affected by extreme weather events – including floods, landslides, and prolonged droughts – which intensify food insecurity, displacement, and loss of livelihoods.<sup>3</sup> Approximately, 70% of Uganda's workforce is employed in agriculture, which is particularly exposed to climate risks. These climate-related impacts are disrupting traditional forms of employment.

### **Green Job Goal**

The country's Green Growth Development Strategy (2017–2031) aims to include job creation, projecting up to four million green jobs by 2040 through sustainable agriculture, renewable

energy, water management, and city planning.<sup>4</sup> This ambition is constrained by structural issues (finance, governance, skills), operational issues (technology, incentives) and contextual issues (resource depletion, informal economy, extractive growth pressure).

### **Ten Demands for the Just Transition Agenda**

Uganda's trade union movement has shown growing interest in environmental and climate change issues, particularly in drawing attention to green jobs. Among others, a Memorandum of Understanding signed in 2023 between unions and employers included commitments to just transition and environmentally friendly production.<sup>5</sup> The trade union movement has also been involved in rising regional demands calling for the Just Transition agenda (see Appendix Table 6). Nevertheless, trade unions' contribution to green job pathways remains constrained by limited resources, a large informal economy, and the lack of translation of these commitments into collective bargaining outcomes

## **LEGAL FRAMEWORK**

### **Key Findings**

- Recent legal reforms are focused on to boost labour protections coverage, promote safer workplaces, and align with international labour standards.
- The government called for labour law modernisation to regulate emerging sectors such as gig and online work.
- Although a broad legal framework protects Uganda's labour market, the implementation and enforcement remain weak.

### **Strong Labour Market Legal Framework**

Uganda's labour-related legal framework is covered by a series of laws, primarily governed by

the Employment Act of 2006. The latter specific law sets employment relationships, such as contracts of service, rights and duties of employers and employees, conditions of employment (e.g., wages, working hours, leave), protection against unfair termination, employment of children and young persons, and special protections for women workers (e.g., maternity leave). Other laws further established institutions supporting the industrial relations.

### **Laws Protects Workers' Rights**

Ugandan workers' basic rights are enshrined in the Constitution. The right to freedom of association is regulated by law, prohibiting anti-union discrimination. The right to collective bargaining is recognised by law. The right to strike is also recognised by law but strictly regulated.<sup>6</sup>

### **Positive Legal Reforms**

Recent legal reforms in 2023 aiming to address longstanding challenges in the labour market, especially the Employment (Amended) Act of 2023 and the Occupational Safety and Health (Amendment) Act of 2023 (see more in Appendix Table 2). These laws are considered as positive developments to enhanced worker protections and improve workplace safety.

### **Hurdles to Fully Realise Regional Labour Integration**

Uganda has signed two central regional trade agreements (RTAs): the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), both with labour provisions. The EAC regional trade agreement has influenced its labour market, particularly through regional labour mobility, harmonisation of labour standards, and policy reforms. The regional coordination also focusing on allowing portability of social security benefits across EAC member states, a major gain for migrant workers. Mutual recognition of academic and professional

qualifications, joint initiatives on occupational health, youth employment, and anti-trafficking measures are other topics in progress. Despite protocol commitments, bureaucratic barriers still hinder free movement in practice, not to mention labour market information systems are not yet fully integrated across member states. Domestic labour market pressure, exploitation of migrant workers, and policy misalignment create hurdles to fully realise the RTA. While COMESA is more trade-focused than labour-centric compared to the EAC, it still has indirect and strategic implications for Uganda's labour market.

### **Weak Enforcement Weakens Labour Rights**

While the labour market's legal framework may spell out certain workers' rights, most workers operate in the informal economy without a guarantee of rights and are exposed to unfair labour practices. The implementation and enforcement also remain weak due to institutional challenges and limited resources.<sup>7</sup> Additionally, industrial relations still face specific legal barriers and restrictions for workers to practice their rights (see Appendix Table 3).<sup>8</sup>

## **Ratified ILO Conventions**

International Labour Organization (ILO) conventions enumerate international principles and rights at work. Appendix Table 4 shows that eight out of ten Fundamental Conventions and three of four Governance Conventions have been ratified, and 8 of 178 Technical Conventions are up-to-date and actively promoted. The latest ratified convention is the Violence and Harassment Convention (C190) in 2023. The Industrial National Coordinating Council – Uganda (INCC-U), which is a voluntary coordination mechanism among several major trade unions, building broad-based support for the convention, not to mention more than two million industrial

workers now are in focus from stronger protections.<sup>9</sup>

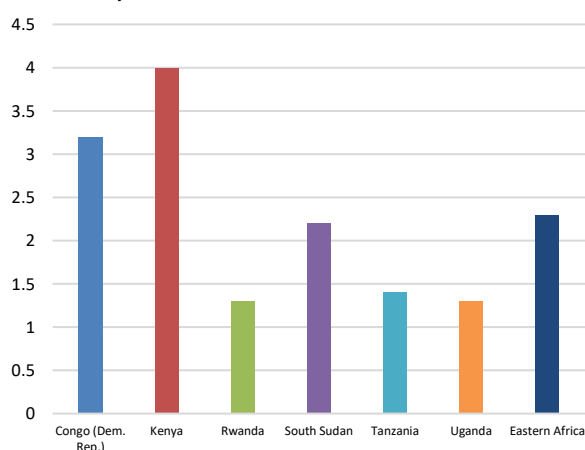
### CEACR Observations and Direct Requests

The ILO's independent supervisory system body – the Committee of Experts on the Application of Conventions and Recommendations (CEACR) – has many observations and direct requests for conventions. For instance, in 2024, the CEACR noted with concern that the Tripartite Charter on Labour Relations of 2013 supposed to give effect to the obligations assumed under the Convention was still not adopted.<sup>10</sup>

### Labour Rights Compliance

The Sustainable Development Goals indicator 8.8.2 measures compliance with fundamental labour rights. Based on ILO textual sources and national legislation, Uganda's scoring has been stable in recent years, landing relatively better compared with the neighbouring countries (see Figure 2).

**Figure 2: Level of national compliance with labour rights among Uganda and neighbouring countries, 2023**



*Note: The value ranges from 0 to 10, with 0 being the best possible score (indicating higher levels of compliance with freedom of association and collective bargaining (FACB) rights) and 10 the worst (indicating lower levels of compliance with FACB rights based on ILO textual sources and national legislation).*

*Sources: International Labour Organization, Key Indicators of the Labour Market (KILM).*

## SOCIAL PARTNERS

### Key Findings

- Enforcement of labour rights and advancing legislative reforms remains weak
- Significant upsurge in trade union members and trade union density.
- Employers' movement is relatively centralised.

Uganda's social partners constitute the tripartite labour governance system, and the central institutions are summarised below:

## Government

### Ministry with Authority for Labour Issues

The Ministry of Gender, Labour and Social Development (MGLSD) is the main authority for labour administration and policy formulation. The ministry oversees:

- Central labour-related laws.
- Labour inspections, workplace safety, and employment standards.
- Social protection and welfare programmes for vulnerable groups.

While Uganda has developed a solid legal framework for labour rights and is advancing legislative reforms, enforcement remains weak. Key bottlenecks include inadequate inspection resources, limited reach into informal employment, low levels of contract-coverage among workers and insufficient sanctions for non-compliance. These factors weaken the translation of formal rights into practice, especially for vulnerable categories of workers.

## Trade Unions

### Trade Unions Play a Central Role

Uganda's trade union movement is structured along national, sectoral, and workplace levels, and is anchored in the Labour Unions Act of 2006 and the Employment Act of 2006. The formation promotes tripartite cooperation among workers, employers, and the government under the framework of the Decent Work Agenda and ILO conventions, particularly conventions of freedom of association and collective bargaining.

### Progress in Trade Union Unity

The structure of the trade union movement in Uganda is dominated by the National Organisation of Trade Unions (NOTU). This organisation is the largest national trade union centre in Uganda, recognised as the umbrella body representing most of the country's sector-based unions, organised around specific industries or occupational groups. A rival national centre emerged, the Central Organisation of Free Trade Unions (COFTU), which has fewer affiliates and a smaller membership base compared to NOTU (see Figure 3 ahead). COFTU is also recognised by the government as a legitimate social partner under the Labour Unions Act, which allows multiple national centres, not to mention participates in tripartite dialogue on national labour issues. Despite historical rivalries between NOTU and COFTU, the developing collaborative efforts demonstrate a significant shift towards unity and collective action, aiming to enhance workers' rights and representation in Uganda.

### Recognition of Trade Unions

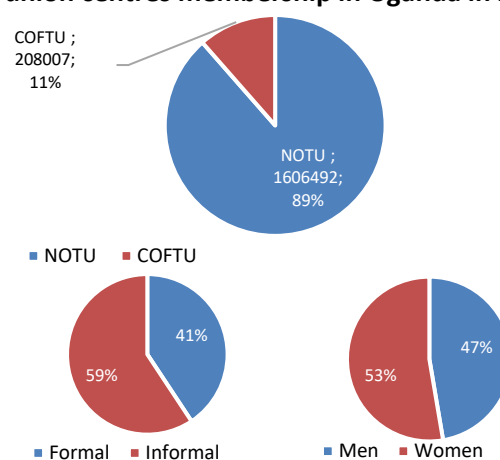
The overall aggregated trade union membership grew from 292,000 in 2012 to 1,815,000 in 2024, an increase of at least five times. This positive evolution echoes an upward recognition of trade unions as essential actors in social dialogue and decent work promotion. It has been driven by a

combination of economic, institutional, and policy factors. For example, economic growth and increased formal employment in sectors such as education, construction, public administration, transport, and manufacturing expanded the pool of potential union members. Moreover, three out of five members are representing organised workers from the informal economy (Figure 3). This latter group is part of the trade union movement as formal workers and integrated through sub-units, associations, or community-based groups affiliated with sectoral unions. This hybrid model of inclusion has been central for expanding union reach and reducing inequality between formal and informal employment in representation (see more in the Informal Economy sub-section).

### Relatively High Trade Union Density

Trade union density of total employment rose from 2.8% to 8.4% during the mentioned period, which was at the high-end among the neighbouring countries. More strictly defined unionism among formal workers (employees) – such as paying dues and being in contractual employment – reached around 21% of employees in 2024.

**Figure 3: The broadly status of the two trade union centres membership in Uganda in 2024**



Note: The trade union centres membership rates include formal and informal workers.

Source: NOTU data collection.

### ***Narrow Gender Gap within Trade Unions***

Unlike in many sub-Saharan Africa countries where union membership is heavily male-dominated, Uganda has achieved relatively balanced gender participation, especially within public sector and education unions (Figure 3). Some main factors are that structural dominance of women in unionised sectors benefit gender-sensitive union constitutions and quotas, government and donor-backed gender mainstreaming, and active recruitment of informal women workers.

### ***Unionism Challenges***

Although the impressive growth in trade union density in Uganda, trade unions encounter multiple challenges that constrain their influence and capacity. For instance, despite operating within a progressive legal framework, unionism is struggling by the widespread informal economy, limiting recruitment and collective bargaining coverage. Other issues are weak enforcement of labour laws, financial dependence on external support, and limited organisational resources challenge sustainability. Many employers resist union recognition, while casualisation and short-term contracts restrict workplace organising. Political interference, low awareness of labour rights among youth and informal workers, and persistent gender imbalances in leadership further constrain union development.

### ***Systematic Violations of Workers' Rights***

Uganda is ranked 4 out of 5 (5 is the worst) on the Global Rights Index in 2025.<sup>11</sup> New laws targeting so-called “foreign influence” impose strict controls on non-governmental organisations classified as receiving “foreign funds” and engaging in “political activities”. The definitions of these terms are often deliberately broad and vague, tailored to suppress fundamental freedoms such as freedom of assembly and freedom of expression. It is important to note that the right to strike is an

essential component of these fundamental freedoms.<sup>12</sup> Overall, the status of trade union rights violations in Uganda undermines economic development, weakens democracy, and harms social cohesion. Protecting these rights is not just about protecting workers but also the overlying factors that influence the dynamics of social dialogue.

## **Employers' Organisations**

### ***Employers' Movement is Centralised***

Uganda's employers' movement is dominated by one major national organisation, the Federation of Uganda Employers (FUE), representing private-sector interests at national, regional, and international levels. This organisation acts as the employers' voice in social dialogue and tripartite structures such as the National Tripartite Labour Advisory Council (NTLAC).

### ***Status of FUE***

The Federation of Uganda Employers (FUE) unites at least 600 direct member organisations and collaborates with 27 sectoral associations in particular industries, representing employers' interests in policy consultations, collective bargaining, and social dialogue structures.<sup>13</sup> It works alongside sectoral business associations such as the Uganda Manufacturers Association and Uganda Hotel Owners Association.

### ***Hurdles Faced by Employers' Organisations***

Employers' organisations in Uganda, led by the Federation of Uganda Employers (FUE), face several structural and institutional challenges that constrain their representativeness and influence. Membership remains concentrated among large formal enterprises, leaving SMEs and informal employers largely unorganised. Limited financial and technical capacity, weak coordination with sectoral associations, and gaps in outreach to the



informal economy restrict FUE's operational reach. Uneven enforcement of labour standards, shortage of skilled human resource professionals, and modest gender inclusion further limit effectiveness. While FUE plays a pivotal role in national social dialogue, strengthening organisational capacity, membership diversity, and policy engagement is essential to enhance employers' participation in Uganda's evolving labour market governance.

## SOCIAL DIALOGUE

### Key Findings

- The National Tripartite Labour Advisory Board promotes to improve inclusivity, regular dialogue, and representation of informal workers.
- Legal hurdles and high informality still challenge social dialogue and its contribution to further develop the labour market.
- Collective bargaining agreements coverage is progressing.

Across countries and irrespective of the level of development, the role of social dialogue in contributing to economic and social development is acknowledged. This context encompasses the negotiation, consultation, and exchange of information among governments, employers, and workers on labour-related and socio-economic issues. Its functioning depends on mutual trust, institutional capacity, and an enabling legal environment.

### Multi-Layered Legal Framework

The dynamics of Uganda's labour market model is based on a multi-layered legal framework for social dialogue rooted in international labour standards, national legislation, and tripartite consultation structures. This social dialogue is

supported by the National Tripartite Charter adopted in 2013 – signed by the government, employers' federation (FUE), and union bodies (NOTU and COFTU) – guiding social dialogue and collective bargaining at sectoral levels. This charter ensures, among others, that collective bargaining agreements (CBAs) and wage policies are consistent with national labour standards. The charter was reviewed and updated by social partners in October 2024, reflecting COVID-19's influence on work dynamics, a changed workforce and amended laws, and clarifying roles and terms of reference for the National Council.

### Central Tripartite Institutions

In Uganda, several forums play a role in shaping labour policies, resolving disputes, and promoting decent work. Although these tripartite institutions are legally sound and strategically positioned to improve labour relations, they struggle with capacity limitations, weak enforcement, and stakeholder disconnects (see **Box 1**).

#### Box 1: Central Tripartite Institutions

The leading tripartite cooperation institutions are listed below:

- **National Tripartite Council (NTC)** is Uganda's highest-level labour relations consultation body, overseeing labour policy dialogue and the implementation of the National Tripartite Charter.
- **Industrial Court panels** is a quasi-judicial body, which adjudicates labour disputes.
- **Minimum Wages Advisory Board** has been inactive for many years but now under review.
- **Labour Advisory Board (LAB)** advises on technical matters relating to labour policy, international conventions, and compliance.
- **Social dialogue platforms at sectoral level**, e.g., in education, construction, or public service, especially during wage reviews or collective bargaining rounds.

### *Progress in Social Dialogue*

Over the years, there have been improvements in working relationships between NOTU and FUE. They have promoted joint plans to bolster workplace social dialogue, strengthen alternative dispute resolution (ADR) and collective bargaining, and address union recognition issues at the bipartite level. This practice indicates progress beyond legislation toward improved practices.<sup>14</sup> For example, its collective bargaining agreement (CBAs) coverage increased from 15% in 2016, peaking to 30% in 2019, landed at 25% of employees in 2024.<sup>15</sup> This rate still stood significantly higher than neighbouring countries like Rwanda (5.7%) and Kenya (9.7%).

### *Working Conditions Improved*

In Uganda, recent collective bargaining agreement (CBA) developments include textile workers filing grievances over violations of collective bargaining rights, prompting a tripartite forum and pledged inspections by the Ministry of Labour in 2024. Also, the Uganda National Teachers' Union (UNATU) regularly negotiates with the government and has achieved wage increases and benefits through sustained CBA processes. It is worth noting that some enterprise level agreements' clauses provide for regular medical check-ups for workers. A few agreements devote special attention to where days off are given not just to expectant mothers so that they can give birth, but also later so that they can arrange for their children to be immunized.<sup>16</sup>

### *Limitations for Social Dialogue Persist*

The Labour Unions Act restricts trade union federations from collectively bargaining. ILO has repeatedly recommended limiting it only to essential sectors and emergencies, as well as certain exclusions for public servants and non-citizens. Weaknesses of social dialogue also remains dared to extend protections to informal workers and ensuring the practical application of

existing laws. For example, it causes to lacks formal contracts interlinked with most workers in the private sector operates in informal micro and small enterprises. These factors contest the dynamics of social dialogue.

## **Industrial relations dispute system**

Uganda's labour dispute system reflects a hybrid model, combining formal legal processes with alternative dispute resolution (ADR) methods.

### *Formal Dispute Resolution System*

The formal dispute resolution system is covered by a legal framework. The main institutions are:

- **Labour officer**, which is responsible for investigating and attempting to resolve disputes through conciliation.
- **Industrial Court** hears and determines labour disputes, such as unresolved disputes from Labour Officers, interpretation of collective agreements or employment contracts.
- **Labour Advisory Board** provides policy advice on labour matters but has limited dispute resolution functions.

### *Alternative Dispute Resolution*

Alternative dispute resolution (ADR) in Uganda is legally recognised and encouraged, promoting mediation, conciliation, and arbitration. This system encompasses more formal conciliation, which is conducted mainly by Labour Officers. Less formal mechanism is mediation, which is increasingly used, often initiated by employers, trade unions, or independent mediators. Arbitration is used less frequently in practice, but decisions (awards) of arbitrators are enforceable by law. It is worth mentioning that NOTU and FUE conducted joint consultations and developed guidelines on how to implement ADR, incorporated into the CBA template, which was reviewed for use by affiliates during negotiations. These social partners have further jointly

strengthened existing national and regional ADR committees and labour mediation in the labour court, with over 500 cases mediated by the ADR committees established at the regional level.<sup>17</sup>

### Dispute System Meets Barriers

The formal part is challenged by understaffing and under-resourcing of the Industrial Court and Labour Offices, let alone delays in dispute resolution.<sup>18</sup> The ratio of labour inspectors to formal workers stands suboptimal. Limited awareness and training in ADR techniques among stakeholders are also hindering the system, which is interrelated with the widespread informal economy, by the same token gender-sensitive dispute resolution is rare.

## STATUS OF WORKING CONDITIONS

### Key Findings

- Minimum wage has been dormant but new discussions are in progress.
- Formal workers' earnings started to rise at the beginning of the 2020s.
- Most unskilled and informal workers earn below the cost of living.

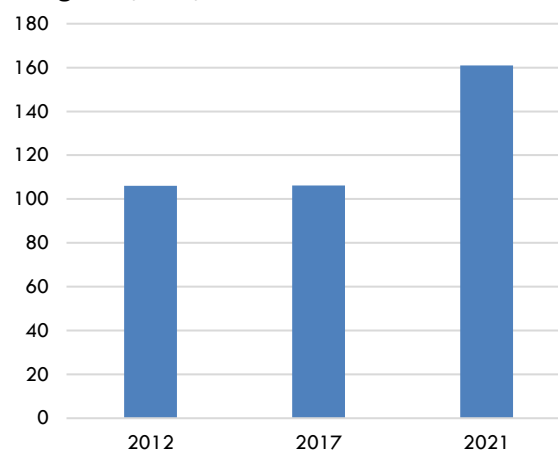
Working conditions directly affect workers' well-being, productivity, and job satisfaction. The state of these conditions has broader implications for the labour market, influencing economic performance, employment patterns, and social stability.

### Wage System in Progress

The minimum wage law, which was set in 1984, has never been updated and kept dormant. But recently, in May 2025, cabinet discussions were scheduled to establish sector-specific minimum

wages, regulate recruitment agencies, and gradually phase out casual labour.<sup>19</sup> Figure 4 shows that average nominal monthly earnings of formal workers (employees) stood stalled during the end of 2010s, but started to rise at the beginning of 2020s, indicating a positive impact of an upsurge in collective bargaining agreements coverage. A real hike (with deducted inflation and economic growth) in these earnings increased by 12 percentage points. Workers in the public sector often have more stable incomes and benefits, while those in the private sector may earn less or face irregular payments.

**Figure 4: Average monthly earnings of employees in Uganda, US\$, 2012-2021**



Source: International Labour Organization, ILOSTAT.

### Wages Below Needed for Basic Living costs

Most Ugandan wage earners receive less than UGX 250,000 (US\$69) per month, with many subsisting on UGX 5,000–10,000 (US\$1.3-2.7) per day.<sup>20</sup> These figures fall drastically short of the living wage benchmarks, which suggest that many workers earn wages that are not sufficient to meet basic living costs, especially in the widespread informal economy.

### Impacts of Weak Wage System

Uganda's weak wage system has far-reaching consequences for both workers and the wider economy. The minimum wage is outdated, leaving

real wages stagnant despite decades of inflation. As a result, many Ugandans, particularly those in unskilled and informal work, earn below the cost of living, which entrenches working poverty and restricts household consumption. The absence of effective wage regulation and enforcement has also sustained a high level of informality, with more than 90% of the workforce employed outside the formal sector where pay and conditions are unregulated.

## TRENDS THAT AFFECT THE LABOUR MARKET

### Key Findings

- The labour market is dominated by low-productivity and informal employment.
- The demographic youth bulge generates high labour market entry pressures, yet formal job creation is not keeping pace.
- While policy reforms are underway, the transformation of the labour market into an inclusive and productive system remains a challenge.

Uganda's workforce is shaped by a combination of structural challenges and evolving global trends. The following contemporary issues influence employment dynamics, job quality, and labour market inclusivity:

### *Workforce is Rapidly Rising*

Uganda's rapidly growing young population represents 45.9 million in 2024, of which at least 50% are under 20 – it is projected to double, reaching at least 103 million in 2050.<sup>21</sup> Similarly, the workforce is rapidly rising, reaching 22.8 million people in 2024.<sup>22</sup> The labour force participation rate measures the active portion of the working-age population, illustrating being on the rise, grabbing 81%. The labour supply growth

is driven largely by demographic factors. While these demographic trends create a large and energetic potential workforce, they also present a critical employment challenge to generate massive new jobs, which currently far outstripping jobs in the formal sector. Other patterns of the workforce main trends are summarised below and see statistical data in Appendix Table 5:

### *Cities as Employment Hubs Gain Importance*

Urban employment is gaining more weight on the job creation in industry, services, finance, and technology sectors. However, Uganda's formal workforce is losing pace, struggling with low labour productivity compared with the Eastern Africa average. The high informal employment stick with limited access to education and skills, and technology and infrastructure gaps, and many higher-skilled Ugandans emigrate. Another interesting influence is the rising ratio of employers to total employment, leading economic diversification that has benefitted supportive government policies, improvements in the business environment, and the demographic factors encouraging entrepreneurship. Still, seven out of ten (72%) workers are operational in rural areas; many engaged in subsistence agriculture.

### *Skill Levels Remain Underutilised*

Although there have been some improvements in employment among individuals with higher education (see Figure 8 ahead), intermediate and advanced skill levels remain underutilised. Many educated Ugandans are unable to find decent formal employment, contributing to labour migration and a costly "brain drain."

### *Uganda's Middle Class is Fragile*

Uganda encounters difficulties in developing a robust middle class. About 8.3 million Ugandans (22% of the population) are in the middle-class.<sup>23</sup> A significant portion of the middle class is unstable – susceptible even to minor economic shocks like

interest hikes or inflation, often slipping back into poverty. The agricultural sector's low productivity and limited income potential hinder the expansion of the middle class. Generally, progress in labour income share of GDP has stalled, reflecting the evolution of the middle class is contested.

### Box 2: Fourth Industrial Revolution (4IR) in Uganda

Uganda promotes national digital transformation initiatives, including a five-year roadmap that aligns with the Digital Uganda Vision 2040. The trade union movement is also engaged in 4IR initiatives, such as policy advocacy and regulation affecting platform and gig economy workers, as well as "Just Transition" policies that ensure workers displaced by technology are retrained or upskilled and supported to remain in employment. NOTU, together with its affiliate ATGWU, has further championed rights for gig and platform workers, including through a digital recruitment form on its website.

The Business Process Outsourcing (BPO) industry is narrow, relying on the domestic market.<sup>24</sup> Gig economy is instead rapidly evolving, combining digital skills training, multi-stakeholder advocacy, and growing platform diversity. Platform users are primarily young, fairly educated, and include a mix of full-time and side-hustlers. Systemic challenges still limit its potential due to infrastructure gaps, weak regulation, income instability, and safety risks. The 4IR does not currently threaten widespread job loss in Uganda's agriculture, but it risks deepening inequality between digitally connected and excluded farmers. Generally, internet users and mobile cellular subscription applications still have relatively low coverages, mostly negatively influencing workers that operate in rural areas.

## THEMATIC DIMENSIONS SETTING THE WORKFORCE

Cross-cutting issues notably affect the labour market when intersecting with various economic, social, and environmental dimensions, impacting workers and employers across multiple sectors.

### Informal economy

The informal economy plays a dual role in labour markets – providing employment opportunities and creating challenges related to wages, worker protections, and economic stability.

#### *Informality Dominates the Labour Market*

At least 90% of Uganda's workforce operates in the informal economy, leading to low-income security, weak legal protections, and limited access to social protection. This situation triggers a youth employment crisis, pointing towards the formal sector's limited capacity to absorb the country's fast-growing workforce. Industrialisation remains underdeveloped, and most workers earn their livelihoods through informal micro- and small-scale enterprises (MSEs), subsistence agriculture, street vending, and informal service activities. Additionally, a deep gap in legal protections for informal workers not only undermines the income tax system but also those covered by collective bargaining agreements, industrial relations mechanisms, and access to social security schemes.

#### *Initiatives to Formalise the Labour Market*

Uganda has engaged with the ILO's Recommendation No. 204 on the Transition from the Informal to the Formal Economy. This recommendation urges tripartite partners to collaborate on formalising informal work arrangements and expanding social protection systems. Uganda also participates in regional



platforms, such as the African Regional Forum on the Informal Economy, which facilitates multi-stakeholder dialogue and pilot initiatives. While policy discussions in Uganda are increasingly recognising informal workers, concrete institutional mechanisms to ensure their effective participation remain limited.

### Box 3: Organising workers from the informal economy in Uganda

Uganda's trade union movement has taken steps ahead to organise workers in the informal economy. Two key unions are at the forefront of these efforts: the Amalgamated Transport and General Workers Union (ATGWU) and the Uganda Markets and Allied Employees Union (UMAEU). These initiatives reached eight MoUs signed with the city authorities around Uganda, and over 550,000 Boda Boda cyclists and 700,000 taxi operators have been organised.<sup>25</sup>

Under the coordination of NOTU, trade unions have made progress in integrating informal workers into their governance structures. This includes the election of informal worker representatives to union executive boards, promoting inclusive decision-making.

Despite these advances, several challenges persist, such as collecting membership dues from informal workers remains difficult due to income instability and high workforce mobility, which undermines the sustainability of organising efforts.

## Migration

Migration flows impact Uganda's labour market, influencing supply and demand for labour, wages, skills, and social dynamics. Depending on the type of migration and the sectors involved, the impact can be positive or negative.

### Legal and Policy Status

Uganda's legal framework for migration is shaped by national laws, with no specific regulating of emigration, as well as lean toward control-oriented measures (e.g. visa rules, deportation), offering limited rights-based protections compared to refugee law. The country launched its first comprehensive national migration policy this year, aiming to manage internal, regional, and international migration for development, focusing on secure, orderly movement, inter-agency coordination, and leveraging migration for poverty reduction and national growth.

### Migration Flows Influence the Labour Market

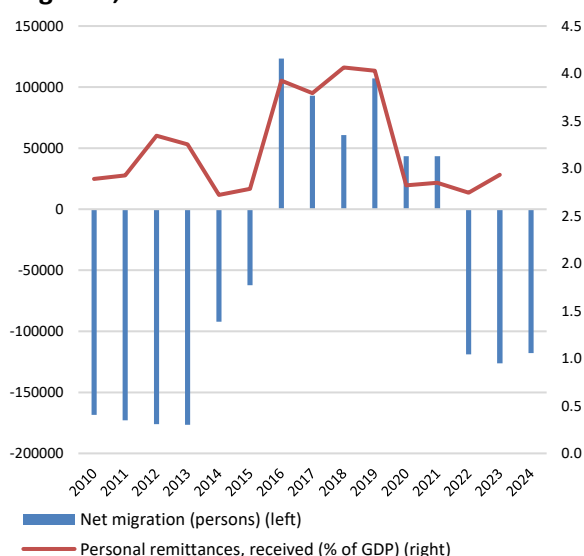
The migration currents effects depend on the type of migration. Regarding refugee inflows, Uganda hosts the largest refugee population in Africa, with over 1.8 million refugees in 2024, primarily from South Sudan and the Democratic Republic of Congo. Its inclusive refugee policy allows refugees to work and access services. This has multiple labour market effects. Positively, it could provide labour supply boost, skill diversification, and economic stimulus. Negatively, it could trigger job competition over low-skilled jobs and natural resources, and wage pressure of informal labour, especially in agriculture or manual labour sectors. Internally displaced persons (IDPs) in the country are also creating pressure on the labour market, mainly from disaster-driven displacement. Accountability gaps for IDPs remain, which is parts due to insufficient funding, limited rebuilding of livelihoods, and fragile infrastructure.

### Diaspora Gains More Importance

A growing number of Ugandans migrate abroad, especially to the Middle East, mostly for domestic work, security, and construction jobs. Figure 5 below shows that the net migration rate experienced shifts from negative at the beginning of the 2010s to positive from 2016 to 2022, which was part of influx of refugees. It reverted to

negative since then with underlying causes, such as underemployment. Personal remittances also play a central role in the economy and household welfare. Although it was rising, remittances fell at the beginning of the 2020s due to an impact of the global COVID-19 pandemic and migration to Gulf countries experienced high fees, dampening return flows or prompting onward movement. Stricter regional integration, shifting work regulations, or reduced refugee inflows could also impact net figures.

**Figure 5: Net migration and personal remittance in Uganda, 2010-2024**



Source: The World Bank, World Development Indicators.

### Emigration Dynamics

The significantly emigration flow could serve as a release valve for Uganda's youth unemployment, as well as some returnees bring back new skills, savings, and entrepreneurial ambitions. However, skilled professionals, particularly in health and education, sometimes migrate for better opportunities, leading to brain drain. In addition, especially in rural areas, the departure of working-age adults can reduce agricultural output.

### Trade Unions and Labour Migration

Uganda's trade union movement has advocated for ethical recruitment practices, lobby for

bilateral labour agreements that protect workers abroad, and promote reintegration programs for returnees. Trade unions have worked with government ministries, such as the Ministry of Gender, Labour and Social Development (MGLSD), aiming to improve labour migration policies, enhance pre-departure training, and support research on migration trends. They have further pushed for tripartite dialogues on labour migration governance. Additionally, migrant resource centres are supported to provide information, counselling, and legal aid, not to mention involved in sensitisation campaigns targeting potential migrants. NOTU is revamping its call centre for migrant workers to develop a platform to report and address issues of unfair labour practices, promote toll-free line for migrant workers and ensure the availability of clear and accurate information throughout the migration cycle.

The main hurdles faced by trade unions regarding migration concern limited capacity to monitor migrant conditions abroad, legal restrictions on organising workers in foreign countries, inadequate funding for migration-related programmes, and difficulty accessing private recruitment agencies and unregulated migration networks.

## Child Labour

Child labour has several adverse effects on the labour market. It provides a source of cheap labour, allowing employers to pay lower wages. This factor is often connected with a lack of decent wages and job opportunities, forcing families to rely on child labour for survival. These child labourers grow into unskilled adults and are more likely to remain in low-paying, unstable jobs.

### ***Legal Framework for Combating Child Labour***

The country has undersigned several central international conventions concerning child labour, including ILO's fundamental conventions concerning elimination of all forms of forced labour (see Appendix Table 4). Enforced Employment Act and accompanying regulations, along with active National Child Labour Policy and National Action Plan 2020/21–2024/25 aimed to eliminate child labour.

### ***Trade Unions and Child Labour***

Trade unions in Uganda are involved in fighting child labour through a series of activities, such as empowering teachers and communities to identify and stop child labour, strengthening collective bargaining agreements with explicit safeguards, and engaging in multi-stakeholder platforms tackling root causes in key economic sectors like coffee and tea.

### ***Child Labour is High***

Although national regulations and plans exist to combat child labour, the widespread informal economy undermines their effectiveness. Furthermore, reports indicate that the country has made minimal progress in eliminating the worst forms of child labour.<sup>26</sup> According to available data, Uganda has one of the highest child labour (i.e., economic activity) rates worldwide, which was estimated at 40% for children aged 5–17, which was nineteen (19) percentage points higher than the sub-Saharan Africa average of 21%.<sup>27</sup> This extremely high child labour rate echoes the scale of how the labour market is not following the laws and regulations.

### ***Factors Stick with Child Labour***

Central circumstances stuck with persistent child labour in Uganda are linked with poverty, weak institutions, low social protection coverage, social norms, and economic dependency on children's work. For example, livelihoods based on

subsistence farming usually require all household members, including children, to contribute. Another factor of child labour is limited access to quality education.

## **Gender**

Gender shapes labour market dynamics, affecting employment opportunities, wages, job security, and economic growth.

### ***Political Commitment to Gender Equality***

Uganda has demonstrated a political commitment to promoting gender equality through legislative measures, policy frameworks, and institutional initiatives. At the policy level, Uganda's gender equality is formally established across national development planning and gender-responsive budgeting. Although this formal policy architecture is considered sturdy, recent studies found that Ugandan women have not been elevating to the same level as men, such as getting equal opportunities, remuneration, training of women on computer, business, entrepreneurship, saving and involvement in most activities for more exposure.<sup>28</sup>

### ***Trade Unions and Gender Equity***

In Uganda, trade unions are actively involved in promoting gender equality, especially via social dialogue, representation, and workplace policies. For example, women's committees within NOTU have been active in advocating gender rights, ensuring employers and workers honour legal protections like equal pay, maternity leave, and safe working conditions. Uganda National Teachers' Union (UNATU) also adopted a formal gender empowerment policy ensuring at least 33% female leadership representation at all levels. NOTU is also developing a Gender inclusive policy to address gender equity.

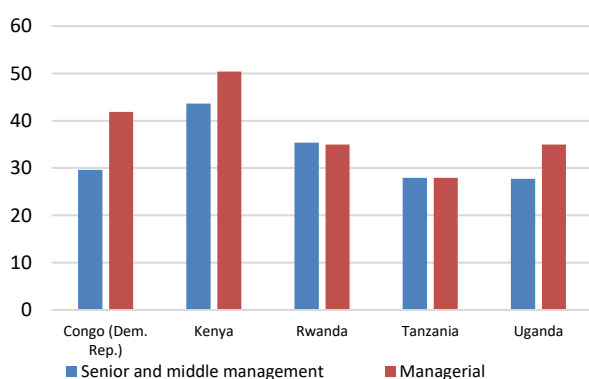
### Employment-Related Gender Disparities

There is a narrow gender gap on the number of persons in employment in Uganda. However, other data display gaps are quantitative (fewer women in paid work) and qualitative (poor job conditions, lower pay, limited upward mobility). Some of the main factors behind gender inequality in employment relate to the overrepresentation of women in low-paying and vulnerable sectors, such as subsistence agriculture. The high prevalence of informal jobs further limits access to contracts and social protection, including maternity benefits. This situation is echoed in a significant gender pay gap: Ugandan women earn about 32% less than men for similar work at the monthly level.<sup>29</sup>

### Weak Progress in Women's Leadership

Data suggest that Ugandan women in more formal work are not gaining steps ahead; for example, they represent a stalled proportion of women in managerial positions, landing at the medium level among the neighbouring countries (see Figure 6). It is worth mentioning that this proportion reflects several statistical hurdles, such as the dominance of women in informal enterprises and small sample sizes in the formal sector. Thus, the scope of these managerial positions does not indicate gender parity in high-level corporate or political leadership, which remains limited.

**Figure 6: Proportion of women in senior, middle and management positions in Uganda and neighbouring countries, %, latest data**



Source: International Labour Organization, ILOSTAT.

## Youth

Youth is the labour market's future backbone, playing a central role in shaping employment trends, productivity, and economic growth.

### Youthful Population

Uganda's population structure has a 'youth bulge', a term used to describe the increase in the youthful population. Around 36% of the working-age population were youth (aged 15-24 years) and accounted for a substantial portion of the population, reaching 8.5 million.<sup>30</sup> Overall, more than 74% of the population is under 30 years of age, considered among the youngest populations in the world.<sup>31</sup>

### Youth Policy with Implementation Shortcomings

The country has enacted laws, policies, programmes, and strategies to support its youth, focusing on employment, education, and protection. The currently National Youth Policy (NYP) of 2016 is somewhat out of date, including provisions may not fully reflect Uganda's changing youth demographic, technology use, labour market shifts, and emerging challenges (e.g., digital economy, climate change, skills mismatches).

### Youth Job Demands Push Pressure

Uganda's youth employment-to-population ratio grew rapidly during the last decade, reaching a high rate of 66% in 2021.<sup>32</sup> If more youth enter the workforce early, it may signal that they are dropping out of school or unable to access further education. This condition could impact long-term human capital development. This situation further leads to a highly competitive job market for young individuals. The primary reason for the evolution concerns demographic momentum and the relatively high poverty rate pushes many youngsters into labour to support the family

income. Nevertheless, increased employment is not associated with improved job quality.

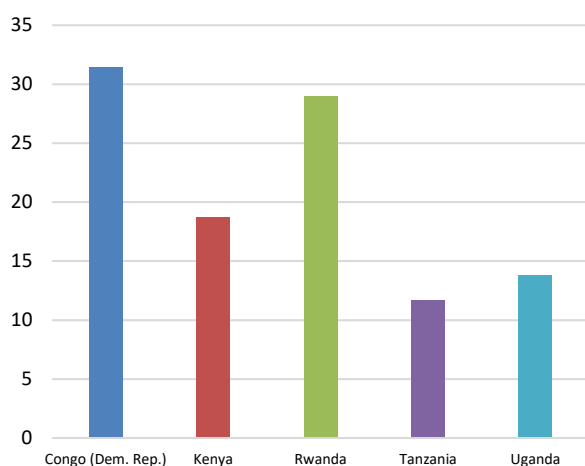
### Youth Employment Characteristics

Many Ugandan young workers lack the skills required by employers, leading to underemployment or the inability to find stable, quality jobs. For instance, the private sector has not been able to generate sufficient formal sector jobs to absorb all the young people entering the labour market. Many young people are instead caught in informal, low-paying, unstable, or subsistence-level work. These latter groups are often challenged by inadequate training and career opportunities, not to mention misguided Uganda's official low youth unemployment rate of 3.9%.<sup>33</sup>

### A Relatively Low NEET Rate

The not-in-education, employment, or training (NEET rate) better indicates the extent of barriers facing young people in the labour market than the unemployment rate does. Based on data from ILO, Uganda's NEET rate is 14%, one of the lowest among the neighbouring countries (see more in Figure 7).

**Figure 7: Proportion of youth (aged 15-24 years) not in education, employment or training in Uganda and other neighbouring countries, %, 2021**



Source: International Labour Organization, ILOSTAT.

This situation instead makes it essential to address underlying issues such as quality education, skill development, and job creation to ensure sustainable youth engagement in productive activities.

### Youth and Trade Unions

NOTU and its affiliates have actively promoted youth representation in union structures and decision-making roles. This is achieved by creating youth committees and designating positions on the executive board for the chairman and secretary of the committee within union structures. NOTU is also developing a youth policy for adoption. Additionally, NOTU has led the organisation of annual youth camps that gather young people from all affiliates, including both formal and informal sectors, to empower them to work safely and healthily, increase awareness of emerging labour market issues, strengthen youth engagement, and promote solidarity, teamwork, and social dialogue.

## EDUCATION AND TRAINING

### Key Findings

- Remarkable shifts in employment by education but weak employment alignment.
- Enrolment in technical and vocational education and training is increasing but limit its effectiveness, accessibility, and impact on the labour market.
- Skills mismatches hinder employability, particularly among tertiary graduates and emerging sectors linked to the digital economy.
- Uganda's trade union movement acting an influential role in shaping the country's education system.



Education and training connection to the labour market refers to the relationship between the education system, vocational training programmes, and the market's needs. It highlights how education and skills development prepare individuals to meet employers' demands, improve employability, and support economic growth.

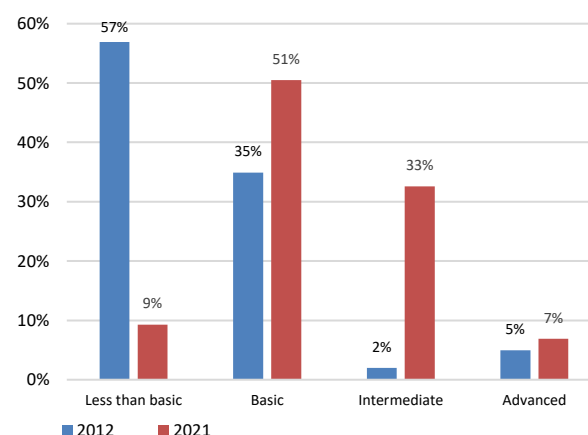
### Reforming the Education System

Uganda's recent reforms of the education sector are concentrated in revamping TVET for market-driven skills; national curriculum shift to competency-based learning to improve digital literacy and project-based learning; digitised registration and results through mobile-based systems (e.g., online/SMS platforms); free public pre-primary year and childcare models for informal-sector women. As of 2023, Uganda allocated approximately 2.6% of GDP to public education expenditure, which is one of the lowest among the neighbouring countries.<sup>34</sup>

### Some Positive Structural Shifts

Uganda's labour market performance is influenced by several educational factors that shape workforce readiness, skills alignment, and employment outcomes. Enrolment and completion rates for Ugandan students has increased slightly. Literacy rate is also improving among younger generations, hovering above the sub-Saharan Africa average, 89% vs. 76%, respectively.<sup>35</sup> Some remarkable shifts in employment by education are that workers with less than basic education moved towards basic education and intermediate during the last decade. Those at the advanced level grew meagrely and remained underdeveloped (see Figure 8).

**Figure 8: Uganda's employment by education, %, 2012-2021**



Source: Uganda Labour Force Surveys via ILO's ILOSTAT.

### Systemic Challenges of Education

The education system remains overly theoretical, under-resourced, and misaligned with labour demand. As a result, youth struggle to transition into meaningful, stable employment. Soft, digital, and job search skills have been sidelined in many schools, leading to transition friction from school-to-work. Although higher education expansion rose during the last two decades, it is without employment alignment; for instance, calling for universities to align curriculums with labour market demands. Data suggest that only around 12% of university graduates secure formal employment.<sup>36</sup> On the positive side, stakeholders are working to align training with labour demand, including offering tax incentives, internships, and "one-stop" job placement systems, as essential steps to bridging the gap.<sup>37</sup>

### Trade Unions and the Education System

Trade unions – especially the Uganda National Teachers' Union (UNATU) and the Uganda Private Teachers' Union (UPTU) – are among the most organised voices in Uganda's education system. Their main influence lies in collective bargaining and policy advocacy around teachers' pay and conditions, though their impact on broader education reforms is constrained by resource and institutional limitations. Some other sectoral

hurdles are that Uganda's education sector faces high absenteeism among teachers and students, underfunding, and weak school management structures. As previously mentioned, there is also a skills mismatch between education output and labour market demand; issues on which teacher unions continue to lobby for reforms.

## Vocational Training

### *Comprehensive Overhaul of TVET System*

Technical and Vocational Education and Training (TVET) framework has undergone a transformation. The TVET Act of 2025 will positively influence the TVET sector through education reforms, focusing on the new curriculum in nursery, primary, and secondary schools. This act is along with the Fourth National Development Plan (NDP IV) 2025/26-2029/30 bring TVET as a strategic sector and critical enabler for achieving the plan's goal to transform the economy.<sup>38</sup>

### *Diverse TVET System*

The country's TVET system integrates recognition mechanisms, non-formal vocational training, entrepreneurship programmes, and innovation hubs. Firms offering formal training in Uganda reached 35% of firms, which was higher than the sub-Saharan Africa average.<sup>39</sup> It is worth mentioning that these firms represent a small segment of the dominance of informal micro and small enterprises. Generally, while there are some efforts to foster formal internship and apprenticeship partnerships between educational institutions and private sector firms in the country, these initiatives are currently limited in scope and reach.

### *Enrolment in TVET is Increasing*

Enrolment in TVET has been on the rise; by early 2024, government data showed 90,000–100,000

students enrolling annually in public TVET programmes.<sup>40</sup> Students enrolled in vocational programmes was about 4.4%.<sup>41</sup> The upsurge in TVET enrolment links with decentralised admissions, active recruitment and sensitisation campaigns, competency-based modular assessments appeal to practical learners and industries, and scholarships for girls and special needs learners are reducing traditional entry barriers.

### *TVET System's Challenges*

Many TVET institutions lack modern workshops, machinery, and information and communications technology (ICT) tools, especially for emerging fields like renewable energy, robotics, and agri-tech. This system has also a critical gap in trained, industry-experienced TVET instructors; low prestige; many public TVET institutions rely heavily on donor support and tuition fees. Rural areas have fewer accredited TVET centres. Life skills, digital literacy, entrepreneurship, and green skills have also been insufficiently integration in programmes; for example, many informal workers remain unrecognised in the formal skills framework haunted by the longstanding Uganda National Qualifications Framework (UNQF) – a systemic reform that aims to harmonize academic, vocational, and non-formal learning pathways and better align them with labour market needs and regional/international standards.

### *Trade Unions as Strategic Stakeholders*

By advocating for governance representation, improved working conditions, and active policy participation, trade unions are supporting to strengthen instructor professionalism and morale, elevate quality and relevance of TVET training, and ensure workforce perspectives inform national skill development. Their engagement reinforces a worker-cantered approach to transforming the vocational training sector. Additionally, NOTU has partnered with FUE to build capacity and create

awareness of TVET, preparing young workers for green technologies and ICT, and promoting lifelong learning as part of collective bargaining agreements.<sup>42</sup>

## SOCIAL PROTECTION

### Key Findings

- The social protection system faces an underdeveloped linkage with the labour market.
- The low coverage of social insurance and social contribution echoes a dysfunctional and unequal access to social insurance system.
- High population growth and significant upsurge in life expectancy is pushing a mounting pressure on the pension system.

Social protection and the labour market are closely connected to develop a country's welfare, as social protection programmes play a central role in enhancing the well-being of workers, promoting job security, and reducing poverty.

### Social Protection Reform

A key focus area in Uganda's social protection system is the dominance of the informal economy, which leads to most people being excluded from mechanisms such as pensions, health insurance, and income security. Reforms emphasise developing tailored contributory schemes, such as voluntary National Social Security Fund (NSSF) enrolment and flexible micro-insurance. The National Social Protection Policy (NSPP), adopted in 2015, has been implemented uneven. A draft Social Protection Bill is currently under consideration, aiming to legalise social assistance, define beneficiary categories, and streamline governance. Another issue is that the country lacks a universal health insurance system.

Although a National Health Insurance Bill was passed in 2021, its implementation has been politically stalled, undergoing review and discussions with the Ministry of Health and other stakeholders. This latter bill directs on developing affordable, inclusive models, especially for informal workers and low-income earners.

### Low Spending on Social Protection

In Uganda, national spending on social protection has remained very low and inadequate due to high population growth, high informality, and weak tax revenue system.<sup>43</sup> Against the dependent population of below 15 and over 65-year-olds, social protection spending has consistently been below US\$5 per year. Credibility and execution of the social protection budget further remain low.<sup>44</sup> Notably, total government spending on social assistance declined markedly, from ~0.5% of GDP in 2017 to under 0.1% by 2023, reflecting a shift toward agricultural development initiatives.<sup>45</sup>

### Central Social Insurance Programmes

Uganda's social protection system functions with programmes for formal workers and vulnerable populations, which the government and public institutions primarily manage. The main social insurance programmes are:

- **Social Assistance** – Non-contributory interventions aimed at the poor and vulnerable groups, including Senior Citizens Grant (SCG). Emergency relief, child-sensitive social protection, and public works programmes are other schemes.
- **Social Security** – Contributory schemes that provide income security during unemployment, old age, disability, such as NSSF, Public Service Pension Scheme (PSPS) (for civil servants), and other occupational schemes and private pensions via various

private and informal actors, which remains underdeveloped.

### **Underdeveloped Social Protection Dynamics**

Employers in the private sector, often evade social security contributions, leaving workers unprotected. This stance caught most workers with a lack of access to pensions, health insurance; or stated differently, no formal fallback mechanisms. Only 18% of workers have their employers pay for the National Social Security Fund (NSSF).<sup>46</sup> Another blindsided factor is that many workers are unaware of their social protection rights or lack incentives to enter the formal social protection system.

### **Tripartite Representation in Social Protection**

Tripartite representation is present in Uganda's NSSF Board and other committees managing broader social security coordination. The trade union movement has demonstrated significant results in terms of influencing national social protection policies, including the most important social protection scheme is the NSSF.<sup>47</sup> In addition, NOTU affiliates negotiate social protection benefits through CBAs, such as employer contributions to pension schemes, medical insurance, maternity leave, and retirement packages, thereby using their bargaining power to complement statutory protections and close gaps in national programmes. As indicated on meagre proportion of population covered by social protection services, gaps remain in designing core social protection programmes, where union influence is not systematically codified or consistently manifested.

### **Weak Social Protection Coverage**

The social protection system comprises social insurance, which primarily serves formal sector workers, and broader social protection schemes that extend support to informal workers and other vulnerable groups. Since the informal economy

dominates the employment landscape, most Ugandan workers lack access to social security benefits. These circumstances are even visualised by the fact that three out of four (73%) Ugandan workers do not have access to any form of social protection. Table 1 below illustrates the scope of the country's underdeveloped linkage between such services and the labour market.

**Table 1: Proportion of population covered by social protection services in Uganda, %, latest data**

Indicator	Value
Population covered by at least one social protection benefit	3.1%
Persons above retirement age receiving a pension	18%
Unemployed receiving unemployment benefits	0%
Mothers with newborns receiving maternity benefits	7.3%
Employed covered in the event of work injury	16%
Vulnerable persons covered by social assistance	0.9%

Source: International Labour Organisation, *Key Indicators of the Labour Market (KILM)*.

### **Increasing Pension Coverage**

Uganda's demographic landscape is characterised by a relatively small proportion of elderly individuals. Projections suggest that the proportion of individuals aged 65 and over is expected to rise from 2.2% of the population in 2023 to 4.5% in 2050.<sup>48</sup> The pension system provides financial support to individuals during retirement via pension insurance. The eligibility age for the Senior Citizens Grant (SCG) is 80 years and above. This grant offers a monthly stipend of UGX 25,000 (US\$7) to eligible individuals. The retirement pension coverage has increased from 6.6% in 2016 to 18% in 2022, superseding the Eastern Africa average, at 13%.<sup>49</sup> However, the

pension system faces critical hurdles, including limited coverage for informal workers. Furthermore, the low pension benefits are inadequate, especially for workers with irregular contribution; it does not leave them from poverty. The mentioned demographic shifts increase pressure on contributory and non-contributory schemes. Other deficiencies of Uganda's social insurance system include that if workers become unemployed, they have no chance of receiving unemployment benefits (revisit Table 1).

### ***Livelihood Support Programmes***

The Ugandan government has introduced livelihood support programmes aimed at providing employment and addressing the structural causes of informality. However, the scope and reach of these initiatives remain limited. For example, only 0.9% of vulnerable individuals in Uganda were covered by social

assistance schemes, significantly below the Eastern Africa regional average of 8% (revisit Table 1).<sup>50</sup>

### ***Informal Social Protection***

Informal social protection plays a central role in supporting vulnerable populations, particularly in rural areas. Informal workers rely more on kinship and extended family networks and Village Savings and Loan Associations (VSLAs). Rotating group savings are also prevalent, and emerging worker-managed schemes, such as Kampala boda-boda cooperatives that provide targeted support, including basic health coverage and micro-insurance.<sup>51</sup> Although these informal systems are essential backstops, they have inherently limited in scale, regulation, and equity. They further struggle with shrinking capacity due to urban migration and changing lifestyles weaken traditional family/community ties.



## APPENDIX: ADDITIONAL DATA

**Table 2: Context of recent legal reforms in Uganda’s labour market**

<b>Employment (Amendment) Act of 2023</b>
<ul style="list-style-type: none"> <li>• Recognises domestic workers, granting them protections previously unavailable.</li> <li>• Casual workers employed continuously for six months are deemed to have a valid contract, ensuring access to employment benefits.</li> <li>• All employers, regardless of size, are required to implement measures to prevent sexual harassment, expanding the previous mandate that applied only to employers with over 25 employees.</li> <li>• Employers must provide facilities and policies to support breastfeeding mothers in the workplace.</li> <li>• The Act mandates the licensing and regulation of recruitment agencies for domestic and non-manual labourers, aiming to safeguard migrant workers.</li> </ul>
<b>Occupational Safety and Health (Amendment) Act of 2023</b>
<ul style="list-style-type: none"> <li>• Employers are mandated to conduct yearly audits to assess and improve workplace safety.</li> <li>• Organisations must designate officers responsible for implementing safety measures and compliance.</li> <li>• Workplaces are required to form committees to oversee health and safety protocols.</li> <li>• To reduce workplace accidents, operators must undergo proper training and certification.</li> <li>• The Act emphasizes the importance of mental well-being, encouraging employers to provide services like counselling and stress management.</li> </ul>

**Table 3: Legal reservations in Uganda concerning the rights to organise, collective bargaining, and strikes**

<b>Right to organise</b>
<ul style="list-style-type: none"> <li>• Restrictions on the right to elect representatives and self-administer in full freedom</li> <li>• Categories of workers prohibited or limited from forming or joining a union, or from holding a union office.</li> <li>• Barriers to the establishment of organisations, such as administrative authorities' power to unilaterally dissolve, suspend or de-register trade union organisations, as well as an alien shall not be a member of the executive committee of a trade union.</li> </ul>
<b>Right to collective bargaining</b>
<ul style="list-style-type: none"> <li>• Trade union federations do not have the right to engage in collective bargaining.</li> <li>• Compulsory conciliation and/or binding arbitration procedure in the event of disputes during collective bargaining, other than in essential services.</li> </ul>
<b>Right to strike</b>
<ul style="list-style-type: none"> <li>• Undue interference by authorities or employers during the course of a strike: Authorities' or employers' power to unilaterally prohibit, limit, suspend or cease a strike action, as well as to prevent or end a strike by referring the dispute to arbitration.</li> <li>• Discretionary determination or excessively long list of "essential services" in which the right to strike is prohibited or severely restricted.</li> <li>• Excessive civil or penal sanctions for workers and unions involved in non-authorised strike actions.</li> <li>• Compulsory recourse to arbitration, or too long and complex conciliation and mediation procedures prior to strike actions.</li> <li>• Absence of an independent body responsible for declaring whether a strike is legal or not.</li> </ul>

Source: International Trade Union Confederation, *Survey of Violations of Trade Union Rights, Uganda Legal*, October 2025.

**Table 4: Status of ratified ILO Conventions in Uganda**

Subject and/or right	Conventions	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
Occupational safety and health	C155 - Occupational Safety and Health Convention, 1981	Not ratified
	C187 - Promotional Framework for Occupational Safety and Health Convention, 2006	Not ratified
<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>Technical Conventions (Up-to-date)</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
Equality of opportunity and treatment	C190 - Violence and Harassment Convention, 2019	2023

Source: International Labour Organization, NORMLEX, Uganda, October 2025.

**Table 5: Uganda's key workforce data**

Indicator	Value
Working Age Population	23,444,400
Labour force participation rate	79%
Unemployment rate	3.4%
Employed share	
<i>Urban</i>	28%
<i>Rural</i>	72%
<i>Public</i>	4.0%
<i>Private</i>	96%
Employed by aggregated sector share	
<i>Agriculture</i>	67%
<i>Industry</i>	7.1%
<i>Service</i>	26%

Source: Uganda National Labour Force Survey 2021.

**Table 6: The main demands of the African trade unions in the declaration statement calling for the Just Transition agenda, 2023**

Main demands in the declaration statement calling for the Just Transition agenda
1. Decent work and quality jobs: Trade unions insist on the creation of quality jobs as part of climate change policies. They demand that these jobs uphold labour rights and prioritise decent working conditions for all. This includes investments in skills development and training for workers to adapt to emerging green industries.
2. Social protection: Workers adversely affected by climate change must benefit from social protection measures, including income support, access to health care, education, and training to facilitate their professional reorientation. Trade unions are committed to protecting the most vulnerable workers and communities from the potential impacts of climate policies.
3 Worker Participation: Workers must be involved in the development and implementation of climate-related policies and projects, as they have valuable insights into the realities of their industries and communities.
4. Community Engagement: Local communities and stakeholders must be involved in decision-making on climate initiatives. Priority should be given to investment in sustainable infrastructure, green technologies and community resilience.
5 Gender equity: Trade unions demand that gender considerations be integrated into climate policies, recognising that women are often the most affected by the effects of climate change. They call for the empowerment of women through training, leadership and gender-sensitive policies.
6. Investment in green jobs: Trade unions call for substantial investment in green technologies, renewable energy and sustainable agriculture. They believe this investment will boost economic growth, create jobs and help preserve the environment.
7. Labour rights and just transition plans: Trade unions demand that labour rights be enforced and upheld in the context of climate policies, including the right to organise and the right to collective bargaining. Comprehensive just transition plans must be developed to outline pathways for affected workers and communities through the transition period.
8. Reskilling and Upskilling: Trade unions call for reskilling and upskilling programmes to equip workers with the skills needed for the transition to green industries by adapting to the needs of the labour market.
9. Support for impacted industries: The industries most vulnerable to the impacts of climate change policies should be given targeted support and resources to help them transform their operations while safeguarding jobs.
10. Transparency and accountability: Trade unions call for transparency in the allocation of resources and the distribution of benefits resulting from climate initiatives. They also call for accountability mechanisms to be put in place to hold stakeholders accountable for meeting their just transition commitments.

Source: ITUC-Africa, Africa Climate Summit: African trade unions call for a just transition.



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