



THE REPUBLIC OF UGANDA

**MINISTRY OF GENDER, LABOUR AND SOCIAL  
DEVELOPMENT**

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# **LABOUR MARKET INFORMATION STATUS REPORT FOR UGANDA**

**LMIS PROJECT**

**JANUARY 2006**

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## EXECUTIVE SUMMARY

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The report on the labour force situation in Uganda is intended to inform policy makers and implementers, so that the interests of the working population are reflected in the national priorities. It is based on the 2002/03 Uganda National Household survey, 2002 population and housing Census and administrative data. The Ugandan labour force consists of persons aged 14 to 64 who were either employed (in paid employment, self-employed and unpaid family workers) or unemployed (without work and available for work).

The broad objective of the report was to provide an updated national data on the composition and size of the labour force in Uganda based on the national definitions and concepts. This report will serve as a basis for analysing the trends of labour information in Uganda.

### Uganda Labour force size

Currently the Uganda labour force is estimated to be 9.8 million for persons aged 14-64 years, of which 53 per cent are female. About 85 per cent of the labour force is in rural areas. A notable percentage of the labour force is illiterate (30 per cent). Close to 77 per cent of the labour force had either no education or had attained primary education. In addition, about 75 per cent of the labour force is below 40 years. This indicates that a majority of the individuals entering the labour market have no skills considering that the primary schools do not offer vocational working skill training. The study did not establish any gender differential in the composition of the labour force. However, the analysis revealed that a majority of the labour force was in Central and Eastern regions.

### Labourforce participation rate

The current labour force participation rate is 80 per cent. Participation levels by selected background characteristics show that rural women had higher participation rates than their urban counterparts. The findings show that illiterate persons were more likely to be available for work than the literate ones. The findings further show that persons without education had higher participation levels than those with primary education, while those who had attained secondary education had the lowest levels of participation in economic activities (69 per cent). The participation of females for lower ages is higher than that of males, which shows that females enter the labour market at young ages that of males.

### Wage and hours of work

### Informal Sector

About 36 per cent of the households in Uganda own non-crop enterprises. The major enterprises are in the manufacturing and trade and services broad

industries. These two categories employ 1.8 million persons while livestock, poultry, bee-keeping, and fishing industry employs another 0.5 million persons. Most household based enterprises are sole proprietorship, and similarly there are mainly started by owners.

### **Working Poor**

Over all 36 per cent of the Ugandan labourforce are working poor (3.5 million persons). Persons in rural areas who are working are more likely to be poor (40 percent) compared to their counterparts in urban areas (11 percent). Also, the incidence of being a working poor is highest among those in primary sector followed by those in the manufacturing sector. Forty-four percent of the persons employed in agriculture were working poor

### **Unemployment rate**

The overall unemployment in Uganda is 3.5. The unemployment rate in Uganda is an urban issue with unemployment rate of 12 per cent and highest among females( 17 per cent)

There is a complex relationship between education and unemployment. The lowest unemployment is found among those with no education, followed by those with primary education. The rate of unemployment of graduates stood at 17.4 per cent in 2005 showing that there is need to orient graduates from being job seekers to job makers. Government needs to develop policies and ensure that children are kept in schools.

Of the currently economically active persons, 3 percent are unemployed. Youth unemployment (5.3 percent) rate was higher than the national rate (3.2 percent). Central region had unemployment rate higher than other regions. Sixty five percent of the unemployed had attempted to look for work. This was mainly through friends and relatives. Most of the unemployed depended on relatives or spouses for survival with females depending more on spouses.

### **Time-related Underemployment rate**

The national underemployment rate stood at 17 percent. The survey results show that the underemployment rate is highest among the rural folk.

### **1.0 Background**

Government has developed the Poverty Eradication Action Plan (PEAP) with the overall objective of reducing mass poverty to less than 10 percent by the year 2017. The extent and magnitude of employment and unemployment problem has long been recognized as a serious gap in the country's efforts to reduce poverty. The draft National Employment Policy for Uganda is an attempt by government to formulate a comprehensive policy on employment. The draft policy emphasizes the importance government attaches to the creation, protection and promotion of employment opportunities. The objectives of the employment policy are among others to:

- ◆ Promote the goal of full employment,
- ◆ Secure improvement in the productivity of labour,
- ◆ Provide full opportunity to each worker,
- ◆ Safeguard the basic rights and interests of workers and
- ◆ Stimulate economic growth and development.

The draft Employment Policy sets out the principles and strategies and, the institutional framework for the implementation of the employment policy.

Information on the status of employment has been scarce in Uganda. The last manpower survey was conducted in 1987. The 1991 Population and Housing Census provided some of the labour force indicators. The household surveys conducted by the Uganda Bureau of Statistics since 1988 have addressed some of the data gaps. These started with the conducting of the Household Budget Survey in 1988/89. This was followed by the Integrated Household Survey (IHS) in 1992/93, Monitoring Surveys of 1993/94, 1994/95, 1995/96.

The 1997 household survey had a labour force module that was piloted countrywide. This round of survey provided useful insights into the size and structure of the labour force in Uganda. It became the only available source of information that provided indicators on unemployment since the last manpower survey of 1987. Although some information on the usual activity status of household members could be derived from all the previous household surveys, very little could be obtained in terms of informing policy about the employment and the unemployment issues.

In 1999/2000, another household survey was undertaken covering a much larger sample than the previous monitoring surveys. Its modules focused on the socio-



economic characteristics and not labour force. The Uganda National Household Survey 2002/2003 (UNHS 2002/2003) is the latest in a series of household surveys undertaken by UBOS. Its core module was labour force and it is the major source of the information in this report.

## **1.1: Sources of data for the “Labour Market Situation in Uganda**

### **1.1.1 The 2002 Population and housing Census**

The 2002 population and housing census had three questionnaires;

*Household questionnaire* - it had three labour related questions i.e. economic activity status, occupation and kind of activity (industry).

*Community questionnaire* – it had a labour related question of the main activity within in the village, and it was administered at community (village) level.

*Micro and small scale enterprise module (MSE)* - This collected information on business enterprises operated by members of the household. It excluded crop farming, poultry and livestock operations, and other agricultural activities.

## **1.2 The Uganda National Household Survey 2002/2003**

### **1.2.1 Survey Objectives**

The main objective of the Uganda National Household Survey 2002/2003 was to collect high quality and timely data on demographic and socio-economic characteristics of household population for monitoring development performance of the country. Specifically, the survey aimed at:

- (a) Providing information on the economic characteristics of the population and its economic activity status i.e. the employment, unemployment and underemployment.
- (b) Generating data for calculating gross output, value added, and other economic indicators required for National Accounts purposes.
- (c) Integrating household socio-economic and community level surveys in the overall survey programme so as to provide an integrated data set. This will provide an understanding of the mechanisms and effects of various government programmes and policy measures on a comparative basis over time;
- (d) Meeting special data needs of users from the Ministries of Health; Education; Gender, Labour and Social Development and other

collaborating Institutions, together with donors and the NGO community so as to monitor the progress of their activities and interventions

- (e) Generating and building social and economic indicators for monitoring the progress made towards social and economic development goals of the country

### **1.2.2 Scope and Coverage**

The UNHS 2002/2003 was conducted in all districts in the country, except Pader. Some parts of Kitgum and Gulu districts were also not covered due to insecurity.

The survey included the following modules:

- **Socio-economic module:** This provided information on characteristics of household members, health seeking behaviour of household members, prevention, channels of communication and HIV/AIDS, education and literacy, housing and household conditions, household consumption and non consumption expenditure, household and enterprise assets and welfare indicators.
- **Labour Force module:** This was for determining the total work force and deriving related parameters; current and usual activity status of household members, number of hours worked, previous employment, unemployment details, and the extent of child labour. This report is based on this module.
- **Informal Sector:** This module collected information about household enterprises and rural-based small-scale establishments. These are businesses undertaken by households with or without a fixed location<sup>1</sup>. In addition, inputs and outputs of these enterprises for the major items were also collected. The components of the informal sector survey included;
  - Livestock, poultry, bee-keeping, and fishing,
  - Forestry
  - Mining, quarrying and manufacturing
  - Hotels, lodges and eating places
  - Trade and services

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<sup>1</sup> Businesses managed by households without a fixed location were classified as household enterprises. On the other hand, those with fixed location but employing less than five employees were classified as establishments.

In addition, the household survey investigated household and non-household based enterprises/establishments and was limited to:

1. Household based Enterprises in both rural and urban areas identified at listing stage.
  2. Non-household based Enterprises in the rural areas<sup>ii</sup>. These were identified at the listing stage with assistance of a guide.
- **The Community Survey:** This module gathered information about the community (LC1). The information collected related to;
    - (i) Community characteristics,
    - (ii) Community history and major events including access to and availability of social services namely schools clinics, outlets for agricultural and non agricultural produce,
    - (iii) Land tenure,
    - (iv) Whether or not the community received the 25 percent Graduated Tax remitted from the subcounty,
    - (v) Community projects undertaken in the three years preceding the survey and,
    - (vi) Characteristics of the Education and Health infrastructure used by the community

### 1.2.3 Survey Design

The UNHS sample was drawn through a stratified two-stage sampling design. The Enumeration Area (EA) was the first stage sampling unit and the household as the second stage-sampling unit. The sampling frame used for selection of first stage units (fsus) was the list of EAs with the number of households based on the cartographic work of the 2002 Population and Housing Census. A total of 970 EAs (565 in rural and 407 in urban areas) were actually covered<sup>2</sup>. In order to select the second stage units, which are the households, a listing exercise using listing schedules was done in all selected EAs. The detail of the sampling design is given in Appendix IV.

### 1.2.4 Sample size

The size required for a sample was determined by taking into consideration several factors, the three most important being: the degree of precision (reliability) desired for the survey estimates, the cost and operational limitations, and the efficiency of the design. UNHS 2002/2003 covered a sample size of about 9,700 households.

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<sup>2</sup> While a total of 1000 EAs was initially selected for the UNHS, some of them were left out due to insecurity

### **1.2.5 Survey Organization**

The Survey comprised of a total of 15 field teams. Fieldwork was undertaken with the use of centrally recruited field teams whereby work was programmed from the headquarters to all the sampled areas. There are four Statistical Regions, and the teams were recruited based on the languages most prevalent in each region. Four teams were recruited for each region. The data collection exercises started in May 2002 through April 2003 with a break in September 2003 allow the conducting of the National Population and Housing Census.

### **1.2.6 Data Processing**

All questionnaires for were returned to UBOS for data processing. A manual system of editing questionnaires was set up and a set of scrutiny notes to guide in manual checking was developed. In addition, range and consistency checks were included in the data-entry program. More intensive and thorough checks were carried out using MS-ACCESS by the processing team. Data entry and editing started in June 2002.

### **1.2.7 Coverage Rates**

The response rate for the UNHS 2002/2003 was about 97%. A total of 9711 households were selected and interviewed out of the 10,000 households initially targeted. A total of 289 households could not be interviewed mainly due to insecurity.

## **1.3 Administrative Sources**

The data from administrative sources mainly that from the Ministry of Gender, Labour and Social Development. The data is useful in compiling the social dialogue statistics.

## **1.4 Concepts and Definitions**

The concepts and definitions in this report relate to the concepts and definitions of the National Workshop on “Concepts and Definitions used in collecting and analyzing of labour statistics in Uganda” held on 11<sup>th</sup> -12<sup>th</sup> august, 2005 at Regency Hotel, Bakuli, Kampala, Uganda. The workshop recommended that UBOS revise the Employment, unemployment and Underemployment figures based on the national concepts and definitions. It was sponsored by Lose Appendix

## Chapter Two: Labour Force

### 2.1: *The size of the labour force*

Work is in all societies, the basis of the economic system or the economy. One of the characteristics of the economic system of modern societies is the development of highly complex and diverse division of labour into enormous number of occupations in which people specialize. Creating opportunities for productive work leads to efficient labour markets which contribute to the economy and poverty reduction. Allocation of labour to its most efficient use in the economy and encouraging employment contribute to economic growth and development. But work also provides individuals with income to meet personal needs, reduce social isolation and impart a sense of dignity and self-worth.

The labour force, or the currently economically active population, is composed of those of working age (14 to 64) who are either employed (whether formal, informal, subsistence or self employed) or unemployed.

Uganda labour force aged 14-64 is 9.8 million persons

The labour force in Uganda was estimated at 9.7 million in 2002/03 UNHS. The percentage of females in the labour force is more than that of males by 7 per cent. The rural-urban variation in the labour force is notable as about 85 per cent of the labour force is in rural areas. The large numbers of persons in the labour force in rural areas exert pressure on the natural resources which may lead to desertification, land fragmentation, deforestation and soil degradation. Table 2.1 further shows that about one quarter of the labour force is in central region (30 per cent), followed by eastern region (27 per cent). Also notable is the percentage of labour force which is illiterate (30 per cent). Close to 77 per cent of the labour force had either no formal education at all or primary education, this explains the low productivity of the labour force as majority of the labour force does not have skills. The age distribution of the labour force is that 75 per cent is below 40 years. Therefore Uganda labour force is characterized of young, untrained and rural labour force.

**Table 2.1: Size of the labour force by Sex, Residence, Region, Literacy, Education and Age-groups (14-64 years) (thousands)**

Background characteristics	Economically Active/Labour force		
	Male	Female	Total
<b>Total Labour force</b>	<b>4,634.2</b>	<b>5,138.4</b>	<b>9,772.6</b>
%	47.4	52.6	100.0
<b>Residence</b>			
Rural	84.5	85.1	84.6
Urban	15.5	14.9	15.4
Total	<b>100</b>	<b>100</b>	<b>100</b>
<b>Region</b>			
Central	31.0	29.4	30.2
Eastern	26.3	26.8	26.6
Northern	16.9	19.5	18.2
Western	25.7	24.4	25.0
Total	<b>100</b>	<b>100</b>	<b>100</b>
<b>Literacy status</b>			
Literate	80.4	60.1	69.7
Illiterate	19.6	39.9	30.3
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Educational attainment</b>			
No schooling	9.2	24.4	17.2
Primary	61.5	57.8	59.6
Secondary	21.2	13.7	17.2
Above secondary	7.6	3.9	5.6
Do not know	0.5	0.3	0.4
	100.0	100.0	100.0
<b>Age groups</b>			
14 - 19	15.1	14.3	14.6
20 - 29	33.0	38.7	36.0
30 - 39	26.6	24.8	25.7
40 - 49	14.7	13.4	14.0
50 - 59	7.6	7.0	7.3
60 - 64	3.1	1.8	2.4
Total	100	100	100

Source: Uganda National Household survey 2002/2003

**2.2: Labour Force Participation Rate:**

The labour force participation rate is the proportion of the economy's working age-group of the population that is economically active. The participation rate provides an indication of the size of the labour supply available for the production of goods and services. It measures the level of labour market activity within the country, therefore the higher the better.

The 2002/03 labour force survey shows that the current labour force participation rate is 80 per cent for persons aged 14-64 years.

Table 2.2 shows that the overall participation rate was 80 per cent for UNHS 2002/03 while the census shows only 56 per cent. In urban areas, the labour force participation rate for males is higher than that of their female counterparts. The UNHS 2002/03 shows no noticeable sex differential in labour force participation rate in rural areas. Notable is the fact that persons with no education had a higher participation rate than those with primary education and secondary education. However, both the Census and survey shows that persons with specialized training majority are available for labour. It noteworthy that participation levels of the illiterates are higher than those who are literate.

In Table 2.2, the UNHS 2002/03 shows that females aged below 20 years of age had a higher labour participation rate than males in the same age group. This shows that females enter the labour market at an earlier age than their male counterparts do.

Overall, participation rates reach a peak in the 35-39 age groups and start declining thereafter. However, the participation rate for females reaches a peak in the 40-44 age groups. The male participation rate reaches a peak earlier in the 35-39 age groups.

**Table 2.2: Labour Force Participation Rate by Background Characteristics**

	2002 Census			UNHS 2002/03		
	Male	Female	Total	Male	Female	Total
<b>National</b>	<b>62.5</b>	<b>49.2</b>	<b>55.5</b>	<b>80.3</b>	<b>79.9</b>	<b>80.1</b>
<b>Residence</b>						
Rural	61.7	50.3	55.7	80.7	81.8	81.3
Urban	67.0	42.7	55.5	78.4	70.4	74.1
<b>Region</b>						
Central	70.3	50.4	60.1	81.2	76.0	78.5
Eastern	58	47.1	52.2	80.2	82.3	81.3
Northern	57.8	46	51.6	80.9	85.4	83.4
Western	62.1	52.7	57.2	78.9	78.2	78.6
<b>Literacy rates</b>						
Literate	61.3	46.3	54.4	79.0	74.5	76.9
Illiterate	67.1	53.8	58.2	86.2	89.7	88.6
<b>Educational Attainment</b>						
No Schooling	70.7	54.8	59.7	90.0	90.2	90.2
Primary	59.7	47.1	53.5	78.1	78.1	78.1
Secondary	59.8	41	51.7	73.3	64.5	69.4
Above Secondary	79.7	69.9	76.0	91.6	86.9	89.8
<b>Age group</b>						
14	8.9	8.7	8.8	30.4	25.6	28.0
15-19	32.3	31.0	31.6	47.1	52.4	49.8
20-24	63.5	51.2	56.8	83.6	85.6	84.8
25-29	79.3	57.9	67.9	97.4	90.7	93.7
30-34	81.9	60.1	71	98.5	94.5	96.4
35-39	82.0	61.1	71.3	98.2	94.3	96.2
40-44	81.2	62.4	71.4	97.2	97.1	97.2
45-49	80.6	61.7	70.6	97.2	93.5	95.3
50-54	78.0	59.0	68.1	94.6	92.3	93.4
55-59	75.1	55.7	64.6	93.6	87.1	90.4
60-64	70.8	52	60.9	91.4	80.5	86.8
Total	62.5	49.2	55.5	80.3	79.9	80.1

Source: Uganda National Household survey 2002/2003 and 2002 census

### 2.3: Employment to Population Ratio

Employment to Population ratio is the proportion of the target population that is employed. The ratio provides information on the ability of an economy to create jobs; it ranks in importance with the unemployment rate. Although a high overall ratio is typically considered "good", the indicator alone does not provide information on labour market problems. Therefore, it is strongly advised that indicators should be reviewed collectively in any evaluation of economy-specific labour market policies.

**Table 2.3: Employment to population ratio**

	2002 Census	UNHS 2002/03
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	Male	Female	Total	Male	Female	Male
<b>National</b>			<b>55.2</b>	<b>78.2</b>	<b>76.6</b>	<b>77.4</b>
<b>Residence</b>						
Rural	58.9	49.0	53.7	78.0	79.2	78.6
Urban	61.0	37.7	49.0	70.7	57.1	63.3
<b>Region</b>						
Central	65.4	46.8	55.8	76.0	67.5	71.5
Eastern	55.2	45.9	50.3	77.0	78.7	77.9
Northern	55.5	44.8	49.9	79.3	83.6	81.6
Western	59.3	51.5	55.2	76.2	76.0	76.1
<b>Literacy rates</b>						
Literate	58.1	44.2	51.7	75.5	69.1	82.9
Illiterate	63.5	52.4	56.1	87	85.7	86.4
<b>Educational Attainment</b>						
No Schooling	70.7	54.8	59.7	89.2	89.7	89.5
Primary	59.7	47.1	53.5	77.9	76.4	77.1
Secondary	59.8	41.0	51.7	71.1	58.8	65.6
Above Secondary	79.7	69.9	76.0	91.7	85.1	89.2
<b>Age group</b>						
14	8	7.9	7.9	29.6	24.8	27.2
15-19	29.4	28.9	29.2	45.3	47.8	46.6
20-24	58.8	48.4	53.1	79.3	79.5	79.4
25-29	74.8	55.6	64.6	93.5	86.6	89.6
30-34	78.4	58.4	68.3	97.4	92.3	94.8
35-39	79.1	60.0	69.2	97.0	92.8	94.8
40-44	78.5	60.8	69.4	95.7	96.3	96.1
45-49	78.2	60.6	68.9	96.9	92.1	94.4
50-54	75.8	58.5	66.5	93.7	91.1	92.3
55-59	73.3	54.8	63.3	93.6	87.0	90.2
60-64	69.1	51	59.6	89.3	80.5	85.6
Total	59.3	51.5	55.2	78.2	76.6	77.4

Source: Uganda National Household survey 2002/2003 and 2002 census

Table 2.3 shows the employment to population ratio. Overall, the survey shows 77.4 per cent of the working age group (14-64 years) is employed compared to 55.2 reported in the census. The survey shows that Northern region has the highest employment to population ratio (82 per cent) as compared to other regions. Persons with secondary education are less likely to get jobs compared to those either with no formal education, primary or above secondary. The reason probably is that those with secondary education consider themselves educated, so they end up despising elementary occupation and look for white-collar jobs, which do not come easily. Both the census and the survey do not show any noticeable difference in the employment to population ratio between the literate and the illiterate.

Overall, the survey illustrates that employment to population ratio -reach a peak in the 40-44 age groups and start declining thereafter. However, the participation

rate for females reaches a peak in the 40-44 age groups earlier as compared to 45-59 for the males.

#### **2.4: Status in employment**

The indicator of the status in employment distinguishes between three important and useful categories of the total employed. These are; (a) Wage and Salaried workers (employees), (b) Self employed (employers and own account workers) and, (c) unpaid family workers. Breaking down employment information by status in employment provides a statistical basis for describing worker's behavior and conditions of work, while defining at the same time an individual's socio economic group. A high proportion of employees in the economy can signify advanced economic development. A sizeable proportion of own account workers can be an indication of low growth in the formal economy and high rate of job creation in the informal economy. A situation where a large share of the employed constituted by unpaid family workers, there is a probable indicator of poor development, limited job creation, widespread poverty and often a large rural economy.

Bulk of the working persons are predominantly self employed which is an indication of low growth in the formal sector

The data in Table 2.4 do not show any change in the distribution of the working population in terms of their status of employment between the survey and census. For the 2002 Census, the share of the self-employed persons stood high registering 43 per cent of the employed population. This was closely followed by unpaid family workers (41 per cent). Similarly, the UNHS 2002/03 also showed that the working persons were predominantly self-employed (57 per cent). The survey showed higher number of self-employed compared to 2002 Census by 16 per cent) the share of the wage-employed population was the lowest both in 2002 Census and in UNHS 2002/03 at 16 per cent and 15 percent respectively. This observed small proportion of employee's category in the economy indicates slow economic development. The findings also show that the proportion of self-employed was dominant, which is an indication of low growth in the formal economy, thus a high rate of job creation in the informal economy. Moreover, a large share of unpaid family workers indicates a situation of poor development, minimal job generation growth, widespread poverty and large rural economy

**Table 2.4: Percentage distribution of employed persons by year and Employment status**

	2002 Census			UNHS 2002/03		
	Male	Female	Total	Male	Female	Total
Wage and Salaried Workers	21.4	9.7	16.0	22.0	8.5	15.2
Self Employed	59.8	23.9	43.0	64.0	51.2	57.4
Unpaid Family workers	18.8	66.4	41.0	14.0	40.3	27.4
Total	100	100	100	100	100	100

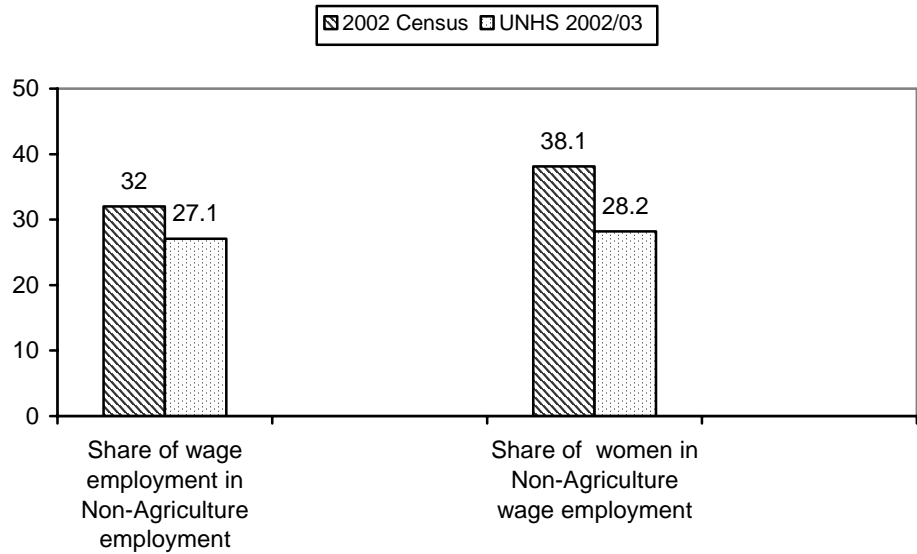
Source: Uganda National Household survey 2002/2003 and 2002 census

### **2.5: Share of wage employment in non-agricultural employment**

The share of wage and salary employment in non-agricultural employment is an indicator of employment opportunities, especially for a country like Uganda, which is developing, because it conveys considerable information about the nature of employment opportunities. Also, wage and salary employment in the "formal" sector tends to have higher and more regular earnings, better benefits, and wider social protection than self-employment. This is the main reason that women's share of non-agricultural wage and salary employment was chosen as an indicator for the UN Millennium Goal of promoting gender equality (ILO; *Measuring decent work with statistical indicators, working paper 2*)

Figure 2.1 shows that in Uganda the share of wage and salary in non-agricultural employment is very small. The survey shows that among the persons in non-agriculture employment; only 27 percent are in paid employment, while the census shows 32 percent (the survey shows a lower share of wage and salary non-agricultural employment compared to census). The small share of wage employment in non-agriculture employment signifies that there is very low employment opportunities. The share of women in non-agricultural employment is miniature. The survey shows that women constitute only 28 per cent of the percentage of persons in the non-agriculture wage employment. This is an indication of gender inequality in wage and salary non-agricultural employment.

**Figure 2.1: Share of wage employment in Non-agricultural employment**

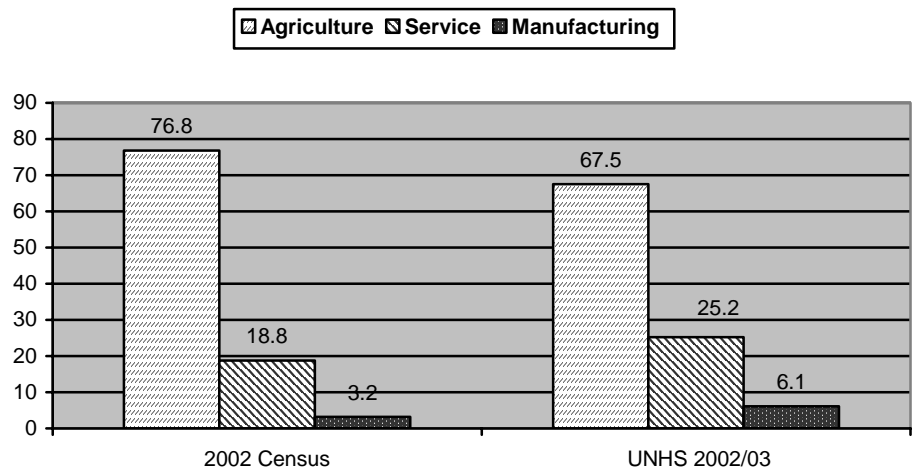


Agriculture provides employment to the vast majority of the labour force in Uganda

**2.5 : Sector of employment**

The sectors are divided into three broad groupings namely; Primary<sup>3</sup>, Manufacturing and Services sectors. Figure 2.2 shows that majority of the employed persons were in the primary sector. The survey showed that 68 per cent while census showed 77 per cent of the employed persons were in primary sector. This means that in terms of sector of employment, agriculture provides employment to the vast majority of the labour force in Uganda, employing about three quarters of the working population.

**Figure 2.2: Economic Activities by Survey Period**



Source: Uganda National Household survey 2002/2003 and 2002 Census

<sup>3</sup> Primary includes agriculture, fishing, forestry, hunting, mining and quarrying.

Overall about seven in every 10 employed persons worked as Agriculture and fisheries workers.

## 2.6: Occupation

The study used International Standard Classification of Occupation (ISCO) to classify the main activity performed by the employed persons aged 14 to 64 years. The occupational distribution of the workforce in Table 2.5 shows that agriculture and fisheries workers dominate in both the survey and census. Apart from agriculture, other people worked as Service and Sales workers and Elementary occupations<sup>4</sup> respectively.

**Table 2.5: Percentage distribution of persons currently employed by occupation and Sex**

Occupation( ISCO 1988)	2002 Census			UNHS 2002/03		
	Male	Female	Total	Male	Female	Total
Agricultural and Fisheries workers	63.5	79.0	70.7	57.8	74.2	66.1
Service workers, shop and Market Sales Workers	8.5	9.5	8.9	14.8	14.4	14.6
Crafts and related Trade Workers	7.9	2.9	5.6	6.9	3.1	5.0
Elementary Occupations	6.9	2.6	4.9	13.0	4.8	8.9
Associate Professional and Technicians	6.6	4.4	5.6	3.6	2.0	2.8
Others	6.6	1.6	4.3	3.5	1.4	2.4

Source: Uganda National Household survey 2002/2003 and 2002 Census

Persons in rural areas work far fewer hours (31 hours) compared to the urban counter part (45hours)

## 2.7: Working Hours per Week

Information on the number of hours worked help to gauge the intensity of work among the employed population. The average work hours per week of the employed labour force in terms of residence, industry of work is given in Table 2.6. Overall, the work hour is 36 on the average per week, which is 33 hours for females and 40 hours for males. The rural urban variation is relatively large with 31 hours and 45 hours in rural and urban areas respectively. The average working hours in different sectors also vary. For the males, the range is relatively large (between 29 hours and 59 hours). Similarly, the average for females is also high with a low of 24 hours in agriculture, hunting and forestry and 59 hours in hotels and restaurants.

<sup>4</sup> Service and Sales workers include Barbers, Waiters and Waitresses, persons selling goods in Kiosks, Shops, etc. Elementary occupations include House girls/boys, Shamba Boys/girls, Drivers, Car Washers, Street Vendors etc.

**Table 2.6: Average Work Hours per Week of Employed Population by Industry**

	Average hours of work		
	Male	Female	Total
<b>Residence</b>			
Rural	34.9	27.8	31.3
Urban	47.6	41.9	44.9
<b>Industry</b>			
Agriculture, hunting and forestry	29	24.3	26.3
Fishing	40.5	23.1	39.8
Mining and quarrying	33.4	33.1	33.3
Manufacturing	45.3	32.7	39.8
Electricity, gas and water supply	51.4	58	52.2
Construction	45.6	37	45.3
Wholesale and retail trade, repair etc	54.4	52.9	53.7
Hotels and restaurants	57.7	59.8	59.3
Transport, storage and communication	59.3	39.4	58.8
Financial intermediation	52.9	43.2	50.4
Real estate, renting business activities	51.1	45.1	49.9
Public administration and defense	50.9	41.8	49.3
Education	43.3	41.3	42.6
Health and social work	46.8	54.6	50.8
Other community, social and personal service activities	46.8	42.9	45.4
Private households with employed persons	48.8	60.7	57.7
Extra territorial organizations and bodies	47.1	53.3	48.5
<b>Total</b>	<b>39.5</b>	<b>32.7</b>	<b>36.1</b>

Source: Uganda National Household survey 2002/2003

Table 2.7 shows average hours of work by occupation and sex. Notably, there is less variability in working hours for males and females in occupations which are more characterized by formal activities compared to the occupations which are more dominated by informal activities. For example, the average working hour of female professional/technical workers is 52 per week compared to 50 for their male counterparts whereas female crafts and related trade workers are engaged for 31 hours per week while the male for related trade workers work for 45 hours in a week. In fact, the gender differences in work hours are prominent across all occupations indicating significant vulnerability of the female labour force in general.

**Table 2.7: Average Work Hours per Week of Employed Population by Occupation**

	Average hours of work		
	Male	Female	Total
Legislators, senior officials	49.9	52	50.2
Professionals	44.4	44.9	44.5
Technicians and	45.0	46.6	45.6
Clerks	43.7	48.6	45.7
Service Workers	55.6	53.4	54.4
Agriculture and	28.5	24.3	26.1
Crafts and Related trade workers	45.1	31.2	40.5
Plant and Machinery trade workers	53.1	30.6	51.4
Elementary Occupations	48.1	45.1	47.2

*Source: Uganda National Household survey 2002/2003*

## **2.8 Wage and hours of work**

The availability and effective use of wage data on the country's workforce is crucial for the formulation and successful implementation of national development programmes and projects. Periodic generation of such data is useful in collective bargaining, wage fixing, economic and employment policy formulation and monitoring wage trends. It can also be used for minimum wage fixing, investment decisions and vocational guidance and for assessment of standards of living.

The wage data on public service is useful in determining remuneration and employment trends for government employees. Table 2.8, shows a positive trend in the wage rates of the public service. Thus, for over the past five financial years, the wage rates in the public service have generally been increasing and for the financial years 2001/02 and 2002/03 the rates doubled in case of the medical, police and prisons personnel.

**Table 2.8: Wage Rates of Public Sector**

	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03
Traditional Civil Service	100	119.5	121.5	129.0	153.0	183.5
Medical Personnel	100	110.8	113.8	175.3	199.1	201.7
Teachers	100	114.2	118.6	128.5	150.5	169.3
Prisons and Police	100	109.6	120.5	132.7	232.1	239.0
Local Government	100	113.8	119.0	129.0		

*Source: computation based on pay roll of the public service*

The study investigated variation in wage distribution based on educational attainment, Industry and occupation of employees. Table 2.9 indicates that wage varies directly or increases with level of education. The survey findings of the revealed that individuals with specialised training earn more than twice the wages of those with secondary education and below

**Table 2.9: Mean Monthly wage by educational attainment**

Education	Mean Income
No formal education	25,000
Primary Education	74,000
Secondary Education	99,000
Specialised Training and above	237,000

Source: Uganda National Household survey 2002/2003

Table 2.10 shows that persons employed in agriculture industry are least paid per month (Shs.22,000=), while the financial institution highly pay their workers. The very low wage of those employed in agriculture underline the plight of those engaged in agriculture in considering their large number of dependants, the very low yields of the farms produce, the high costs of transporting the produce and unfavorable conditions related to marketing. On the other hand, the low wage of employees in manufacturing industries may reflect the slow growth of the sector in light of great competition resulting from macro economic policies and tendencies.

**Table 2.10: Median Monthly Wage by Industry**

Industry Major divisions	Median Wage
Agriculture, Hunting and Forestry	22,000
Fishing	77,000
Mining and Quarrying	22,000
Manufacturing	60,000
Electricity, Gas and Water supply	160,000
Construction	75,000
Sales	60,000
Hotels and Restaurants	33,000
Transport, Storage and Communications	80,000
Financial Intermediation	500,000
Real Estate, Renting and Business	100,000
Public Administration	140,000
Education	100,000
Health and Social Work	100,000
Other services	20,000

Source: Uganda National Household survey 2002/2003

Table 6.5 shows that half of the employees in Agriculture and Fisheries occupations earned shs.20, 000 per month. Those in services and elementary occupations earned less than 60,000 Bug. shs per month. The earning capacity is very low yet more than 90 per cent of the workforce is engaged in agriculture, services, crafts and occupations in the secondary labour markets.



**Table 2.11: Median Monthly wage by Occupation**

<b>Occupation Major group</b>	<b>Median Wage</b>
Legislators, senior Officials and Managers	450,000
Professionals	150,000
Technicians and Associate Professionals	105,000
Clerks	100,000
Service Workers and Shop and Market Sales workers	50,000
Agriculture and Fishery Workers	20,000
Crafts and Related trade workers	75,000
Plant and Machine Operators and Assemblers	80,000
Elementary Occupation	30,000

*Source: Uganda National Household survey 2002/2003*

## **2.9 Summary of findings:**

Currently the Uganda labour force is estimated to be 9.8 million for person aged 14-64 years, of which 53 per cent are female. About 85 per cent of the labour is in rural areas. However, the analysis revealed that majority of the labour force was in central and Eastern regions. Persons with secondary education had the lowest labour participation rate. This seems to indicate that probably these people despise work looking for white-collar jobs but without skills.

The percentage distribution of the workforce by industry shows that majority of the labour force was employed in agriculture industry. This was followed by those employed in wholesale and Retail trade and repairs.

The study findings show very slow economic growth. This seems to be due to the fact that there has been very slow shift in the employment from agriculture to manufacturing and to services as is the trend for developed economies. The large share of primary sector reflects a stagnant share of wage employment and a high proportion of contributing family workers who are widespread in the rural area in Uganda.

The high proportion of the labour force who worked as self employed indicated a low growth in the formal sector and high rate of job creation in the informal economy. In addition, a high proportion of the labour force who worked as unpaid workers indicated a poor development, little job growth, widespread poverty and a largely rural economy. This is not a desirable situation

## **Chapter 3: Informal sector**

### **3.1 Background**

It is observable that in Uganda the formal sector is small and does not cope with the growing number of job seekers in the country. Every year a large number of people leave the education system as graduates with certificates, diplomas and degrees while others simply drop out of the system to enter the labour market to find productive employment opportunities. The structural adjustment programmes implemented by the Government, which hitherto was the largest employer, resulted into a reduction in Government recurrent expenditure and public parastatals leading to cut out of posts and retrenchment of employees. The diminution of the formal sector with the concomitant low rate of its expansion has led the informal sector to offer alternative opportunities. The Informal sector comprises of small-scale businesses not registered in government, characterised by self-employed activities, with or without hired labour (less than 5 persons). It operates with low level of organization, low capital, and low technology and often on temporary premises. Overall, formal financing institutions do not support those enterprises. The study only considered non-agriculture enterprises

Thus, the informal sector certainly is an integral part of the economy, a substantive sector of the labour market, which plays a big role in the production of goods and services, contributing to income generation and employment. Admittedly, the returns from some of these enterprises are still low, therefore the positive interventions from the Government, NGOs and other stakeholders would go a long way in raising levels of productivity and earnings from the sector.

### **3.2 Definitions**

Informal sector comprises of small-scale businesses, usually with self-employed activities, with or without hired labour. They operate with low level of organization, low capital, low technology and often on temporary premises. Usually, they are not supported by formal financing institutions, and are not usually registered in government.

A household enterprise is an economic unit owned by the household but without an identifiable location. On the other hand, an establishment is a business activity carried out with an identifiable fixed location and address.

Establishments having less than five paid employees irrespective of the number of working proprietors or unpaid family helpers were considered as small-scale establishments.

This chapter covers the informal sector comprising of non-crop farming household enterprises and rural small-scale establishments.

In the 10 households selected for the main socio-economic and labour force survey in an enumeration area, all household enterprise activities in those households were surveyed through the relevant questionnaires.

For both the household enterprises and small-scale establishment, the survey excluded crop-farming activities.

The following should be noted;

- ✓ Some households have more than one household enterprise operators
- ✓ Some household enterprise operators have more than one enterprise

### **3.3 Characteristics of household enterprises**

#### **3.3.1 Households with household enterprises**

1.8 million Households operate household enterprises

During the 2002/2003 household survey, the survey revealed that the total number of households was estimated at about 4.9 million. The survey further revealed that the total number of households operating household enterprises was estimated to be about 1.8 million. This constituted about 36 percent of the total number of households (see table 2.1). However, it should be noted that a household might at times have more than one enterprise. In comparison with the 1993/94 First Monitoring Survey (FMS), there has been a slight increase of about 3 percentage points of the proportion of households with household enterprises.

Urban areas have a small percentage of households with enterprises

The proportion of households operating household enterprises is twice in rural areas compared to their urban counterparts. This might partly be explained by the fact that according to the labour force survey (as also a module in the 2002/2003 household survey), 39 percent are paid employees in urban areas as compared to only 10 percent of their rural counterparts. Compared to 1993/94 FMS, The increase is slightly higher in urban areas (3.9 percentage points) compared to rural households (3.1 percentage points).

Northern region has the highest proportion of household enterprises

Table 2.1 further reveals that eastern and central regions have the highest number of household enterprises, while the western region has the least. However, the Northern region has the highest proportion of households with household enterprises (48 percent), followed by the eastern region (45 percent). The western region has the least proportion of households with household enterprises of only 16 percent. Nevertheless, compared to the 1993-94 FMS, the increase in the proportion of households with household enterprises has

been more pronounced in the central region (12.7 percentage points), and least in the northern region where the proportion dropped by 12.5 percentage points during that period.

**Table 3.1: Households with Enterprises**

Back-ground Characteristics	Estimated hhs ('000)			Hhs with non crop enterprises			Proportion		
	1992/3	1993/4	2002/3	1992/3	1993/4	2002/3	1992/3	1993/4	2002/3
<b>Total</b>	<b>3,677</b>	<b>3,771</b>	<b>4,938</b>	<b>902</b>	<b>1,241</b>	<b>1,764</b>	<b>24.6</b>	<b>32.9</b>	<b>35.7</b>
<b>Residence</b>									
Rural	3,137	3,208	4,095	823	1,152	1,597	26.2	35.9	39.0
Urban	530	563	844	79	90	167	14.9	15.9	19.8
<b>Regions</b>									
Central	1,140	1,210	1,558	295	283	562	25.8	23.4	36.1
Eastern	945	948	1,267	253	356	567	26.8	37.5	44.8
Northern	685	688	906	248	418	438	36.2	60.8	48.3
Western	897	925	1,208	106	184	199	11.8	19.9	16.4

Source: Uganda National Household survey 2002/2003

### 3.3.2 Number of Household Enterprises by Industry

Most household enterprises are in manufacturing

Of the household enterprises covered, 41 percent were in manufacturing industry, followed by 25 percent in the trade and repair services industry. These two categories constitute almost two-thirds of the household based enterprises as shown in Table 3.2. The other agriculture sector, which mostly includes rearing of animals and birds, constitutes 12 percent of the household enterprises. The forestry sector and the hotels sector, which includes lodges, bars, and restaurants, eating and drinking places, constitute about 5 percent each to the number of household enterprises. However, there is a variation in the constitution of household enterprises between residence and across regions.

**Table 3.2: Number of Household Enterprises by Industry**

Industry	Number of units (‘000)	Proportion
Other agriculture	203	11.5
Forestry	83	4.7
Fishing	37	2.1
Mining and quarrying	9	0.5
Manufacturing	725	41.1
Construction	2	0.1
Repairs and sales fuel and trade	439	24.9
Hotels	81	4.6
Transport, storage and communications	98	5.6
Real estate, renting and business activities	8	0.5
Education	0	0.0
Health and social work	19	1.1
Other community, social and personal services	58	3.3
<b>Total</b>	<b>1,764</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.3.3 Acquisition of the Enterprise

Respondents owning household based enterprises were asked how they acquired the enterprises. Household based enterprises are believed to be unstable and are not expected to last long.

Proprietors started  
almost all enterprises

The findings show that the majority of the household enterprises are started by the proprietors themselves (95 percent) compared to those that were either inherited or received as gifts. Only about 1 percent of the household enterprises were bought. A similar pattern exists by residence though slightly more household enterprises were inherited in the rural than in urban areas.

**Table 3.3: How the Enterprise was acquired**

Acquisition	Rural		Urban		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
Started by proprietor	1,507	94.4	161	96.8	1,667	94.6
Inherited	38	2.4	2	1.0	40	2.3
Bought	18	1.1	2	1.0	20	1.1
Received as gift	28	1.8	2	1.0	30	1.7
Others	6	0.3	0	0.2	6	0.3
<b>Total</b>	<b>1,596</b>	<b>100</b>	<b>167</b>	<b>100</b>	<b>1,764</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.3.4 Ownership of the Household Enterprise

A question was asked on the type of ownership of the household enterprise being investigated.

Most enterprises are owned by one person

The majority of the household enterprises are wholly owned by one person who has total responsibility for all operations including risk-taking of the business. Table 3.4 shows that 96 percent of the household enterprises are managed and owned by sole proprietors while 3 percent of the household enterprises are owned in partnership. The pattern in type of ownership of the household enterprises is similar irrespective of where the enterprise is located in terms of residence.

**Table 3.4: Ownership of Household Enterprises**

Ownership	Number ('000)	%
Sole proprietor	1,700	96.4
Partnership	60	3.4
Others	1	0.1
Not stated	3	0.2
<b>Total</b>	<b>1,764</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.3.5 Problems Encountered in Establishing the Business

Information regarding problems faced by household enterprise operators when setting them up as well as to the hindrance to their expansion is very vital for key stakeholders and promoters of small-scale businesses.

Lack of start-up capital is the commonest problem for starting up enterprises

More than half of the household enterprises reported start-up capital as their major problem encountered when starting up the business (52 percent). The problem of start-up capital is more pronounced in urban areas than in rural areas. This is followed by finding clients/markets (11 percent). The pattern is the same between residences. However, about 14 percent of the surveyed household enterprises did not encounter any problem when starting their businesses.

**Table 3.5: Major Problems faced in Setting up the Enterprise**

Problem	Rural		Urban		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
None	223	13.9	18	10.9	241	13.7
Start-up capital	820	51.3	96	57.1	915	51.9
Obtaining skills	111	6.9	11	6.5	122	6.9
Accessing raw materials	131	8.2	7	4.3	138	7.8
Finding clients/ markets	176	11.0	26	15.5	202	11.4
Gov't regulations	27	1.7	2	1.2	29	1.6
Water, electricity, transport.	28	1.7	1	0.9	29	1.7
Others	51	3.2	4	2.3	55	3.1
Not stated	31	1.9	2	1.3	33	1.9
<b>Total</b>	<b>1,596</b>	<b>100</b>	<b>167</b>	<b>100</b>	<b>1,764</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.3.6 Main Source of Finance for the Investment

The survey also collected information on the source of initial capital for establishing the enterprises from the operators. An analysis of source of finance for household enterprise businesses gives us a clue to what extent household enterprises acquire or access financial institutions.

Own savings are major source of capital

Table 3.6 indicates that own savings is the major source of capital for starting the enterprises (92 percent). Only 6 percent of the household based enterprises received loans for start-up capital for their businesses. Of these, about 5 percent obtained loans for starting up their enterprises from friends and relatives. The proportion of household enterprise operators that obtained loans from banks and financial institutions was only 0.7 percent. Urban households are slightly more likely to obtain loans to finance their businesses (8 percent) than their rural counterparts (5 per cent) are. Lack of collateral may be the reason why household enterprise operators find it difficult to obtain loans from these financial institutions or the operators are not interested.

**Table 3.6: Major Source of Finance**

Source	Rural		Urban		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
Own savings	1,480	92.7	150	89.7	1,630	92.4
Loan from friends and relatives	70	4.4	10	5.8	79	4.5
Loan from money lender	5	0.3	0.9	2	7	0.4
Loan from bank or financial institution	8	0.5	1.9	3	12	0.7
Others	27	1.7	1	0.9	28	1.6
Not stated	6	0.4	2	0.9	8	0.5
<b>Total</b>	<b>1,597</b>	<b>100</b>	<b>167</b>	<b>100</b>	<b>1,764</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.3.7 Collateral Required for the Loan

Among the 98,000 (weighted) household enterprise operators that indicated that they mainly financed their investments through loans, they were further asked the type of security that was required as a condition for acquisition of the loan.

Land is the most common type of security for loans

Table 3.7 indicates that 72 percent of the household enterprise operators had no security requirements for obtaining the loans. This was partly attributed to the fact that many of them got loans from friends and relatives. The results show that for those which a security as a prerequisite for obtaining loans, land is the most common type of security that operators of household enterprises offer in order to secure the loan to finance their businesses (7.4 percent) followed by the other property (6 percent). Cattle are not very important means of security to obtain a loan for financing household enterprises. This is indicated by the results that of the household enterprise operators that obtained loans, only 1.5 percent used cattle as the security.

The proportion that offered land is slightly lower in urban areas (2.3 percent) than in rural areas (8.2 percent). Almost 7 times as many households use houses as security to obtain a loan for financing the businesses in urban areas (14 percent) than in rural areas (2 percent).



**Table 3.7: Security Required for the Loan**

Type of security	Rural		Urban		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
None	59	71.2	10	72.9	70	71.5
Land	6	8.2	0	2.3	7	7.4
Other property	5	6.0	1	5.8	6	6.0
Cattle	1	1.5	0	1.1	1	1.5
House	2	2.1	2	13.7	4	3.8
Others	6	7.1	1	3.8	6	6.6
Not stated	3	3.8	0	0.4	3	3.3
<b>Total</b>	<b>83</b>	<b>100</b>	<b>14</b>	<b>100</b>	<b>98</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.3.8 Outlets of the Household Enterprises Products

Household members operating household enterprises provided information concerning the type of markets or outlets for their products.

Small proportion of households sells their products in shops and markets

The survey reveals that almost three-quarters of the businesses sell their products to local consumers or passers' by. This indicates that these household enterprises are primarily located near the consumers of their products. This is followed by those who sell to local traders (13 percent). The trend is almost similar between residence though urban dwellers are more likely to sell to local consumers/passers'-by than their rural counterparts.

About 10 percent of the products from the household enterprises are sold in markets. Less than 1 percent of the products from the household enterprises are sold through shops. The proportion is higher for urban household enterprises (2 percent) compared to their rural counterparts (0.4 percent).

However, there is a big variation in the mode of sale of the household enterprises products between various sectors (industries).

**Table 3.8: Market for Products**

Type of market	Rural		Urban		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
Local consumers/passers-by	1,150	72.1	130	77.5	1,280	72.5
Local traders	214	13.4	20	12.0	234	13.3
Market	163	10.6	11	6.7	175	9.9
Shop	6	0.4	3	1.7	9	0.5
Others	56	3.5	2	1.1	58	3.3
Not stated	7	0.4	1	0.9	9	0.5
<b>Total</b>	<b>1,596</b>	<b>100</b>	<b>167</b>	<b>100</b>	<b>1,764</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### **3.4 Total Employment in the Informal Sector**

One of the objectives of the survey was to obtain the proportion of the working population that was involved in the informal sector for policy purposes. Some of the persons engaged in the informal sector do it as a major activity, while some are involved as secondary activities. Information was collected on employment status, sex, and age bracket (whether adult or children in the Uganda context).

#### **3.4.1 Working Population**

As mentioned earlier, a labour force survey was one of the modules during the 2002/2003 household survey. According to the results of the household survey module, the working population was estimated at about 11 million persons. Out of these, about 49 percent were males. The results are depicted in Table 3.9.

The table further shows the distribution of the working population by residence and by regions. Eighty-seven percent of the working population is located in the rural areas. The central region has the highest share of the working population (29 percent), while the northern region has the least (19 percent).

#### **3.4.2 Total Persons Engaged in Household Enterprises**

According to the survey, it is estimated that 2.6 million persons are engaged in non-crop growing household enterprises. Majority of these (55 percent) are males. More than 90 percent of the persons engaged in household enterprises are located in the rural areas.

The majority of the persons engaged in household enterprises are in the central region (30 percent) while the least are in the western region (12 percent). There are more working persons in the western region but there are more people engaged in the household enterprises in the northern region compared to the eastern region.

**Table 3.9: Persons Engaged in Household Enterprises**

Background characteristics	Working Population		Population in hh enterprises		Proportion
	Number ('000)	%	Number ('000)	%	
<b>Total</b>	<b>10,550</b>	<b>100</b>	<b>2,589</b>	<b>100</b>	<b>24.5</b>
<b>Sex</b>					
Male	5,147	48.8	1,418	54.8	27.6
Female	5,403	51.2	1,142	44.1	21.1
<b>Residence</b>					
Rural	9,187	87.1	2,360	91.1	25.7
Urban	1,363	12.9	230	8.9	16.9
<b>Regions</b>					
Central	3,093	29.3	938	36.2	30.3
Eastern	2,845	27.0	783	30.2	27.5
Northern	2,013	19.1	566	21.9	28.1
Western	2,599	24.6	303	11.7	11.6

Source: Uganda National Household survey 2002/2003

### 3.4.3 Proportion of the Working Population Engaged in the Household Enterprises

One quarter of the household population engaged in household enterprises

The results in Table 3.9 further shows that one quarter of the working population is engaged in non-crop farming household enterprises. The proportion is higher for males (28 percent) compared to that of the female counterparts (21 percent). Rural household based residents are more likely to be engaged in a household enterprise than the urban counterparts.

The central region has the highest proportion of households engaged in non-crop farming households (30 percent), while the western region has the least of 12 percent.

### 3.4.4: Persons Engaged in Household Enterprises by Activity Status

Table 3.10 shows that in total, there are more males engaged in non-crop farming household enterprises (1,418,000) compared to females (1,139,000). The two ratios are 55.4 and 44.5 for males and females respectively.

Household enterprises engage very few paid workers

Majority of the persons engaged in the household enterprises are working proprietors (69 percent) and the least are paid regular employees (3 percent) as shown in Table 3.10 below. There is also a sizeable proportion of about 22 percent of unpaid family helpers in household enterprises. This implies that most of these household enterprises mostly rely on family members or kinship for labour. The paid employees contributed less than 10 percent to the total persons engaged in the household enterprises.

**Table 3.10: Persons Engaged by Sex**

Activity status	Male		Female		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
Working proprietor	952	67.1	811	1,763	1,782	68.9
Paid regular employee	70	4.9	4	12.3	73	2.9
Paid casual workers	157	11.1	9	7.8	166	6.5
Unpaid helpers	240	16.9	315	46.2	555	21.7
Not stated			0.2	3	0.1	3
<b>Total</b>	<b>1,418</b>	<b>100</b>	<b>1,142</b>	<b>100</b>	<b>2,560</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.4.5: Paid Employees in the Household Enterprises

Information regarding the characteristics of the paid employees in the household enterprises was collected. The paid employees in the surveyed household enterprises include both regular and casual. The information does not relate to unpaid family helpers in the household enterprises.

Almost one half of paid employees were in central region

According to the results of the survey, the paid employees were about 240, 000 persons, constituting only 9 percent of the total persons engaged in the non-crop farming household enterprises. The results are indicated in Table 3.11 below. Of the total paid employees in the household enterprises, 227,000 were males constituting 95 percent of the paid employees. Females constitute a marginal contribution of the paid employees in the household enterprises of only 5 percent.

The central region contributes almost one-half of the paid employees in the household enterprises while the northern region contributes only 10 percent. However, there are variations in the contribution to paid employees in the household enterprises by gender across the different regions.

**Table 3.11: Paid Employees**

Background characteristics	Male		Female		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
<b>National</b>	<b>227</b>	<b>100</b>	<b>13</b>	<b>100</b>	<b>239</b>	<b>100</b>
<b>Residence</b>						
Rural	209	92.3	10	77.1	219	91.5
Urban	17	7.7	3	22.9	20	8.5
<b>Regions</b>						
Central	106	46.6	5	36.1	110	46.1
Eastern	59	26.1	3	24.7	62	26.0
Northern	20	8.8	4	29.2	24	9.9
Western	42	18.5	1	9.9	43	18.1

Source: Uganda National Household survey 2002/2003

### 3.4.6: Paid Employees by Industry

As mentioned earlier, an industry shows what the enterprise does by defining the economic activity carried out in the household enterprise.

The survey indicates that majority of the paid employees in household enterprises are in manufacturing industry (43 percent), followed by those in the sales, trade and repairs industry (16 percent). About 20 percent of the paid employees were in the non-crop farming agriculture (which includes animal and bird rearing, as well as forestry activities).

Less than 2 percent of the paid employees were in mining and quarrying

Majority of the males are employed in the manufacturing industry (42 percent) as well as the females (almost one half). However, there are variations in the proportion of paid employees by gender among the various industries.

**Table 3.12: Employees by Industry**

Industry	Male		Female		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
Other agriculture	42	18.5	4	29.4	46	19.1
Fishing	14	6.2			14	5.9
Mining and quarrying	3	1.4	1	6.1	4	1.7
Manufacturing	69	42.3	6	49.3	102	42.6
Construction	3	1.5			3	1.4
Sales, trade and repairs	37	16.3	1	7.0	38	15.8
Hotels, restaurants	6	2.5	1	5.7	6	2.7
Transport and communications	17	7.4	0	1.8	17	7.1
Other services	8	3.9	0	0.6	9	3.7
<b>Total</b>	<b>227</b>	<b>100</b>	<b>13</b>	<b>100</b>	<b>239</b>	<b>100</b>

Source: Uganda National Household survey 2002/2003

### 3.4.7: Monthly Earnings for Paid Employees in Household Enterprises

Respondents who reported that they were in paid employment, which was either regular or casual, during the seven days that preceded the survey were asked whether they earned a wage or salary. The wages and salaries included those in cash, kind, or both.

64 % of the employed persons earn less than shillings 25,000 per month

Table 3.5 shows the results from these findings. At the National level, 64 percent of the total persons employed in the household enterprises earned less than shs. 50,000 per month. In general, 86 percent of the total persons employed in the household enterprises earned below shs. 50,000 per month. Those who earned shs. 100,000 and more per month constituted of only 3 percent of the total persons employed in the household enterprises.

By gender, males earn more salary than their female counterparts. Nine percent of the employed males in the household enterprises earn shs. 75,000 and more per month compared to none in the female category. Ninety eight percent of the female paid employees in the household enterprises earned below shs. 50,000 per month.

**Table 3.13: Monthly earnings for paid employees**

Background characteristics	Less than 25,000	25,000-49,999	50,000-74,999	75,000-99,999	100,000 and above
<b>National</b>	<b>63.9</b>	<b>22.5</b>	<b>7.0</b>	<b>4.0</b>	<b>2.6</b>
<b>Sex</b>					
Male	63.4	22.3	7.3	4.2	2.7
Female	72.4	25.9	1.7		
<b>Residence</b>					
Rural	65.5	21.5	7.1	3.7	2.2
Urban	46.1	33.7	6.3	7.3	6.6
<b>Region</b>					
Central	63.0	20.9	7.0	6.4	2.7
Eastern	64.9	26.3	4.9	0.3	3.6
Northern	46.5	34.2	11.6	7.2	0.5
Western	74.0	15.0	7.6	1.3	2.1

Source: Uganda National Household survey 2002/2003

This proportion of employed persons that earned below shs. 25,000 per month is higher for rural areas than the urban areas. Those who earned shs. 25,000 and more but less than shs. 50,000 constituted 34 percent in urban areas compared to 22 percent in rural areas. The results further show that those who earned shs. 50,000 and more were 14 percent of the employed persons in urban areas, compared to only 6 percent in the rural areas.

There are also marked differences in the proportion of employed persons in the household enterprises by the income classes across the regions.

### 3.4.8: Average Wages and Salaries for Paid Employees in the Household enterprises

Paid employees in the mining and quarrying were the least paid

The average wages for paid employees in the household enterprises by selected background characteristics were computed from the results of the survey as indicated in Table 3.13 below. The results show that the overall average monthly earnings for the paid employees in the household enterprises was about shs. 28,000. This average varied between males and females. Male paid employees in the household enterprises earned slightly more than double compared to their female counterparts.

Urban paid employees in the household enterprises are likely on average to be paid higher than their rural counterparts. The trend is similar between the gender aspects. The average earnings for the paid employees in the household enterprises were slightly higher in the northern region of shs. 27,000 compared to other regions.

**Table 3.14: Average wages and salaries**

Background characteristics	Male	Female	Total
<b>National</b>	<b>28,793</b>	<b>13,816</b>	<b>27,519</b>
<b>Residence</b>			
Rural	22,582	15,734	22,294
Urban	38,392	13,326	34,725
<b>Region</b>			
Central	24,522	11,507	24,028
Eastern	22,627	5,464	21,763
Northern	25,894	30,797	26,609
Western	22,537	7,601	22,094
<b>Industry</b>			
Other agriculture	22,227	24,333	22,387
Fishing	71,660	-	71,660
Mining and quarrying	18,500	5,333	13,563
Manufacturing	16,402	10,710	15,773
Construction	49,200	-	49,200
Sales, trade and repairs	23,525	10,900	23,137
Hotels	15,811	26,000	17,664
Transport, storage and communications	73,511	9,000	72,167
Other services	13,188	50,000	15,353

Source: Uganda National Household survey 2002/2003

Looking at average earnings of the paid employees in the household enterprises by industry, employees in the transport, storage, and communications and those

in the fishing industries earned highest (shs. 72,000). Those in the mining and quarrying industry got the least monthly average earning of shs. 14, 000. Males in the transport storage and communications industry got the highest monthly earnings of shs.74,000 while females employed in the other services industry got the highest monthly average earnings of shs. 50,000.

### 3.5 Characteristics of Household Enterprises Operators

#### 3.5.0: Introduction

This section relates to the characteristics of the household members that are engaged in the household enterprises. This enables the identification of the nature of people that operate the household enterprises. The characteristics include age, education, vocation training, etc.

#### 3.5.1: Household Enterprise Operators

Eighty percent of the household enterprise operators were household members

Out of the 2,589,000 persons engaged in the household enterprises, 2,050,000 are household members within the household enterprises. The survey results indicate that 79 percent of the persons engaged in household enterprises are household members. The results are indicated in Table 3.15. The proportion of household members engaged in household enterprises is higher for females (86 percent) compared to their male counterparts (74 percent).

**Table 3.15: Distribution of Persons Engaged in Household Enterprises**

Sex	HH member	Not hh member	Total
Male	73.9	26.1	100
Female	85.8	14.2	100
Total	79.2	20.8	100
Numbers ('000)	2,050	539	2,589

Source: Uganda National Household survey 2002/2003

#### 3.5.2: Household Enterprise Operators by Age groups

Twelve percent of the household operators were children

Overall, there are about 92 percent of the household members engaged in the household enterprises are in the working age group (14-64). About 85 percent of the household members engaged in the household enterprises are in the adult age group (18-64), the proportion varying slightly between sexes.

The proportion of male household members engaged in the household enterprises who are below 14 years is slightly higher than that of their female



counterparts. Between the ages of 14 to 64, the proportion of females becomes slightly higher than that of their male counterparts. After the age of 65, the proportion of females engaged in household enterprises start reducing compared to that of males.

**Table 3.16: Household Members Engaged in Household Enterprises by Age groups**

Age groups	Male	Female	Total
Under 14	6.2	4.3	5.3
14 - 17	8.2	5.0	6.7
18 - 64	81.4	88.7	84.9
65 and above	4.2	2.1	3.1
Numbers ('000)	1,041	982	2,023

Source: Uganda National Household survey 2002/2003

### 3.5.3: Household Enterprise Operators by Current Schooling Status

About 10 percent of the household enterprise operators were attending school currently

Majority of the household members engaged in the household enterprises have ever attended school at one time, but left (72 percent). The proportion is higher for males (78 percent) compared to that of females (66 percent). Almost 20 percent of the household members engaged in the household enterprises have never attended school at all.

Twenty seven percent of the female household members engaged in the household enterprises have never attended school at all, compared to 11 percent of the male counterparts. However, 10 percent of the household members engaged in the household enterprises are currently attending school.

**Table 3.17: Household Members Engaged in Household Enterprises by Current Schooling Status**

Current Schooling status	Male	Female	Total
Never attended	10.7	26.8	18.5
Left school	77.5	65.6	71.7
Currently attending	11.8	7.6	9.8
Numbers ('000)	1,041	982	2,023

Source: Uganda National Household survey 2002/2003

### 3.5.4: Household Enterprise Operators by Education attainment

Only 2 percent of the household enterprise operators were above secondary school level

Education attainment has been identified as one of the essential approaches for combating poverty. This is of relevance because societies with low educational levels are not likely to attain and maintain high levels of economic growth. They are also more exposed to corruption and political manipulation, as well as

violence and civil strife, occurrences that undermine human well-being and economic development.

Majority of the household members engaged in the household enterprises have primary education level (63 percent), with some differences by gender. Almost 19 percent of the household members engaged in household enterprises have no schooling. Those with secondary education level and above who are engaged in household enterprises constitutes 18 percent, the proportion being higher for males (22 percent) compared to that of females (14 percent).

**Table 3.18: Household Members Engaged in Household Enterprises by Education Attainment**

Education attainment	Male	Female	Total
No schooling	10.8	26.9	18.6
Primary	66.6	58.8	62.8
Secondary	19.3	12.3	15.9
Above secondary	2.8	1.9	2.3
Do not know	0.4	0.1	0.2
Not stated	0.1	0.1	0.1
Numbers ('000)	1,041	982	2,023

Source: Uganda National Household survey 2002/2003

### 3.5.5: Household Enterprise Operators by Literacy Status

Majority of the household enterprise operators were literate

It is desirable for an individual to be literate (defined as the ability to read with understanding and write meaningfully), to be able to understand basic instructions on say, a bottle of medicine, or a bag of fertilizers. In the survey, respondents who had attended school beyond the primary seven level were assumed to be literate, and were not asked whether they are literate or not. Individuals who were aged 10 years or more and had not completed primary seven education level were specifically asked whether they were able to read or write with understanding in any language.

Majority of the household members engaged in the household enterprises are able to read and write in any language (64 percent). The proportion is higher for males (75 percent) compared to their female counterparts (53 percent). The results further indicates that although about 19 percent of the household members engaged in household enterprises have never been to school, those who do not know how to read nor to write in any language are 33 percent.

**Table 3.19: Household Members Engaged in Household Enterprises by Literacy**

Literacy status	Male	Female	Total
Literate	74.9	53.2	64.4
Illiterate	22.7	44.5	33.3
Not stated	2.4	2.3	2.3
Numbers ('000)	1,041	982	2,023

Source: Uganda National Household survey 2002/2003

Only 4 percent of the enterprise operators had formal vocational training

### 3.5.6: Household Enterprise Operators by Type of Vocational Training

A person is referred to as formally trained, if he/she has passed through any short or long term skill/ability development training program given in or outside classroom in theory or in practice or both and that resulted in award of certificate to the trainee, otherwise the person is regarded as informally trained.

The survey findings reveals that only 4 percent of the household members engaged in household enterprises got formal vocational training. The proportion is almost similar between gender. Almost 13 percent of these household members engaged in the household enterprises got informal vocational training. However, majority of the household members engaged in household enterprises have no vocational training at all.

**Table 3.20: Household Members Engaged in Household Enterprises by Vocational training**

Type of vocational training	Male	Female	Total
Formal	4.2	3.1	3.6
Informal	13.4	11.9	12.7
None	82.3	84.8	83.5
Not stated	0.2	0.2	0.2
Numbers ('000)	1,041	982	2,023

Source: Uganda National Household survey 2002/2003

### 3.5.8: Household Enterprise Operators by Economic Activities

In the labour force survey module (which was of the modules of 2002/2003 household survey), a question was asked on the activities performed by each household member aged 5 years and above.

The **main activity** refers to the most important economic activity in terms of time spent during the last 7 days preceding the date of interview.

The **secondary activity** refers to the employment, which is the second in order of importance in terms of time spent in the last 7 days. For example, if a teacher

spends most of his time teaching but he also owns a retail shop where he works for a few hours in the evening, the main activity will be teaching and the secondary activity will be retail trade.

However, some persons have one economic activity, while others have two or more.

More than one half of the enterprise operators had only one economic activity

Table 3.19 shows an analysis of household members that reported that they had engaged in one economic activity, and those that had engaged in more than one economic activity during the last 7 days. The results reveal that, overall 55 percent of the household members engaged in household enterprises had one activity. The proportion is higher for females (61 percent) compared to their male counterparts (50 percent).

**Table 3.21: Household Members Engaged in Household Enterprises by Economic Activities**

Economic Activities	Male	Female	Total
With one economic activity	50.3	60.6	55.3
With secondary activities	49.7	39.4	44.7
Total	100	100	100
Numbers ('000)	1,041	982	2,023

Source: Uganda National Household survey 2002/2003

### 3.5.7: Household Enterprise Operators With one Economic Activity

Operators of education enterprises are more likely to have engaged in one economic activity

As revealed in the Table 3.20 below, the proportion of household members engaged in the household enterprises with single economic activity is highest in the education industry (100 percent) followed by the forestry industry (82 percent). Household members engaged in the Real estate, renting and business activities industry are more likely to have more than one economic activity, followed by those in the manufacturing industry.

**Table 3.22 Household Members Engaged in Household Enterprises by Economic Activity and Industry**

Industry	One economic activity	More than one economic activity	Total
Other agriculture	58.0	42.0	100
Forestry	81.8	18.2	100
Fishing	67.7	32.3	100
Mining and quarrying	60.9	39.1	100
Manufacturing	56.6	43.4	100
Construction	43.5	56.5	100
Sales, trade and repairs	47.7	52.3	100
Hotels	46.8	53.2	100
Transport, storage and communications	52.3	47.7	100
Real estate, renting and business activities	31.8	68.2	100
Education	100	-	100
Health and social work	65.5	34.5	100
Other services	56.5	43.5	100
<b>Numbers ('000)</b>	<b>1,115</b>	<b>902</b>	<b>2,017</b>

Source: Uganda National Household survey 2002/2003

### 3.6: Small Scale Establishments

#### 3.6.0: Introduction

Small scale establishments refer to establishments employing less than five employees. In the selected enumeration area for the socio-economic and labour force survey, all the small scale establishments were listed and a sample of 10 was drawn by simple random sampling. This was done in the rural sampled enumeration areas only.

#### 3.6.1 Number of small scale establishments

Northern region had the least proportion of small scale establishments

The results show that the estimated number of rural small scale establishments was about 300,000 (see Table 3.21 below.) This was an increase of almost 80 percent of the total number of small scale establishments compared to the 1993/94 informal sector survey. The results further show that the western region had the highest number of small scale establishments of 41 percent followed by the central region of 29 percent. The Northern region had the least proportion of the rural small scale establishments of only 8 percent.

**Table 3.23: Number of rural small scale establishments**

Back-ground Characteristics	Estimated number of small scale establishments ('000)	
	1993/4	2002/3
<b>Total</b>	<b>167</b>	<b>300</b>
<b>Regions</b>		
Central	38.3	29.0
Eastern	24.0	21.3
Northern	3.0	8.0
Western	34.1	41.7

Source: Uganda National Household survey 1993/1994 and 2002/2003

### 3.6.2: Number of persons engaged in small scale establishments

About 40 percent of the persons engaged in small scale establishments were in western region

The estimated total number of persons engaged in the rural small scale establishments about 480,000 persons as depicted by Table 3.22 below. However, this was an increase of about 43 percent compared to the total number of persons engaged in rural small scale establishments during the 1993/94 informal sector survey. However, 67 percent of the males were engaged in rural small scale establishments compared to only 33 percent of their female counterparts.

Western region has the highest proportion of the total persons engaged in the small scale establishments (39 percent), followed by central region (32 percent). Only 7 percent of the total persons engaged in the rural small scale establishments are from the northern region.

**Table 3.24: Total number of persons engaged in small scale establishments**

Back-ground Characteristics	Number of persons engaged in small scale establishments ('000)	
	1993/4	2002/3
<b>Total</b>	<b>336</b>	<b>480</b>
<b>Sex</b>		
Male		320
Female		159
<b>Regions</b>		
Central	41.7	31.8
Eastern	23.0	22.0
Northern	3.6	7.3
Western	31.8	38.9

Source: Uganda National Household survey 1993/1994 and 2002/2003

### **3.7 Summary of Findings**

The informal sector is gaining prominence in Uganda. About 36 percent of the households in Uganda own non-crop enterprises.

The major enterprises being in the manufacturing, and, trade and services economic sectors. These two categories employ 1.8 million persons while livestock, poultry, bee keeping, and fishing industry employs another 0.5 million persons.

Given the existing structure of the Uganda economy, it is probably more realistic to assume that the informal sector will continue to remain the main engine of job creation in the coming decade. At the same time, the recent evidence also seems to indicate that the formal sector, especially in the private domain, has started to expand and create new employment opportunities.

## Chapter Four: Working Poor

### **4.0: Background**

In 2002/03, 8.9 million people, or 38 percent of the population lived at or below the official poverty level. While the bulk of these individuals were children and adults who did not participate in the labor force, about 3.5 million were classified as the “working poor.” As defined for this report, the working poor are individuals who in the labor force (working or looking for work), but whose incomes fell below the official poverty level.

### **4.1: Distribution of the working poor by residence, regions and underemployment**

**Over all 36 per cent of the Ugandan labour force is working poor ( 3.5 million persons)**

Over all 36 per cent of the Ugandan labour force is working poor( 3.5million persons).The survey illustrates that persons in the rural areas who are working are more likely to be poor (40 percent) compared to their counterparts in urban areas (11 percent). About 60 percent of the working persons in the northern region are poor compared to only 19 percent in the central region. Working full time substantially lowers a person’s probability of being poor. Among persons in the labor force, the poverty rate for those fully employed was 35 percent, compared with 44 percent for underemployed workers. As noted above, people who work full time—that is, 40 or more hours a week—are far less likely to live in poverty than are others. However, there remains a sizable group of full-time workers who live below the poverty threshold.



**Table 4.1: Working poor by sex, residence, regions and underemployment**

	Labour force			Below poverty level			Rate		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Rural	3,906	4,365	8,272	1,550	1,785	3,335	39.7	40.9	40.3
Urban	720	769	1,490	79	90	169	11.0	11.8	11.4
<b>Region</b>									
Central	1,445	1,514	2,959	276	285	561	19.1	18.8	19.0
Eastern	1,221	1,380	2,601	536	599	1,135	43.9	43.4	43.6
Northern	776	996	1,771	473	610	1,083	60.9	61.3	61.2
Western	1,190	1,244	2,430	344	381	725	28.9	30.6	29.8
Fully employed*	3,287	3,527	6,814	1,098	1,250	2,348	33.4	35.4	34.5
Under-employed*	825	720	1,545	372	303	674	45.0	42.0	43.6
<b>Total</b>	<b>4,627</b>	<b>5,134</b>	<b>9,762</b>	<b>1,629</b>	<b>1,876</b>	<b>3,505</b>	<b>35.2</b>	<b>36.5</b>	<b>35.9</b>

Note: \*only those worked are during the last 7 days of the labour force could be classified as fully employed or under-employed

Source: Uganda National Household survey 2002/2003

#### **4.2: Distribution of the working poor by age and sector**

Table 4.2 below shows that almost one half of the household heads aged 14 years are in the working poor. The working youths are also more likely to be poor. For the rest of the age groups of the working poor, there is mixed trends in poverty levels. The incidence of being a working poor is highest among those in primary sector followed by those in the manufacturing sector. The working population involved in the service sector are the less likely to be poor (24 percent).

**The incidence of being a working poor is highest among those in primary sector followed by those in the manufacturing sector**

**Table 4.2: Working poor by sex, age and sector of the economy**

	Labour force			Below poverty level			Rate		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Age group</b>									
14	107	92	199	56	43	99	52.2	47.3	49.9
15-19	585	644	1,229	264	225	489	45.2	34.9	39.8
20-24	706	1,025	1,731	216	309	525	30.7	30.1	30.4
25-29	812	959	1,771	233	329	562	28.7	34.3	31.7
30-34	701	716	1,417	232	292	524	33.1	40.8	37.0
35-39	539	559	1,098	189	198	386	35.0	35.4	35.2
40-44	382	387	769	141	165	306	36.9	42.7	39.8
45-49	298	302	600	107	118	225	35.8	39.1	37.4
50-54	211	223	434	74	92	166	35.2	41.3	38.3
55-59	143	136	279	64	68	132	45.0	49.8	47.3
60-64	143	91	234	53	37	90	37.2	39.9	38.3
<b>Sector of Economy</b>									
Primary	2,456	3,193	5,649	1,110	1,373	2,482	45.2	43.0	43.9
Manufacturing	326	222	548	84	69	16	25.8	31.1	29.0
Service	1,843	1,717	3,560	436	434	870	23.6	25.3	24.4
Total	4,624	5,132	976	1,629	3,505	35.2	35.2	36.5	35.9

Source: Uganda National Household survey 2002/2003

#### 4.3: Educational Attainment of the Working poor

**Fifty-five per cent of persons with no formal education are working poor.**

Education and the likelihood of living in poverty were closely related among those in the labor force. Persons with no formal education were more to be counted among the working poor 55 per cent compared to those with primary education ( 39 per cent). The incidence of being counted among the working poor declined further as educational attainment rose. Among workers with primary/specialized training, 9 percent were classified as working poor, and 17 percent of secondary education and above were so classified. (See table 4.3.)

**Table 4.3: Working poor by sex and educational attainment**

	Labour force			Below poverty level			Rate		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Educational Attainment</b>									
No formal education	423	1,243	1,666	233	685	919	55.2	55.1	55.1
Primary	2,835	2,954	5,789	1,160	1,095	2,255	40.9	37.1	38.9
Primary/specialized training	390	228	617	37	15	53	9.6	6.8	8.6
Secondary	977	707	1,684	198	80	278	20.3	11.3	16.5

Source: Uganda National Household survey 2002/2003

**Forty-four percent of the persons employed in agriculture were working poor**

#### **4.4: Occupation of the Working Poor**

The occupation in which one was employed continued to be related to the likelihood of being among the working poor in 2002/03 UNHS. Almost 44 percent of the persons employed in agriculture were poor. Also persons who were in elementary occupation were most likely to be in poverty (28 percent) closely followed by those in crafts and related workers( 27 per cent) Executive, administrative, and managerial occupations had zero workers who are poor while professional jobs had low incidences of poverty, at 6 percent. High earnings and full-time employment are typical in these occupations. However, those in agriculture are the working poorest (44 percent), followed by those in elementary occupations. Working females are more likely to be poorer than their male counterparts.

**Table 4.4: Working poor by sex and occupation**

	Labour force			Below poverty level			Rate		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Legislators, senior Officers	8	2	10	0	0	0	0	0	0
Professionals	79	40	119	3	3	7	4.4	8.0	5.6
Technicians and Associate	118	69	187	18	0.6	18	15.1	0.8	9.8
Clerks	73	46	120	7	3	10	9.2	6.1	8.0
Service Workers and S	670	657	1,326	135	84	219	20.2	12.8	16.5
Agriculture and Fisheries	2,242	3,128	5,370	1,033	1,329	2,363	46.1	42.5	44.0
Crafts and Related trade workers	249	130	379	55	48	103	21.9	37.0	27.1
Plant and Machine Operators	144	13	157	29	4	33	20.2	33.6	21.3
Elementary Occupation	582	213	795	15	69	223	2.6	32.4	28.1

Source: Uganda National Household survey 2002/2003

## **Chapter Five: Unemployment:**

### **5.0: Background**

The level of unemployment in Uganda has economic and social implications. From an economic point of view, the overall unemployment rate remains one of the key measures of an economy's performance. However, the unemployment rate is not only of economic significance, but of social significance as well since it is also a key variable in alleviating poverty. With a high unemployment rate it will be difficult, if not impossible, to alleviate poverty and inequality in Uganda over the long term.

### **5.1: Unemployment Rate by Background Characteristics**

The unemployment problem in Uganda is a very complex one and a great deal of controversy exists concerning the reliability of available data and therefore the real level of unemployment in Uganda. According to the relaxed definition of unemployment, which includes all persons who are actively looking for a job but who are not in any type of employment, the latest official unemployment rate in Uganda is 3.5%. This official unemployment rate implies that approximately 332,951 economically active persons are without a formal or informal employment opportunity (Total lack of work), in other words without any form of income opportunity at all.

### **5.2: Distribution of the unemployment**

According to table 5.1, total unemployment in Uganda is an urban phenomenon with a 12.2/1.9 per cent distribution between urban and rural areas. However, the unemployment rate of women is higher than that of men in both rural and urban areas.

The central region had the highest unemployment rate (6.9 per cent) followed by Eastern, western and Northern in that order. There are many job opportunities in the central region compared to other regions and that is why it is a host to a big number of these job seekers.

### **5.3: Distribution of unemployment by education**

There is an inverse relationship between education and unemployment. The lowest unemployment rate is found among those with no schooling (about 2 percent), followed by those whose educational level is below secondary. The highest unemployment rate is among those with secondary education and above. Unemployment rate for women is higher than that of males for nearly all-educational categories except for those with no schooling.

**Table 5.1: Distribution of Unemployed Persons Aged 14-64 by Education Attainment, Residence, Region and Sex (Per cent)**

Background Characteristics	Unemployed persons			Unemployment rate			share of youth to total unemployment		
	M	F	T	M	F	T	M	F	T
<b>National Residence</b>	<b>120,206</b>	<b>212,745</b>	<b>332,951</b>	<b>2.6</b>	<b>4.2</b>	<b>3.5</b>	<b>51</b>	<b>62</b>	<b>58</b>
Rural	66,587	84,748	151,335	1.7	2.0	1.9	47	66	58
Urban	53,620	127,997	181,616	7.6	17.0	12.2	57	60	59
<b>Region</b>									
Central	60,926	140,526	201,452	4.3	9.4	6.9	56	64	61
Eastern	25,930	35,111	61,041	2.2	2.6	2.4	47	63	56
Northern	6,507	11,663	18,170	0.8	1.2	1.0	34	29	31
Western	26,843	25,445	52,288	2.3	2.1	2.2	50	71	60
<b>Education</b>									
No schooling	9,159	19,671	28,830	2.2	1.6	1.7	34	40	38
Primary	49,000	97,331	146,331	1.8	3.3	2.6	63	66	65
Secondary	44,172	78,357	122,529	4.6	11.3	7.4	56	66	62
Above secondary	15,613	16,508	32,121	4.5	8.5	5.9	17	50	34

Source: Uganda National Household survey 2002/2003

#### **5.4 Distribution of unemployed persons by household size and head**

From table 5.2, unemployment is positively related to household size. Household with more than six members registered a rate of 55 per cent as opposed to 5 per cent those with single members.

Unemployment was prominent in male headed households (70 per cent) than female headed households (30 per cent).

#### **5.5 Distribution of unemployed persons by poverty status**

There was an inverse relationship between unemployment and poverty status of households. Non-poor households accounted for 80 per cent of the unemployed persons as opposed to 20 per cent for poor households. This could be because the poor has only labour as their asset and have to work for survival, whereas the non-poor households could survive from other sources i.e. past savings, but not necessarily working.

**Table 5.2: Distribution of Unemployed Persons Aged 14-64 by Household size, sex of household head and poverty status of household**

Household size	Male	Female	Total
1	6.5	4.4	5.2
2-3	21.0	32.3	28.2
4-5	11.6	11.5	11.5
6+	60.8	51.8	55.1

	100	100	100
<b>Head of Household</b>			
Male headed	75.7	67.1	70.2
Female headed Households	24.4	32.9	29.8
	<b>100</b>	<b>100</b>	<b>100</b>
Non-Poor Household	74.6	82.6	79.7
Poor Household	25.4	17.4	20.3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>120,206</b>	<b>212,745</b>	<b>332,951</b>

Source: Uganda National Household survey 2002/2003

## 5.6 Youth unemployment

Uganda's unemployed consist mainly of young and unskilled workers. Table 5.3 shows that 51.1 percent of the unemployed are youth.

### 5.6.1 Distribution of youth unemployment by education

Of the total unemployed 4 percent are illiterate and the proportion of the youth is 36 percent. Because these people cannot get the benefit of rapid acquisition of skills, experience and the habits of work, which young people normally learn before the age of thirty, they will be virtually unemployable in future. Most of these young people abandon all hope of finding employment opportunities, becoming the so-called "discouraged workers".

**Table 5.4: Distribution of the Youth Unemployed Persons Aged 14-24 by Education Attainment, Residence, Region and Sex**

Background characteristics	Unemployed persons			Unemployment rate		
	Male	Female	Total	Male	Female	Total
<b>National</b>	<b>61,649</b>	<b>132,729</b>	<b>194,378</b>	<b>2.5</b>	<b>4.8</b>	<b>3.7</b>
<b>Residence</b>						
Rural	31,281	55,829	87,109	1.5	2.5	2
Urban	30,368	76,900	107,269	7.6	14.9	11.7
<b>Region</b>						
Central	33,872	89,329	123,201	4.4	9.8	7.3
Eastern	12,141	21,979	34,120	1.9	3	2.5
Northern	2,191	3,358	5,550	0.5	0.7	0.7
Western	13,445	18,062	31,507	2.1	2.6	2.4
<b>Educational Attainment</b>						
No schooling	3,112	7,783	10,894	3.1	3	3
Primary	30,987	64,661	95,648	1.8	3.5	2.7
Secondary	24,856	51,703	76,558	4.1	8.3	6.2
Above secondary	2,694	8,317	11,011	6.2	14.6	11

Source: Uganda National Household survey 2002/2003

### 5.6.2 Distribution of youth unemployment by region and educational attainment

Table 5.4 shows that the overall unemployment for youth is 6.3 per cent and the unemployment rate was highest among female youths (8.8 per cent). By residence, unemployment rate of youth who resided in urban areas was more than five times higher than that of youth in rural areas. The Central region had the highest unemployment rate of youth, followed by Northern, Eastern, and Western in that order. The results show that the unemployment rate was highest among youth who had attained secondary education and above. Only 5.0 percent of them had no education.

**Table 5.5: Distribution of Unemployed Youth Aged 15-24 by Education Attainment, Residence, Region and Sex (percentage)**

	Male	Female	Total
Total	7.5	8.8	6.3
<b>Residence</b>			
Rural	5.8	7.5	4.2
Urban	19.3	16.6	22.8
<b>Region</b>			
Central	13.0	12.6	13.4
Eastern	5.7	7.9	3.8
Northern	5.0	6.1	4.0
Western	5.2	7.1	3.4
<b>Educational Attainment</b>			
None	6.6	9.5	4.9
Primary	5.9	7.4	4.5
Secondary	11.9	11.2	12.9
Above Secondary and above	20.0	20.1	20.0
Number	<b>85,097</b>	<b>61,501</b>	<b>146,598</b>

Source: Uganda National Household survey 2002/2003



## Chapter Six: Underemployment

### 6.0 Background

In the previous chapter, the focus was on unemployment. However, it is not surprising to find that overall unemployment rates are low. In this present day, very few people can afford to be unemployed for any period, and the bulk of the population must engage at all times in some economic activity, however little or inadequate that may be. Although at the same time they may be seeking other or additional work, they will not be considered as unemployed. In this situation, unemployment data alone cannot fully describe the employment situation, and we should supplement this information with data on underemployment.

### 6.1 *Time related under employment*

Underemployed person is referred as to visible underemployed, when he/she during the last 7 days, has worked involuntary for less than the normal duration of work in his or her particular activity, while being available for additional hours of work. Examples are people who look for additional work but cannot find any, or who do not work because they say there is a lack of business. Lack of finance or lack of raw materials is another reason why people might not be able to work more hours. Other involuntary reasons may result from an industrial dispute or from a breakdown of equipment, or because it is currently the off-season. In all these cases, the person would be considered as being underemployed.

**The current time related under-employment is 17 percent**

Overall, the time related underemployment rate i.e. persons who worked for less than 40 hours a week was 17 percent. The rate varies between 19 percent for males and 15 percent for females. The rural males are more likely to work less than 40 hours a week than their urban counterparts.

The eastern region had the highest proportion of persons who worked for less than 40 hours a week preceding the date of survey (22 percent), while western region had the least (10 percent). Eastern region males had the highest proportion of males who worked for less than 40 hours a week preceding the survey (26 percent).

**Table 6.1: Time Related Underemployment (14-64 years) by Residence and Region**

Background characteristics	Worked for less than 40 hours and were available for additional work			Time-related Under-employment rate		
	Male	Female	Total	Male	Female	Total
	<b>National</b>	<b>839,232</b>	<b>732,526</b>	<b>1,571,758</b>	<b>18.9</b>	<b>15.1</b>
<b>Residence</b>						
Rural	773,897	661,188	1,435,085	20.5	15.6	17.9
Urban	65,336	71,338	136,674	10.0	11.4	10.7
<b>Region</b>						
Central	223,145	258,491	481,636	16.5	19.2	17.8
Eastern	304,824	239,081	543,905	26.0	18.1	21.8
Northern	162,312	159,533	321,845	21.3	16.4	18.5
Western	148,951	75,421	224,372	13.0	6.2	9.5

Source: Uganda National Household survey 2002/2003

In the same way as we showed unemployment rates for different age groups, it is helpful to look at the numbers of underemployed in relation to the size of the labour force. Table 6.2 shows the underemployed as a percentage of the total labour force, separately for males and females by educational attainment and by age group. By education, more than three quarters (80.5 percent) of those under-employed had an educational level of primary and below. Table 6.2 further shows that under employment rate was highest among 20 – 29 age group

**Table 6.2: Time Related Underemployment (14-64 years) by educational attainment and age groups**

Educational Attainment	Worked for less than 40 hours and were available for additional work			Time-related Under-employment rate		
	Male	Female	Total	Male	Female	Total
	No schooling		177,100	245,630	16.7	14.6
Primary	588,479	431,634	1,020,113	21.4	15.3	18.3
Secondary	137,359	105,046	242,405	15.0	17.1	15.8
Above secondary	41,268	15,274	56,542	12.5	8.6	11.1
Do not know	2,643	2,627	5,270	13.0	18.9	15.4
<b>Age groups</b>						
14 - 19	113,118	101,088	214,206	17.1	15.2	16.2
20 - 29	324,457	320,313	644,770	22.6	17.4	19.7
30 - 39	223,683	190,899	414,582	18.6	15.5	17.1
40 - 49	113,604	92,016	205,620	17.2	13.7	15.4
50 - 59	49,360	25,766	75,125	14.4	7.3	10.8
60 - 64	15,012	2,444	17,456	10.9	2.7	7.6

Source: Uganda National Household survey 2002/2003

## Chapter Seven: Social Dialogue Statistics

### **7.0: Background**

Social dialogue statistics refer to the administrative data that is generated and collected in the process of interaction between and among the social partners (Workers, Employers and Government) and the decision made therein. The statistics include among others data on:

- Registration of trade unions
- Recruitment into the trade unions
- Strikes and lock outs
- Trade disputes
- Industrial accidents
- Workers complaints settlement
- Inspections
- Registration and placement of job seekers

In this report the first seven will be addressed as data for the eighth, though available, is not yet well organised for the purpose of this report.

The statistics reflect the status of industrial relations and compliance to national labour standards on various aspects of labour administration in the country.

### **7.1: Registration of Trade Unions**

When a trade union is formed in accordance with the Trade Union Act and before it can fully function, it is registered by the Registrar of Trade Unions who is also the Commissioner for Labour Employment and Industrial Relations.

**Table 7.1: Registered trade unions**

	Name of the Trade Union	Total Membership	Total Membership by gender		National Executive Members	
			Male	Female	Male	Female
1	Amalgamated Transport & General Workers' Union	3500	2870	630	10	2
2	Uganda Beverages, Tobacco & Allied Workers Union	1276	1205	71	23	2
3	Uganda Building, Construction, Civil Engineering, Cement and Allied Workers' Union	2421	2259	162	14	4
4	Uganda Government and Allied Workers' Union	3000	2100	900	10	5
5	National Union of Clerical, Commercial & Technical Employees'	1376	904	472	6	4
6	National Union of Cooperative Movement Workers	1377	851	526	7	4
7	National Union of Educational Institutions	5441	3167	1274	13	7
8	National Union of Plantation & Agricultural workers	42,000	24,000	18,000	12	3
9	Uganda Electricity & Allied Workers' Union	283	258	25	8	3
10	Uganda Hotels, Tourism & Allied Workers' Union	1580	920	660	10	6
11	Uganda Medical Workers' Union	18,000	7,600	10400	14	7
12	Uganda Mines, Metal & Allied Workers' Union.	1251	1129	122	8	4
13	Uganda Communications Employees' Union	704	572	132	4	4
14	Uganda Printers, Journalists, Paper, Media & Allied Employees' Union	150	82	68	8	2
15	Uganda Public Employees' Union	5880	2000	3880	10	8
16	Uganda Railways Workers' Union	904	624	280	7	2
17	Uganda Textiles, Garments, Leather & Allied Workers' Union	680	310	370	8	10
18	Uganda Media Union	1300	1155	145	5	4
19	Uganda Fisheries & Allied Workers' Union	3202	3202	800	4	4
20	Uganda National Teachers Union	4921	2802	2119	16	2
21	Uganda Nurses Union	1500	1200	300	13	7
22	Total	100,546	59,210	41336	211	96

Source: Data collected from the General Secretaries of the respective trade unions as of August 2005

As shown in Table 7.1 above, the number of trade unions registered and affiliated to the National Organisation of Trade Unions (NOTU) as of August 2005 is 21 with a total membership of 10546, 59 per cent male and 41 per cent female. National Union Executive total to 307 members, 69 per cent male and 31 per cent female.

However, two trade unions have agreed to merge as provided under section 28 and 29 of the Trade Unions Act Cap 223 of LOU 2000. The two trade unions are the Uganda Printers Union and Uganda Media Union. When the Uganda Media, Graphics and Allied Workers Union are registered, the two will be deregistered.

The biggest trade union by membership is the National Union of Plantation and Agricultural Workers with a total membership of 42,000, 57 per cent male and 43 per cent female. The Uganda Public Employees Union follows this with 5880 members and National Union of Educational Institutions with 5441 members respectively. However, in terms of potential Uganda Teachers National Union has the biggest opportunity to increase membership and strength. With over 200,000 teachers at primary, secondary and tertiary levels in the country, when the union recruits them this union will be top in membership.

### **7.2: Reported Trade Disputes since 1992**

When workers and employers problems cannot be solved at the workplace and other lower levels through the grievance handling procedure laid down in collective agreements, the disputes are reported to the Minister of gender Labour and Social development for handling. The Minister may appoint a conciliator to resolve the dispute or refer the disputes to the Industrial court for arbitration. The disputes may also be referred to the Industrial Court directly by the parties involved according to the Trade Disputes (Arbitration and Settlement) Act, Cap 224 of Laws of Uganda.

**Table 7.2: Number of reported disputes by year Reported**

Year	Number of Trade disputes reported	Number of Trade disputes settled	Number of Trade disputes referred to Industrial court	Number of Trade disputes carried forward
1992	26	15	0	19
1993	17	6	3	9
1994	13	12	3	5
1995	13	16	1	4
1996	17	9	0	11
1997	10	6	0	9
1998	16	9	7	13
1999	7	7	0	6
2000	5	3	0	2
2001	0	15	0	0
2002	2	4	0	1
2003	1	1	1	1
2004	3	2	1	2

Source: MGLSD Disputes register

Table 7.2 refers to the trade disputes reported to the Ministry and how they were handled. It can be noted from the table that a good number of disputes were reported between 1992 and 1998 with 1992 having the highest number of

reported cases (26) followed by 1993 and 1996 (17) and 1998, 16 respectively. From 1998 the number of trade disputes reported started to reduce drastically and in 2001 no dispute was reported. This was probably because of the malfunctioning of the Industrial court due to various factors in the economy affecting the performance and efficiency of such institutions.

Most of the trade disputes reported were basically due to the refusal by employers to recognise registered trade unions. Similarly a number of the outstanding trade disputes are those of failure or refusal to recognise the unions or fail to abide by the terms and conditions of service in their collective agreements.

The number of trade disputes resolved in each year includes those carried forward from the previous years. The trade disputes carried forward includes only those of the year being cited. Out of the 209 disputes handled, reported and carried forward in the period 1992-2004, 117 (56 per cent) were settled through conciliation and arbitration at the Ministry.

### **7.3: Strikes and lockouts (Work stoppages)**

Strikes and lockouts are as a result of discontent or disagreement between the workers and employers in their work setting. The disagreements which usually end up in disputes, when unresolved may end into industrial action, a strike or lockout. The strikes and lockouts disrupt work, may cause destruction of property and loss of lives at the workplace. All these have costs both to the employer and the workers involved. This is why it is very important to have a functional dispute resolution mechanism in place to resolve conflicts before they end up in strikes and lockouts.

Table 7.3 below shows the number of work stoppages for the period 1992-2004, the number of employees involved and the person days of work lost. 1994 and 1996 had work stoppages involving more workers and more person days lost than the other years. In 1994, 5,126 employees were involved and 41,739 person days of work lost while in 1996, they were 4200 employees and 43736 person days of work lost. This also meant reduced productivity and earnings for both the individual workers and the organisations that employ them.

**Table 7.3: Work stoppages for all industries**

Year	No. of stoppages	Number of	Person	Average no. of
	Complete strikes	Employees	days of	days lost per
		Involved	work lost	employee involved
1992	3	261	174	0.7
1993	3	75	630	8.4
1994	5	5,126	41,739	8.1
1995	9	3959	9537	2.4
1996	4	4200	43736	10.4
1997	4	220	1,980	9.0
1998	4	1580	8780	5.6
1999	6	1184	10481	8.9
2000	5	872	2376	2.7
2001	3	554	1084	2.0
2002	5	1816	4086	2.3
2003	1	1200	3600	3.0
2004	3	1412	3936	2.8

Note: 1. this information refers to only strikes that are reported to MGLSD.  
The number is very small probably the Employers are ignorant of the reporting mechanisms.

2. No lock out or Partial strike was reported

Source: Directorate of Labour (MGLSD)

The causes of strikes and lockouts in a workplace may be many but it is usually a combination of reasons, which culminate into a work stoppage. Table 7.4 shows the reasons for reported strikes for each year between 1992 and 2004

**Table 7.4: Causes of strikes**

Year	Failure/delay to pay salary	Demand for wage increase	Suspension of allowances	Demand for protective wear	Victimization/ Abusive language	Others
1992	0	2	3	1	0	0
1993	1	2	0	0	0	1
1994	3	5	1	0	0	0
1995	1	3	3	0	0	5
1996	1	3	0	0	2	2
1997	4	0	1	0	0	0
1998	2	0	1	2	1	2
1999	1	2	2	1	3	1
2000	1	1	1	0	2	2
2001	2	1	1	0	1	0
2002	0	1	0	0	2	2
2003	0	2	0	0	1	0
2004	0	0	1	1	1	0
	16	22	14	5	13	15

Source: Directorate of Labour (MGLSD)

Notes: 1. Strikes were caused by more than one reason

It can be seen that the major cause of work stoppages is on earnings. Demand for wage increase was the major cause, followed by failure/delay to pay salary and then suspension of allowances. Although protective ware is very important to the workers safety and health, it is not regarded as a major cause for work stoppage.

#### **7.4: Industrial accidents**

Industrial accidents refer to injuries, which include accidents and occupational diseases scheduled in the Workers Compensation Act 2000, Cap 225 which happens during and in the course of employment. The causes of industrial accidents at a workplace are many. They could be due to human error, neglect, lack of information, insufficient instructions or unsafe machines used in the course of employment. The industrial accidents reflect the state of safety and health at the workplace and working environment. The more the accidents occur in a workplace or industrial sector the more it becomes necessary to improve on the working environment safety and health for all persons who work in it. The accidents usually inflict pain or death on the victims, reduces the productivity of the victims and the workplace and has high costs for the employer in terms of medical care after the accident and compensation to the victim.

##### **7.4.1 Accidents in private sector**

Kampala district (KCC) being the capital city and biggest commercial centre for Uganda, has many economic activities going on in various workplaces with various levels of work hazards causing injury or death to the people who work there. Many accidents, especially those of a minor nature are, however, not reported to the Labour offices as required by law due to various reasons including ignorance by the workers of their right to compensation and fear for their job security.

Table 7.5 below shows the number of reported and registered accidents in Kampala district in the private sector for 2002, 2003 and 2004.



**Table 7.5: Record of Industrial accidents (Kampala Labour Office)**

Sector	Number of accidents		
	2002	2003	2004
Agriculture	6	3	1
Manufacturing	67	69	37
Services	227	297	285
<b>Total</b>	<b>310</b>	<b>369</b>	<b>323</b>

Source: Directorate of Labour (MGLSD)

From the table it can be seen that the service sector has the biggest number of reported accidents and increasing for each year contributing: 73 per cent for 2002, 80 per cent for 2003 and 88 per cent for 2004 respectively. This is followed by the manufacturing sector whose contribution to the reported accidents seems to be on the decrease for each year, 22 per cent, 19 per cent and 11 per cent for 2002, 2003 and 2004 respectively. The big number of reported accidents in the service sector is expected because it is the biggest sector in the city and fast growing while the working environment may not be improving as fast. The accidents in the manufacturing sector may be because investments in this sector are not as fast growing as in the service sector and frequently affected by workforce reduction. The agriculture sector has least cases reported simply because very few commercial agricultural activities are carried out in Kampala district.

As mentioned above, the industrial accidents inflict a cost to the employer in terms of medical care and compensation to the accident victims. Table 7.6 below shows the amount of money Kampala district employers paid out as compensation to industrial accident victims between 2002 and 2004. The table shows that the services sector carries the highest burden simply because more accidents happen in that sector.

**Table 7.6: Amounts paid as compensation for industrial accidents in Kampala district by sector in thousands**

Sector	2,002	2,003	2,004
Agriculture	1,584	12,000	501
Manufacturing	146,576	92,628	122,266
Services	753,088	561,870	585,596
<b>Total</b>	<b>901,248</b>	<b>666,498</b>	<b>708,363</b>

Source: Directorate of Labour (MGLSD)

#### 7.4.2 Accidents in the public sector (Government employees)

The Workers Compensation Act applies to government employees as it does to the employees in the private sector. This means that when government employees get accidents while on duty, the accidents are expected to be reported to the nearest Labour office or the Labour Commissioner for investigation, corrective action and compensation where applicable. Table 7.7 shows the number of reported accident cases to the Labour Commissioner for handling.

**Table 7.7: Reported accidents by government employees**

	Up to 2004	2005	%
Service/Ministry/Police and Prison	58	33	63
Other Ministry	66		37
Total	112	33	100

Source: MGLSD

Up to August 2005 a total of 145 workers compensation claims totaling over Sh.1,266,509,000/= were pending settlement in the Ministry of Gender Labour and Social development. The most affected workers in the government service are those in the police and prisons taking 63 per cent of the share of accidents. For the districts that reported industrial accidents in 2004, they were reported and handled as in appendix (V).

#### 7.5: Workers Complaints

Workers complaints are as a result of breach of contract between the workers and employers. The employment contract spells out the terms and conditions of service under which certain categories of workers must work. The contract also spells out the duties and responsibilities of the employees and the employers. When things do not work out the way they are stated in the contract and in accordance with the labour legislation, this causes conflict between the two parties and one party, usually the workers, reports the matter to the Labour Office for resolution.

Kampala district being Uganda's main commercial centre has many employers and workers and as a result receives many complaints due to conflicts at the work places. The big number of complaint gives us an idea of how the national labour standards are being observed by the employers in the district.

Table 7.8 shows the complaints registered in Kampala Labour Office in 2002, 2003 and 2004 and how they were settled.

**Table 7.8 Record of complaints (Kampala Office)**

Year	Sector	Number of complaints	Complaints Settled in favour of employers	Complaints Settled in favour of employees	Complaints not settled
2002	Agriculture	100	4	76	20
	Manufacturing	300	6	250	44
	Services	644	20	400	224
	<b>Total</b>	<b>1044</b>	<b>30</b>	<b>726</b>	<b>288</b>
2003	Agriculture	192	2	80	10
	Manufacturing	400	8	302	90
	Services	800	10	568	22
	<b>Total</b>	<b>1392</b>	<b>20</b>	<b>1050</b>	<b>322</b>
2004	Agriculture	110	10	90	10
	Manufacturing	300	11	0	89
	Service	600	12	500	88
	<b>Total</b>	<b>1010</b>	<b>33</b>	<b>790</b>	<b>187</b>

Source: MGLSD

The service sector has the biggest proportion of complaints for the three years, 62 per cent, 57 per cent and 59 per cent for 2002, 2003 and 2005 respectively. This was followed by manufacturing and agriculture. Most of the complaints were settled in favor of the workers meaning that the complaints were genuine and as a result of breach of contract. In the three years over 95 per cent of the reported cases were settled in favour of the workers.

The national picture for some of the districts that handled and reported complaints in 2004 is as in appendix (IV) of this report.

### **7.6: Labour Inspection**

Labour Inspections are carried out in workplaces as requires by the Labour Officers to ensure that national labour standards are being followed. The labour standards are to ensure that there are good or conducive working conditions, social dialogue is encouraged and practiced in workplaces, the occupational safety and health for the workers and other people in the work environment is observed and taken seriously. Each District Labour Officer is expected to carry out the labour inspections in his or her area of jurisdiction and write a report to the Labour Commissioner on the inspection findings for information and necessary action.

Appendix 1 shows the number of inspections each of the 16 districts that reported having carried out inspections actually conducted. The total number of inspections was 1505 with Masaka district having the highest number of inspections, 137. Other districts did not report any conducted inspections. The major problem the district officers face is lack of logistical and financial support to enable them does field work.

## **7.7: Job advertisements in Newspapers**

Job/vacancy advertisements portray the demand side of the labour market. This information is very important for career guidance and counseling as it acts as an indicator of the expanding sectors in the economy and skills most demanded by the labour market.

### **7.7.1 Distribution of job advertised by major industrial divisions**

Table 7.9 shows that there was a downward trend in jobs advertised from 57,289 in 2001 to 14,051 in 2003, a decrease of 75 per cent. The trend again improved in 2004 with 29,462 jobs advertised.

In 2001, social and personal services, health and social work, Public administration, hotels and restaurants, manufacturing and agriculture, forestry and fishing showed high demand for labour with job adverts ranging from 9,593 to 4,038.

In 2002, the major divisions of hotels and restaurants, public administration, education and social and personal services had tremendous job advertisements ranging from 16,996 to 1,464.

In 2003, only two major divisions are worth mentioning that is public administration and social and personal services with 7,672 and 4,626 jobs advertised respectively.

In 2004, public administration and Transport, Storage and Communication had a lion's share of the total 29,462 jobs advertised accounting for 81 per cent

One can conclude therefore, that following the trend of jobs advertised that the economy is growing in sectors with low investments, low technology and high returns.

**Table 7.9: Distribution of jobs advertised by major industrial divisions, 2001 - 2004**

Major Industrial Divisions	2001	2002	2003	2004
----------------------------	------	------	------	------

A	Agriculture, Forestry and Fishing	4,038	28	0	23
C	Mining and Quarrying	1,529	2	2	16
D	Manufacturing	7,607	263	206	255
F	Construction	3	21	0	16
G	Sales Maintenance and Repair	5	198	0	23
H	Hotels and Restaurants	7,010	16,996	7	28
I	Transport, Storage and Communication	3,390	31	37	2752
J	Financial Intermediation Real Estate, Renting and	2,085	137	124	359
K	Business Activities	2,079	94	526	80
L	Public Administration	9,345	16,098	7,672	21182
M	Education	1,166	1,676	791	691
N	Health and Social Work Other Community, Social	9,439	100	60	923
O	and Personal Services	9,593	1,464	4,626	3
<b>Total</b>		<b>57,289</b>	<b>37,108</b>	<b>14,051</b>	<b>29,462</b>

Source: New vision, The Monitor and East African Newspapers

Note: A vacancy is entered only once even if it appears more than once in the same newspaper or different newspaper

Observation of table 7.10 one gets to understand that many employers require employees with a minimum age range of 24 – 29 and a maximum of 45 – 50.

**Table 7.10: Number of vacancies by minimum and maximum age required, 2001 - 2004**

Minimum age required				
Age Group	2001	2002	2003	2004
Below 20	77	648	1,123	2,823
20 - 24	1,165	2,604	4,080	5,249
25 - 29	8,709	4,677	2,883	4,939
30 - 34	4,675	938	501	1,405
35 - 39	2,055	207	81	355
40+	1,508	80	545	552
<b>Total</b>	<b>18,189</b>	<b>9,154</b>	<b>9,213</b>	<b>15,323</b>
Maximum age required				
<b>20-24</b>	0	8	2	2
25 - 29	1,576	2,169	283	1,374
30 - 34	149	2,135	158	251
35 -39	1,229	6,289	505	949
40 - 44	520	7,229	1,170	1,421
45 - 50	6,086	13,177	5,345	9,013
51+	907	4,003	471	472
<b>Total</b>	<b>10,467</b>	<b>35,010</b>	<b>7,934</b>	<b>13482</b>

Source: New vision, The Monitor and East African Newspapers

Note: a) A vacancy is entered only once even if it appears more than once in the same newspaper or different newspaper

b) Not all adverts specify both minimum and maximum age required therefore, totals are not the same.

### 7.7.2 Distribution of jobs re-advertised by major occupational groups

From table 7.11 show that the skills in the upper occupational groups are not easily filled for one reason or the other. Among the possible reasons is lack of skilled manpower to fill the vacancies, unattractive remunerations, job specifications, etc. In 2001, out of a total of 606 vacancies re-advertised, legislators, professionals and associate professionals occupational groups constituted 97 per cent and the remaining 3 per cent shared among the remaining occupational groups.

**Table 7.11: Number of jobs re-advertised by major occupation groups, 2001 – 2004**

Major Occupational groups( ISCO-1988)	Description	Re-advertised			
		2001	2002	2003	2004
1	Legislators	31	5	8	8
2	Professionals	202	1,036	39	369
3	Associate Professionals	355	3	11	890
4	Clerks	11	3	7	427
7	Crafts and Related Workers	1	0	1	17
8	Plant Machine Operators	5	0	0	0
9	Elementary Occupations	1	0	0	1
		606	1,047	66	1712

Source: *New vision, The Monitor and East African Newspapers*

Note: a) A vacancy is entered only once even if it appears more than once in the same newspaper or different newspaper.

b) There were no jobs re-advertised in major occupations group 5 and 6

### 7.7.3 Distribution of vacancies by major occupational groups and experience

As the saying goes, “experience is the best teacher”, most employers prefer experienced personnel to fresh graduates. Table 7.12 below highlights that most vacancies required experience of more than two years

**Table 7.12: Number of vacancies by years of experience and major occupations Groups: 2001 –2002, 2004**

		No					Above 5		Not	
Major Occupations groups (ISCO-1988)		experience	1	2	3	4	years	stated		
<b>2001</b>										
1	Legislators	na	51	33	83	4	86	76	69	
2	Professionals	na	290	214	224	28	175	90	426	
3	Associate Professionals	na	115	184	124	20	62	28	408	
4	Clerks	na	49	67	36	4	29	6	67	
5	Service workers	na	13	28	1	0	0	2	9	
6	Agricultural and Fishery workers	na	0	1	0	0	0	0	0	
7	Craft and related workers	na	3	3	6	0	1	4	17	
8	Plant, Machine Operators and assemblers	na	12	11	11	0	8	1	9	
9	Elementary Occupations	na	5	14	4	0	2	1	17	
<b>Total</b>			<b>538</b>	<b>555</b>	<b>489</b>	<b>56</b>	<b>363</b>	<b>208</b>	<b>1022</b>	
<b>2002</b>										
1	Legislators	na	121	24	64	0	73	59	22	
2	Professionals	na	500	235	521	29	324	137	276	
3	Associate Professionals	na	124	182	131	19	62	38	239	
4	Clerks	na	54	54	104	2	28	6	72	
5	Service workers	na	19	8	11	1	5	2	17	
6	Agricultural and Fishery workers	na	0	0	0	0	0	0	0	
7	Craft and related workers	na	3	1	4	0	1	0	3	
8	Plant, Machine Operators and assemblers	na	17	5	14	0	6	10	5	
9	Elementary Occupations	na	5	8	6	0	4	0	21	
<b>Total</b>			<b>843</b>	<b>517</b>	<b>855</b>	<b>51</b>	<b>503</b>	<b>252</b>	<b>655</b>	
<b>2004</b>										
1	Legislators	7	271	80	5	0	26	22	3	
2	Professionals	271	2649	2366	2316	39	194	58	396	
3	Associate Professionals	1106	2978	8991	128	2	37	1096	720	
4	Clerks	131	1701	510	22	2	15	1	165	
5	Service Workers	22	33	1211	10	0	2	1	124	
6	Agriculture and Fishery Workers	1	0	0	0	0	0	0	0	
7	Crafts and Related trade workers	15	16	1	0	2	0	1	0	
8	Plant and Machine Operators and Assemble	3	174	190	18	0	125	6	1	
9	Elementary Occupation	17	269	335	0	0	0	0	203	
<b>Total</b>			<b>1573</b>	<b>8091</b>	<b>13684</b>	<b>2499</b>	<b>45</b>	<b>399</b>	<b>1185</b>	<b>1612</b>

Note: 2002 and 2003 data could be broken down and those vacancies which did not require experience

Note: Note: Na = not available

: A vacancy is entered only once even if it appears more than once in the same newspaper.

#### 7.7.4 Distribution of vacancies by occupational group (2002, 2003 and 2004)

Table 7.13, gives a summary of vacancies advertised by occupational group in the respective years.

In all the three years most vacancies advertised were in the major groups professionals and technicians and associate professionals. However it is surprising that Uganda being an agricultural country not a single vacancy was

advertised in all the three years in the major group of skilled agriculture and fishery workers.

**Table 7.13: Distribution of vacancies by common occupation groups, 2002, 2003 and 2004**

ISCO Code	Description	Year		
		2002	2003	2004
121	Directors and Chief Executives	1,148		230
122	Specialized Managers	1,178		168
123	Managing Supervisors	1,002		
212	Mathematician, Statistician			157
213	System Designers, Computer Programmers			1262
214	Architects, Engineers, Surveyors, and Related Professionals		156	315
221	Biologists, Zoologists, Botanists, Bacteriologists, Pharmacologists, Agronomists and Related Professionals			351
222	Health professionals (except Nursing)	3,617		
231	College, University, and Higher Education	734	568	723
232	Secondary Education Teaching Professionals		330	361
241	Accountants, Business Administrators, and Business Professionals	2,633	555	1954
242	Legal Professionals		191	344
243	Archivists, Librarians and Related Information Professionals			124
244	Social Science and Related Professionals	893	734	1,351
245	Writers and Creative and Performing artists			1,108
311	Physical and Engineering Science Technicians		280	440
322	Agronomy, Forestry, and Farming Technicians and Advisors	554 645	7	
323	Nurses and Midwives		746	1718
324	Medical Assistants		219	413
331	Post-primary Education Teaching Associate Professionals	1,052	78 6,021	
332	Primary Education Teaching Associate Professionals	7,580		10,869
341	Finance and Sales Associate Professionals	1,071	73	165
346	Social Worker associate Professionals		65	
411	Secretaries and Keyboard Operating Clerks	714	1,335	1,694
412	Numerical Clerks	1,704	164	333
413	Material Recording and Transport Clerks	3,184	100	
421	Cashier, Teller, and Related Clerks, Book Maker	1,008		
422	Client Information Clerks	1,034	25	
512	Restaurant Service Workers and Cooks	4,052		
514	Other Personal Services Workers	1,006 1,171		
516	Protective Service Workers		208	1,366
832	Motor Vehicle Drivers		99	415
915	Messengers, Watchers and Security Workers		341	588
Others			1,014	1,820
<b>Total</b>		<b>37,108</b>	<b>14,051</b>	<b>29,462</b>



# Appendices

## APPENDIX: I: DEFINITIONS AND CONCEPTS

The concepts and definitions in this report relate to the concepts and definitions of the National Workshop on “Concepts and Definitions used in collecting and analyzing of labour statistics in Uganda” held on 11<sup>th</sup> -12<sup>th</sup> august, 2005 at Regency Hotel, Bakuli, Kampala, Uganda. It was sponsored by ILO.

### 1. Age range for collection of data on economic activity

- Data collection should be done for all persons of 5 years of age and above in order to cater for different interests.
- The National definition of Labour Force analysis will consider persons aged 14-64 years.
- Two definition of age range of a youth will be considered;
  - **National**, a youth is a person aged 18-30 years as per 1995 constitution
  - **International**. A youth is the one aged 15-24 years, as per ILO recommendation

*Note:* During analysis both definitions of a youth should be presented

### 2. Concept and boundary of economic activity

**Economic activity** as defined by United Nations Systems of National Accounts (SNA) covers all **market production** and **certain types of non-market productions**, including production and processing of primary products for own consumption, own-account construction (owner occupied dwellings) and other production of fixed assets for own use.

Uganda currently uses SNA 1993 boundary activities. Therefore meeting adapted the SNA 1993 to group economic activities. Any persons who engaged in any of the activities mentioned below are considered to be **economically active employed**

- ❖ *Production of goods and services intended for sale- Market production*
- ❖ *Other goods and services which are Not normally sold on the market, such a government services*
- ❖ *Goods and services that are for own consumption. These include;*
  - Growing or gathering field crops, fruits and vegetables
  - Producing eggs, milk and food
  - Hunting animals and birds
  - Catching fish, crabs and shellfish
  - Cutting firewood and building poles
  - Collecting thatching and weaving materials

- Burning charcoal
- Mining salt
- Threshing and milling grain
- Making butter, ghee and cheese
- Curing hides and skins
- Preserving meat and skins
- Making beer, wine, and spirits
- Crushing oils seeds
- Weaving baskets and plates
- Weaving textiles
- Making furniture
- Dressing and tailoring
- Handicrafts made from non-primary products
- Construction of dwellings
- Construction of farm buildings
- Building boats and canoes
- Clearing land for cultivation
- *Major repair and maintenance of dwelling and farm buildings*

### **3. Definition of the unemployed**

Unemployed persons includes all persons who during the last seven days were

- a. **Without work** i.e. were not in paid employment or self employment
- b. Currently **available for work** i.e were available for paid employment or self employment during the last 4 weeks
- c. But **did not necessarily seek work** i.e. did not necessarily take steps to search work

### **4. Currently Economically active population/ Labour force**

The currently economically active population or labour force comprises all persons aged 14 to 64 years who, during the last 7 days were either **employed** or unemployed.

### **5. Not in the Labour force**

The currently not economically active population comprises of all persons in the age bracket 14-64 who are neither employed nor unemployed in last 7 days preceding the survey.

### **6. Priority Rules for Classification of activity status**

Precedence is given to **employment** over **unemployment** and to **unemployment** over **economic inactivity** was adapted. For example: A person, who is both working and looking for a job, will be classified as employed. A student attending school and actively seeking for work is classified as unemployed.

Employment takes a precedence over other activities, regardless of the amount of time devoted to it during the reference period, which in extreme case may be one hour

The concept of unemployment is therefore limited to a situation of '**total lack of work**'

The employed, unemployed and Not in the labour force are **mutually exclusive** i.e. you can only be in one category at a time

### **7. Residence Status**

For the purpose of labour force surveys, the concept of usual (i.e., *de jure*) residency status of not less than six (6) months is used. The respondent must have lived/resided in the specific household for at least 6 months or he/she has intention to live that long in that household.

### **8. Main economic activity**

The **main** economic activity is where a person **spent most of the time** but **NOT where he/she got the highest income.**

### **9. Time –related Underemployment**

Workers will be classified as underemployed if they have worked less than **40 hours per week, willing** and **available** to work additional hours within the last seven days, otherwise fully employed.

**Activity status** of persons 14-64 years as employed, unemployed and outside the labour force (inactive) is current activity status with a reference period of 7 days preceding the date of survey enumeration.

**Household members** are defined on a de jure basis i.e. they are considered as members of the household if they actually live in the household most of the time. This criterion is deemed necessary to avoid double counting of persons living in more than one residence. For example, if a family member lives, works or is studying away from his family residence he/she is still considered as a member of the household.

**Household head** is a person who is acknowledged as such by other members of the household.

**Labour force** (economically active population) : Economically active population or labour force is defined as persons aged 14-64 year, who are either employed or unemployed during the last 7 days of the survey (preceding week of the day of survey enumeration).

It includes:

- employers
- own account works/self-employed persons/commissioned agents
- employees and salaried employees and wage earners, paid family workers
- unpaid family workers
- members of producers co-operatives
- persons not classifiable by status

**Economic activity rate** or **Labourforce participation rate** is derived as all those economically active persons aged 14-64 years, divided by the total number of persons aged 14-64 years

**Employment to population** refers to the proportion of the target population that is employed (rate of utilisation of labour)

**Employment status** refers to the status of an economically active person with respect to his/her position at his/her place of work and his/her mode of enumeration.

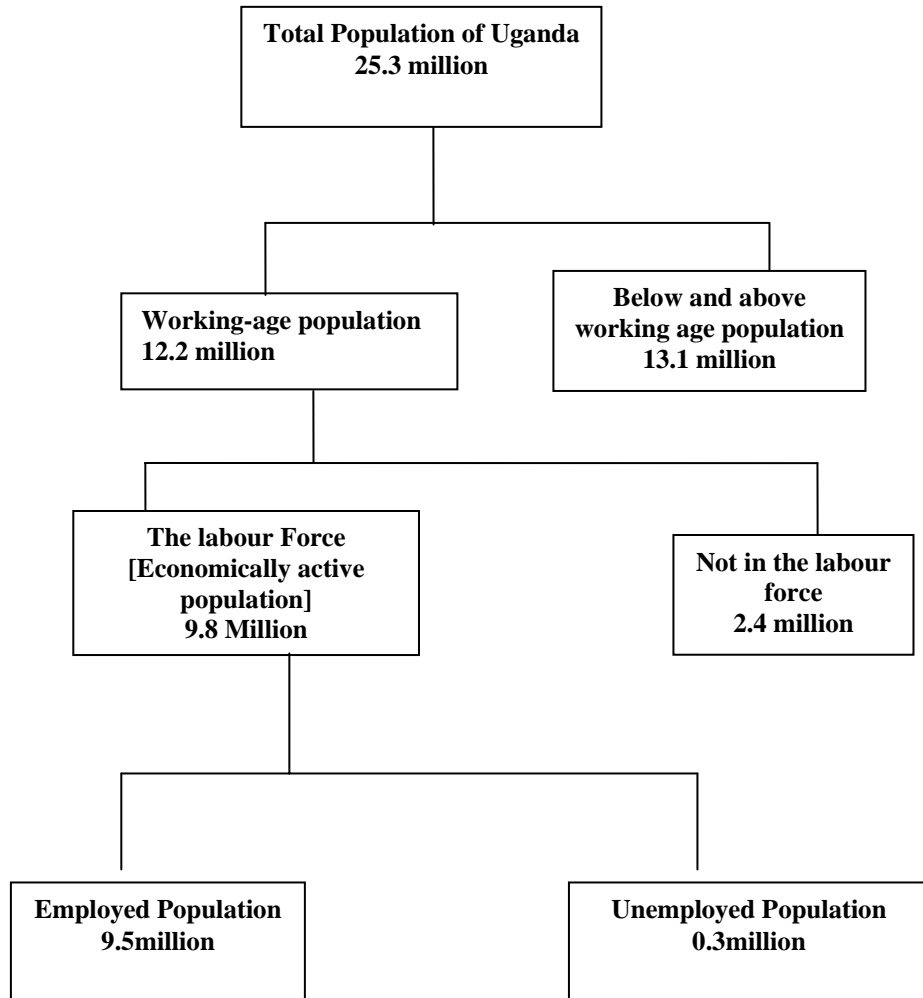
**Industry** means the type of activity carried out by the enterprise where a person is working.

**Occupation** refers to the nature of task and duties performed during the reference period preceding the interview by persons in paid employment, unpaid family worker or self-employment jobs, i.e. refers to the actual type of work carried out by the person.

**Hours of work**

This variable measure the time spent on an economic activity. This does not measure the intensity of efficiency with which the work was performed. It excludes journey time, hours paid for but not worked e.g. paid leave, sick leave.

**APPENDIX II: LABOUR FORCE FRAME WORK**



### APPENDIX III: DISTRICT LABOUR INSPECTIONS 2004

Type of Inspection	Kampala	Jinja	Moyo	Mubende	Mbale	Kabarole	Lira	Kamuli	Hoima	Masaka	Soroti	Masindi	Kasese	Arua	Wakiso	Gulu	Total
Full Inspection	40	66	60	61	25	20	60	35	30	98	45	44	34	37	30	43	732
Follow Up	25	36	30	33	15	15	30	29	17	30	18	18	25	15	20	13	269
Visits	20	32	10	11	24	40	32	14	30	9	15	15	30	14	14	10	504
Total	85	134	100	105	64	75	122	78	77	137	78	87	27	66	69	66	1505

### APPENDIX IV: COMPLAINTS HANDLED 2004

	Kampala	Jinja	Mbale	Mubende	Moyo	Kabarole	Lira	Kamuli	Hoima	Masindi	Soroti	Masaka	Kasese	Arua	Mpigi	Gulu	Total
No. of complaints reported & carried forward against Employers	1284	317	115	165	80	87	57	38	90	53	63	224	59	146	65	173	3031
No. of complaints against Employees	3	NIL	-	Nil	-	-	-	-	NIL	-	-	4	-	-	-	Nil	7
No. of complaints settled in favour of Employees	850	253	68	105	55	58	46	20	90	48	58	161	34	98	55	75	2274
No. of complaints settled in favour of Employers	25	NIL	4	3	1	4	1	1	NIL	-	-	-	-	2	5	20	61
No. of cases referred to Court	30	20	5	6	-	4	3	1	-	2	-	22	4	-	-	1	98

**APPENDIX V: WORKERS COMPENSATION HANDLED 2004**

	Kampala	Jinja	Moyo	Mubende	Mbale	Kabarole	Lira	Kamuli	Hoima	Masindi	Soroti	Masaka	Kasese	Arua	Mpigi	Gulu	Total
Cases Reported During the Year & carried forward from previous years	1650	347	51	50	35	128	26	-	22	40	16	-	27	9	16	27	2423
Cases closed for Non Fatal cases	495	210	31	48	24	50	26	-	20	30	14	-	25	9	16	18	1015
Cases of Fatal Cases	10	15	-	2	3	3	-	-	-	2	-	-	2	-	-	9	48
Total Cases Closed	505	325	31	50	27	53	26	-	22	32	14	-	27	9	16	27	1464