THE REPUBLIC OF UGANDA

THE NATIONAL EMPLOYMENT POLICY

Proposals by
The Ministry of Gender, Labour and Social Development
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FOREWARD

While acknowledging the impressive economic success Government has made since 1986, sections of our people express remorse over the high rate of unemployment that still confronts Ugandans. Clearly, there is a linkage between unemployment and the people who still live below the poverty line. Recent estimates indicate that about 40 percent of the country's labour force is either unemployed or underemployed with roughly 340,000 additional workers entering the labour force annually. Only about one half of the new entrants are gainfully employed.

The underlying causes of this trend are the previous poor political and economic policies that led to prolonged decline in national savings and investments and the corresponding contraction of the national economy. Following political stability that has prevailed since 1986, the unemployment problem only became more visible. Reversing the unemployment trend required a stable macro-economic framework and sustained high rates of economic growth - and still does. It is now appropriate that, after registering remarkable success on the above two aspects, Government is set to comprehensively deal with the issue of unemployment.

It is noteworthy that although there are other sources of household incomes, employment in most cases is the main source that a household can rely on. The ability to provide employment to whoever is searching for it is however, an uphill challenge. Yet the fact that too few jobs are being created at this stage and that this is the perception and experience of the ordinary person, is a cause that warrants immediate reflection and commensurate action.

In the Poverty Eradication Action Plan, Government has defined a long-term vision regarding labour and employment, and has taken initiatives aimed at sustaining rapid economic growth and tackling poverty in the broader sense. It is without doubt that if well implemented, these initiatives will lead to increased economic growth. But since a significant proportion of our people still live below the poverty line, they can only meaningfully benefit from such growth if the growth is achieved through their participation in the country's value adding process. And if the poor are to participate in this process, they must have access to employment opportunities.

Complementary efforts, therefore, need to be marshalled to intervene directly with policy instruments aimed at making our production process more employment-intensive. Proactive government intervention is therefore required to generate more jobs. This requires articulation of aspects covering employment in its broader sense. Indeed, this points to various expressions for the need for National Employment Strategies for which the participation of the civil society, and the private sector in general, is necessary.
This Employment Policy, therefore, constitutes interface between the economy and society in general and the lives of individual human being in particular. Its objective is to promote opportunities for men and women to obtain decent work in conditions of freedom, equity, security and human dignity. The principle here is that a country that pursues a policy of full employment will be promoting social stability as well. The policy proposals are not simple but they are necessary. They call for exceptional efforts and dedication from all stakeholders based on the principle for common purpose and aspirations for high productivity, competitiveness and renewed excellence. The policy therefore demands for total commitment and shared vision. It is indeed a statement of confidence and trust in partnership that has been developed through social dialogue.

Hon. Bakoko Bakoru Zoe,
Minister of Gender, Labour and Social Development.
**ABREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>BOU</td>
<td>Bank of Uganda</td>
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<tr>
<td>DIT</td>
<td>Directorate of Industrial Training</td>
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<td>EPZs</td>
<td>Export Processing Zones</td>
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<td>FISA</td>
<td>Federation of Informal Sector Associations</td>
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<td>Federation of Uganda Employers</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GOU</td>
<td>Government of Uganda</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<td>HIPC</td>
<td>Heavily Indebted Poor Countries</td>
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<td>HIV/AIDS</td>
<td>Human Immune Virus/Acquired Immune Deficiency Syndrome</td>
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<td>IEC</td>
<td>Information, Education and Communication</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>MFPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
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<td>MGLSD</td>
<td>Ministry of Gender, Labour and Social Development</td>
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<td>MWHC</td>
<td>Ministry of Works, Housing and Communications</td>
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<td>NEMA</td>
<td>National Environment Management Authority</td>
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<td>NGO</td>
<td>Non Government Organisation</td>
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<td>NOTU</td>
<td>National Organisation of Trade Unions</td>
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<td>NPA</td>
<td>National Planning Authority</td>
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<td>NRM</td>
<td>National Resistance Movement</td>
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<td>PAF</td>
<td>Poverty Action Fund</td>
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<td>PEAP</td>
<td>Poverty Eradication Action Plan</td>
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<td>PMA</td>
<td>Plan for Modernisation of Agriculture</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>PSF</td>
<td>Private Sector Foundation</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>Sexually Transmitted Diseases</td>
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<td>Sexually Transmitted Infections</td>
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<td>SWPs</td>
<td>Sector Wide Programmes</td>
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<td>UBOS</td>
<td>Uganda Bureau of Statistics</td>
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<td>UMA</td>
<td>Uganda Manufacturers' Association</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>WHO</td>
<td>World Health Organisation</td>
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<td>WISE</td>
<td>Work Improvement in Small Enterprises</td>
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CHAPTER ONE

BACKGROUND

1.0 The Employment Crisis and Policy Challenges

Over the last ten years Government has implemented economic reforms, mainly at the macro level, aimed at achieving economic growth of at least 5.0% p.a and subsequently reducing mass poverty. The implementation of economic reforms, which have been supported by a large number of donors, reversed the negative economic growth trends that characterised the economy in the 1970s and early 1980s. In spite of the renewed economic growth, unemployment and poverty remain major challenges that continue to confront Ugandans into the 21st century.

A comparison of the country's real GDP and Human Development Index (HDI) of 0.346 in 1999 reveals that macro-economic prosperity is yet to be translated into significant improved conditions for the poor. It is therefore important for Uganda at this stage to strengthen the linkage between economic growth and improved welfare through broad-based economic growth organising the country's production process in a way that provides opportunities for all participants more directly. Thus "Pro-poor" development concern is not primarily about provision of services to the poor, but in addition to that, about the poor participating in the economy's value added process. And if the poor are to participate in this process, they must be given employment opportunities.

Thus formulation and adoption of a comprehensive employment policy is required to fill the gap that still exists in the country’s development process. The employment challenge is critical, and calls for urgent need for an adequate response and comprehensive approach to tackling it. The formulation of this national employment policy has therefore been designed with the mind that employment promotion is a national priority, which should receive increased attention and intensified national effort for the years ahead.

1.1 The Relationship Between Poverty and Unemployment

The poverty problem is closely related to the adequacy of productive employment opportunities. Through employment, people earn income, which enables them and their dependants to purchase goods and services necessary for them to meet their minimum needs. To the poorest people, who are unskilled and lack access to productive resources such as land and credit, the provision of employment may be the only means of improving their social and economic welfare. In this context, linking up unemployment and poverty, one needs to look at trends in the two phenomena. According to recent reports on Uganda's poverty trends, the percentage of those below the poverty line fell from 56 percent in 1992 to 44 percent in 1997. However, poverty among the unemployed increased from 60 percent to 63 percent in 1997. In the same period, the calculated rate of unemployment increased from 1 percent in 1992 to 7.4 percent in 1995. Clearly, even with the gross under estimation of the problem owing to the prevailing high rates of hidden unemployment, the trends indicate that unemployment has a critical bearing on poverty in Uganda.
1.1.1 The Nature and Incidence of Unemployment

The nature and incidence of unemployment in Uganda is poorly documented. The 1991 Population Census and the 1992/3 Integrated National Household Survey provide the most comprehensive review of the country’s employment situation. Other research work, the 1997 Pilot Survey on the Labour Force in Uganda is more limited in coverage. Nevertheless the above sources help to portray a general description of the situation. Uganda's population is currently estimated at 22 million people, out of which the active labour force is estimated at 10 million. The active labour force comprises of those persons whose activity status is categorised as employed, self-employed, unpaid family workers or those actively looking for work. These are persons of age between 15 and 64 years.

The economy is of a dual nature comprising of a predominantly rural agricultural subsistence sector alongside urban, small formal and large informal sectors. Employment in such a situation is the gainful engagement of the people in the economically active group. Following this broad definition, the unemployed should be taken to include all those who are able and willing to take a job if it is available. Thus most homemakers, although working hard to maintain their families, may also be considered unemployed. And the underemployed are a mixed category consisting of people in rural and urban areas who are working but have capacity to work considerably more if conditions allowed. Casual workers on the look out for a day’s work, and small-scale farmers with insufficient resources to be kept busy full-time are typically under-employed.

Because unemployment means deprivation of even the basic survival, the unemployed by the above definition will always take on any job if it promises some sort of remuneration. Thus unemployment in Uganda manifests itself in forms of underemployment, disguised employment and structural unemployment. Accordingly, the term unemployment from here onwards will be used to refer to both the unemployed and the underemployed. Given that analysis, therefore, unemployment in Uganda is liable to differ by gender, level of education, rural or urban areas and agricultural seasons.

The unemployment problem in Uganda has various dimensions including gender, level of education, location and seasonal factors particularly in the agricultural sector. Looking at the gender dimension, analysis shows that paid employment among females is consistently much lower than among males. This is partly attributed to discrimination against women in some occupations, and partly due to socio-cultural barriers to entry into the labour market. For instance, between 1993 and 1997 female employees among the self-employed were only 38.3 percent compared to 61.7 percent for the male counterparts. Similarly, household work provided a high percent of 52 for the female against 16.2 percent for the male. Arguably, the high rates of female household helpers indicate a lower participation in paid employment and therefore their vulnerability to poverty-related effects. The nature and scope of mass-poverty reduction should therefore include paid employment generation for women.

There is also a correlation between education attainment and unemployment. Those with higher formal or vocational training experience less problems in finding employment. Exception, however, is taken in regard to the relevance of the training they receive. Mostly due to changing technological production processes, demand for skills is ever changing. As a result multi-skilled workers find it easier to get employment than the unit-skilled. In a way this has worsened the
employment chances among the educated to a point where university graduates are increasingly joining ranks of the unemployed.

Regarding the spread over areas, it is apparent that unemployment is higher in the urban than in the rural areas. However, with the declining marginal labour absorption in agriculture coupled with the limited off-farm income-generating activities, unemployment in the rural areas is becoming more critical than ever before. Furthermore agriculture being seasonal in nature, the gravity of unemployment in this sector also varies with seasons. The problem being worse in lean agricultural seasons and alarming in drought and famine-like situations.

1.1.2 The Labour Force Growth and Distribution

It is estimated that Uganda’s labour force is growing at an average of 3.4 percent per annum. That means that on average 340,000 people enter in the labour market every year. Assuming this growth rate continues, the country’s labour force will reach 11.8 million in 2005 and 13.9 by the end of the decade. In the subsequent decade, i.e. year 2017, Uganda’s target year for eliminating absolute poverty, another 3.6 million people may have been added.

On the demand side, formal sector employment has not kept pace with the increasing labour force. Both the public and formal private sectors employ a relatively small proportion of the country’s labour force, estimated at 14.5 percent of the economically active population. Due to the civil service reforms and the privatisation process that has characterised the 1990s, employment in the public sector has declined from 300,000 in 1990 to about 160,000 by 1998. Private sector employment has also remained marginal, basically concentrated in the manufacturing, construction, and service sectors. Total employment in these sectors is estimated at 1.5 million, with the growth in employment levels estimated at 38 percent, 12 percent and 62 percent respectively between 1992 and 1997. The agricultural sector employs about 80 percent of the economically active population and absorbs about 40 percent of the annual growth in the labour force.

Quite evidently, this highlights the increasing inability of the formal sector to create sufficient employment, leaving the informal sector the biggest potential employer in the country. The rural and urban informal sector activities contribute over 80 percent of the country’s production units and provide over 90 percent of the non-agricultural employment.

1.1.3 The Causes of Unemployment

The unemployment situation in Uganda is not a recent creation. It is partly as a result of previous poor political and economic policies that led to a prolonged economic decline, rising capital-intensive production methods, and partly due to the decline in national savings and investment. With the relative political stability ushered in since 1986, the unemployment problem has became more visible.

At the time of independence in 1962, Uganda inherited a prosperous economy with a well-developed infrastructure and human resource base. The economy was strong and created employment for any national willing to work. Excess employment opportunities also existed for people from neighbouring countries. Working conditions were attractive, safe, and compared favourably with international standards. The minimum monthly wage could maintain an average family for two months. This period was however short-lived. Starting from 1971, the country
entered a fifteen-year period of political, and social turmoil, which resulted in serious economic decay. During that time the country's infrastructure was destroyed and the majority of the population displaced.

Thus the country’s economic history of the 1970s and part of 1980s is recorded to have drastically downsized the capacity of the formal sector both public and private to create employment in line with a growing population.

In the agricultural sector, the situation made it difficult for the bulk of the country's smallholder farmers to access agricultural credit, improved seeds and other inputs and caused stagnation. As a main source of income and revenue for over 80 percent of the labour force, the stagnation of the agricultural sector had adverse effects on the country's education, health and other social services. Faced with declining incomes and living conditions, farmers responded by abandoning farms in search for wage employment in both rural and urban areas. Unfortunately the wage-employment was not always found. The impact of this in the rural areas is reflected in the household food expenditure. The number of net buyers of food begun to rival that of surplus producers. For instance, national household food expenditure as percentage of income increased from negligible in 1962 to 37 in 1979, and further to 67 percent by 1989/90. The negative developments increased the flow of people migrating from rural to urban areas in search of jobs, and thus worsening the unemployment problem in urban areas.

Since the Economic Recovery Programme was launched in May 1987, the agricultural sector has made significant recovery. Overall however, this growth has not reached the pre-instability levels. And although agriculture remains the mainstay of the Ugandan economy, its capacity to take on more people is declining. According to the Integrated Household Survey, the labour force employed in agriculture spends only 23 percent of their work time on agricultural activities. This is more eminent in light of the low labour productivity for many of the small farm holders and reduced land resources in some districts such as Kabale, Mbale and Tororo.

The overall negative growth rates of the 1970s and part of 1980s also damaged industry. Industrial production contracted in the 1970s and so did its marginal capacity to generate employment. But even before then some analysts attribute Uganda’s failure to sustain its employment generation capacity in this sector to the inappropriate industrial production process adopted after independence. The process then relied on capital-intensive industrialization, with limited focus to small scale, labour-based processes. The impact of such a production process in terms of employment growth was not sustainable. Thus when the country entered into a protracted period of economic decline, employment growth in this sector could only be kept for political convenience. With the privatisation and rationalization of public enterprises, this would not be exploited beyond the 1980s.

This trend has been reversed since 1987, but not so much the capacity to generate adequate employment. Partly because of the recent global technological developments, high industrial growth rates can now be achieved in developing economies with fewer jobs created. Analysis of Uganda’s past investment performance tends to confirm this. Between 1991 and 1998 investments worth US$1.4 billion that actually materialized were projected to create about 150,000 jobs, and even then just over 50 percent of the projections were realized by the end of 1998.

That means that the conception that unemployment can be combated by large-scale industrial investment alone may not be so valid in this context. This conception is further weakened by
high tech-industrialization imported from developed countries. This leads to a paradox: that the jobs whose creation is supposed to eliminate poverty are the very ones avoided by the labour-saving technology. Indeed, such economies would have a greater offer of cheap locally produced goods, but not greater purchasing power for the majority of their people –so poverty would still remain.

The retrenchment of employees from Government ministries and former public enterprises also led to mixed results. Because of the better management and labour-saving principles applied in most of the restructured enterprises, the anticipated absorption elsewhere in the economy has remained below desired levels.

In general terms therefore, out of the annual 340,000 new entrants in the labour market, approximately 140,000 people are productively absorbed, mostly in the agricultural sector, the rest join the already existing army of the unemployed people. The cumulative effect has rendered an estimated 4 million people either unemployed or underemployed, and earning less than US$1 per day, which is required to satisfy their daily basic requirements.

1.2 Support Policy Framework

The Government's approach to development entails ensuring that an appropriate framework is established for the effective programming, implementation and monitoring of its development programmes. In establishing the appropriate framework, Government has implemented a number of economic reforms under the Structural Adjustment Programmes, (SAPs). As already indicated, the background to SAPs was the state of economy the NRM Government inherited in 1986. Thus when the NRM Government launched the Economic Recovery Programme in May 1987 and embraced the SAP, the overall objectives were two-fold, namely:

i. Reversing the negative economic growth trend through promotion of prudent economic policies; and

ii. Improving the people’s general living standards through policies aimed at sustaining accelerated economic growth.

Key measures implemented to reverse the hitherto negative economic growth have included restoring macro-economic stability and improving economic efficiency through privatisation. The other aspect of the reform agenda is poverty eradication through improving people’s living standards. In this context, the country’s major planning framework is the Poverty Eradication Action Plan (PEAP). This was drawn in 1997 following a lengthy consultative process involving bilateral and multilateral agencies, civil society and non-government organizations. The PEAP outlines a policy framework aimed at the eradication of absolute poverty among the Ugandan community and creating an environment for sustainable social development. In general, PEAP was established on four major pillars, namely:

i. Creating a framework for economic growth and social transformation,

ii. Directly increasing the quality of life of the poor.

iii. Directly increasing the ability of the poor to raise their incomes, and

iv. Ensuring good governance and security,

A summary of each of the above pillars is provided below.
1.2.1 Framework for Economic Growth and Transformation

The PEAP sets a framework for the development of various detailed sectoral development plans and investment programmes. The Implementation of PEAP requires preparation of sector-wide programmes (SWPs) which detail specific sector objectives, outputs/outcomes and budgetary implications. Major advances in this direction have seen preparation of the Ten Year Road Sector Development Programme, the Education Strategic Investment Plan, the Health Sector Plan, the Plan for the Modernization of Agriculture, and the Medium Term Competitive Strategy for the Private Sector.

The PEAP and SWPs also link into the preparation of district plans under the decentralized governance. Under this system, local authorities are responsible for implementation of the sectoral plans based on their local priorities. It is important to note under this that whereas the PEAP sets out a framework for the preparation of SWPs and district plans, overtime these are meant to feed into it again and influence its major re-focus when it is revised every two years. For instance the revision of the PEAP in 2000 draws on the progress made since 1997, including costed SWPs and the country’s long-term goals and development aspirations articulated in the Long-Term Perspective Studies. These were conducted between 1997 and 1999 under the GOU/UNDP initiative code-named Uganda Vision 2025. In brief, Uganda Vision 2025 highlights the aspirations of the ordinary Ugandan to development and what it requires to achieve them. Thus the draft revised PEAP captures all these developments and is further enlarged to include indicators in key, poverty-oriented sectors to monitor progress towards poverty reduction. In the process, the PEAP will be transformed into Uganda’s Poverty Reduction Strategy Paper (PRSP) and a framework for the mobilization of donor resources under the Highly Indebted Poor Countries (HIPC) debt relief initiative.

1.2.2 Improving the Quality of Life of the Poor

Under the above Economic Framework, the PEAP recognizes the importance of improving the quality of life of the poor in the fight against poverty. This is particularly important because the quality of life of the people has a direct linkage to their health and educational achievements (literacy) and consequently their productivity. Accordingly, Government has established a Poverty Alleviation Fund (PAF) to draw funds from the HIPC initiatives to fund key poverty-oriented sectors. Government’s resolve in this direction is reflected in the critical targets below:

Increase access to basic services from the current coverage of 49 percent for primary health care, 34 percent for safe drinking water and approximately 80 percent for primary education, to 100 percent coverage for the three aspects by the year 2017. In terms of expenditure to support the above targets, Government has prioritized its Public Investment to ensure that future expenditure is in line with the country's poverty objectives. The priority areas for public investment in this regard include universal primary education, rural feeder roads, primary health care, agricultural extension, water supply, and accountability.

1.2.3 Raising Incomes of the Poor

The other pillar in the PEAP is the goal of raising incomes for the poor. This considers increasing real incomes of the poor to levels sufficient to acquire basic goods and services (food, clothing, education and shelter). Projections of potential poverty reduction through this measure highlight the need for more targeted intervention, the effect of which would be to accelerate generation of
income for the poor directly. Those point to two strategies: first, poverty reduction through higher agricultural growth rates; and generation of non-farm employment in the rural areas where most of the poor live.
Because most Ugandans are self-employed, mainly in agriculture, the PEAP version 2000 emphasizes the Plan for the Modernization of Agriculture (PMA) as the major tool in poverty-reduction. Accordingly, the PMA identifies six core areas for public action in agriculture, namely; research and technology, advisory services, education for agriculture, access to rural finance, access to markets, and sustainable natural resource utilization and management.

Regarding employment generation, the PEAP has defined the Government’s long-term vision in respect to labour and employment. This aims at attaining self-sufficiency in all skills and professions, and expanding employment opportunities for all her people in the work force who may want to work. As a way of implementing this, emphasis is put on sustaining rapid economic growth and tackling poverty in its broader sense. Thus again the PMA is flagged prominently on this front with plans to compliment it through non-agricultural employment promoted by micro-finance, advisory services, and vocational training. Labour-based technology is also pointed out as a cost-effective method of infrastructure building, especially feeder roads which will be exploited to contribute to employment generation.

1.2.4 Ensuring Accountability and Good Governance

It is worthy to note that the Government of Uganda has progressed significantly well in establishing this framework, becoming the first country to access the first and second (Enhanced) HIPC Initiative resources.

The Government considers good governance as critical complimentary elements to the implementation and success of any anti-poverty programmes. These relate to aspects of promoting community participation in their own development programmes, accountability and transparency, and addressing gender imbalances. The agenda for promoting community participation is, among other areas, embedded in the Government’s policy of decentralization.

This is a broad policy reform that embraces the devolution of authority, planning and management of resources from Central Government Ministries to Districts. It requires that the core functions of the Central Government Ministries be limited to policy formulation, designing regulations, setting standards, training, monitoring and evaluation. Thus the formulation of development programmes need to be initiated by the Districts albeit within the context of overall national priorities. By this arrangement the Districts are also responsible for implementation of the formulated programmes.

This policy is unfortunately hampered by significant lack of capacity and experience at the Districts to handle such an enormous task. Nevertheless, it is a step in the right direction to which Government calls on all its development partners to contribute.

Closely linked to the above, is the need to address gender or regional imbalances, and to promote basic human rights. This is built on the logical need to integrate all its citizens into the country’s economic mainstream, without any gender, or ethnic group feeling socially excluded. It is worth noting that considerable achievements have been made along this line and embedded in the country’s constitution promulgated in October 1995. Provisions such as Article 21 (1) on Human Rights and Equality and Article 31 (1) on the Rights of the Family, clearly underscore the equality accorded to all men and women.
Specific provisions have also been made to economically empower the women, youth, people with disabilities and other socially disadvantaged groups. In all, these have improved their accessibility to productive resources, and redress to social injustice. The Universal Primary Education, the 1998 Land Act and the current debate on the Domestic Relations Bill are just a few examples of the efforts made so far.

1.3 The Need for Employment Affirmative Action

The challenges of employment in Uganda have been highlighted in section one. A linkage has also been drawn between unemployment and the country's poor. About 40 percent of the country's labour force is unemployed. Each year 340,000 additional workers enter the labour force, out of which just about a half are gainfully absorbed. Reversing the unemployment trend certainly requires a stable macro-economic framework and continued accelerated economic growth. In the PEAP, Government has also defined a long-term vision regarding labour and employment, and has taken initiatives aimed at sustaining rapid economic growth and tackling poverty in the broader sense. But given the strong linkage between Uganda's poverty and employment trends, the poor can significantly benefit from such growth only if it is achieved through their participation in the country’s economic activities that add value to the production process. For this concern, it is important to note that although there are other sources of income for a household, employment in most cases is the main source that a household can rely on. Given that Government transfers to the poor are unlikely to take place on a significant scale in the immediate future, the desperately urgent need for income is expressed as the need for employment. Government supported initiatives, like the Youth Entrepreneurship Scheme (YES), Poverty Alleviation Programme (PAP), Community Action Project (CAP), through which financial support can be accessed by the poor need to be strengthened and scaled-up. There is therefore need for complementary efforts aimed at promoting employment-creation in the country’s production process. Proactive Government intervention is therefore required to generate more jobs as one of the conditions and indicators of broad-based economic growth. This requires articulation of aspects covering employment in its broader sense and as a major indicator of poverty reduction. The main social-economic benefit of such an employment-focused growth is that it generates sustainable incomes to those who get the jobs. Being more than an instrument to raise incomes, employment also means empowering the poor.

On the production front, the poor can use the incomes received to expand or undertake to improve their productivity. Socially, employment-intensive growth causes higher returns to local communities per unit of investment and brings with it a face of human dignity, enhanced self-growth and hope for a better future. And more interesting, on the political side a society with greater chances of employment is more stable and less prone to diversion into subversive activities.

Other indirect benefits of such an employment-intensive investment strategy include multiplier effects from increased demand/market for the growing industrial sector. To this you add the benefit of widening the country’s tax base and the corresponding increase in revenue collection. By extension, this provides more funds for provision of social services, and enhances chances for more employment generation.
Thus this Policy is expected to achieve a broader-economic growth through sustaining a stable macro-economic policy environment, support for the more employment intensive and labour absorbing economic sectors, education and training for employment, pursuing more appropriate strategies for employment promotion, mainstreaming vulnerable groups, improving working conditions and environment, and establishing a more appropriate institutional framework for sustained employment promotion. The role of improved labour market information aimed at monitoring employment and labour market is also emphasised.

1.4 Employment Policy Challenges

The policy proposals in here take note of the following challenges.

1.4.1 Economic Liberalisation

Within the context of structural economic reforms, Government has completely liberalised the Uganda economy. Key reforms include abolition of state monopolies in the production process, liberalisation of internal and external trade, liberalisation completely of foreign exchange management, and determination of interest rates by demand and supply forces. The limited Government intervention in these markets are for purposes of smoothening out the adjustment to minimise its cost to the economy.

Thus producers of goods and services in the market are inspired by prevailing price signals to respond accordingly. In terms of penetration of external markets, the long-term objective is to let the private sector spearhead the promotions of Uganda's exports, in the short-to-medium term. Government, through export promotion agencies will play a catalytic role of developing and promoting the country’s exports through provision of timely information. In doing so, emphasis will be directed into areas of research and development, as well as a conducive legal and regulatory framework.

1.4.2 Privatisation and Rationalization of Public Enterprises

The Government of Uganda has also divested itself of commercial activities, which it cannot conduct efficiently. Accordingly, the Government has changed the role of the state in commercial production with the private sector assuming a leading role in the production process. Under this policy, Government has privatised most public enterprises and corporations that were originally producing under state management. In the context of supporting private sector development implementation of infrastructure programmes is steadily being shifted to private firms. Government is also committed to facilitate building up of such capacity as may be lacking within the country's private sector. However these reforms aimed at sustaining long-term economic prosperity have in the short-run resulted into substantial cuts in public sector employment. The flip side of this has been retrenchment and demobilization and retrenchment of soldiers and civil servants. This shows that the capacity of the public sector to provide employment to job seekers has been on the decline.
1.4.3 Large Informal Sector

Unemployment is common in both urban and rural areas. However with rapid urbanization, caused by a number of factors, unemployment is reported to be higher in the urban than rural areas whether in developing, transitional or industrialized countries. The magnitude of the problem poses a huge urban challenge. It calls for comprehensive new approaches to both employment generation and poverty reduction.

According to Uganda’s Statistical Abstract (1998), the country’s urban population has increased from less than 10% of total population in 1990, to approximately 15.4% in 1999. For developing countries in general, the United Nations estimates that in the year 2015, for the first time in history, more people will live in urban than rural areas. Though this is a slight overstatement for Uganda, it points to an upcoming problem.

The political turmoil and economic mismanagement that characterised the 1970s and 1980s had devastating consequences for the economy in general and employment opportunities in particular. This reduced the formal sector’s capacity to create employment and rendered the informal sector the biggest employer in the country. According to a nation-wide study of private sector non-farm and informal activities, over 80% of the country’s production units fall in the informal sector and providing over 90% of the country’s employment opportunities. This situation reveals that although data on the informal sector are not readily available, partly because of lack of proper recording of statistics, it can be inferred that the sector is thriving, dynamic and expanding. The trend of continued informalisation can also be seen in the now common tendency of established enterprises taking on more and more part-time workers. Thus whereas it is important to increase the share of the formal sector production and employment creation, it is equally important that poverty reduction strategies also target the informal sector. For what was once thought to represent a transitory stage in the economic development process of the country is now a major urban employer.

1.4.4 Globalisation

In the last two decades, there has been rapid transformation of the economic and social environment, which has emerged as a result of global economy. Under this phenomenon, market forces influence economic outcomes more than dialogue between social actors, since globalisation creates states without borders. Much as this has brought economic prosperity, it has also brought inequalities, which are affecting the lives of individual human beings. This is because of the fact that although market forces allocate resources efficiently, they do not do so fairly and equitably. In the face of globalisation, therefore, there is need for the guiding hand of Government to ensure fairness and minimise inequity, including fostering dialogue and partnership with the private sector in pursuit of justice and equity. The aim is to empower the poor and the marginalised to participate meaningfully in broad-based economic growth.
CHAPTER TWO

POLICY OBJECTIVES, PRINCIPLES AND STRATEGIES

2.1 Overall Objectives

The objectives are to:

i. Promote the goal of creating sufficient numbers of jobs as a priority in national, economic, and social policy, and to enable all men and women who are available and willing to work, to attain secure and sustainable livelihood through freely chosen, productive employment and work;

ii. Secure improvement in the productivity of the labour force to improve private sector competitiveness and enhance employability in order to cope with the requirements of a growing, dynamic economy;

iii. Provide the fullest possible opportunity to each worker to qualify for, and to use his/her skills and endowments in a job for which he/she is well suited, irrespective of race, sex, religion, political opinion, national extraction, ethnic or social origin;

iv. Safeguard the basic rights and interests of workers, and to that end, promote respect for Fundamental Labour Standards;

v. Secure maximum cooperation from, and participation by, the Federation of Uganda Employers (FUE) and the National Organisation of Trade Unions (NOTU) and other interested parties, in decisions relating to national employment policy, so as to ensure industrial peace and harmony;

vi. Stimulate economic growth, and development, reduce the incidence of poverty, and improve the standards of living by minimising the rates of unemployment and underemployment, and optimising the utilisation of labour and human resources.

2.2 General Principles

i. Employment policies will be co-ordinated and implemented within the framework of national economic and social policy. In this regard, this National Employment Policy is consistent with the overall development strategies as outlined in Constitution of the Republic of Uganda 1995, the National Poverty Eradication Action Plan, and the sector-wide programs alluded to above;

ii. Government policy on employment generation will emphasize the provision of a favourable environment for private investment and job creation. Government will continue to maintain stable and favourable macro-economic policies, invest in human resources and provide basic infrastructure, and further incentives to boost the Private sector as the main engine of economic growth and job creation in Uganda;
iii. The private sector therefore, should take on the role of the major investor in the productive enterprises that will provide increased employment and generate incomes. This dictates the promotion of enterprise culture that will induce self-reliance, risk taking, and a national environment, which rewards effort and initiative;

iv. Individuals, groups, and the community at large, including at grassroots level and in line with decentralization and participatory development also bear an important responsibility for employment creation;

v. Thus principles of limited legislation and more collective bargaining for wages linked to price and productivity will be promoted;

vi. However, while providing for a greater role for the private sector in employment and job creation, caution shall be taken to the well-known paradox that the operation of the market system may lead to marginalisation of some sections of the population who must be provided for through adequate safety-nets. Accordingly, Government undertakes to protect and assist those who, for one reason or another, cannot cope with the demands of market forces, and have been marginalized by their inability to compete. These often include vulnerable groups such as; women, youth, persons with disabilities, and the unemployed. These need to be assisted with special compensatory and well-targeted programmes, including those envisaged under the National Poverty Eradication Action Plan;

vii. To meet the employment challenge through well targeted interventions and programmes, Government will provide detailed and frequently updated information on the size and structure of the labour force and disseminate it as outlined in this policy.
CHAPTER THREE

PRIORITY POLICY ACTION AREAS

Creating an integrated and multi-sectoral systems approach to planning, preparedness and management of employment issues is fundamental to sustained productivity and, therefore, to socio-economic progress. To accomplish this requires adjusting policies to address multi-sectoral employment issues. Accordingly this section proposes action policy areas identified as relevant to our goal of employment generation. These multi-sectoral objectives and strategies have been prioritised based on the following criteria:

i. The seriousness or urgency of the problem the policy is to address;
ii. The potential contributions of the policy to the economy and social well-being and;
iii. The policy's potential for solving the problem.

3.1 Employment-Intensive Growth Strategy

The quest for providing employment to whoever is able and is searching for one is however, an uphill challenge. Yet the fact that not enough jobs are being created at this stage and that this is the perception and experience of the ordinary person is a cause to reflect and act on.

Government has in the recent past defined a long-term vision regarding labour and employment. As a way of implementing this, Government has taken initiatives aimed at sustaining rapid economic growth and tackling poverty in the broader sense. These initiatives are based on the premise that agriculture remains the largest source of gainful employment in Uganda and will continue to be well into the new millennium. The other feature of the initiatives is the consideration that Government can no longer take on the role of the biggest employer in the economy. Accordingly, Government has drafted a Plan for the Modernization of Agriculture, and a Medium Term Competitive Strategy for the Private Sector. These interventions seek to increase productivity through provision of infrastructure, improved access to credit, research and extension services, and provision of better market facilities and security.

It is without doubt that if these initiatives are well implemented will lead to increased GDP. But since a significant proportion of Ugandans are poor, they can only benefit from such economic growth if it is achieved through their participation in the country’s value added process. And if the poor are to participate in this process they must be afforded a chance to work.

Complementary efforts, therefore, need to be drawn to intervene directly with policy instruments aimed at promoting employment-creation in our production process. This requires articulation of aspects covering employment in its broader sense and as an important component of poverty eradication. Indeed this points to various expressions for the need of this National Employment Policy for which the participation of the civil society and the private sector in general is necessary.
If the capacity to work (labour is the capital of the poor) is lacking in any economy, then efforts to reduce poverty remain insufficient. Thus any Country’s Poverty Eradication Strategy (and any development cooperation that supports it) must be oriented towards work and creating jobs.

In that context, it may be concluded that there is an urgent need for Government to place the creation of employment at the centre of her national strategies and policies, with the full participation of employers and trade unions and other parts of civil society.

The following objectives and strategies are proposed for the implementation of this goal;

**Objective**

*To promote the goal of full employment as a basic priority of our economic and social policies, and to enable all people to attain secure and sustainable livelihoods through freely chosen productive employment and work.***

**Guiding Principles**

i. The huge challenge of creating sustainable livelihoods for the large numbers of unemployed and deprived people to improve their material quality of life is a long and hard affair. It requires comprehensive new approaches to employment generation and poverty reduction;

ii. “Sustained Economic Growth” the catch phrase for the current PEAP, and sector-wide programmes will be elusive to achieve unless employment opportunities are broadened;

iii. Economic growth, currently averaged at 6.5 percent per annum, on its own cannot make any appreciable impact on unemployment, and consequently on poverty reduction;

iv. For employment-generating initiatives to be more effective, there should be a shift from urban focus to countrywide focus. Unemployment and under-employment in Uganda are not only a problem of the urban only, they are becoming increasingly serious in rural areas as well;

v. Government, with the monopoly of policy incentives, has an upper hand in spearheading the employment-intensive growth strategy even in the circumstances of a liberalized, private sector-dominated economy.

**Strategies**

i. Set targets towards the goal of employment generation for all and continuously assess whether we are moving towards it;

ii. Make employment creation a criterion in selecting public investment programmes/projects. Introduce employment creation as one of the parameters applied in the evaluation of infrastructure projects, alongside with costs, design and duration;

iii. Define indicators for a more efficient implementation and coordination of existing and new programmes in liaison with the civil society;

iv. Undertake specific studies aimed at identifying areas that are inhibiting employment generation in both the formal and informal sectors;
v. Identify and promote existing or new higher value added, more labour-using enterprises/investments with strong employment multiplier potential;

vi. Target creation of large numbers of jobs in infrastructure works by reorientation implementation towards labour-based technologies where these provide a technically feasible and economically cost-effective alternative to traditional, equipment-based methods, through:

- Levy uniform import duty on heavy earth-moving plant, reduce import duty on light equipment, and hand tools;
- Review institutional framework to remove biases against labour-based technologies right from design stage;
- Review technical standards and specifications of a range of civil works in order to assess their suitability for labour-based methods;
- Introduce “targeted procurement” in contract specifications. This includes the definition of:
  a. Labour content of budget (e.g. 30% labour cost);
  b. Employment creation as part of output as measure of tender price;
  c. Package contracts in small components affordable to small-scale labour-based contractors;
- Encourage large (often-foreign) contractors to sub-contract to small, local contractors;
- Integrate labour-based techniques in existing in-service training programmes for district engineers and technicians;
- Develop and implement courses for labour-based contractors and foremen;
- Increase public awareness of the benefits of increased access to job opportunities in infrastructure works;
- Reorient the education curriculum with a view to link up skills development with labour-intensive technologies in infrastructure provision;
- Provide guarantee to small contractors to make civil works certificates bankable and discountable at front desk, perhaps to be linked to BOU and the MWHC.

vii. Promote community contracting in construction and maintenance of local infrastructure and provision of other services.

3.2 Labour Market Information

Data on labour market (jobs, job seekers, employment levels, desired skills etc) on both the private and public sector including the dominant informal sector is severely lacking. As a result of this gap our employment service is inadequate. The nation does not know the exact quantity and quality of the existing labour force. The changes in supply and demand are not known. The nation cannot therefore deploy the available labour force to maximum efficiency and so cannot achieve maximum productivity.
Labour market information enables the monitoring of employment trends and enables the design of appropriate policies and measures. Successful management of employment, ability to anticipate and deal with new and emerging challenges requires availability of timely, up-to-date, accurate and well-coordinated information.

Government recognises a gap in the labour market information and is aware that such a system will improve manpower planning and therefore improve economic growth. Government will take measures to establish a comprehensive labour market information database in the Ministry responsible for labour and equip it to give adequate employment service throughout the country.

**Objective:**

*To collect, analyse, store, and disseminate on continuous basis reliable information relating to labour, employment and industrial relations in both the formal and informal sectors.*

**Guiding Principles:**

i. The right to skills and work should carry the right to be informed about labour issues;

ii. Labour market information of an unclassified or non-proprietary nature in all sectors should be available to all interested users;

iii. Information generation should be tailored to user needs;

iv. Adequate information technologies which are appropriate to the current and future information needs of the country should be availed;

v. All data collection, storage, analysis and information dissemination on existing and emerging issues should be coordinated and standardized;

vi. The development of district and local level monitoring and evaluation capabilities is critical to improvement of information regarding disaster preparedness and management;

vii. The primary institutional responsibility for specialized data collection should remain with the concerned sector or ministry but a centralized system for data storage, and analysis is essential.

**Strategies:**

i. Provide clear legislation and guidelines on collection and use of data and information on labour, employment and industrial relations;

ii. Create a centre for information on disasters in the ministry and give it the mandate and means necessary to collect, coordinate, and disseminate information and to act as the central depository for labour and employment management information;

iii. Strengthen specialized information units within sectoral institutions and provide them with training and logistical support, and formally link them to the labour information network operated by the labour information centre;

iv. Document, evaluate, store, disseminate and utilize existing local and international knowledge and practices with regard to employment management;
v. Carry out surveys and research and develop early warning indicators that would capture the employment dynamics of the economy and accordingly re-orient efforts towards the development of the required growth.
3.3 Mainstreaming of Special Groups

Direct and indirect discrimination of persons with disabilities in the country exists especially as regards to education, training, economic opportunities, land and other productive resources. Certain cultural practices, customs and norms discriminate against women. The incidence of unemployment is more severe amongst women and children who bear the brunt of the tragedy. Correspondingly, it is necessary to analyse and understand the relevance and implications of gender roles in labour management and redress them.

Women are the backbone of agricultural production in the country. Most agricultural tasks are performed without the benefit of labour saving technologies and involve much drudgery. To address the heavy workload of women, government is committed to raising productivity in the agricultural sector through the Plan for Modernisation of Agriculture, which will subsequently reduce the workload of women in rural areas.

The major feature of the population growth in the country is that the majority of the population is below 30 years. The National Youth Council Statute 1993 defined the youth to be those persons of either sex between the ages of 18 - 30. Youth dominate the new entrants to the labour force in a situation where the number of new entrants into the labour force far outpace the available employment opportunities.

The number of persons with disabilities are about 1 million. It is clear that persons with disabilities find it difficult to compete in the labour market because of their peculiar needs in terms of training, the kind of job they are able to take up, access to workplaces and the societal prejudice and discrimination. Government will apply a two-prolonged approach at mainstreaming of persons with disabilities through the National Vocational Rehabilitation Scheme as well as the Community Based Rehabilitation Programme. Government will establish an Equal opportunities Commission as provided by the Constitution to, among other things, ensure equal opportunities in employment of marginalised groups. Government effort will be directed at sensitization on the needs of and capacities of persons with disabilities at all levels.

Government will continue to improve the position of women through affirmative action in education and training, employment recruitment and promotion. Special efforts will be made to intensify gender sensitization among the population.

Objective:

To integrate legitimate interests and concerns of vulnerable groups into the management of labour at all levels.

To ensure affirmative actions for the vulnerable groups at work through mainstreaming.

Guiding Principles:

i. Gender and vulnerability analysis should indicate the impacts of a proposed program or policy on men and women, girls and boys, the old and the young, the persons with or without disabilities;

ii. Gender desegregated data and statistics on the labour force should be a first priority, given the need of such information for effective labour management;
Popular participation and public education should include both men and women;
The basic training and skills development should include methodologies and tools for gender analysis;
Basic research on gender role with regard to labour management should be carried out throughout the country;
Deliberate efforts should be made to involve women, the youth and persons with disability in labour management decision-making process.

**Strategies:**

Integrate gender concerns into labour management programs;
Collect gender-desegregated information related to employment management including the human factors;
Include gender roles and analysis into training and skills development programs at all levels;
Facilitate participation of both men and women in formal and informal education, training, public awareness campaigns and decision making in employment matters;
Establish an institutional mechanism to review existing and proposed programs on labour management to integrate gender issues; and
Design programs that involve and benefit the most disadvantaged groups, particularly women, children and persons with disabilities.

### 3.4 Education, training and management development

The total number of people who join the labour market every year are estimated at 340,000. Of these, universities and tertiary institutions produce about 10,000 graduates. The 1988/89 manpower survey results indicate that the formal technical and vocational system produced 2,000 artisans, 2,500 craftsmen from technical institutions and about 1,000 technicians form technical colleges. The survey also revealed critical shortages of skilled manpower, with technicians and associated professionals at 38%, sales and service workers at 19%, crafts and related workers at 7%. It should however be acknowledged that informal sector apprenticeship is the main source of skills and therefore these figures are misleading by leaving out a large number of operators in the informal sector. The 1991 population census shows that only 8.8% of the economically active labour force had employable formal qualifications, whereas 91.2% had none.

Despite the extreme shortage of technical skills, Uganda’s education system continues to supply labour that targets mainly “white collar jobs” in the formal sector, and particularly in Government. Yet for firms to be competitive, they need to employ people with the technical skills necessary for ensuring high quality products that can compete in the market.

Gender disparities are very pronounced in the education system. Gender disparity increases at advanced levels. In the main national university girls constitute approximately 25 per cent of the student enrolment. The gender gap in education also has regional dimension with the highest under-representation of girls in the northern and eastern parts of the Country.
Vocational education and training system in the country is relatively small with most of the programmes being pre-employment, supply driven and targeted towards modern sector needs. There are 24 technical schools, 30 technical institutes and 5 technical colleges under the Ministry of Education. These are in addition to 4 vocational training centres and 42 private vocational training centres or institutes previously under the Ministry of Gender, Labour and Social Development.

The reform of the public service, the implementation of the decentralisation programme and the restructuring of public enterprise require management development. For efficiency and effective management, managers need continuous "retooling" in order to face future management challenges.

Furthermore, the growth of the private sector, brought about by the improved macro-economic environment and the need to achieve higher productivity and competitiveness has created the need for managerial skills in areas such as finance, marketing, production, and human resources management.

Government recognises the current mismatch between the education system and the labour market requirements. Therefore, efforts will be made to improve the responsiveness of post primary education to labour market needs.

**Objectives:**

*To raise the country's skill base to match the demands of a fast growing economy as a strategy to increase labour productivity and hence employability.*

**Guiding Principles:**

i. A good general education lays an essential foundation for training and employment, increased earnings and employee mobility;

ii. Affirmative action to remove gender disparities from the education and training systems will recognise the important role being played by women in social and economic advancement of the country;

iii. One of the ways of enhancing access to better employment opportunities is to guarantee equal opportunities to skills training;

iv. Teachers and trainers represent a key resource in improving efficiency and effectiveness of education and training systems;

v. Self-employment is the only alternative left for the majority of school leavers and some university graduates in a situation where the wage employment continues to shrink at least in the short term;

vi. Skills training play the important role in meeting industrialization objectives, employment and productivity enhancement;

vii. The most economic way to ensure a skilled human resource is demand and supply oriented non-formal vocational training offered under the Directorate of Industrial Training, (DIT).
Strategies:

i. Popularise and strengthen vocational education and training as an integrated system of the general education system;

ii. Pay special attention to the selection, training and remuneration of teachers and trainers and improve their working conditions;

iii. Introduce enterprise education starting at primary level as a cross curricula subject and other levels of education up to university to inculcate enterprises culture and to promote self-employment as a viable and respectable employment option;

iv. Ensure that the training programmes are demand driven through greater involvement of the private sector in policy formulation and in decisions on curricula content and converting the (DIT) into a fully autonomous organization to provide the desired flexibility and sustainability in training provision consistent with existing policy on restructuring government agencies;

v. Emphasise professional courses, research and practical exposure rather than purely academic programmes, as well as foster closer collaboration between university and the private sector to correct the current mismatch between supply and demand;

vi. Review and modify University curricula, and curricula at other education and training levels, to reflect labour market realities, so that a large number of graduates may be self-employed;

vii. Continue to support in-service training programmes to be financed through the proposed Industrial Training Fund. This should focus on in-service training, including extension services and initial training such as apprenticeship which are more effective because they are tied to existing employment and provide avenue for staff upgrading for productivity enhancement;

viii. Government will establish an industrial training fund to generate additional resources and to ensure equitable distribution of training costs among employers, users of trainees and encourage training cum production in training institutions. Tapping additional resources and cost recovery are essential if training is to be provided to large numbers of the population;

ix. Encourage proprietary training institutions and NGOs to be more active and better equipped to provide training through the provision of incentives and the creation of an enabling environment;

x. Strengthen basic skills training at the post-literacy level for the relatively large number of out-of-school youth and adults for whom there is no wage-employment in the modern sector through the establishment of community polytechnics at sub-county level;

xi. Strengthen the current labour market information system and make available non-discriminative and gender career guidance and counselling at all levels of education;

xii. Strengthen the current educational information system with a view to serve all the districts and the target beneficiaries. Central to any successful education and training systems is an effective information system;

xiii. Strengthen educational and training programmes and equip them for persons with disabilities with a view to mainstream them for wage or self-employment;

xiv. Integrate literacy and distance learning as well as training provided by NGOs into the overall training system so as to offer a second chance to those who had lost opportunities in the past;
xv. Facilitate the provision of integrated skills and entrepreneurial training programmes, enabling environment and strengthen traditional apprenticeship through provision of incentives for urban and rural informal sector training in view of the importance of informal sector in the economy;

xvi. Strengthen the capacity of the three main institutions providing management education and training Faculty of Commerce of Makerere University, Management Training and Advisory Centre and Uganda Management Institute etc. to become demand driven and more market oriented. Adequate resources will be made available to continuously update and implement its Human Resource Development plans for central and local government staff. The retained public enterprises will be encouraged to allocate part of their annual budgets to enhance their managerial capacities;

xvii. Support initiatives aimed at professionalisation of management and administration by facilitating the registration and development of professional bodies.

3.5 Promotion of farm and non-farm rural employment

The rural sector being the dominant sector of the economy will underpin all efforts geared to employment generation in the country. More specifically, agriculture is the largest sector of the economy and its performance is closely intertwined to the overall growth and economic performance. For this reason, Government will seek to accelerate agricultural growth as the best means of increasing overall economic growth. The sector contributes about half of total real GDP. About one third of this agricultural GDP consists of subsistence (non monetised) sub-sector. In terms of the labour force employment, agriculture accounts for about 80% of the total of which 605 are women, and agriculture is still the sector with the highest propensity to absorb labour. Agriculture also generates about 90% of total exports, which are important determinants of economic growth. In addition, over 64% of government revenue is derived from agriculture.

Employment trends in the country indicate that without a concerted effort to tackle the problem of unemployment and underemployment the situation could get worse. Slow or negative formal sector wage employment growth and the likelihood of more retrenchment suggest that the modern sector's role in the absorption of new entrants to the labour force is likely to remain marginal, accounting only for a small proportion of the increment of the labour force. This implies that the new entrants in the labour force and retrenchees will have to be absorbed largely in the rural sector or the urban informal sector or face open unemployment or underemployment.

The agricultural sector employs about 80% of the labour force. The dominant mode of employment is self-employment, with 2.5 million households operating farm holdings that average 2 hectares and contribute about 94% of agricultural production

Government gives high priority to this sector and has set out policy goals on the sector. These are based on the recognition of the sector's ability to influence the overall performance of the economy and growth in income and determining the performance of other sectors. The employment objective will therefore be pursued in the context of these objectives. While there is clear recognition that 80% of the population depends on agriculture for their livelihood, employment generation will be an objective of the agriculture sector. However, the modernisation of agriculture will increase productivity in the agricultural sector, thus releasing labour from that sector to other labour-absorbing sectors, such as the services sector.
**Objective:**

To increase employment in agricultural sector by increasing agricultural productivity, food security, and promoting agro-processing industries; increasing people's incomes and reducing poverty; and boosting foreign exchange earnings including diversification of the country's exports through the promotion of non-traditional exports.

**Guiding Principles:**

i. For a large number of the population to be directly and indirectly employed, land use through agriculture is the available option in the short term;

ii. The provision of modern techniques will improve the productivity and employability of agriculture;

iii. Raising the level of agricultural productivity will have a major and direct impact on rural incomes and living standards;

iv. Accelerated economic growth and industrialisation of the Uganda economy will depend on the expansion of the agricultural sector;

v. Agricultural sector growth and changes in its structure will lead to more productive employment opportunities;

vi. The rapid expansion of the non-traditional export crops sector will be essential in generating positive growth of incomes and employment.

**Strategies:**

i. Emphasise the modernisation of the small holder sector, where employment promotion will largely occur;

ii. Emphasise, in the livestock sector, livestock diseases and vector control, provision of water for livestock, forage development and cattle breeding;

iii. Emphasise, in the crop sector, increased crop yields and profitability, improved seeds and planting materials, marketing and agribusiness, promotion of high value crops and promotion of improved land use through soil and water conservation;

iv. Continue the improvement and rehabilitation of tea production and devote effort to increased tobacco and cotton production;

v. Expedite the preparation of the Feeder Roads Development Plan to guide public investment in rural transport, with sufficient provisions for use of labour-based methods;

vi. Upgrade community roads to district feeder roads status, and feeder roads to trunk roads in order to ease transport constraints in rural agricultural activities;

vii. Substantially increase budget allocation towards rural feeder roads in the Medium Term Expenditure Framework;

viii. Establish an effective mechanism for the provision of credit from the formal banking system to the agricultural sector;

ix. Put in place a legal and regulatory framework for the micro-finance institutions to provide funding to micro and small enterprises, including agriculture-related activities;
x. Increase funding, within the provisions of the medium term expenditure framework, to agricultural research and extension to support staff deployment at local Government level, provide improved agricultural seeds, market information, and to support demonstration farms at district and county levels;

xi. Work out a framework for the greater involvement of the private sector in extension service provision and on a cost-recovery basis;

xii. Implement the new Land Law to increase access to and security of tenure;

xiii. Establish and rehabilitate rural markets which can be privatised at a later stage;

xiv. Provide the necessary technology to rural farmers on how to harvest rain water to reduce incidence of prolonged drought on agricultural production;

xv. Implement, as soon as possible, the Rural Electrification Strategy to support rural agro-processing;

xvi. Promote the development of improved agriculture marketing systems.

3.6 Ensuring supportive population, migration and regional development policies

The population growth is the major contributor to the increase in the rate of unemployment.

The population of Uganda is estimated to have grown by 2.5 per cent per annum between 1980 and 1991 reaching 16,671,705 in 1991 and an estimated 22 million in mid 2000. While that is happening, it is recognized that HIV/AIDS has increased mortality, and is impacting adversely on labour productivity since it is most prevalent in the age ranges that constitute Uganda’s labour force. The labour force (ages 15 to 65 years). There is a definite relationship between the population growth rate and economic growth rate, unemployment, poverty, HIV/AIDS and family welfare. As mentioned above, and noting that the available labour force in mid - 1994 was about 6.9 million and growing at 3.4% annually, and further noting that currently it is of the order of 8 million, this means that the Ugandan economy has to create about 250,000 new jobs a year. Correspondingly efforts are required to redress this situation.

**Objective:**

*To reduce the population growth, reduce the growth in labour force, and provide employment opportunities and services in rural areas to reduce rural-urban migration.*

**Guiding Principles:**

- i. Strengthening comprehensive manpower and employment planning and its implementation;
- ii. Rapid growth in per capita income can be achieved through a reduction in the pace of expansion of the population;
- iii. Conflict resolution in the region will reduce immigrants and hence reduce the burden on social services and employment opportunities;
- iv. The problem of HIV/AIDS has to be addressed as a regional/global issue through coordinated approaches.
**Strategies:**

i. Intensify response to HIV/AIDS problem, alongside family welfare education programmes and counselling with particular focus on the work setting;

ii. Continue efforts to influence spatial distribution of population geared to ensuring optimum utilisation of land by promoting balanced development. It will also seek to establish a reasonable balance between urban and rural areas by promoting integrated rural and urban development and creating opportunities for both rural and urban employment;

iii. Ensure that the benefits of economic development are broad-based. The level of funding to encourage growth of small and medium sized towns will be increased under the on-going decentralization process in order to facilitate rural access to urban-based services. Under the decentralization programme, increased participation and decision making at the district level will continue to be promoted and supported;

iv. Provide infrastructure in the rural areas to facilitate rural dwellers benefit from economic growth by increasing their access to markets. The road sector will receive a higher priority both for feeder roads and trunk roads. Expenditure on feeder roads rehabilitation and maintenance will also be increased and donor funding will be sought under the Governments 10 Year Road Sector Development Programme;

v. Continue efforts to promote accelerated rural development to reduce rural-urban immigration, by promoting the development of growth centres in rural areas in order to reduce migration to the larger towns;

vi. Influence rural to rural migration and to match areas of the excess labour supply to excess demand. To achieve this, concerted efforts will be made to provide public employment services and in providing labour market information, on a regular basis so that areas of labour scarcity can benefit from areas of labour surplus. Furthermore, efforts will also be made to improve and disseminate data on migration generally;

vii. Work with international organisations and seek support to address the refugee problem. The number of refugee immigrants in Uganda outnumbers labour migrants. The refugee problem has important implications for internal resource use and generates high opportunity cost for employment.

viii. Keep vigil and scrutinize importation of expatriate workers whose skills are available, with a view to minimising their adverse impact on the employment of nationals. In line with this, examine the issue of employment of migrant non-nationals with a view to consolidate and develop policy guidelines for such employment;

ix. Increase the supply of skilled nationals under the human resources development and capacity building plan since there is a shortage of, and absence of specialised skills which necessitates employment of non nationals;

x. Develop a national strategy to promote the export of services, including investment in high quality specialised skills.
3.7 Accelerating Growth and Development in the Private Sector

The private sector is made up of rural small-scale agricultural producers and enterprises, urban informal micro and small-scale enterprises, large scale Agricultural Estates, and Medium-Large Scale Enterprises. The private sector activities cover agricultural production and processing, mining, manufacturing, distribution/marketing and services.

Given the forward and backward commercial and industrial linkages with agriculture, private sector development in rural areas is critically important. As a strategy, there is need to promote value-added agricultural production enterprises, rural infrastructure commercial service enterprises, agro-processing and marketing enterprises, inputs and service related rural commercial enterprises, etc. In addition, there is need to provide basic infrastructure removal of specific constraints impeding small-scale producers and their improved productivity.

Objective:

To create enabling environment, strengthen and improve infrastructure to attract, encourage and facilitate private sector investment expansion into agricultural support services, industry and service sectors as the best option to create sustainable jobs in the formal sector.

Guiding Principles:

i. The promotion of growth and development of the private sector in rural areas, with greater emphasis on the:

a) Development of rural financial services (intermediaries);

b) Rehabilitation and development of rural markets;

c) Promotion of rural non-farm enterprises;

d) Establishment of rural business advisory services;

e) Preparation of district investment profiles; and

f) Raising of the skills base in the country.

ii. The encouragement of the manufacturing sector to grow and create more employment opportunities, through sustained macro-economic reforms and other sectoral policy measures, including measures aimed at reducing the cost of doing business generally and increasing private sector competitiveness.

Strategies

i. To raise productivity in the agricultural sector through the implementation of the Plan for the Modernisation of Agriculture;

ii. Reduce the cost of doing business in Uganda for the private sector to be profitable, viable and with increased capacity to absorb more labour;

iii. Accelerate the restructuring, divestiture and privatisation of public owned commercial enterprises;

iv. Encourage joint viable ventures, between the government and private sector, in industries whether initial investment costs are exorbitant and cannot be wholly mobilized by the private sector;
v. Establish export processing zones (EPZs) and promote capital markets development (including Uganda Stock Exchange);

vi. Establish district industrial zones (in partnership with the private sector);

vii. Establish a functioning data bank within the Ministry of Tourism Trade and Industry; and

viii. Promote linkages between the manufacturing sector and other sectors so as to develop an integrated economy.

3.8 Improving Urban Informal, Micro And Small-Scale Enterprises

Described in terms of its characteristics, the informal sector employs less than 5 people, is mostly family owned, has low investment, utilises low technology, is labour intensive and operating skills are acquired on the job and through apprenticeship schemes.

The informal sector thrives because of its responsiveness to demand since it maintains close links with grass roots institutions. It is compatible with the socio-cultural environment and caters for basic needs i.e. food, clothing, shoes, transport, metal fabrication, etc. The main constraints of the informal sector include: the perception that the sector is for the uneducated and lowly qualified members of society whose products are meant for the poor; lack of articulated government supportive policy; lack of skills; inability to access credit; lack of suitable operational environment - poor working conditions without infrastructural facilities, restrictive legislation and banking laws and practices; lack of preparedness and orientation for informal sector operators, etc.

Modern small sector enterprises, although smaller in absolute numbers than informal sector enterprises, tend to employ more people on average per enterprise/firm (about 10) on full time basis; operate from fixed locations; use better technology; keep records and are usually registered with regulatory authorities and posses a fair level of technical and marketing skills. The modern small-scale enterprises sector contributes significantly to value added production and is an important source of employment. The sector has the potential of being the seedbed for technological development, and a training ground for future industrialists. The small sector enterprises sector will be inter-linked with informal sector and medium-large enterprises through subcontracting arrangements.

Modern small sector enterprises development has two dimensions; the creation of new enterprises and nurturing the growth and graduation of existing ones. This requires a sound combination of entrepreneurial, technological and managerial competence on the one hand and real market opportunities and access to resources on the other. The combination of these elements within a modern small sector enterprise will be facilitated by an enabling environment for enterprises and by a set of partnership institutional mechanisms between private, Government and NGOs that help the upgrading of such sectors.

The development of modern small sector enterprises has been constrained by low technology and managerial capabilities, limited access to credit and finance, difficulties in obtaining raw materials and other inputs and development policies that tend to favour medium-large enterprises. Land acquisition for expansion and other legal and regulatory requirements administered by different government agencies tend to constrain the growth and development of modern small sector enterprises.
Objective:

To integrate into the policy formulation process, the role of the informal and small-scale sector in employment generation and poverty reduction; and to identify and remove constraints that impact on their operations.

Guiding Principles:

i. Address legal, regulatory and administrative issues that impinge on the performance of informal sector operators;

ii. Providing incentives and improving access to land, enhanced infrastructural facilities through zoning, training facilities, credit, etc will create the necessary enabling environment;

iii. Dumping of cheap imported goods is one of the most serious threat to the informal and small-scale enterprise sector because it denies the sector of domestic market;

iv. Rationalise the presently fragmented and inadequate programs to make them more comprehensive and effective to achieve the desired impact on informal sector operations.

Strategies:

i. Strengthen, through the Federation of Informal Sector Associations (FISA) and Uganda Small Scale Industries Association (USSIA), the informal sector associations in policy analysis, formulation and programme identification. This will ensure that informal sector issues are adequately reflected in public policy formulation of development programmes and would increase ownership of such policies and programmes;

ii. Facilitate the inculcation of, effect positive attitude in people, especially public officials, about the Informal Sector;

iii. Within the framework of the new Decentralisation Act, local governments must take a more pro-active role through the provision of infrastructure support to informal sector enterprises and revising local government laws and regulations favourable to informal and small scale enterprises;

iv. Encourage applied research studies, specific to the needs of the small sector enterprises sector. Research will cover development and or adaptation of appropriate technology, markets, production bottlenecks, productivity promotion at enterprise level, incentives and motivation, policies and information;

v. Provide legislation incentives, and create a one-stop office similar to Uganda Investment Authority for medium-large enterprises to promote the rapid growth of Small Sector Enterprises. The one stop office for small sector enterprises will streamline legal and regulatory issues, land ownership and other issues that pose barriers to sector's development. Small sector enterprises development cuts across different sector ministries and as such the one stop office will enhance coordination of government's interventions and support. In the short term there will be a unit within the Ministry of Finance, Planning and Economic Development to attend to all small-scale enterprises matters. The concerned institutions should attend to all matters of the sector;
vi. Ensure, through the Tender Board, that the products of the small sector enterprises are given priority in the government purchase schemes. A window for the sectors' products and services will be opened at the National Tender System to encourage the marketing of small sector enterprise products. Encouragement of linkages between the large and small enterprises, through sub-contracting, will form an integral part of the Public Procurement Reform;

vii. Offer incentives to financial institutions and intermediaries that lend to the sector with a view to foster small sector enterprise development and job creation, e.g leasing companies, equity venture capital, etc;

viii. Provide incentives to the private sector to set up enterprise incubators in which production and training are integrated and linked with franchising and subcontracting.

3.9 Migration of Labour

A new phenomenon in global labour administration has emerged. The number of persons living outside of their countries of origin at the beginning of the 21st Century was estimated at over 150 million of which the ILO counts some 100 million as migrant workers and their families. With 20 million, or one-fifth of the global total, Africa contributes the largest share of migrant workers.

In the last decade a significant number of Ugandans has moved out of the country in search of employment. Both skilled and non-skilled persons have moved. Japan and the Middle East have attracted mainly the business skills and lower skilled cadres while America, Canada, and Europe have tended to attract the professional and higher skilled persons. There is also a significant deployment within Africa where the highly skilled have been attracted southwards. This trend continues to be the case. It is in line with the globalisation phenomenon described above whereby the whole globe is becoming one labour market in which labour and capital can move freely and legally across borders. The foreign exchange remittances back to Uganda from this movement, which now stand at 600 million dollars (Background to Budget, 2000/01), have topped the foreign exchange earning sectors by far. This phenomenon has therefore emerged as a major foreign exchange earner now and thereby emphasises the value of a competent human resource.

Besides the foreign exchange, the other advantages with it are that Ugandans learn more skills and techniques, acquire better work attitudes, and experience and technologies, which eventually will come to improve productivity in Uganda itself. Further to this, it expands employment scope for Ugandans in the light of especially university graduate level unemployment and makes use of the abundant human resource of the country.

In many cases however Ugandans are disadvantaged by lack of labour market information, namely availability of jobs in a particular receiving country, which skill are marketable, and what immigration and labour laws and culture of the recipient country demand. In addition, the training system in Uganda itself is not adequately tuned to produce persons with the requirements of international job market while at the same time producing persons for the local labour market. As a result of this Ugandans have lagged behind other developing countries in entry to international organisations. There is need to note also the existence of illegal transborder mobility, which poses problems and challenges for labour market operations and administration in the receiving countries. Quite often Ugandans have been victims of arrest and deportation with loss of any
earning as a result of ignorance, which led to their illegal entry. Where they have survived this treatment, they have received low wages, income insecurity, failed to get socially and legally integrated and hardly enjoy their employment.

As a result of the above situations, there is a need to focus on externalisation of labour with a view to encourage, inform, guide and protect these international job seekers.

**Objective**

To promote the placement of our human resource into jobs of high performance and earning outside the country.

**Guiding Principles**

i. Encourage efficient and rational utilisation of the productive capacity of Ugandans on a global scale;

ii. Promotion of greater scope for exploitation of economies of scale;

iii. In open competitive economies, wages and earnings are increasingly determined by productivity and by capacity to produce high quality products and services and hence the develop the necessary competence is a prerequisite;

iv. The efficiency of the labour marked operations and the quality of labour administration are a critical determinant of the success of externalisation of labour;

v. Creation of appropriate institutional framework for the establishment of common standards and comparability of educational and professional qualifications aimed at acceptability in the receiving countries;

**Strategies**

i. Establish labour related linkages and cooperation with the governments of receiving countries and in particular with the ministries responsible for labour, foreign affairs, immigration, and also employment agencies, with a view to find out job opportunities, terms and conditions, work permits and visa requirements and control human trafficking;

ii. Establish and equip a labour information centre and data bank in which all external job seekers are registered as well as employment opportunities and vacancies, detailed information on terms and conditions of service, skills content and any relevant information is provided and jobseekers are placed into jobs;

iii. Create an international labour market information system within the ministry responsible for labour;

iv. Establish a multisectoral technical committee consisting of stake holders to monitor and make recommendations and guide government on matters of externalisation of labour;
v. Reactivate and develop capacity of public employment services in all districts as an institutional framework to gather and forward applicants and to deliver the necessary information to the job seekers as well as the prospective employers;

vi. Register private employment agencies and develop guidelines for their operations and for any other intermediary between job seekers and employers;

vii. Review the educational system to ensure high quality manpower that can compete with the rest of the world on external labour market bearing in mind the new generation of technology, especially information and communications technologies which have changed productivity and created demand for workers with higher level skills who attract higher wages.

3.10 Improving Labour Administration

The three basic ingredients for investment and therefore economic growth are labour, land, and capital. On these are superimposed enterprise and entrepreneurship. But of these, labour or the human resource is the one that turns the machinery of production of the enterprise and therefore is the most important. It is also the most delicate and vulnerable ingredient of the production process.

For a successful investment it is necessary to have a good labour force, which is well motivated, and good labour relations. Consequently the quantity and quality of the labour force (numbers, skills, discipline, and motivation) is of direct and prime importance to productivity. Productivity can only be as good as the labour employed.

Similarly good labour relations prevent strikes and industrial unrest. Good labour administration ushers in industrial peace and harmony, which directly contribute to productivity of the enterprise and national stability. The purpose of efficient labour administration is to create opportunities for women and men to obtain decent and productive work, in conditions of safety, freedom, equity and human dignity in Uganda for accelerated economic growth and social welfare.

The Department of Labour Employment and Industrial Relations under the the Ministry of Gender, Labour and Social Development is responsible for the administration and promotion of measures providing for labour protection generally, improvement of working conditions and environment, as well as promoting sound industrial relations practices and employment exchange services to job-seekers and employers. Most of the important functions of the Department are, however, only superficially operative or non-functional on account of the fragile functional and organisational system of the Department.

**Objective:**

Ensure institutional capacity for labour administration to play its role effectively in the environment of liberalisation and economic and political reform, with specific reference to rights, protection of vulnerable groups, employment creation, industrial relations, and improvement of working conditions and environment.
**Guiding Principles:**

i. Gender concerns: Women and children often bear the brunt of the social cost of labour issues, especially unemployment and so effective involvement of women and youth in decent work issues, programmes, planning, decision making, management and implementation is essential and should be encouraged;

ii. Competent planning: The essence of effective solutions to labour issues is competent planning which takes into account the relation between labour, income, and employment on one hand, and development on the other hand. Consequently it is necessary that decent work management plans be drawn up at both the district and national levels based on correct identification and prioritisation of the challenges;

iii. Adequate expertise: Access to a wide range of expertise on the subject especially the mechanics of response to employment and income issues is vital to the successful development and implementation of the actions. The development of adequate expertise is therefore a priority;

iv. Long-term surveillance: Long-term surveillance on employment and income issues is essential for security against unemployment and loss of income. Consequently regular documentation, data collection, monitoring and accurate assessment of the operators are crucial and should be carried out and the information widely publicized since this prevents adverse effects;

v. Participatory approach: All-important decisions should be made and taken with the participation of the populations and local communities concerned. This creates a sense of shared responsibility. It is therefore necessary to ensure enhanced social dialogue involving multi-sectoral actors and the communities targeted in the process;

vi. Legitimate interests: Respect for legitimate interests and achievement of consensus is pivotal in creating justice and therefore support for the exercise, correspondingly, all affected parties have a legitimate interest in the choices among planning alternatives. The core of this is the tripartism, allied civil society, NGOs and other social partners;

vii. Partnerships among national agencies and international: In order to mount an effective response it is necessary to build partnerships and so complement one another on the basis of comparative advantage.

**Strategies:**

i. Develop a comprehensive and sustainable labour administration and employment services system for the country;

ii. Review labour administration throughout the country with a view to introducing a labour administration system, which is proactive, available, effective, impartial and service oriented;

iii. Develop and strengthen a recognised Department of Labour, Employment and Industrial Relations with clearly defined structures and functions and fully equipped to monitor the application of labour standards, improvement of working conditions and environment,
industrial relations and intervening promptly when breaches of the law are committed or industrial unrest is anticipated;

iv. Strengthen labour data collection and analysis with particular emphasis on labour market information and data;
v. Encourage conflict resolution between employers and employees through promotion of multipartite consultation including micro enterprises, and joint training/awareness programmes of the Ministry responsible for labour, Federation of Uganda Employers (FUE) and National Organisation of Trade Unions (NOTU);

vi. Upgrade and strengthen the Industrial Court as the apex of dispute resolution in the country;

vii. Develop strategies to counter the adverse effects of structural adjustment programme on the system of labour administration in the country;

viii. Strengthen and modernise the Employment Services machinery to enhance its capacity to undertake its traditional functions as well as employment planning in collaboration with the manpower planning and development agency of the government;

ix. Reorganise the vocational guidance and employment counselling services within the employment service network and supporting career guidance services in schools and colleges/universities.

3.11 Improving Occupational Safety and Health

Occupational health and safety is about the protection of the worker against sickness, disease, and injury arising out of his or her employment. This itself improves his or her productivity and lowers the cost of production.

Occupational safety and health problems arise from hazardous agents in the work environment. Workers are exposed to various occupational hazards, which include biological, chemical, mechanical, physical, and psychosocial agents yet most of these are preventable. Large numbers of workers are also exposed to adverse working conditions including long hours of work; poor work organisation and job content, and deplorable welfare services, which undermines their productivity and health. The plight of the injured workers in terms of occupational rehabilitation, has not received the attention or prominence it deserves.

Workers who suffer occupational injuries or diseases are often given meagre compensation through the workers' Compensation Act, without any effort made at rehabilitating or retraining them, so that they could continue to be productive citizens.

Government recognises that the objectives on occupational safety and health have not been achieved. The reasons for this include inadequate protective facilities, trained manpower shortage, inadequate evaluation equipment with which to execute the required functions, inadequate legal provisions and an institutional system for inspection and enforcement. Government will intensify efforts to address the situation.

**Objective:**

*To ensure the protection, maintenance and promotion of safety, health and well-being of all workers, in all occupations and that the working conditions and environment are conducive to good health and productivity.*
Guiding Principles:

i. Concentration of the primary prevention approach at the workplaces is the most cost-effective strategy;

ii. Adequate training and information to both the entrepreneurs and the self-employed empowers them to demand or provide the necessary improvements for safety and health of small scale informal sector workers and rural farm workers,

iii. The employers are responsible for planning and designing a safe and healthy, workplace, work environment and work organisation, as well as for maintaining and constantly improving health and safety at work;

iv. Workers have the rights to know the potential hazards and risks in their work and workplaces. Successful occupational health programme requires the active participation and cooperation of all the economic and social partners;

v. The improvement of working conditions, occupational safety and health can only be achieved through efficient functioning labour inspection services. Occupational safety and health matters related to employment and welfare of workers such as hours of work, working conditions, safety and health in work places can best be handled by the labour officers who are trained to deal with such matters;

vi. Comprehensive, occupational health services will employ first of all a multidisciplinary preventive element, including surveillance of the work environment and health of workers and, curative and health promotion elements;

vii. To ensure occupational health needs of both men and women are met within the workplace.

Strategies:

i. Develop occupational health services for all workers in all sectors of the economy and in all enterprises, as well as for the self-employed. A comprehensive, occupational health service will employ first of all a multidisciplinary preventive element, including surveillance of the work environment and health of workers and, curative and health promotion elements;

ii. Extend occupational health services through primary health care at affordable cost, to the operators/entrepreneurs in both the rural agricultural sector and the urban informal sector;

iii. Provide adequate training and information to both the entrepreneurs and the self-employed with a view to improve the safety and health of small scale informal sector workers and rural farm workers;

iv. Intensify awareness raising campaigns on occupational safety and health together with the private sector employers. Training in the basic principles of occupational health and safety for workers will be provided;
v. Put in place appropriate training programmes which have been proven to improve working conditions, enhance productivity and the quality of products such as the ILO Work Improvement in Small Enterprises (WISE);

vi. Institute a comprehensive rehabilitation programme for the injured workers so as to make them employable once again;

vii. Ensure the training of occupational physicians, hygienists, nurses, and psychologists for the multidisciplinary occupational health team. In line with this, give basic training to Primary Health Care workers in the districts in occupational safety and health;

viii. Enact effective occupational safety and health legislation.

3.12 HIV/AIDS and the Workplace

People spend most of their active time, at least eight hours, at the workplace. Here they interact closely and so get exposed to this disease. HIV/AIDS has emerged as the single major threat to social and economic progress and development. The current epidemiological data from the STD/AIDS Control Programme – Ministry of Health shows that up to 7% of the general population in Uganda is infected with HIV. The impact of the HIV/AIDS pandemic has been particularly devastating to the productive labour force given that the age range for those most affected (80%) is between 15 and 49 years. This group constitutes the most economically productive as well as the most sexually active section of the population. The pandemic has been responsible for an increase in the morbidity and mortality rates, with the following adverse consequences:

i. A decline in supply of both skilled and unskilled labour since it takes time and money to replace lost human resource;

ii. Lowering workers productivity as a consequence of weakness and absenteeism;

iii. Increased demand for medical care and early retirements

iv. Increased cost of doing business and in particular, labour costs including lost time, medical, funeral and burial expenses;

v. Lowering the demand for goods produced by industry;

vi. Mismatch between the available human resources and labour requirements;

vii. Increased number of households headed by females and children;

viii. Early entry of children into the active labour force, hazardous and labour, and diminished life expectancy with a view of providing for the more needy siblings.

The rural areas where the majority of the people live and work has not been spared from the effect of the spread of HIV/AIDS. Agriculture is the backbone for Uganda’s economy and contributes up to 70% of the country’s Gross Domestic Product (GDP) and more than 80% of the country’s export earnings. HIV/AIDS has had adverse consequences on the agricultural system in the country through withdrawal of labour from the land. There is evidence that communities are switching from useful or highly nutritious crops to less nutritious but labour saving ones, as well as shifting away from cash crop production (usually labour intensive) to subsistence farming.
The HIV/AIDS pandemic has had specific adverse consequences on women. They are more vulnerable to HIV infection because of the male dominance in society. In addition, their traditional role of providing care for the sick means that they are more likely to be absent from work when relatives and spouses are ill. This makes them particularly vulnerable to termination and discrimination if clear policies that take such issues into account are absent. This social norm puts the girl child at a disadvantage because she is also more likely to drop out of school in order to provide care to the sick parents and relatives or support the family.

The Government in recognition of labour and productivity as well as the socio-economic impact of the HIV/AIDS, adopted an open policy and is currently addressing the pandemic as a developmental problem. The Uganda AIDS Commission has been given the mandate to coordinate a truly national response to the pandemic and all ministries are expected to mainstream HIV/AIDS activities within their national and sectoral programmes. The workplace is one area deserving focus in the fight against this disease.

**Objective:**

*To prevent the spread of HIV and other Sexually Transmitted Infections (STI) at work and to mitigate their economic and social impact.*

**Guiding Principles:**

i. Prevention of exposure to HIV is the safest and cheapest approach to eliminating the incidence of HIV/AIDS at the workplace. All avenues of exposure require to be identified and programmes worked out to control them;

ii. Most people with HIV/AIDS want to continue working, which enhances their physical and mental well-being and they should be entitled to do so. They should be enabled to contribute their creativity and productivity in a supportive occupational setting;

iii. Information awareness and communication are effective in empowering people to take control of their own behaviour and so control exposure to HIV;

iv. Availability of protective devices for safe sex ensures protection of the most vulnerable and sexually active fraction of the population;

v. Protection of the rights and dignity of HIV-infected persons including persons with AIDS, is essential to the prevention and control of HIV/AIDS. Workers with HIV infection who are healthy should be treated the same way as any other worker. Workers with HIV-related illness, including AIDS should be treated the same way as any other worker with an illness.

**Strategies:**

i. Monitor the impact of HIV/AIDS in the world of work including carrying out assessment of demographic impacts, generating occupation-industry specific incidence rates and economic characteristics;
ii. Prevent the spread of STI/HIV through intensive Information, Education and Communication (IEC) at the workplace and promote responsible and safe sexual behaviour and work together with social partners and strategic allies in doing so;

iii. Ensure protection in jobs where there are risks in exposure to infection such as in health service delivery;

iv. Mount specific programmes for workers at high risk such as migrant in plantation estates and transport workers such as drivers in road haulage;

v. Prevent alcohol and drug abuse which lead to intoxication and risky behaviour such as violence, unprotected sex, sharing of contaminated appliances;

vi. Implement protection and assistance programmes for workers affected;

vii. Review and update policies, legislation and guidelines on HIV/AIDS and the workplace and work together with social partners and strategic allies in developing relevant codes of practice and collective agreements;

viii. Combat discrimination and social exclusion within the workplace, ensure the confidentiality of HIV testing and promote availability of counselling and other supportive services;

ix. Strengthen the wage policy and endeavour through collective bargaining to improve the working conditions of migrant workers such that they are enabled to keep their families with them at the workplace;

x. Adopt and implement the WHO/ILO guidelines on HIV/AIDS in the workplace aimed at eliminating discrimination against HIV/AIDS patients in the workplace and maximising the labour productivity of workers infected by HIV/AIDS as well as HIV/AIDS prevention amongst workers.

3.13 Protection Of Children Against Child Labour

Child labour exists in Uganda. Child labour is work, which by its nature or the circumstances under which it is performed is likely to jeopardise the health, safety and moral development of the child.

According to the 1991 population census, about 16% of all children below age 15 were engaged in economic activities and most fundamental causes of child labour were identified as structural. Structural problems are directly linked to the socio-economic structure of society where despite significant improvements in the country’s macro-economic situation, most Ugandan households continue to suffer from poverty and deprivation. This, coupled with increasing levels of orphanhood due to HIV/AIDS and armed conflicts, has increased the levels of deprivation for many families. The consequences of this deprivation manifest themselves in various ways, which include: lack of access to basic needs, social exclusion and isolation, vulnerability, as well as the erosion of indigenous cultures, values and social welfare systems.

In addition to the structural problems that pre-dispose children to child labour other contributing factors are related to social, and cultural attitudes and practices. These include practices such as early marriages, traditional attitudes towards girls, parents’ attitudes towards education, bad child rearing practices that are related to irresponsible parenthood, as well as the general lack of understanding and appreciating of the rights of children.
All the above problems call for fundamental, multidimensional policy measures and strategies aimed at the progressive elimination of child labour.

**Objectives:**

*To control, reduce and finally eliminate incidence of child labour in Uganda.*

**Guiding Principles:**

i. Provision of proper education is the surest way to keep children away from child labour. This will also help in the accumulation of productive human capital for the country;

ii. Child labour is part and partial of the economic and social status of the country. Hence policies, strategies and programmes aimed at improving the economic and social welfare of the population will indirectly and significantly contribute to the elimination of child labour in this regard;

iii. Elimination of child labour is not the responsibility of Government alone but also for the private sector, NGOs and the communities. Effective coordination between all the players will be essential. In addition, Government’s guarantee of favourable conditions for NGOs and Community initiatives to participate in activities that alleviate the plight of children will be a must.

**Strategies:**

i. Set up a coordination mechanism to enable all the stakeholders to effectively participate in elimination of child labour;

ii. Mobilise the communities, the workers, the employers and the general public, through awareness campaigns, to withdraw children from exploitative and hazardous work and provide them and their families with viable alternatives;

iii. Remove children from hazardous work and create the necessary awareness and respect for the rights of the child. Abusive forms of child labour can only be eradicated if there is broad social consensus that child labour is socially unacceptable;

iv. Provide training for NGO field staff in relevant areas with a view to mobilise participation, capability and support in the implementation of activities;

v. Develop plans of action with appropriate partners targeting specific categories of child victims;

vi. Develop a sound information base on children at work and work hazards by collecting, storing, processing and disseminating information on child labour, the worst forms of child labour and hazardous forms of work. In addition, carry out research on child labour;

vii. Develop district profiles and national profiles on children involvement in the worst form of child labour;

viii. Promote awareness about regional and global issues concerning children, work and hazardous types of work;
ix. Develop and enforce protective legislation on child labour;

x. Improve education and training systems and make educational and training systems more responsive to ex-workers children’s needs and provide non-formal education and effective vocational training;

xi. Intensify poverty alleviation and other developmental efforts. For children and families that depend on child labour for survival particularly in the case of HIV/AIDS victims, and provide income generating credit and saving schemes to prevent and eliminate child labour. Efforts will be made to include a child labour component in ongoing poverty alleviation programmes.

3.14 Environment Protection

Many activities in employment lead to degradation of the environment. Many industrial processes degrade environment through pollution. Similarly many rural gainful employments also degrade environment through forest and soil degradation. Government has enacted The National Environment Statute, 1995 and under this will ensure adequate liaison between the labour sector environment management. Employment policy therefore requires to take cognisance of the need to protect environment.

Objective

To ensure that employment activities do not degrade the environment.

Guiding Principles

- This employment policy will take cognisance of the potential adverse environmental impacts of agricultural and industrial production so as to minimise their negative effects.

Strategies

i. Liase with the National Environment Authority (NEMA) in environment impact assessments, audits, monitoring and inspection throughout workplaces with a potential to degrade environment.

ii. Establish an effective Environmental Liaison Unit in the sector to integrate and coordinate activities related to environment into the programmes of the sector and in particular into the programmes of FUE, UMA and NOTU;

iii. Ensure, through rigorous inspection and supply of advice and technical information, correct handling and disposal of hazardous wastes arising from workplaces;

iv. Ensure, through application of standards and appropriate technology, that the environment under the influence of any workplace is not adversely affected by activities in the workplace especially by harmful emissions and discharges;

v. Ensure, through judicious location and storage of hazardous materials, safe operation of workplaces in order to prevent industrial or technological disasters;
vi. Promote the use of environmentally friendly technology in employment especially in mining and manufacturing establishments;

vii. Promote environmental awareness among employers and workers in workplaces.
CHAPTER FOUR

INSTITUTIONAL FRAMEWORK FOR POLICY IMPLEMENTATION

4.1 Main Actors

The major actors include the Government itself, employers and workers organizations, the bilateral and multilateral donors and the NGOs, communities and individuals. Government will take the overall responsibility for co-ordinating all national and international efforts aimed at achieving the objectives of this employment policy.

4.1.1 The Role of Government

The multidimensional policies and strategies contained in this document require well-coordinated actions and commitment of all government agencies, in order for the objective of this employment policy to be fully realised. In this context, implementation of this employment policy entails that all Government agencies will integrate in their policies and programmes, the elements of this national policy that maximise productive employment, including improvements in working conditions. This requires a clear understanding and identification of the implications of public investment, particularly giving priority to those whose multiplier effects, including creation of additional employment opportunities, are high. This necessitates a new approach to the evaluation of new public investment proposals and programmes.

4.1.2 The Ministry of Finance, Planning and Economic Planning (MFPED)

The MFPED will have the primary responsibility of ensuring that the goal of optimal, freely chosen, and productive employment becomes truly a priority in national economic and social policy. The Minister of Planning and Economic Development will ensure that national development programme are conceived in such a way as to result in progressive reduction in the gravity of the unemployment and underemployment problem over time, thus positively contributing to poverty reduction in a sustainable manner. To accomplish this objective the National Planning Authority (NPA) will ensure that it has a competent corps of specialists in human resources development, which will constitute an important division of the proposed planning commission, to monitor the employment implications of national economic and social policies and investment decisions, with a view to contributing to greater employment intensiveness of future development programmes.

4.1.3 The Ministry of Gender, Labour and Social Development (MGLSD)

The MGLSD will have the main responsibility for providing the MFPED and NPA with Labour Market Information in close collaboration with the Uganda Bureau of Statistics (UBOS) for policy programme proposals for the maximization of productive employment in all sectors of the economy. This will necessitate the strengthening of the MGLSD in terms of human resources and equipment to enable it to perform its mandatory functions more effectively and efficiently.
To improve the basis for sound employment policy and programme formulation through analytical studies related to employment and the labour market, the MGLSD will take the following measures:

i. Devote a large proportion of its work towards the establishment of a labour market information system, including the respective restructuring of its organisational set up and training of its staff;

ii. Strengthen links between employment services at the districts level and the private employment agencies with the aim to expand and effectively improve the base of information on job seekers, vacancies and placements;

iii. Intensify the training of district staff to enable them to perform statistical and analytical work and to implement an effective information transfer system to ease information sharing within and between districts, and between districts and the Ministry headquarters;

iv. Link up with the National Social Security Fund and other key informants with the aim of developing an effective system integrating existing labour statistics and data captured by various agencies into a comprehensive labour market information system;

v. Establish links with UBOS and other line ministries, Federation of Uganda Employers, National Organisation of Trade Unions to agree on a programme of labour market statistics to be furnished by the different institutions, and to enhance co-ordination between producers and users of labour statistics;

vi. Establish a detailed, comprehensive and up-to-date National Occupational Classification system.

4.1.4 The National Employment Council

Given the multi-sectoral nature of employment promotion policies and programmes, there is a need to establish an effective networking arrangement and national co-ordination machinery to guide, streamline and co-ordinate national efforts towards full employment. This may be achieved through the establishment of a small but high powered National Employment Council at Permanent Secretary level, consisting of the following Ministries/Agencies;

i. Ministry of Finance, Planning and Economic Development (Chairman),

ii. Ministry of Gender, Labour and Social Development (Secretary),

iii. Ministry of Public Service,

iv. Ministry of Agriculture, Animal Industry and Fisheries,

v. Ministry of Tourism, Trade and Industry,

vi. Ministry of Works, Housing and Communications,

vii. Ministry of Education and Sports,

viii. Ministry of Local Government,

ix. Ministry of Water, Lands and Environment,

x. Ministry of Internal Affairs,

xi. Private Sector Foundation,

xii. Federation of Uganda Employers (FUE)

xiii. National Organisation of Trade Union (NOTU)

The latter three agencies represented by their Executive Heads.
The Council will have a sub-committee at expert level that will be drawn from Government, the Private Sector, FUE, NOTU, the University and Research Institutions, and NGOs, which will advise on the achievement of national employment policy objectives through the implementation of an appropriate programme of Action. The Ministry of Labour and Social Services will be the Secretary to the Sub-committee and will initiate the committee's work on consultation with its Chairperson. The council and its sub-committee should meet at least half yearly.

4.1.5 The Role of The Uganda Bureau of Statistics

This institution has the mandate for collection and interpreting national statistics. The bureau will be:

i. Encouraged to work closely with the ministry responsible for labour and other line ministries in the field of labour statistics, and will be involved in all matters pertaining to labour market information;

ii. Conduct periodical surveys, in particular on the structure of the labour force and on employment in the formal and informal sectors of the economy;

iii. Carry out particular surveys related to the informal sector and to micro and small scale enterprises, with attention being paid to the problems of women, persons with disability the youth retrenched civil servants and demobilized soldier, and orphans.

4.2 The Role of Employers and Workers' Organisations

The Federation of Uganda Employers (FUE) and the National Organization of Trade Union (NOTU) will co-operate closely with the MGLSD and other relevant bodies and in particular in the achievement of the objectives of this national employment policy. The FUE and NOTU will be strengthened to enable them to pursue their mandates more effectively and in particular in the achievement of the national employment objectives individually or collectively in areas such as, productivity enhancement, micro, small and medium enterprises development, full employment, maintaining industrial peace, and accelerated modernization and economic growth.

The FUE and NOTU will be expected to augment the Government's efforts in the creation of centres of excellence for productivity enhancement in enterprises. In addition they will support micro and small enterprise development through support and encouragement of the development of associations such as Federation of Informal Sector Associations (FISA) through capacity building and creation of forward and backward linkages including sub-contracting between micro, small and medium and large enterprises.

4.3 Donor Contributions and Co-ordination.

Sustainable economic development will largely depend on intensification of efforts towards greater internal resource mobilization, accountability and transparency in the use of available resources. The recent debt relief initiatives have yielded substantial dividends in terms of releasing financial resources for investment in social and economic sectors particularly in programmes that are poverty reducing. Accordingly, Government expects that the Donor Community will continue to support the country’s programmes aimed at accelerating economic growth and poverty reduction. There is no doubt that donor contribution and coordination will be important in the realisation of the objectives of this employment policy. Government will seek better co-ordination of donor support and ensure integration of donor activities consistent with the national employment objectives.
4.4 The Role of NGOs

The Government appreciates the positive role being played by NGOs in supporting employment and income generating activities in the rural areas and the urban informal sectors. With the decentralization policy, Government expects the NGOs to play an even more expanded role than in the past, having due regard to the rising magnitude of the unemployment problem. Government and the Donor community will continue to support the activities of the NGOs but will exercise greater vigilance to minimize a rising tendency towards lack of transparency in the activities of some NGOs. Also action will be taken by Government, and the Donor Community to strengthen the capacity of NGOs, especially the indigenous NGOs, with a view to enhancing greater efficiency and productivity in their operations.

4.5 The Method of Implementation

In implementing the above policies, the following strategies will be followed:

i. Sensitising the social partners on basic human and trade union rights and creating the awareness among all workers on the need to defend and protect such rights;

ii. Sensitising the social partners on work ethics and the need to cultivate a productivity oriented culture;

iii. Building an efficient and effective information/data base on labour-related issues.

iv. Holding of regular tripartite consultations, with the social partners being provided with adequate information;

v. Institutional capacity building of social partners through training and development activities and logistic support;

vi. Making counselling services available to retrenched as well as providing effective retraining programmes;

vii. Unions should engage themselves in employment creation, running income generating activities, cooperatives, etc. to enhance their relevance in changing times;

All social partners, Government, employers and workers' organisations will therefore commit themselves to the observance of the principles of tripartism.

4.6 Programme Monitoring And Evaluation

Over the years Government, the private sector and NGOs have implemented a number of programmes and projects with a view to increase incomes and create employment opportunities. Government will strengthen planning units within line ministries and related agencies, with the responsibility of monitoring and evaluating their programmes and projects especially with respect to employment creation. The effective functioning of such units will be necessary to facilitate the functions of the MGLSD and the MFPED in monitoring progress at the national level on employment generated in all sectors. The Private Sector (through the Private Sector Foundation), FUE and NOTU, will establish their own monitoring and evaluation units to generate data and information for monitoring progress. The information generated by these agencies outside Government will be shared with MGLSD and MFPED. Planning units at the districts will be required to undertake the monitoring and to channel the information to the centre.
4.7 Reviews and Revision of Employment Policy

An evaluation of the results of programme and project monitoring as indicated above, will provide information on the extent to which the National Employment Policy is being implemented, and the progress being made in achieving the National Employment Policy objectives. In light of the above, the National Employment Policy will be revised, as necessary, to take into account emerging challenges. Accordingly, a major policy review, and possible revisions, will be undertaken every three to six years. The Ministry responsible for labour will assume the responsibility for this overall review and will integrate this activity into their normal departmental functions.