



UGANDA BUREAU OF STATISTICS



THE REPUBLIC OF UGANDA

21st International Conference of Labour Statisticians

Uganda's Experience during the Informal Employment Pilot Testing

Presented by:

Ms. Sharon Apio

Principal Statistician – Labour and Social Statistics
UBOS

Venue: ILO, Geneva, Switzerland

13th October 2023



PRESENTATION OUTLINE



THE REPUBLIC OF UGANDA

1. Introduction
2. Measurement of informality
3. Informality in Uganda
4. Challenges with measuring informality
5. Informal Employment Pilot Testing Experience
6. Lessons learnt
7. Conclusion



INTRODUCTION



THE REPUBLIC OF UGANDA

Vision: A World Class National Statistical Office

Mandate: Produce Official Statistics and Coordinate the National Statistical System (UBOS Act 1998)

- UBOS undertakes surveys and Censuses on a regular basis aligned to both National and International development frameworks.
- We also undertake methodological experiments and pilot studies including; Maize cutting and productivity measurement (MAPS I&II) Banana Variety Identification and DNA finger printing Survey (BAViS), **Engendering Informality Statistics pilot Survey of 2022** among others etc



MEASUREMENT OF INFORMALITY



THE REPUBLIC OF UGANDA

Informal employment refers to employment relationships where in law or in practice, persons in employment are not subject to social protection (i.e., no provision for pension or contribution to National Social Security Fund) **AND** have no entitlement to paid annual leave or paid sick leave.

- ❖ *Also considered;*
 - ❖ *paid maternity/paternity leave, entitlement to retirement scheme, having medical/health insurance*
 - ❖ *all informal jobs, whether carried out in formal sector enterprises, informal sector enterprises, or households, during the reference period.*

Informal sector is where enterprises are not registered by Uganda Registration Services Bureau (URSB) as a business **or** by the Uganda Revenue Authority (URA) for Value added tax / income tax returns **or** did not keep complete books of accounts.



MEASUREMENT OF INFORMALITY



THE REPUBLIC OF UGANDA

Informal employment **Definition (19th & 20th ICLS)**

- i. Independent workers (ICSE-18 Codes: 11, 12, 21, 22), 30)
 - in their own informal sector enterprises
 - informal nature of their jobs thus follow directly the characteristics of the enterprise.
- ii. Employees holding informal jobs (ICSE-18 Codes: 41-44)
- iii. All Contributing family workers (51)



Questions to determine informality – HH Surveys



THE REPUBLIC OF UGANDA

➤ For Employee, (ICSE-18: Codes 41-44)

	In your current job, can you benefit from the following services?
B17	Social security contribution (2021 added Provident fund or pension) 1=Yes 2=No 3=Don' t Know
B18	Paid sick leave 1=Yes 2=No 3=Dont Know
B19	Annual paid leave (holiday time) 1=Yes 2=No 3=Don' t Know

Formal if B19 is Yes & (B17 or B18 is yes)

ALL Contributing family workers are informal



Questions to determine informality – HH Surveys



THE REPUBLIC OF UGANDA

➤ Formal Independent Workers and Dependent Contractors (ICSE-18: 11, 12, 21, 22, 30)

B5. Is the business/farm/activity (or the one where you worked) registered with the RELEVANT GOVERNMENT ENTITY e.g. Registrar of Companies or Uganda Registration Service Bureau (URSB)?

1=Yes

2=In the process of becoming registered

3=No

4=Do not know

OR

B20. What is the type of ownership of your business/farm (or the business/farm where you worked)?

1=Individual owner (or with other household members)

2=Partnership with members of other households

3=Incorporated enterprise (Private Limited Co., Public Limited Co. Inc.)

4=Other (specify): _____

OR

B21. Does your business/farm keep a complete record of accounts (assets and expenditures)?

1=Yes

2=No

8=Don't know



MEASUREMENT OF INFORMALITY



THE REPUBLIC OF UGANDA

Data Source

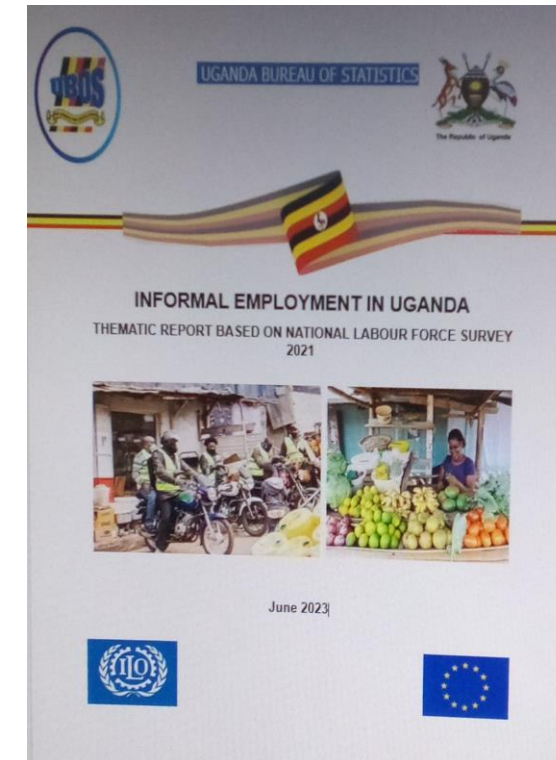
Supply side (household based)

1. Uganda National Household Survey (UNHS) - *every 3yrs, 2019/20*
2. National Labour Force Survey – *every 5years, 2021*
 - *With modular report on Informal employment*
3. Uganda Integrated Household Survey (UHS) - *annual & panel survey, 2022*

Demand side (establishment based)

1. Census of business establishments (COBE) – *every 5years, 2020*
2. Manpower Survey - *every 5yrs, 2015/16*

**Compilation of informality is rotational in annual surveys*

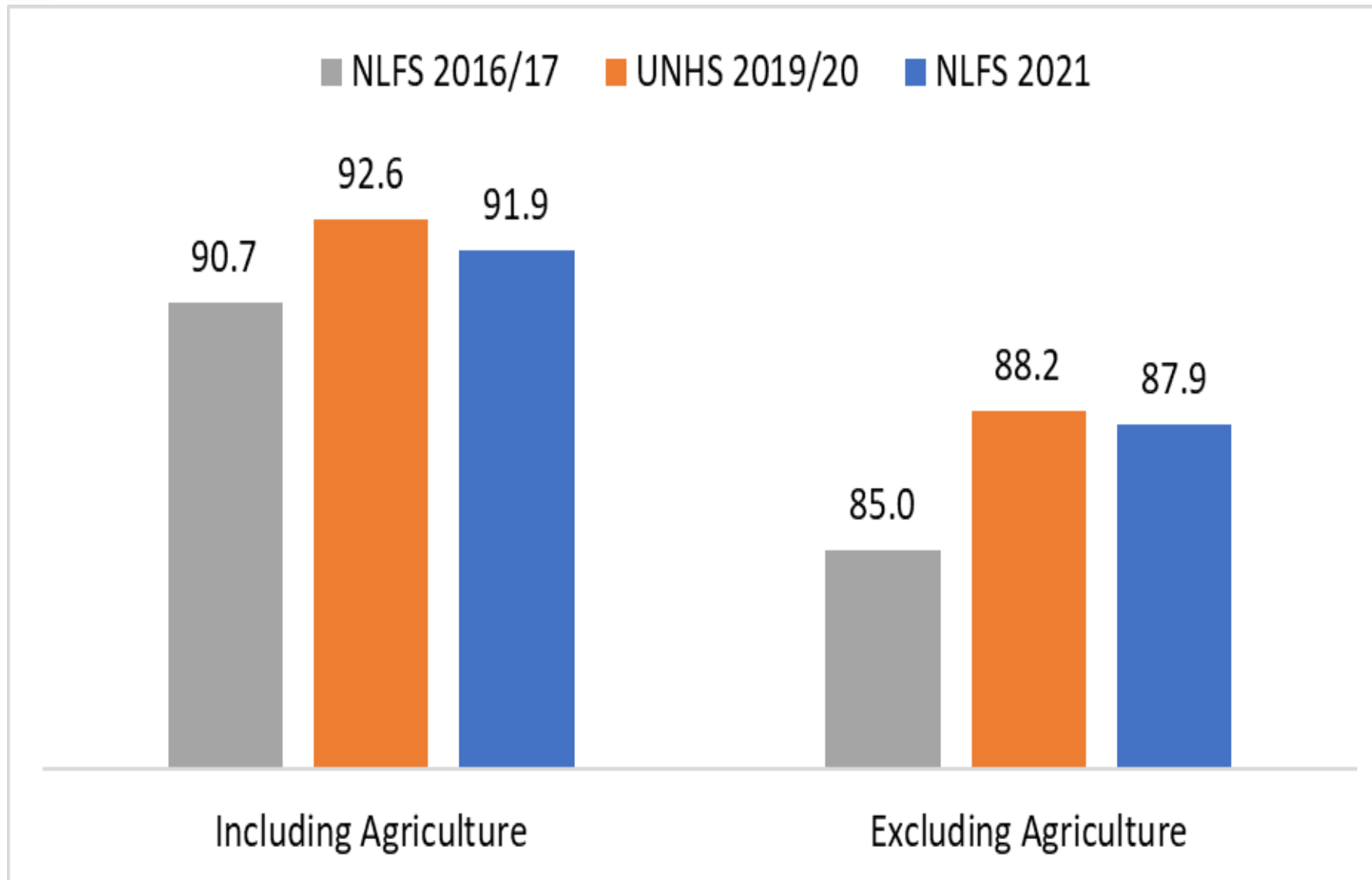




Trend in informal employment



THE REPUBLIC OF UGANDA



92% of employees were in informal employment including agriculture

88% of employees were in informal employment excluding agriculture

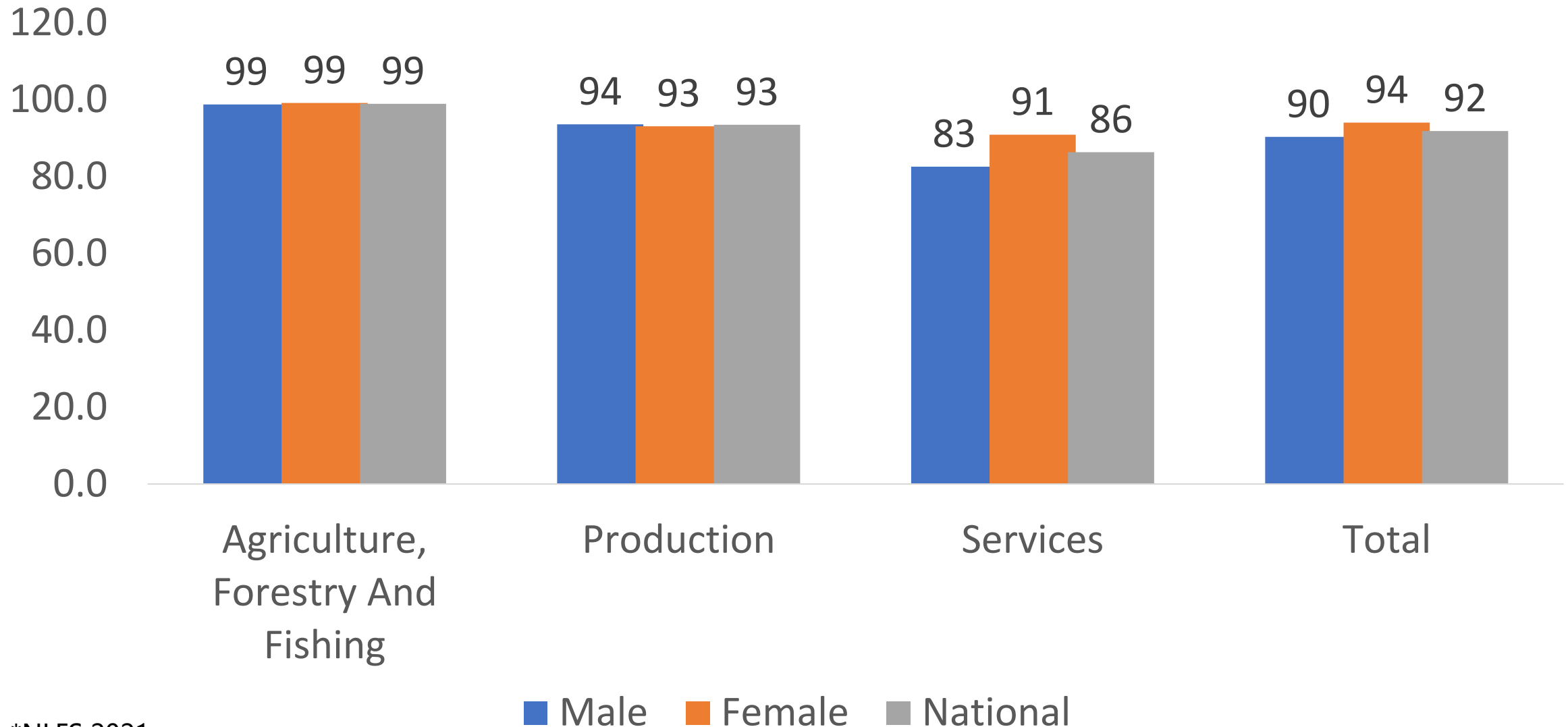
Employees were about 10million in 2021



Persons in informal employment including agriculture by sex and sector of employment



THE REPUBLIC OF UGANDA



*NLFS 2021



Challenges with measuring informality



THE REPUBLIC OF UGANDA

1. Use of Proxy respondents
2. Most employees (8in10) have verbal contract agreements
3. False positives i.e. paid annual/sick leave
4. Fear of being imprisoned for tax evasion
5. Measurement of informal sector employment – data collection and analysis
6. Separate books of accounts are kept for varying purposes e.g for tax, stock taking
7. Inaccurate interpretation of informality statistics by users especially on excluding agriculture



Informal Employment Pilot Testing Experience



THE REPUBLIC OF UGANDA

- ✓ Undertaken in collaboration with the International Labour Organisation (ILO)
- ✓ Focused on engendering informality statistics in Labour Force Survey methods by testing questions and question sequencing
- ✓ The study had 2 stages of testing (*Quantitative and qualitative/cognitive interviews*)
 - ❖ Each stage had 2 rounds of interviews which were done in local languages (translations) based on the English questionnaire version.
 - ❖ For the quantitative field work; training of the enumerators and data collection were conducted using Computer Assisted Personal Interviews (CAPI).
 - ❖ The 2nd round of the quantitative module introduced test of proxy effect.



Informal Employment Pilot Testing Experience



THE REPUBLIC OF UGANDA

Process

- ✓ Coordinated by ILO
- ✓ Good coverage of the informal employment (both agricultural and non-agricultural)
- ✓ 1st and 2nd rounds of data collection covered different points of the agricultural seasons (July/August 2022 then October/November 2022)
- ✓ Purposive sampling: Nationally representative coverage was not necessary though desired to have a balance of women and men in both rural and urban areas.



Questionnaires



THE REPUBLIC OF UGANDA

- ✓ Duration: 45-60 minutes
- ✓ Pre-coded questions (*Option B*) are easier to administer than open ended ones (*Option A*)
- ✓ Translations helpful though enumerators would confidently conduct the interviews without them
- ✓ Inbuilt consistency checks in automated systems is vital for smooth interview flow and data quality
- ✓ Challenging topics;
 - Status of the employer's enterprise
 - Record of profits and losses - only know their gross earnings and operating expenses 'B', rely on recall
 - Some respondents were reluctant to report their earnings (fear of tax, sensitive issue, memory lapse and poor record keeping).
 - Same incomes were reported by two household members.



LESSONS LEARNT



THE REPUBLIC OF UGANDA

- **Proxy interviews** should be avoided/limited – at least 3 visits & calls
- **Use Pre-coded questions** other than open ended ones – *census based on pilot*
- **Publicity is critical for success** of any data collection effort regardless of size.
- **Probing** is vital to avoid mis-interpreatation e.g. annual sick leave
- **Recording phone numbers** for household heads or any household member during listing was helpful in locating the sampled households.



CONCLUSION



THE REPUBLIC OF UGANDA

The Bureau's collaboration with ILO in conducting the pilot study helped;

- **Strengthen the technical capacity** of selected UBOS staff in undertake of qualitative studies and analysis of informality
 - UBOS gain **more understanding** of the informal economy with gender Lense
 - **Improve LFS data collection tools** particularly on informality questions
 - **Identify emphasis areas** during training of researchers.
- ✓ Encourage NSOs to take part in Pilot Studies



www.ubos.org



+256 750747176



ubos@ubos.org



UbosUg



Uganda Bureau
of Statistics



UbosUg



@StatisticsUg



UbosUg

FOLLOW UBOS