



**Ministry of Gender, Labour and Social Development**

**The Uganda Employment Diagnostic Analysis**

*High Level Workshop for Ministers, Permanent Secretaries and the  
Private Sector*

**Venue: Imperial Royale Hotel, Kampala**

**Date: Wednesday, 25 April 2018**

## 1.0 Background

Uganda's current total population according to the 2014 Census Provisional Results stands at 34.9 million people and is projected to grow to 46.7 million by 2025. The population growth rate between 2002 and 2014 was estimated at 3.03 percent; slightly lower than earlier projections at 3.4 percent. The major push for population growth has been the high fertility rate, currently estimated at 6.2 (UBOS 2013, Uganda in Figures). By 2015, Uganda's youthful population was 7.7 million, with 78 percent of the population being below 30 years of age. The implication of this young population is that Uganda is poised to benefit from the demographic dividend, if the country invests in improving the quality of its human capital.

Uganda's unemployment rate stood 9.4 percent in 2012<sup>1</sup>. According to the 2015 School to Work Transition Survey (SWTS, 2015), Uganda's overall youth unemployment rate is 6.5 percent (5.5 percent for men and 7.4 percent for women). The SWTS further observes differences in unemployment levels of youth with unemployment levels of urban youth at 10 percent compared to the rural youth at 5 percent. While official unemployment rates in Uganda tend to be relatively low, the presence of a large informal sector, coupled with concentration of employment in low paying and low productive agricultural sector implies that the unemployment challenge may actually be underestimated. In addition considerable levels of acute underemployment, especially among the rural poor, characterize the labour market.

Analysis of the key labour market statistics documented by the Uganda Bureau of Statistics show that total population; total labour force, total employment and total Gross Domestic Product (GDP) have been growing over the years but at varying rates. With the economy rebasing in 2014, GDP expanded by 17.3 percent at 2009/10 market prices. Uganda's economy has been relatively stable over the last twenty years within the context of several macro-economic reforms starting with the structural adjustment programs in early 1990s. However, these reforms have not created enough decent and productive jobs to absorb and keep up with a high population growth rate. Empirical evidence shows that for every one percent point increase in GDP, the economy has created less than a percent point in jobs (0.04). Hence, in an economy with excess labour supply, this result is a yardstick of 'jobless growth' and hence a potential cause of rising unemployment.

It is against this background that the Ministry of Gender, Labour and Social Development (MGLSD) with support from the Swedish Embassy and the International Labour Organization (ILO) commissioned an Employment Diagnostic Analysis (EDA), which exercise was completed towards the end of 2017. The EDA was undertaken to understand the nature of the deficiency of productive employment and to identify the constraints on and opportunities for enhancing

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<sup>1</sup> 2012/13 Uganda National Household Survey (UNHS) report

inclusive job-rich growth. This was also done to provide a sound knowledge base for effective policies, institutional reforms and other interventions aimed at reducing deficiency of productive employment and as such, serve as ‘an instrument for the broad-based charting and understanding of the country’s’ landscape of employment and economic development’. The study is particularly timely given the renewed interest in employment and inclusive growth within the Sustainable Development Goals (SDGs), in particular SDG 8 on promoting sustained inclusive and sustainable economic growth, full and productive employment and decent work for all.

Among others, the EDA summarises Uganda’s job-less growth, which is assessed before turning to the nature of the growth and the stalled structural transformation in Uganda. Against this background, the EDA discusses trends in poverty and inequality and main features of the labour market in Uganda, highlighting the pervasive informality and engagement of workers in low productivity activities across the economy. It also highlights how developments in Uganda’s education sector fit into the picture, and evaluates the Government of Uganda’s response to the labour market challenge. Here, the EDA assesses the government’s attempts to shift the economy into high productivity job-rich activities and the constraints in its ability to do so imposed by a restrictive macroeconomic stance and conclude with recommendations that arise from the EDA.

## **2.0 Rationale**

As outlined in the Priority Area 7.1 of the 2011 National Employment Policy, the MGLSD set out to promote growth, increase employment, social transformation and prosperity for all. One of the strategies, then, for the MGLSD to achieve this was to undertake research and studies in areas of employment generation in both formal and non-formal sectors, with a focus on employment generation.

In undertaking this EDA and in the spirit of tripartism and consultations, a 15 member steering committee was constituted by the Permanent Secretary MGLSD to provide oversight and guidance in the course of the study. Members of the steering committee included; Local Government; Gender, Labour and Social Development; Trade, Industry and Co-operatives; Finance, Planning and Economic Development; Agriculture, Animal Industry and Fisheries; Uganda Bureau of Statistics; National Planning Authority; Federation of Uganda Employers; Central Organization of Free Trade Unions; National Organization of Trade Unions; Private Sector Foundation of Uganda; Uganda Manufacturers’ Association; ILO; The Swedish Embassy in Uganda; and the World Bank Uganda Country Office.

This Steering Committee met at least four times to review progress of the study, at each stage, and provide guidance and direction accordingly. Furthermore, at least 10 consultative workshops were held with various partners (including three local governments of Gulu, Jinja and Hoima). Interviews were also held with private sector companies and academia. These were done in

accordance with the Methodological Guide on Employment Diagnostic Analysis (ILO 2012) which emphasizes stakeholder consultations. For ownership and consensus building of key stakeholder from both private and public sector, it is critical essential that this EDA is validated. It is planned that this validation of the EDA target employers, workers and Government Ministries, Departments and Agencies hence facilitation consensus building, strategic direction and implementation modalities of the EDA.

Considering that the policy actions/recommendations of the EDA require key policy makers, high level validation workshop will raise awareness on the EDA findings and further build consensus on the strategic direction required to implement the policy actions therein.

### **3.0 Purpose**

Hosted by the Honorable Janet B. Mukwaya, Minister for Gender, Labour and Social Development, the purpose of this one-day validation workshop is to seek input (as appropriate) into the final EDA report prior to its submission to Cabinet.

#### **3.1.1 Specific Objectives**

- i. Raise tripartite awareness on the EDA;
- ii. Validate EDA amongst tripartite partners; and
- iii. Secure tripartite consensus on the strategic direction of the EDA by raising policy recommendations on productive and decent employment for Ugandans.

#### **3.1.2 Workshop Methodology**

The methodology for the high level workshop for Cabinet Ministers, Permanent Secretaries and the private sector to validate the EDA will include expert presentations, plenary discussions and panel discussions around themes that the EDA report focuses on.

**Opening Session:** Because of the nature of Uganda's governance structure with regard to employment, the Rt. Hon. Dr. Ruhakana Rugunda, Prime Minister of the Republic of Uganda is expected to give a keynote opening address at the high-level validation workshop.

**Main presentation of the EDA report:** the Permanent Secretary, MGLSD, shall present the EDA report.

**Panel discussions:** Considering that the EDA report is cross cutting in nature, representatives from a number of institutions have been targeted to constitute panels to discuss the EDA report.

**Plenary discussions:** Ministers, Permanent Secretaries, and other distinguished invited guests will deliberate on Uganda's labour market and employment issues, with the aim of validating EDA as well as providing and providing policy recommendations for future actions and follow up.

### **3.1.3 Workshop Dates and Venue**

The validation workshop will be held as part of the International Labour Week – in this case **Wednesday 25 April 2018**.

The workshop shall be a non-residential workshop and shall be held at the Imperial Royale Hotel in Kampala.

### **3.1.4 Workshop Participants – separate list**

Participants have been selected based on their institutional mandates.

### **3.1.5 Programme for validation of EDA – separate attachment**

## **4.0 LOGISTICS AND ARRANGEMENTS**

The workshop is planned as a non-residential workshop in Kampala and shall be held at the Imperial Royale Hotel in Kampala.

## **5.0 OUTPUTS / DELIVERABLES**

At the end of this high level validation meeting of the EDA, it is expected that the following outputs will be realized;

- i. Tripartite awareness on the EDA,
- ii. Tripartite partners validate EDA,
- iii. Tripartite consensus on the strategic direction of the EDA, and
- iv. Follow up national employment-related actions and programs will be informed by EDA.