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**KEYNOTE ADDRESS BY**

**The Honourable General Moses Ali, First Deputy Prime Minister and &  
Deputy Leader of Government Business in Parliament**

**DELIVERED**

**AT THE HIGH LEVEL VALIDATION WORKSHOP ON EMPLOYMENT  
DIAGNOSTIC ANALYSIS (EDA)**

**IMPERIAL ROYALE HOTEL**

**25<sup>th</sup> APRIL 2018**

Honourable Janat B. Mukwya (Hajat), Minister of Gender, Labour and Social Development – always a pleasure sharing a podium with you.

All Honourable Cabinet Ministers and Honourable Ministers of State,  
Honourable Members of Parliament,

Permanent Secretaries and heads of Government Ministries,  
Departments and Agencies,

The leadership of NOTU, COFTU and FUE,

Members of the diplomatic corps, Development partners,

Members of the press corps,

Invited guests,

Ladies and gentlemen,

I bring you greetings from the Rt. Hon. Dr. Ruhakana Rugunda,  
Prime Minister of the Republic of Uganda, who has asked me to  
represent him at this high level event.

It gives me a great pleasure to associate myself with this seminal function, an event that must be more frequent given the topic at hand: employment.

I would also like to warmly welcome and thank all of you for coming to this important high level validation workshop. Your acceptance to allocate time in your very busy schedules demonstrates the significance you attach to the challenges created by poverty and unemployment generally.

Our aim here is to carefully reflect about the findings in the EDA report and what they mean for Uganda's national employment situation.

We need more and better jobs for our people. Growth is not delivering these jobs. Between 2010 and 2014, Uganda sustained economic growth averaging 4.7 percent. Economic growth is a necessary condition and there cannot be lasting

social gains without sustained growth for a long time. We should therefore focus on growth that is equitable and create enough decent jobs for young men and women.

Unemployment and poverty remain the major challenges that continue to confront Ugandans into the 21<sup>st</sup> century. According to the Uganda National Household Survey (UNHS) 2012/13 the unemployment rate was 9.4 percent while the underemployment rate was 27 percent. The poverty levels which had dropped to 19 percent have risen again to 21 percent. For most people, gainful employment is the only way out of poverty. This is especially the case for youth and other disadvantaged groups.

At about 40 millions, our population is growing fast. It is estimated that the county's labour force is growing at an average of 5.2 per cent per annum, higher than the population growth rate of 3.0 per cent. In general terms therefore,

approximately 400,000 new entrants enter the labour market annually. The challenge therefore is finding decent employment opportunities for the new entrants.

Many Ugandans continue to be employed in low-productivity economic activities, with self-employment accounting for 44 per cent of the working population. The high proportion of self-employed persons in the economy is an indication of low growth in formal economy and a high rate of job creation in the informal economy.

The economy has experienced a slow pace in structural transformation towards high productivity sectors capable of absorbing a fast-growing population. In 2015 the share in GDP by agriculture was 24 per cent, industry 25 per cent and services 52 per cent. Yet available statistics reveal that agriculture employed 36 per cent of the labour force, Industry 8 percent and services 48 percent. This implies there has been

limited structural transformation of the economy and this has to be corrected.

The future prosperity of Uganda depends ultimately on the number of persons in employment and how productive they are at work. Nevertheless skills development need to be connected to broader growth, employment and development strategies and requires government, working with the social partners (employers and workers), build policy coherence in linking education and skills development to today's labour markets and to the technology, investment, trade and macroeconomic policies that generate future employment growth.

The labour market is facing the following challenges:

- i) Demographic changes over the recent past have left Uganda with a rapidly expanding working age population

that has struggled to become effectively integrated in the formal labour market;

ii) Official labour force participation and employment rates hide deeper labour market issues that are better understood by going beyond the employed-unemployed dichotomy. Issues of underemployment, involuntary part-time work and widespread informalization are pertinent features of the Ugandan labour market;

iii) The agricultural sector still offers the vast majority of work to new labour market entrants, especially young people, closely followed by petty trade and services, usually via small-scale household enterprises or casual wage work;

iv) Wages and working conditions tell a story of two halves with big differences between formal and informal workers;

v) Understanding gendered labour market outcomes in

Uganda requires more research on gendered social norms surrounding unpaid domestic work as well as a better understanding of domestic workers and other provisioning for care work. While the gender pay gap in paid work suggests women earn around 40 per cent less than their male counterparts, it is the uneven distribution of unpaid care work and responsibilities that appear the least addressed at present in Uganda; and

vi) Young people in Uganda have found their labour market

entry particularly challenging in recent years. They are frequently stuck in involuntary part-time work or establish fledgling small enterprises in agriculture, retail or petty trade, but with little prospect of such work leading to dynamic working lives and careers.

The best prospects for sustained economic transformation lie in increasing investments to promote the transformation of the agriculture sector, given the dominant role it plays in the economy and its huge untapped potential. However, agriculture has suffered from a multiple series of problems including:

- low and declining flow of resources for agriculture development – this is despite the call of the Maputo Summit for a 10% public expenditure to agriculture;
- low levels of irrigation;
- inadequate land management;
- low fertilizer and tractor use;
- limited access to credit and insurance schemes;
- poor feeder roads and marketing infrastructure;
- research and extension as well as other supporting services,

The NRM government will continue targeting, in line with our Vision 2040 and the NDPII, investment in the following:

- i) Agriculture;
- ii) Tourism;
- iii) Minerals, oil and gas;
- iv) Infrastructure development; and
- v) Human capital development

It is also important to direct our attention to renewed and creative efforts at domestic resource mobilization, factor market reforms, incentives to support private-sector employment and efforts to increase productivity and incomes in the informal sector.

I would like to take this opportunity to thank the ILO and Swedish Embassy here for the financial support for the consultancy on the Employment Diagnostic Analysis. This is an

eye opener. Now I would like to challenge the Ministry of Gender, Labour and Social Development to continue to generate top notch research findings that will guide government on employment issues.

The report tells a candid and analytical story about the drivers of growth in the country, the challenges we have encountered or we are facing, how we have addressed them and the opportunities before us.

I hope that the findings and recommendations of the study would serve as a foundation for policy making, strategic planning and programming by the government, social partners, CSOs and the international community.

On this note, I now have the pleasure and honour to declare the High Level Validation Workshop on the Employment Diagnostic Analysis officially open, and I look forward to receiving the “National Framework for Inclusive and Job Rich Growth” which you will adopt at the end of today.

**I THANK YOU.**

**FOR GOD AND MY COUNTRY**