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EPRC POLICY BRIEF

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# Addressing Gender Gaps in the Ugandan Labour Market

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## Executive Statement

*Four out of every five women in Uganda are employed in agriculture, according to the 2008 Gender and Productivity Survey (GPS) in Uganda (EPRC, 2009); and 42 percent of women in the labour force are unpaid family workers—receiving no income despite contributing the largest proportion of the agricultural labour. Gender discrimination in the labour market is a pervasive economic problem in developing countries.[1] Discrimination based on sex can take many forms in the labour market—from restricted access to certain sectors of employment—to differential pay by gender. As earlier noted, whereas 42 percent of women in Uganda are unpaid family workers, the corresponding rate for men is only 16 percent according to the 2008 GPS. Furthermore, the 2008 GPS shows that in the private sector, women in Uganda receive on average lower pay than men. Gender gaps in the labour market do not only lead to reduced incomes for women but also affects the status of women within society. Nevertheless, gender norms continue to dictate what a woman can and cannot do in Uganda and whether she can work outside her marital home. This environment has ensured that female exploitation in the labour market persists. As such, there is a need to address gender equity in labour market in Uganda—especially as the country attempts to attain the Millennium Development Goals (MDGs).*

## Introduction

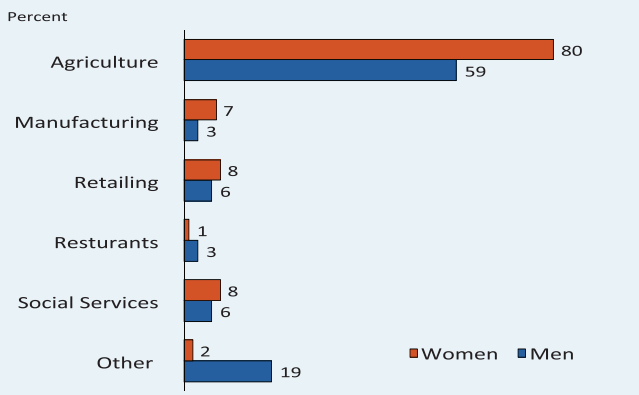
This brief provides evidence on the gender situation in the Ugandan labour market in 2008. Although Uganda has regularly conducted surveys on tracking various welfare outcomes, only a few surveys have collected gender disaggregated data on economic activities and earnings. In 2008, the Uganda Bureau of Statistics (UBoS) in collaboration with the International Centre for Research on Women (ICRW) and the Economic Policy Research Centre (EPRC) conducted the GPS. The brief, based on the analytical report of the survey[2], highlights the gender gaps in the Ugandan labour market and the need to target to employment opportunities to women.

## Women's income opportunities

Women have limited income earning opportunities in Uganda as is the case in other low income countries. Such gender gaps in earning opportunities have implications not only for household welfare, but also for overall national output. Studies from other African countries show that women are less willing to engage in cash crop production in instances where men control their earning from agriculture or wages from paid employment.[3] Although it may appear that earning gaps in such circumstances are self imposed, they nonetheless remain rational reactions to an unequal environment.

Despite the recent diversification in female employment—away from agriculture, the agricultural sector still accounts for the largest proportion of female labour. Indeed, previous studies that looked at the female-male differences in employment in production in Uganda showed that during 1988-1995, agriculture accounted for 80 percent of total employment and females made up 75 percent of agricultural employment.[4] Although, overtime the above situation has changed—with more men increasingly involved in commercial agriculture, women still make up the bulk of the agricultural labour force. In 2008, 80 percent of the 5.3 million women in the Ugandan labour market were employed in agriculture (Figure 1).

**Figure 1: Employment in different sectors by sex, 2008**




Source: 2008 Gender and Productivity Survey

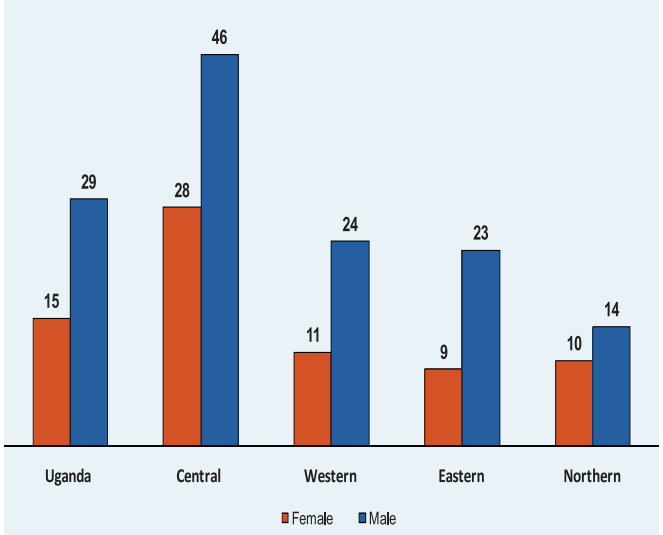
## Informal sector

The informal sector accounts for the largest share of the Ugandan labour outside agriculture. Figure 2 shows that at least 15 and 29 percent of females and males respectively are employed in the informal sector. At the regional level, with the exception of Central Uganda, all other regions have relatively low rates of female employment in the informal sector. The higher-than-average share of female employment in central Uganda can be attributed to wider variety of economic activities for self employment in urban area.

Overall, Figure 2 shows that females account for a smaller share of the informal sector labour force than males. The relatively lower share of women in informal employment may be explained by the nature of informal activities. The predominant forms of informal activities are as carpentry, joinery, handcrafts, and transportation services (mainly using motor cycles—*boda boda*) make huge physical demands on individuals rendering such work unfeasible for women. The majority of women in the informal sector are involved in relatively less physically demanding occupations such as food preparation or vending in markets.

Furthermore, although women account for more than half of the total labour force, they nonetheless account for only 37 percent and 29 percent of the labour force of the most lucrative sectors—of public and private sector employment respectively. The lower representation of women in these two categories of employment status may be partly explained by women's lower education attainment and, to some extent, time demands attributed to reproductive activities. Given that most of the recent increase in paid employment has been in the private sector, the results above suggest that women have only made modest gains in acquiring private sector employment in comparison to men.

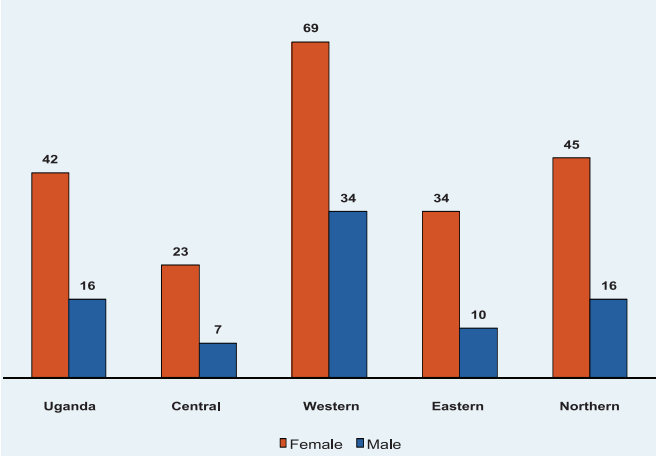
**Figure 2: Rates of informal sector employment, by sex 2008**




Source: Gender and Productivity Survey, 2008

Women are more than twice as likely to be unpaid family workers as men. Figure 3 shows that 42 percent of women and 15 percent of men are employed as unpaid family workers mainly in agriculture. Furthermore, Western Uganda is the region where most unpaid family workers are located with two out of every three women in this particular region classified as an unpaid workers. Indeed, even the rates of male unpaid workers are also very high, with 31 percent of the men in the region also classified as unpaid workers. Overall, the relatively higher share of women in the category of unpaid family workers demonstrates the extent to which women are exploited in the labour market.

**Figure 3: Location of unpaid workers by region and sex, 2008**



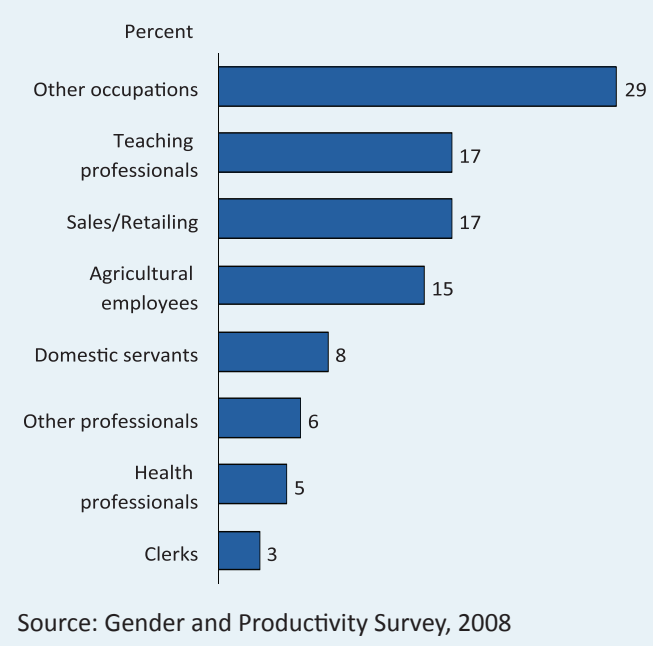

Source: Gender and Productivity Survey, 2008

## Women employees

Paid employment offers limited opportunities to women in Uganda. Only one in ten women in Uganda are in paid employment according to the 2008 GPS. Figure 4 shows the major occupations for women in paid employment and at least 17.4 percent of the estimated 523,000 women in paid employment are teaching professionals. Indeed, nearly 32 percent of women in the public sector are teachers (not indicated on the figure). The second largest source of women's employment is in the sales/retailing category. Agriculture is also an important source of paid employment for women—at least 15 percent of women are classified as agricultural workers. Indeed, nearly 47 percent of women in the public sector are agricultural workers—working on government owned agricultural enterprises.

**In 2008,** 40 percent of women in Uganda were unpaid family workers mainly in agriculture.

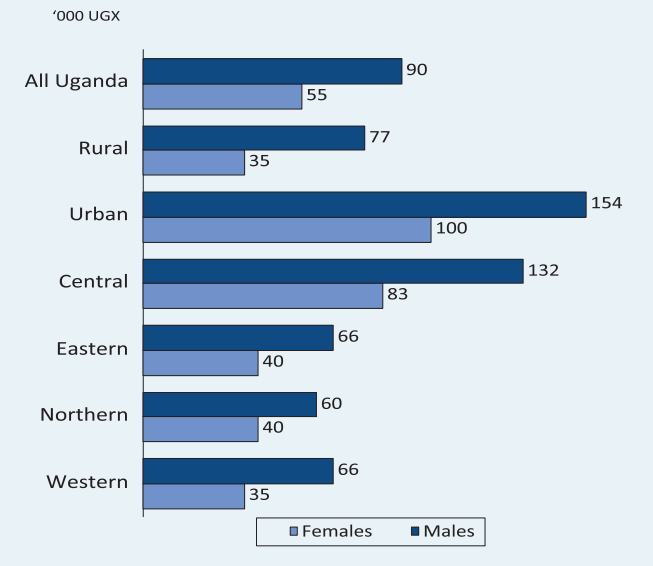
**Figure 4: Female employees by occupation,2008**




Source: Gender and Productivity Survey, 2008

Gender discrimination in pay is widespread in Uganda like many other developing countries despite the constitutional provision of equality of sexes. Figure 5 shows that the median salary of men is about double that received by women in Uganda regardless of the type of working undertaken. The gender gap in the median salary is widest in rural areas (UGX 77,000 for men vs. UGX 35,000 for women). Although, the above results may be partly explained by the higher education attainment of men and consequently better employment opportunities, the study by Appleton (1999) showed that gender pay gaps in Uganda were mainly due to gender discrimination in the labour market.[5]

**Figure 5: Median monthly earnings, by Sex and location, 2008**




Nonetheless, all gender gaps in pay are in the private sector with no significant gender gap in wages within the public sector—the median wage for both women and men in the public sector is UGX 200,000 per month. On the other hand, the median salary for women in the private sector including the employees in the informal sector is about 40 percent less than that of men. This may be explained by the fact that, men tend to occupy most of the high paying managerial jobs and, as a result, earn higher wages.

Analysis of the GPS also showed that the presence of young children within the household negatively affects labour productivity as measured by hours worked and the effect is largest among women. For example, if the youngest child in the household is aged between 0 to 5 years, this reduces the amount of hours worked in a week by about 40 percent for women and 33 percent for male—all else held constant. On the contrary, for self employed women, the presence of the youngest child within the household is 5 years and below, reduces their productivity by as much as 79 percent. Nonetheless, there is evidence that policy makers have started to recognize the time constraints faced by women —at least when designing social protection programs— of the child nurturing activities. For instance, the recently launched Northern Uganda Social Action Fund (2010-2015) provides for day care services for women employed under the public works programs.[6] Specifically, elderly women are employed and paid directly as baby sitters while the mothers directly engaged in the public works programs.

Also, the overall household size affects female labour productivity. Analysis from the GPS survey shows that each additional household member reduces female labour time by 6 percent while additional members have no effect on male labour time. Furthermore, for some household categories, household size has the opposite effect with regard to male labour time. Among the self employed males, the additional of an extra household member boosts labour time. In this case, it appears that more household members help free up male labour time unlike the case for females.

## Implications and Recommendations

Four out of every ten women in Uganda are employed as unpaid family workers. Such high levels of female unpaid workers not only points to gender discrimination in occupation choices, but also to exploitation. Such a situation can impact on the household welfare as well as overall national productivity.

Women in Uganda are discriminated against with regard to pay—particularly in the private sector. After accounting for education attainment, age, post schooling experience, and sector of employment, women consistently earn much less than men. The implication for the persistence of the gender pay is the risk of discouraging women from attaining higher education—if they consider that higher education attainment will not be rewarded due to gender discrimination.

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The presence of young children and other household members significantly reduces overall female labour force participation. Although recent public programs have begun to address this time constraint, there is need for similar programs in the private sector—where gender gaps in the labour market are widest.

Given the limited presence of women in high paying managerial position, there is need for training women in management of enterprises. The government can create a separate fund for female management training and also make it available to private providers who can offer such training services. Micro-finance NGOs—which already interact extensively with women groups in Uganda, could be offered resources to train women in management.

Also, the severe constraints on women's time due to child care calls for provision of day care facilities close to women's work places. The private sector could be encouraged to provide close-by day care facilities—either at full cost or subsidized for female employees.

Finally, given the very low proportion of women in paid employment, the Government of Uganda has to ensure that women are paid wages similar to men's for the same work done. This calls for better enforcement of existing anti-discrimination laws and creating sanctions for when they are violated. In addition, the government has to take active role in promoting female employment. For instance, private companies can be offered preferential tax treatment if they employ more women and at the same time women wages similar to men.

## Conclusions

Majority of women in Uganda are employed in low paying agricultural sector and worst still, a substantial proportion are unpaid family workers. For the women who find paid work, they are less than their male counterparts. Without providing incentives to the private sector to employ and pay women the same, the income earning opportunities for women in Uganda will remain low. Actions such as preferential tax treatment of companies that explicitly employ women will reduce the women dependence on the agriculture sector and at the same time reduce the gender pay gap in Uganda.

**End notes**

[1] **Meng, X** "Male-female wage determination and gender wage discrimination in China's rural industrial sectors" Labour Economics Vol. 5. No.1: 67-89. (1998)

[2] **Economic Policy Research Centre**, Gender and Productivity: Analytical Report (Kampala,2009)

[3] **Udry, C** "Gender, Agricultural Production and the theory of the household" Journal of Political Economy. Vol 104 No.5: 1010-1046 (2006); Duflo, E and C. Udry "Intra-household Resource Allocation in Cote D'I voire: Social Norms, Separate Accounts and Consumption Choices" NBER Working Paper No. 10498 (2004).

[4] **Evers, B and B. Walter**s "The Model of a Gender-Segregated Low-Income Economy Reconsidered: Evidence from Uganda" Review of Development Economics Vol 5. No. 1: 76-88. (2001).

[5] **Appleton, S et al.** "The Gender Wage Gap in Three African Countries" Economic Development and Cultural Change Vol. 47 No.2: 289-312.(1999)

[6] **World Bank** (2009) "Project Appraisal Document for the Northern Uganda Social Action Fund II project".

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