FROM JOBS PROBLEMS TO JOBS STRATEGIES- UGANDA

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# The Approach in Practice in Uganda

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<td>Peer Groups for benchmarking</td>
<td>SSA, LICs, fast growing LICs and LMICs</td>
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| Key jobs problem(s) | Higher than normal agriculture share in employment  
Falling median non-agricultural real wages  
Stalled Economic transformation (limited transitions form rural to urban, informal to formal, out of agriculture)  
Spatial inequality with high wage gaps  
High share of micro firms  
Insufficient labor demand in the `modern’ sector |
| Constraint or Condition (Syndrome) | Poor public service delivery for agriculture – bad enforcement of input and output quality, weak extension, inadequate support for cooperative integration  
Neglect of economic infrastructure in secondary towns  
Jobs Externalities |
| Recommendations  
(see slide 22) | Realign public support in agriculture, incl. commercialization and value chain participation  
Prioritize infrastructure investments around economic transformation (agriculture processing hubs in secondary towns with potential)  
Attract FDI and Facilitate Exports |
Key Finding: Decline in *quality* of Jobs

Average hours worked increased in both rural and urban areas, especially in services between 2012-2016.

Median real earnings dropped markedly, especially for those in rural services and rural industry.

Returns to education (still quite high) are *falling*.
Key Finding: Agriculture remains an important first job for youth

Structural change happened more for the age groups 25-34 and over 35. Most youth are still employed in agriculture.

In 1999, 81% of youth were in agriculture
And 15% worked in services

In 2016, 72% of youth were in agriculture
And 22% worked in services
Ugandans are not all job creators - Waged Employment is rising

Self employment is falling as a share of total employment as waged employment rises with the growing economy (a normal symptom based on global comparisons)
Rural v Urban Terms of Trade favor farming since 2008

Uganda Food vs All Items CPI Index
1998-2015 (UBOS data)
Average Firm Productivity is not rising much

Large and medium productivity is showing mean reversion and is declining on average. Relative differences in productivity are as expected (large more productive).
Recommendations for a Jobs Strategy

Accelerate Transformation of Agriculture

More Waged jobs
1. Get the fundamentals right
2. Expand Net Exports
3. Promote FDI
3. Support domestic firms to transition to medium and large firms

Mobility to Better Jobs: Managed Urbanization
1. Facilitate urbanization
2. Prioritize investment in secondary cities
3. Fiscal decentralization for local economic development
4. Inclusive infrastructure in urban areas
5. Business development services
6. Mobility support

Fostering Inclusion in Better Jobs
1. Value chain integration
2. Entrepreneurship programs, finance
3. Skills – Basic education
4. Youth employment programs
Think Regional about priorities

Source: Blankespoor, Norman and Merotto (2019)