



## **Transforming Work for Women in the Informal Economy: Gaps And Opportunities For Social Protection In Uganda**

A Position Paper

February 2022

## Introduction

This paper outlines the role of social protection mechanisms in safeguarding individuals' livelihoods while also providing safety nets necessary to help them cope with or respond to risks, emergencies, or crises. It shares learnings from the [REBUILD project](#) which is implemented by the International Center for Research on Women (ICRW). REBUILD seeks to assess social protection systems during the COVID-19 pandemic and to highlight emerging gaps and opportunities for informal women workers in Uganda. This paper also draws on discussions from ICRW's REBUILD Research and Policy Uptake Group (RPUG) meeting with both State and non-State actors working with informal women workers to highlight measures necessary to protect these workers from short and long-term socio-economic shocks.

## Overview of Social Protection in Uganda's Informal Sector

Globally, a higher proportion of women (92 percent) in developing countries are in informal employment, compared to men (87 percent) (ILO, 2018). In Uganda, the informal economy accounts for 75 percent of the workforce, of which 87 percent are women. While women in the sector contribute significantly to economic growth, they do not benefit from job protection. They often lack access to social protection and other essential social services. Their limited earnings make it difficult to contribute towards national statutory social protection schemes, such as pension and health insurance. The COVID-19 pandemic has further exacerbated the vulnerabilities of the informal workers which has affected women more disproportionately than men. Informal women workers and business owners were exposed to the hard impacts of the crisis, such as low productivity and earnings, limited access to social services (infrastructure, capital, social insurance, and social protection), low bargaining power, violence, and harassment/exploitation, resulting in income instability and an overall negative impact on their wellbeing.

Social protection mechanisms play a key role in response to crisis and shocks, ensuring that vulnerable populations can effectively access healthcare while cushioning them from income/job loss-related impacts. To safeguard the welfare of citizens, the Government of Uganda put in place several legal and policy frameworks. The Constitution of the Republic of Uganda, in Objective XIV (b), provides for all Ugandans to enjoy rights and opportunities and access to education, health services, clean and safe water, work, decent shelter, adequate clothing, food security, pension, and retirement benefits.

The National Social Protection Policy (2015) provides that all Ugandan citizens are entitled to social protection irrespective of their socio-economic status, whether employed or not. The specific target groups include:

- » Workers in the formal sector — employed in public and registered private sector workplaces
- » Workers in the informal sector — working in economic units or family business with less than 5 persons, unregistered workplaces, rural agricultural areas
- » Orphans and other vulnerable children such as abandoned children, children in contact with the law, child laborers;
- » Labor constrained individuals and households — who have no capacity to work and earn a living

- » Unemployed persons — who can work and are actively seeking for employment
- » Older persons aged 60 years and above
- » Persons with severe disabilities
- » Ethnic minorities
- » Disaster-affected persons — individuals affected by natural or man-made calamities that disrupt their normal functioning and livelihoods

The Uganda National Social Protection policy (NSSP) 2015 outlines various social protection interventions, which include:



The effectiveness of these interventions in reaching informal workers remain unclear due to difficulties in targeting beneficiaries for social protection services due to limited information on who the beneficiaries are. Organizations engaged in the ICRW REBUILD project recognize existing gaps in social protection mechanisms. In stakeholder discussions with RPUG members, several gaps in social protection mechanisms emerged. These included uncoordinated implementation processes, insufficient gender disaggregated data to help map eligible households, and inadequate financial resources to bolster social protection mechanisms.

In Uganda, over 85 percent of people employed in the informal economy were already operating below the poverty line before the pandemic, most of whom are women. The Ministry of Finance, Planning and Economic Development (MoFPED) predicted that an additional 2.6 million people could be pushed below the poverty in the worst-case scenario. The United Nations Socio-Economic Impact Assessment projected a total loss from Uganda Shillings (UGX) 4.6 trillion to UGX 5.7 trillion or from 3.17 percent to 3.91 percent of the national GDP depending on the scenario. This is about one half (or more) of the projected GDP growth of 6.2 percent in 2020/2021. EPRC reported that the small and medium businesses experienced greater effects from the risks associated with COVID-19 than large-scale enterprises.



Cognizant of the informal economy's contribution of over 50% to the National Gross Domestic Product (GDP), deliberate measures to cushion informal economy workers from pandemic-related socio-economic shocks was inadequate to promote economic recovery. This paper brings to the fore the need for significant transformations to improving social protection mechanisms and decent work for women in informal economies and other vulnerable households to cope with, respond to, and withstand crisis-related shocks in the face of an unstable economy. ICRW's REBUILD RPUG stakeholders recommend the following actions.

## Recommendations

### Policy Integration and Reform

Review of policies on social protection especially for workers in the informal economy to incorporate clear measures on how they can benefit from social protection measures such as social assistance grants distribution, social security contributions (guidelines) for the informal economy and standardization of gender responsive facilities e.g., childcare facilities and sanitation is key.

A 2021 ILO report urges that extending social insurance mechanisms to informal economy workers with contributory capacity would contribute to the formal transition. In line with the National Social Security Fund (Amendment) 2021:

- a. Stakeholders should design tailored social protection mechanisms that allow informal workers to contribute and benefit from national social protection.
- b. Inclusion of subsidized rates for informal women workers

If informal workers benefit from the sustainable long-term interventions as a safety net, livelihoods will improve, and extreme poverty can be reduced.

### Establishment of Social and Labor Registries

Social registries have been used around the world to select recipients of social protection programs. These registries significantly enhance the effective delivery of social assistance by different actors. Institutionalized dynamic social registries will enable stakeholders to monitor expenditure and improve coordination. Registries permit the verification of vulnerable beneficiaries, eliminate duplication, and provide a platform for information sharing of new social protection interventions.

Functional and efficient social registries are made possible through joint stakeholder efforts including National Planning Authority (NPA), Uganda Bureau of Statistics (UBOS), Ministry of Gender Labour and Social Development (MGLSD), and National Identification & Registration Authority (NIRA), among others to consolidate information concerning potential beneficiaries of the various social protection programs. This coordination will create a stronger and more organized force enabling access to various beneficiaries of social protection programs beyond the already existing disjointed databases. Learnings on social registries can be drawn from:

- a. Productive Safety Net Programme (PSNP) in Ethiopia
- b. Gambia's Social Registry

Gambia's social registry demonstrates how a registry can be utilized to deliver benefits in real time to the poor.

Gambia's social registry demonstrates how a registry can be utilized to deliver benefits in real time to the poor. Its social registry has been built through a proxy means test wherein scores are calculated for each household. Gambia's social registry offers the following features:

- i. Single database to monitor and co-ordinate the "supply side" of social protection programs.
- ii. Identification of "who receives what," duplications, and potential for synergies across programs.
- iii. Consolidated information from different social programs and their benefits.



### Advocate for the Functionality of Wage Setting Legislations

Wage councils should be supported to fully execute their mandate of addressing pertinent labor issues that include but are not limited to pending legislative reviews on social protection, establish hours of work, and pay criterion.

The RPUG calls for intensified advocacy of the full-fledged functionality of the Minimum Wage Advisory. This advocacy factors in the review of social protection policies to address vulnerabilities and risks that informal workers and care providers experience.

Prioritizing the establishment of minimum wages for all informal workers through the Minimum Wages Machinery will go far in reducing the exploitation commonly experienced in the sector. There is an opportunity to influence the Minimum Wage Bill and Wages Council Act by submitting wage recommendations with established margins for all paid work to the Minimum Wages Advisory Board according to MGLSD.

### Strengthening Partnerships Between State and Non-State Actors

Concerted efforts of all actors providing technical, governance, and financial support will improve social protection mechanisms and actions. Multilevel stakeholder consultations and targeted advocacy are key in influencing and defining the gendered social protection needs of the informal economy, including mapping and targeting the right beneficiaries in addition to capturing the voices of the vulnerable workers in policy formulation.

Re-imagining social protection mechanisms for today's informal sector workers is vital to providing solutions congruent with the times. In the face of the challenges experienced by the intended beneficiaries of government interventions, such as inaccessible resources, new and innovative solutions are needed to address social protection gaps.

Government and non-state actors including, Civil Society Organizations (CSOs), development partners, cultural leaders, and women leaders must urgently agree on practical sustainable solutions to tackle the barriers to economic development that impact informal women workers.

More concerted efforts by both state and non-state actors are required to strengthen protective advocacy networks to reduce exploitation in all workspaces including domestic spheres. Therefore, stakeholder collaboration and coordination of interventions targeting women and vulnerable populations should be prioritized.

### Address Gender Inclusive Gaps

Despite the existence of policies that support social protection for the economically disadvantaged and vulnerable, there are significant gender issues women in the informal economy experience, namely:

- a. Absence of maternity leave despite legal provisions
- b. Unequal pay for women often dependent on the level of negotiation and not based on skill set or guided by the minimum wage

- c. Sexual harassment and exploitation
- d. Limited protective wear especially in the agriculture and mining sectors which increases vulnerability to occupational hazards

To address these issues, there is a need for advocacy and action by respective duty bearers and institutions for gender responsive protection of worker rights.

### Capacity Development

Capacity development needs in the informal sector are twofold:

- a. Capacity development of women and other vulnerable groups to protect themselves against any hazards or economic disruptions to income. Empowerment trainings of women in the informal sector increase their leadership capacities, influence and ability to champion transformation in their spaces whilst advocating for their social protection needs.
- b. The role of Policymakers in gender responsive legislation and oversight should be enhanced to ensure that policies address the gaps for which they are intended to address.



(c) ICRW

## REFERENCES

- <sup>1</sup> International Labor Organization (ILO) (2018). “Women and Men in the informal economy: A statistical picture”
- <sup>2</sup> International Labor Organization (ILO). (2021). “World Social Protection Report 2020–22: Social Protection at the Crossroads – in Pursuit of a Better Future”
- <sup>3</sup> International Labor Organization (ILO). (2021). Our Story. Your Story.
- <sup>4</sup> Iyehen. (2022) Making Social Protection Gender-Responsive
- <sup>5</sup> Lakuma et al, (2020). How has the COVID-19 pandemic impacted Ugandan businesses? Results from a business climate survey (Special Issue No. 01 May 2020). EPRC.
- <sup>6</sup> Norton, Conway, Foster. (2001). “Social Protection Concepts and Approaches: Implications for Policy and Practice in International Development”
- <sup>7</sup> Ouagadougou Declaration and Plan of Action of Employment and Poverty Alleviation in Africa. (2004)
- <sup>8</sup> The Constitution of the Republic of Uganda. (1995)
- <sup>9</sup> The International Center for Research on Women (ICRW) (2021) REBUILD’s RPUG discussions from the Stakeholder’s meeting on Social Protection and Care Work. Kampala
- <sup>10</sup> The International Center for Research on Women (ICRW) (2022). “Impact of COVID-19 on Women Workers in the Urban Informal Economy in Uganda and Kenya, Secondary Data Review. Kampala
- <sup>11</sup> The Uganda pensions Act Cap 286
- <sup>12</sup> Uganda Bureau of Statistics (2017). The Annual Labour Force Survey 2016/17 – Main Report, Kampala, Uganda
- <sup>13</sup> Uganda Bureau of Statistics reports. (2014. (2016)
- <sup>14</sup> Uganda Bureau of Statistics. (2019). The Annual Labour Force Survey 2018/19 – Main Report, Kampala, Uganda
- <sup>15</sup> Uganda National Social Protection Policy. (2015)
- <sup>16</sup> Uganda NSSF Act Cap 222
- <sup>17</sup> Uganda Retirement Benefits Regulatory Authority Act. (2011)
- <sup>18</sup> Uganda Social Protection Task Force. (2020)
- <sup>19</sup> UN Report. (2020). “The Impact of Covid-19”
- <sup>20</sup> United Capital Development Fund (UNCDF). (2020). Impact of COVID-19 on Ugandan MSMEs, Inputs to the United Nations Socio-Economic Impact; Assessment of COVID-19 in Uganda.
- <sup>21</sup> Universal Declaration for Human Rights. (1948)
- <sup>22</sup> Workers’ Compensation Act and the Policy Vision. (2040)
- <sup>23</sup> Workers’ Compensation Act
- <sup>24</sup> World Bank. (2017). Social Registries for Social Assistance and Beyond: A Guidance Note and Assessment Tool

## Acknowledgement

This position paper was compiled at the second Research and Policy Uptake Group (RPUG) Workshop in December 2021 and further validated during activities implemented under the ReBUILD Project funded by the Bill & Melinda Gates Foundation.

Recommended citation: Kirabo Suubi<sup>1</sup>, Naome Wandera<sup>1</sup>, Carol Ajema<sup>1</sup>, Chimaraoke Izugbara<sup>1</sup>, Chryspin Afifu<sup>1</sup>, Maureen Kangere<sup>1</sup> and Rebuild RPUG Uganda<sup>2</sup> (2022). Transforming Work for Women in the Informal Economy: Gaps and Opportunities for Social Protection in Uganda, A Position Paper. International Center for Research on Women (ICRW). Kampala, Uganda.

<sup>1</sup>International Center for Research on Women (ICRW)

<sup>2</sup>Onzoma Apollo, Assistant Commissioner Labour – Ministry of Gender Labour and Social Development (MGLSD), Dr. Madina Goloba – Uganda Economic Policy Research Centre (EPRC), Judith Mutabaazi – National Planning Authority (NPA), Prof Grace Bantebya Kyomuhendo – School of Women and Gender Studies, Makerere University (SWGS-MAK), Nivatiti Nandujja – Oxfam, Members of Parliament – Uganda Women Parliamentary Association, Hope J. Kasimbazi – Private Sector Foundation Uganda (PSFU), Pereth Niwahereza – Uganda Women’s Network (UWONET), Maureen Wagubi – Institute of Social Transformation (IST), Rita Nanyonga – ActionAid, Odaro Stephen – Platform for Vendors in Uganda (PLAVU)

Compiled by Research & Policy Uptake Group (RPUG) Rebuild Project, Uganda

**act!onaid**



**ICRW Uganda**

1st Floor, S&L Chambers, Plot 14 Mackinnon  
Road, Nakasero, Kampala, Uganda  
P.O. Box 2475, Kampala, Uganda  
Phone Number: +256 393 206 506  
Email: [info.uganda@icrw.org](mailto:info.uganda@icrw.org)  
Website: [www.icrw.org](http://www.icrw.org)

