



**Labor Export as Government Policy:
An Assessment of Uganda's Potential for Export of Labor in
the Framework of Regional and Multilateral Agreements**

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Abstract

Export of labor through temporary migration is increasingly recognized worldwide as a pro-poor export strategy with significant development impacts especially in the poorest countries of the world. Because of the tremendous economic benefits from exports of labor, some developing countries across the world, with excess labor, high levels of unemployment and under employment have positioned themselves to maximize benefits from labor exports. These countries have enacted policies to encourage temporary migration, institutionalized labor export mechanisms, established regulatory frameworks and undertaken bilateral and regional initiatives to enhance labor exports. However, the situation in Africa seems to have remained mixed. Whereas many countries on the continent have aggressively promoted labor exports and received sizeable amounts of remittance inflows, many others seem to lack a deliberate effort to promote labor export. Although many countries on the continent, especially in Sub-Saharan Africa are characterized by excess labor and significant levels of under employment and unemployment, few or no initiatives have been undertaken to systematically promote labor export and benefit from the remittance flows.

This study on Uganda sought to examine the extent to which the export of labor could be used as a tool to mitigate the level of unemployment and under employment through a deliberate export strategy. Relying on both primary and secondary data, the study adopted a descriptive research design combined with analytical modeling to estimate the level of unemployment and to determine labor export potential. The study established that Uganda suffers high levels of unemployment and underemployment projected to increase significantly by 2020. It was further established that projected unemployment is driven by not only high rates of graduate unemployment, but also high levels of 'labor casualization' as well as high rates of labor migration from the informal sector. Consequently, the number of job seeking Ugandans likely to seek employment abroad would increase at an annual average rate of 4.3per cent during the period 2009 to 2020 in line with the trend in unemployment. Notwithstanding this scenario, Uganda's labor externalization regime continued to look at labor export from a purely "socio-labor perspective" rather than an economic policy and trade perspective. As a result, it remained limited in scope, focus and outlined a very limited role for the government in promoting labor export. Consequently, the institutional framework for export of labor remained weak. In order to increase the role of labor export in the local economy, a number of reforms needed to be undertaken in the short to medium term. Specifically, reforms were needed in three areas namely; legal and regulatory reform, institutional reform and labor export promotion reform. However, to be effective, these reforms needed to be preceded by a shift in government policy orientation on labor and employment. With regard to multilateral and regional frameworks affecting labor export, the study observed that the GATS still remained the multilateral framework governing labor export despite its shortfalls and should be utilized in its current form. Similarly, Uganda's commitments in regional trade agreements would increase pressure to export labor and further raise the necessity to strengthen labor export infrastructure.

Keywords: Labor Export, Unemployment, Uganda

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1. Background

Export of labor through temporary migration is increasingly recognized worldwide as a pro-poor export with significant development impacts especially in the poorest countries of the world. Export of labor is increasingly seen as the most profitable way of global trading, with less capital investment and risks on the part of the sending country and the expectation of high returns in the form of remittances. Many LDC countries especially those with close proximity to the wealthy high labor demanding countries have benefited significantly from foreign exchange remittances arising from their labor exports. By 2006, for example, the Philippines received USD 14 billion from her labor exports and the largest commodity export of the country. Other countries particularly in Eastern Europe, Latin America, South and South East Asia, the Middle East and North Africa situated close to high demand countries of the EU, North America, South East Asia as well as Australia and New Zealand have benefited significantly from sustained labor exports over the last decade (IFAD, 2005). However, exports of labor have also benefited those LDC countries that have no close proximity to high labor demanding countries. In Africa, the World Bank (2008) reported more than 6 countries that earn over US\$ 1 Billion annually from labor exports, which has significantly boosted their economic performance. In general, remittances from labor exports have been reported to be more consistent than FDI and ODI for many LDCs making them an important source of poverty reducing foreign exchange flows.

Because of the tremendous economic benefits from exports of labor, many developing countries, generally characterized by excess labor and high levels of unemployment and under employment, have positioned themselves to maximize benefits from labor exports. Many have enacted policies to encourage temporary migration, institutionalized labor export mechanisms, established regulatory frameworks and undertaken bilateral and regional initiatives to enhance labor exports and also ensure that their nationals obtain fair treatment while working abroad. Following such measures, countries such as the Philippines have registered significant economic benefits. The Philippines is a model case where a deliberate labor export policy has yielded significant economic benefits to the local economy and contributed to household poverty reduction. At a macro level, remittances constitute the single largest commodity export and the largest source of foreign exchange earnings for the Philippines bringing in US\$ 17 billion in 2007. Remittance

inflows have been used to compensate for the limited spending on social services such as health and education, to boost domestic consumption and cover the Philippines' yearly budget deficits. At the household level, recipient families in the Philippines have used remittance receipts to improve their housing status, send their children to school, give children access to quality health care, and in some cases, improved household food security www.isg-fi.org.uk/spip.php.

Overall, remittances have contributed significantly in reducing poverty levels among recipient households. This scenario seems to apply to all labor exporting countries that receive significant remittance inflows.

To ensure sustained benefits, some of the leading beneficiary countries have undertaken wide ranging domestic reforms and initiatives as part of a deliberate labor export strategy.

Major domestic initiatives undertaken include ensuring that such countries produce 'tradable labor' as a key pre-requisite for effective and sustained exports of labor. These countries have undertaken specialized training for their labor force in skills that are in high demand in the net labor importing countries. In many cases, this has involved the establishment of specialized training institutes/schools and Assessment Centres to enhance skills for mainly blue-collar-type occupations that are in high demand in Europe, North America and other net labor importing countries. As a result of these initiatives, countries such as the Philippines, Morocco and Egypt have registered high levels of remittance flows from their labor exports exceeding 10% of their GDP significantly contributing to poverty reduction, reducing levels of local unemployment and underemployment and creating additional opportunities for gainful employment for the local population.

However, the labor export situation in Africa seems to have remained mixed. While many countries on the continent have aggressively promoted labor exports and already receive significant amounts of remittance inflows, many of them seem not to have exerted much effort to promote labor exports. Although many on the continent are characterized by excess labor and significant levels of under employment and unemployment, little or no initiatives have been undertaken to systematically promote labor exports and benefit from the remittance flows from such exports. There is very limited documented evidence to that effect. Again, because of the prevailing structure of the education system and the low level of economic development, there is

often a disconnection between the skills produced by the education system in these countries and the skills demanded in the labor importing countries. There is little or no evidence of any efforts that have been undertaken to offer specialized skills training required in labor importing countries particularly those of the north. In many cases, temporary migration of labor is still perceived as ‘brain drain’ and harmful to the economy. Consequently, very few if any African countries have established specialized agencies to promote and coordinate the export of labor and regulatory frameworks are often non-existent. Bilateral initiatives to promote labor exports in specific markets are also less common. In general, temporary migration of labor seeking gainful employment abroad has been left to private individuals the majority of whom work in foreign countries as illegal immigrants with no facilitation or protection by their home countries. The absence of systematic promotion of labor exports within the economic policy frameworks of many countries in Sub-Saharan Africa have unequivocally reduced their ability to maximize the economic benefits from high remittance inflows.

Uganda is one of the typical African countries that has registered steady growth in labor remittances since the 1990s and which are reported to have had substantial benefits to the local economy. Since the mid-1990s, government estimates indicate that private remittances from Ugandans living abroad rose from US \$ 109.6 million in 1993 to US\$ 1.4 billion by 2008 (Bank of Uganda, 2008).

However, despite some recent efforts to externalize labor, the potential for export of labor has remained relatively unknown to policy makers and other stakeholders. This in particular is with regard to the size of exportable labor available, the adequacy of the institutional and legal framework to facilitate labor exports as well as the adequacy of foreign demand and markets. Besides, at the highest level in government, export of labor is still regarded as brain drain without due regard to the type of labor export that may not constitute brain drain.

Recent studies-Turyasiima and Dimanche (2004) and Austin Associates and UMACIS (2004) established that while Uganda’s labor market was growing at an average of 3.4% per annum and only 14% of the employed population was employed in the formal sector, there were “*skill surpluses*” in the middle and lower level categories of labor particularly teachers, and arts and social science professionals. The studies also found that remuneration in Uganda’s private sector

was not conducive enough to attract certain skills and hence employers in the private sector found difficulty in attracting and retaining a variety of skill categories. Such types of labor could obtain more gainful employment abroad if facilitated and supported. However, the studies also observed that there were no appropriate policies and procedures for successful management of the international labor migration system at the time. The *National Employment Policy* (2006) also makes no explicit reference to export of labor although the *Employment (Recruitment of Ugandan Migrant Worker Abroad) Regulations* of 2005 specify guidelines and procedures that private recruitment agencies should follow to recruit Ugandans into foreign employment abroad. Although a Labor Externalization Unit was established in the Government Ministry responsible for labor, export of labor is not yet seen as an economic policy issue where pro-active policy actions need to be implemented to maximize benefits from labor exports and help mitigate local unemployment and under-employment.

2. Rationale, purpose and objectives of the study

2.1 Rationale

Cross-border movement of people has for long been a common phenomenon along Uganda's borders. The location of similar peoples across Uganda's borders was for long the major excuse for cross-border movement. However, during the 1970s and 1980s, the movement of people grew into waves of asylum seekers largely to escape the terror and violence of the time. In the 1990s when calm returned to Uganda, many continued to move, this time in search of employment and economic emancipation.

An overwhelming number of emigrants² headed for the United Kingdom, United States, Canada, Sweden, Denmark, Germany and even as far away as Australia, usually on visas for students, sports events, medical treatment and under the pretext of visiting and joining family.

To describe this type of migrant Ugandans who were living abroad illegally and almost in all cases lived on odd jobs, the term "Kyeyo³" was created in Uganda's lingua-franca. By 2008, the term is now a household name.

² It is estimated that by 2005, 154,747 people had emigrated from Uganda including 21% with tertiary education - see www.worldbank.org/prospects/migrationandremittances

Over the last 12 years, the results of the emigrants work began to show in the suburbs of the capital City, Kampala and in other urban centers. Emigrants began constructing modern housing and commercial buildings, and they were opening many small and medium enterprises in the capital City and other urban centers. The macroeconomic performance indicators published by the Bank of Uganda (Central Bank) revealed that, by 2006, workers remittances had surpassed total export revenue⁴. At the political level, the Presidency opened a desk to help Ugandans search for work abroad and to deal with the procedural formalities to their preferred destinations. By 2005, it became clear to Government and supporting agencies such as the Private Sector Foundation Uganda (PSFU) that the export of labor had outgrown its haphazard and clandestine era and by nurturing it, Uganda could benefit from the growing source of remittances and improve its current account balances at the same time as citizens improve their livelihoods through gainful employment abroad.

However, a number of questions remain unanswered and there is concern as to whether encouraging emigration of labor however temporary does not constitute brain drain.

The major policy questions are:

- 1) Which categories of labor in Uganda are exportable without damaging the local economy?
- 2) Is the level of unemployment and or under-employment across different labor and skill categories significantly high to require rigorous promotion of labor exports?
- 3) What type of skill training is required to make Uganda's labor attractive abroad?
- 4) What is the appropriateness of the current institutional and policy framework?
- 5) To which potential destinations should promotional efforts focus and for which occupational or skill categories?
- 6) What are the market access barriers to Uganda's labor export drive and what policy actions are required to overcome them?

³ The term "Kyeyo" is ordinarily used in the local context to mean 'dirty work' and refers to those Ugandans doing 'dirty work' abroad.

⁴ Comparative Annual Workers' Remittances (AWR) and Export Revenues (ER) US\$ Millions: **2000** WR(238)-**2001/2** ER(474); **2001** WR(342)-**2002/3** ER(508); **2002** WR(421)-**2003/4** ER(647); **2004** WR(371)-**2004/5** ER(786); **2005** WR(423)-**2005/6** ER(889); **2006** WR(814)-**2006/7** ER(657).

- 7) What is the likely impact of labor market liberalization arising from the East African Common Market and what mitigation measures are required?

This study, undertaken during the period November, 2008 – March, 2009 with financing from the Investment Climate and Business Environment (ICBE) Research Fund of the World Bank in collaboration with the Private Sector Foundation Uganda (PSFU), attempted to respond to some of the above questions.

2.2 Purpose and Objectives of the Study

The main purpose of the study was to examine the extent to which export of labor can be used as a tool to mitigate the level of unemployment and under employment in Uganda.

Specific Objectives:

The specific objectives were to:

- 1) Develop an inventory of the size of the labor pool in Uganda categorized by sector according to the International Standard Classification of Occupations of the ILO. This inventory covered both semi-skilled and skilled workers.
- 2) Establish graduate outputs in Universities and Other Tertiary Institutions and make forecasts over a five - ten year period of the trained personnel to be put on the labor market by the training institutions.
- 3) Investigate the level of unemployment and underemployment across the various categories identified in (1) above.
- 4) Assess and quantify the demand and supply conditions in the labor market in Uganda and estimate current and future demand and supply across the categories identified in (1) above.
- 5) Assess and quantify the labor market conditions (demand and supply opportunities) present in major export destinations including the identification of specific sub-sector demand and future growth prospects.

- 6) Assess the suitability of the skills and training of domestic labor for international demand paying attention to the needs to match the supply situation and demand conditions in specific markets.
- 7) Analyse the need for and implications of adjustment in Uganda in order to satisfy specific requirements in the relevant international markets. What measures would be required to achieve the adjustment in order to improve Uganda's semi-skilled labor as a basis for matching with GATS requirements and thus making this category of labor exportable?
- 8) Undertake an analysis of the market access barriers, both policy and regulatory, present on Mode IV exports in our current trading partners with particular regard to the sectors identified in (ii) above.
- 9) Assess the appropriateness of the current institutional and regulatory framework governing Mode IV exports
- 10) Undertake an analysis of the likely effect of the liberalization of Mode IV through regional initiatives (EAC, COMESA) on Uganda's economy, domestic employment and labor export.
- 11) Make specific recommendations on negotiation positions that can be adopted in negotiations with regard to Mode IV.
- 12) Propose any measures, policies and other recommendations required to improve and expand Uganda's export of labor under Mode IV.

3. Recent literature on labor export and temporary migration

3.1 Economic Justification of Trade in Labor

Temporary migration and trade in labor, particularly unskilled labor, is beneficial to both developed and developing countries alike and contributes to a faster growth in world GDP and quickens poverty reduction in LDCs. Winters (2002) established that developing countries' gains from unskilled labor export through remittances more than offset the exported labor's original (low) contribution to home output, so that the welfare of those who remain behind also rises. For

the developed (labor importing) regions, higher imports of unskilled labor are more beneficial in terms of welfare than are those on skilled workers.

According to Winters (2002), increase in supplies of unskilled labor reduces unskilled wages and stimulates most sectors of developed countries' economies (agricultural, manufactures and some services), whereas the benefits of increased supplies of skilled labor are concentrated in just a few services sectors. Globally, world welfare is likely to increase through increased trade in labor. Winters (2002), estimated that an increase in developed countries' quotas on the inward movement of both skilled and unskilled temporary workers equivalent to 3% of their workforces would generate an estimated increase in world welfare of over US\$150 Billion p.a. – about 0.6% of world income. This is a significant positive effect on world GDP with a positive welfare effects.

Apart from the direct effect on the economies of the developed countries through supplies of cheaper labor and on the economies of developing countries' through remittances, increased trade in unskilled labor seems to fulfill the principle of comparative advantage. Developed countries by their nature tend to have a labor force that is well trained and experienced. As such, they are major suppliers of skilled labor (which they tend to have in excess) while demand for less-skilled low-paid workers is higher. Demand for unskilled temporary workers is therefore higher than for skilled temporary workers. According to Winters (2002), the highly industrialized countries particularly USA, Canada, Japan and Australia also happened to be the major "high demand" countries for unskilled labor. By 2002 for example, the USA constituted the largest share of demand for labor with an average annual demand estimated at about 2.7 million unskilled temporary workers and about 2.4 million skilled temporary workers. On the other hand, developing countries tend to have excess supply of unskilled labor that they could effectively export without harming their countries' output.

3.2 Trends in North-South Trade in Labor

Much of world trade in labor is between the North and the South, and is reported to be growing despite a number of restrictions. The developed countries of the North export mainly skilled workers to the South while developing countries export mainly unskilled workers to the North. Although this trade has been a subject of several restrictions, including imposition of quotas, it

has been reported to grow, often at rates consistent with the rates of economic growth in the respective countries.

By 2006, world demand for labor was estimated at over *11.5* million for unskilled workers and about *8.0* million for skilled workers (IFAD, 2006).

The estimate of labor imports and exports for the leading importing and exporting countries is provided below.

Table 1. Status of Global Exports and Imports of Labor in 2002

Net Importing Countries		Net Exporting Countries	
Country	Labor 000's	Country	Labor 000's
USA	5,165.36	Mexico	375.90
Japan	2,610.00	Eastern Europe	538.37
Germany	1,665.00	Soviet Union (former)	1563.65
UK	1,134.00	China	2,916.65
Canada	573.00	South East Asia	1709.02
Australia-Newzealand	435.90	Rest of East Asia	509.80
Rest of EU	4,713.10	India	2,844.72
Rest of Europe	234.12	Rest of South Asia	661.84
Total	16,530.48	Brazil	654.46
		Rest of Latin America	1138.50
		Middle East & North Africa	1259.69
		South Africa	1810.28
		Rest of World	546.49
		Total	16,530.49

Source: Winters et al., 2002

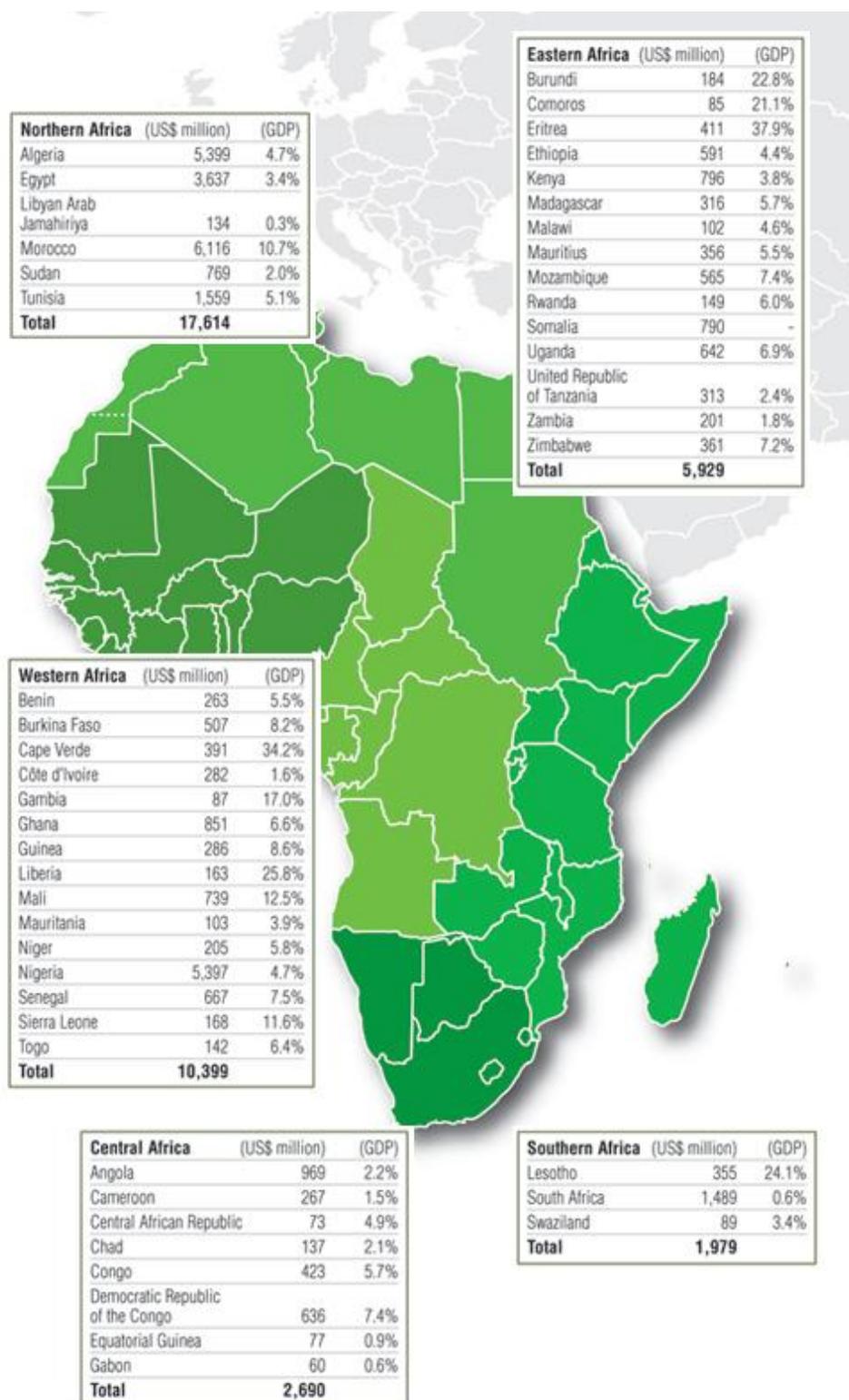
The table above shows the USA as the largest net importer of labor followed by Japan, Germany and the UK. Canada and Australia are also major net labor importers. The major labor exporting countries are Mexico, former Soviet Union, China, India, Brazil, and South Africa. According to the table, the major exporting regions are Middle East and North Africa, Latin America, Eastern Europe, South East Asia, South Asia and East Asia. The table suggests that in Sub-Saharan

Africa, South Africa is the only major exporting country while the region as a whole does not feature as a major labor exporting region.

3.3 Recent Trends in Labor Export and Remittance Inflows in Africa

By 2006, the African continent had over 30 million people in the Diaspora (IFAD, 2006). Of all the world's regions, however, Africa's predominant migration is the most intraregional. Migration within West Africa is fluid, for instance, partly due to the region's status as a geopolitical and economic unit, but also to a common history, culture and ethnicity among many countries in the region. There is also significant international migration to former European colonial powers such as France, the United Kingdom of Great Britain and Northern Ireland, the Netherlands and Italy, among other countries. With regard to remittances flows, by 2007, flows to and within Africa approached US\$40 billion (IFAD, 2006). Countries in Northern Africa (for example, Morocco, Algeria and Egypt) are the major receivers on the continent. The Eastern African countries though not among the major remittance receiving depend heavily on these flows, with Somalia standing out as particularly remittance dependent. For the entire region, annual average remittances per migrant reach almost US\$1,200 and on a country-by-country average represent 5 per cent of GDP and 27 per cent of exports. Furthermore, remittances to rural areas are significant and predominantly related to intraregional migration, particularly in Western and Southern Africa. The mobility of Africans within these regions has been followed by the sending of regular amounts of money. Two thirds of West African migrants in Ghana remit to rural areas in their countries of origin. The status of temporary labor migration and remittances in Africa for the year 2006 is summarized in the table 2 and figure 1 below.

Figure1. Remittance Flows to Africa, 2006



Source. IFAD. www.ifad.org/events/remittances/maps/africa.htm

The above data show that most African countries earned substantial amounts of foreign exchange in form of remittances that accounted for between 2%-24% of their GDP in 2006. However, only Burundi, Lesotho and Morocco had remittance inflows exceeding 10% of their GDP in 2006.

Table 2. Labor Migrants and Remittances Per Capita for Selected African Countries, 2005

Country	No of Labor Migrants (Est.*)	Remittance Inflows (US\$ Millions)	Remittance % of GDP	Remittance Per Capita
Uganda	154,747	814	8.7	
Tanzania	188,789	313	2.4	
Kenya	427,324	796	3.8	
Rwanda	196,104	149	6.0	
Burundi	315,477	184	22.8	
Nigeria	836,832	5397	4.7	
Ghana	906,698	851	6.6	
Senegal	463,403	667	8.5	
Algeria	1,783,476	5,399	4.7	
Egypt	2,399,251	3,637	3.4	
Morocco	2,718,665	6,116	10.7	
Tunisia	623,221	1,559	5.1	
South Africa	713,104	1,489	0.6	
Lesotho	258,589	355	24.1	
Mozambique	803,261	565	7.4	
Ethiopia	445,926	591	4.4	

Source: IFAD Fact Book 2006, * Estimates based on World Bank data, 2008; Author Computations

With regard to Inward remittance growth, data for selected African countries shows that almost all countries have registered inward remittance growth since 2000. The average growth rate is well over 10% per annum with Ethiopia, Uganda, Rwanda, and Ghana registering well over 20% annual growth rates.

Table 2. Inward Remittance Growth Rates for Selected African Countries 2000-2008, US\$ Millions

Country	2000	2001	2002	2003	2004	2005	2006	2007	Annual Growth
Uganda	238	342	421	306	371	423	814	856	24.6
Tanzania	08	15	12	09	11	18	14	14	15.16
Kenya	538	550	433	538	620	805	1,128	1,300	15.1
Rwanda	07	08	07	09	10	21	21	21	21.6
Burundi	-	-	-	-	-	-	-	-	-
Ethiopia	53	18	33	47	134	174	172	172	39.1
Somalia	-	-	-	-	-	-	-	-	-
Mozambique	37	42	53	70	58	57	80	80	13.3
Ghana	32	46	44	65	82	99	105	105	20.0
Nigeria	1,392	1,167	1,209	1,063	2,273	3,329	3,329	3,329	19.4

Source: World Bank Fact Book, 2008; IFAD Fact book, 2006

Further analysis shows that although growth in inward remittances from labor exports since 2000 is relatively high for a number of African countries, when compared with outward remittances, it becomes less clear whether African countries are net exporters of labor and whether the current levels of remittance inflows can be expected to improve to a substantial degree the domestic economies and poverty levels in the countries. A comparison of inward and outward remittance flows is made for the East African countries for the period 2003-2007 and the results show that Uganda's remittance outflows have averaged about 70% of inward remittances since 2003. For Kenya, the level of remittance outflows is the lowest in the East African Community with the percentage of outflows to inflows averaging 4% since 2003. In the case of Rwanda and Tanzania, remittance outflows exceed inflows. This high level of remittance outflows suggests, in part, that to maximize the development impact from inward remittance flows, improve the domestic economy and reduce poverty levels, there is still need to significantly increase the levels of inward remittances beyond current levels.

Table 3. Inward and Outward Remittances for in the East African Countries

Country	2003			2004			2005			2006			2007		
	IFS	OFS	NET	IFS	OFS	NET	IFS	OFS	NET	IFS	OFS	NET	IFS	OFS	NET
Uganda	306	259	47	371	235	136	423	359	64	814	322	492	856	-	
Kenya	538	07	531	620	34	586	805	56	749	1,128	25	1,103	1300	-	
Tanzania	09	27	(18)	11	34	(23)	18	31	(13)	14	29	(15)	14	-	
Rwanda	09	30	(21)	10	31	(21)	21	35	(14)	21	47	(26)	21	-	
Burundi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: World Bank (2008)

3.4 Review of International Best Practice in Export of Labor – The Philippines Case

By 2008, a number of developing countries were regarded to be success stories in the export of labor. According to the World Bank (2008), the top five labor exporting countries are India, China, Mexico, Philippines, and France. The biggest labor exporting countries in Africa are Egypt, Morocco, and Nigeria. This section reviews the Philippine experience as a best practice example in the promotion and management labor exports as a key government policy.

Evolution of the Labor Export Industry

Since the 1970s, the Philippines — a country of about 7,000 islands peopled by diverse ethno-linguistic groups — has supplied all kinds of skilled and low-skilled workers to the world's more developed regions. According to Ruiz (2008), over 8.2 million native Filipinos were estimated to be working or living in close to 200 countries and territories by 2007, equivalent to almost 25 percent of the Philippines' total labor force. About 75,000 Filipinos are deployed for overseas employment every month. Remittances from these migrants amounted to about US\$17 billion or 13% of GDP in 2007. Although the Philippines is largely a country of emigration, it also attracts some foreigners to its shores and presently, there are 36,150 foreign nationals working and residing in the Philippines. Much of the country's attention and policies, though, are focused on emigration. Filipinos dream to work abroad for a better life in different regions of the world. Promised lands in different regions, United States, the Middle East, Asia, Europe, Africa, and Oceania, have become the objects of Filipino dreams.

The Philippines' ascent as a major labor exporter in Asia and worldwide is based on various factors. When large-scale labor migration from the Philippines started in the 1970s, the "push"

factors were very strong but made worse by the oil crisis in 1973. Among others, economic growth could not keep up with population growth. The country was hard pressed to provide jobs and decent wages and had severe balance of payment problems. At the same time, the oil-rich Gulf countries needed workers to realize their ambitious infrastructure projects. With supply and demand factors converging, the Philippines was ripe for large-scale labor migration, an opportunity the Philippines government at the time recognized. The framework for what became the government's overseas employment program was established with the passage of the Labor Code of the Philippines in 1974 and the creation of the Overseas Employment Development Board (OEDB) to promote “a systematic program for overseas employment of Filipino workers.” In carrying out its mandate, the OEDB marketed Filipinos to potential host countries, recruited workers from the local population, and secured overseas employment. The Philippines' foray into organized international labor migration was supposed to be temporary, lasting only until the country recovered from its economic problems.

However, the continuing demand for workers in the Gulf countries and the opening of new labor markets in other regions, especially in East and Southeast Asia, fuelled further migration. On the supply side, there were a number of push factors. The absence of sustained economic development, political instability, a growing population, double-digit unemployment levels, and low wages continue to compel people to look abroad. The flow of overseas foreign workers also known as Overseas Filipino Workers (OFWs), numbering a few thousand per year in the early 1970s, has grown to hundreds of thousands (see Table 1).

In 2004 alone, 933,588 OFWs left the country. Based on trends, it is expected that the number of deployed OFWs will hit the one million mark in 2005.

Table 4: Regional Distribution of Land based Filipino Workers, 2004 *

Region	Numbers	Percent
Asia	266,609	37.84
Middle East	352,314	50.00
Europe	55,116	7.82
Americas	11,692	1.66
Africa	8,485	1.20
Trust Territories	7,177	1.02
Oceania	3,023	0.43
Others	170	0.02
Total	704,586	100.00

Source: Available online, accessed 15th December 2008, based on Combined Data for new hires and rehires

As of December 2004, the stock of overseas Filipinos included some 3.2 million permanent settlers (the majority of whom are in the United States), about 3.6 million temporary labor migrants (called OFWs), with Saudi Arabia hosting close to a million, and an estimated 1.3 million migrants in an unauthorized situation. The latter tend to be mostly in the United States and Malaysia. Women are very visible in international migration from the Philippines. They not only compose the majority of permanent settlers, i.e., as part of family migration, but they are as prominent as men in labor migration. In fact, since 1992, female migrants outnumbered men among the newly hired land-based workers who are legally deployed every year. The majority of female OFWs are in domestic work and entertainment. Since these are unprotected sectors, female migration has raised many concerns about the safety and well-being of women migrants. Female OFWs can also be found in factory work, sales, and nursing. Among the top 10 destinations of OFWs are; Hong Kong, Kuwait, Singapore, Italy, United Arab Emirates (UAE), Japan, and Taiwan are dominated by women OFWs. In Hong Kong, for example, more than 90 percent of OFWs are women which suggest that most job opportunities in Hong Kong are those suitable for women.

The Management of the Labor Export Process in the Philippines

Since the 1970s, the government and the private sector each have played a role in the labor export process. When the overseas program started, the government participated in recruiting and matching workers and employers. Due to demand for workers and the large numbers involved, the government relinquished the placement of workers to private recruitment agencies in 1976. The government created the Philippine Overseas Employment Administration (POEA) as its lead agency to manage the overseas employment process. With its low rate of foreign investment and a steady reduction in development assistance, the government, not just its people, has come to rely on overseas employment as a strategy for survival. After years of pushing the official line that it does not promote overseas employment, the government set a target in 2001 of deploying a million workers overseas every year.

The Philippine Overseas Employment Administration (POEA) grew out of the Overseas Employment Development Board and the National Seamen Board in the then Ministry of Labor and Employment. The Overseas Employment Development Board, the National Seamen Board, and the Bureau of Employment Services were consolidated into the Philippine Overseas Employment Administration (POEA) in 1982. POEA became the government agency responsible for processing workers' contracts and pre-deployment checks, as well as for licensing, regulating, and monitoring private recruitment agencies. There is a placement branch within the POEA, but it only accounts for a small number of all OFWs placed with foreign employers.

On the private-sector side, there are more than 1,000 government-licensed recruitment and manning agencies in the Philippines (and an unknown number of unlicensed ones) that match workers with foreign employers. In the Philippines, recruitment agencies refer to those that find jobs for aspiring land-based migrant workers; manning agencies refer to those that engage in recruiting and finding jobs for seafarers. Recruitment agencies charge migrant workers "placement fees" for the service that they provide. Manning agencies are not supposed to charge placement fees as these fees are assumed by the principal or employer, but there are cases of known violations. Although there is a standard placement fee for most destinations (except for special markets such as Taiwan) which is equivalent to one month's salary plus 5,000 Philippine pesos (about US \$94) for documentation, this is routinely violated. The excessive fees are a

burden to migrants and put them in a vulnerable situation because they are already in debt before they leave. When they are abroad, they go without any salary for a period of time, and are forced to bear harsh working and living conditions in order to repay their loans. This a source of stress for the newly placed workers that exposes them to risks.

Regulation of Recruitment is also another important feature of the management of the labor export process in the Philippines. Within the Department of Labor and Employment (DOLE), the Philippine Overseas Employment Administration (POEA) is responsible for licensing private Recruitment Agencies. In addition, the POEA publishes an updated list of overseas job openings, recruitment agencies' contact information, and the number of vacancies available through its website. The POEA also provides a quality control service by rating the status of the private recruitment agencies, in doing so its charged with alerting potential overseas workers of agencies that have issued false contracts or have not complied with rules during the deployment process (The list of the current recruitment agency ratings can be seen on: <http://www.poea.gov.ph/>). The POEA works closely with Philippine Overseas Labor Offices and dedicated labor attachés at Filipina embassies and consulates worldwide to; monitor the treatment of OFWs, verify labor documents, and assist OFWs in employment and labor-related disputes at their various stations abroad. The POEA also processes overseas contracts and provides every OFW with a government issued identification card.

Overseas Workers Welfare Administration (OWWA)

Another government agency, the Overseas Workers Welfare Administration (OWWA), provides support and assistance to migrants and their families. All processes and requirements up until the point of departure are handled by the POEA, while the OWWA assumes responsibility for the workers' welfare while they are employed abroad. The POEA and OWWA are under the Department of Labor and Employment.

A separate agency, the Commission on Filipinos Overseas (CFO), provides programs and services to permanent emigrants. CFO was transferred from the Department of Foreign Affairs to the Office of the President in 2004.

Among the countries of origin in Asia, the Philippines offers a fairly comprehensive package of programs and services covering all phases of migration, from pre-departure to on-site services to return and reintegration. Although the government could improve its implementation of these programs, the programs demonstrate the government's efforts to balance the marketing of workers with protection. Some of these initiatives, such as the pre-departure orientation seminars for departing workers and the deployment of labor attachés and welfare officers to countries with large OFW populations, are good practices that other countries of origin have also implemented. Labor export in the Philippines also characterized by a well-Managed Deployment Process. Prior to departure, all overseas contract workers must undergo the Philippine Government's mandatory deployment process, two key components of which are Pre-Departure Orientation Seminars (PDOS) and the issuance of OFW Identification Cards. Pre-Departure Orientation Seminars are largely conducted by Non-Governmental Organizations that work in partnership with the Government's Overseas Workers Welfare Administration (OWWA) for OFWs and the Commission on Overseas Filipinos for permanent emigrants. Every departing OFW and Filipino emigrant MUST attend a one-day seminar and provide the government with a certificate of completion prior to deployment.

Protecting Workers Abroad - Migrant Workers and Overseas Filipinos Act

It is the increasing problems associated with working abroad that have made migrant protection and representation an important priority for the Philippine Government. The Overseas Workers Welfare Administration (OWWA) was established as an institutionalized welfare fund to protect Filipino migrant workers abroad. OWWA is funded by a mandatory membership fee of US\$25 that must be paid prior to deployment. The OWWA operates Filipino Resource Centers throughout the world in order to provide further assistance to OFWs. In addition, the Government offers support services towards; participation in pre-departure orientation seminars, public assistance programs, on-site services at its embassies and consulates.

Another major component of migrant protection was created in the 1990s with the enactment of the Migrant Workers and Overseas Filipino Act of 1995 "*The Magna Carta*" which created the Office of the Undersecretary for Migrant Workers Affairs within the Department of Foreign

Affairs to take responsibility “for the provision and coordination of all legal assistance service to be provided to Filipino migrant workers as well as overseas Filipinos in distress.”

The irregular operations of recruitment agencies in the Philippines and their counterparts in the countries of destination remain one of the sources of vulnerabilities for migrant workers. Excessive placement fees, contract substitution, non-payment or delayed wages, and difficult working and living conditions including legal ones are common problems encountered by migrant workers. Migrant women face particular vulnerabilities. Aside from the usual problems that plague migrants, their jobs in domestic work and entertainment usually mean long working hours, surveillance and control by employers, and abusive conditions, including violence and sexual harassment.

Given the "private" context in which they work, the problems encountered by migrant women in these sectors go unnoticed. In general, compared to other national groups, Filipino workers are relatively better protected because they are more educated, more likely to speak English, and they are better organized. NGOs for migrants in the Philippines and their networks abroad not only provide services and support to migrants, but, also advocate for migrants' rights. This increases the confidence of Philippine nationals to seek employment abroad. Apart from the elaborate institutional framework, the development of a legal and institutional framework to promote migrant workers' protection is also an important factor. The Philippines was the first among the countries of origin in Asia to craft a law that aims "to establish a higher standard of protection and promotion of the welfare of migrant workers, their families and overseas Filipinos in distress." Although there had been discussions about a Magna Charta for migrant workers for some time, it was not until 1995 that the Migrant Workers and Overseas Filipinos Act (also known as Republic Act or RA8042) was finally passed. The tipping point was the national furore in 1995 over the execution of Flor Contemplación, a domestic worker in Singapore, who many Filipinos believed was innocent despite her conviction for the deaths of her Singaporean ward and another Filipino domestic worker.

The provisions of the Migrant Workers and Overseas Filipinos Act include:

- 1) the deployment of workers in countries that ensure protection, including the banning of deployment if necessary;

- 2) providing support and assistance to overseas Filipinos, whether legal or in an unauthorized situation;
- 3) imposing stiff penalties for illegal recruiters;
- 4) free legal assistance and witness protection program for victims of illegal recruitment;
- 5) the institution of advisory/information, repatriation, and reintegration services;
- 6) the stipulation that the "protection of Filipino migrant workers and the promotion of their welfare, in particular, and the protection of the dignity and fundamental rights and freedoms of the Filipino abroad, in general, shall be the priority concerns of the Secretary of Foreign Affairs and the Philippine Foreign Service Posts;"
- 7) the establishment of the Migrant Workers and Other Overseas Filipinos Resource Centres in countries where there are large numbers of Filipinos;
- 8) The creation of the Legal Assistant for Migrant Workers Affairs (now the Office of the Undersecretary of Migrant Workers Affairs) and the Legal Assistance Fund.

The Office of the Undersecretary of Migrant Workers Affairs, under the Department of Foreign Affairs, provides assistance to migrant workers who encounter legal problems abroad, while the National Labor Relations Council handles employment-related problems such as money claims.

In addition to government initiatives, the efforts of NGOs, church-based organizations, and migrants' organizations, as well as transnational and international efforts directed at promoting and protecting migrants' rights, help provide an "antidote" to the dangers of migration. Among the countries of origin in Asia, the Philippines is also a leader in introducing several migration-related laws.

These include:

- 1) the Anti-Trafficking in Persons Act of 2003, which establishes policies and institutional mechanisms to provide support to trafficked persons;
- 2) the Overseas Absentee Voting Act of 2003, which gives qualified overseas Filipinos the right to vote in national elections; and
- 3) the Citizenship Retention and Reacquisition Act of 2003, which allows for dual citizenship.

- 4) In terms of commitments to international norms and standards concerning migrants, the Philippines is one of 34 countries (as of October 27, 2005) that has ratified the UN Convention on the Rights of All Migrant Workers and Their Families. It is also one of 95 countries (as of November 6, 2005) that have ratified the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

Management of Remittances

Aside from easing unemployment, Filipinos who choose to work abroad send home remittances that have become an important pillar of the Philippine economy. In 2004, according to the Central Bank of the Philippines, remittances sent through formal channels amounted to US\$8.5 billion.

Table. 5. Inward Remittances to the Philippines 1996-2007

Year	Annual Remittances Received	Year	Annual Remittances Received
1996	4,306.64	2002	9,735.00
1997	5,741.84	2003	10,243.00
1998	7,367.99	2004	11,471.00
1999	6,794.55	2005	13,566.00
2000	6,212.00	2006	15,250.00
2001	6,164.00	2007	17,000.00

Sources: Migration and Remittances Fact Book, 2008 for figures from 1996-1999 to 1983; Battistella,

For the families of migrant workers, remittances are generally spent on fulfilling the basic needs of the family, better housing, educational opportunities for children, and starting or investing in small businesses. According to a 2005 World Bank report, the Philippines is the fifth-largest recipient of remittance flows after India, China, Mexico, and France. The government encourages migrant workers to send remittances through banks. A study by the Asian Development Bank found that 80 percent of Filipino respondents regularly remit through banks or other regulated sectors.

Among other reasons, lower remittance costs help explain the greater use of regulated channels than was the case in the past. The Central Bank of the Philippines is also working on enforcing minimum standards for banks and other players in the remittance business to protect OFWs and

their families from fly-by-night operators, excessive fees, unfair foreign currency conversion, and delivery problems.

Current Policy Debate in the Philippines on the Labor Export Process

Within the Philippines, there has been a lot of speculation about the costs of migration: the problems borne by migrants, anxieties about the destabilizing impacts of migration on families, apprehensions about materialism, and so forth. Although it is acknowledged that migrants and their families have benefited from labor migration, mostly because of remittances, the economic impacts beyond the family level are less tangible. And while it is acknowledged that remittances have buoyed the country's economy, the development impacts have not been clearly felt. Some question what the country has to show for more than three decades of overseas employment. In a strange twist, the Philippines have become as successful as a labor exporter that it has failed to develop and strengthen development processes. The target to send a million workers every year is a telling indicator that migration will be an important part of the country's future development plans and prospects.

Even without government involvement, labor migration from the Philippines is likely to persist thanks to social networks, social capital, and social remittances that have flourished.

Filipino society has become migration-savvy, having developed the ability to respond and adjust to the changing demands of the global labor market. Anticipation of future demand for nurses, for example, has resulted in the proliferation of nursing schools and a remarkable increase in student enrolment in nursing programs in recent years. Even doctors are studying to be nurses to have better chances of working abroad. This is a concrete example of how perceptions of the international labor market have also woven their way into the educational and work aspirations of Filipinos. Individuals make decisions based on perceptions of what would be beneficial for them. But those decisions can have a cumulative effect on communities and the country. In the nursing example, the proliferation of nursing programs (which puts into question the quality of training), the spectre of an oversupply of nurses, and the potential mismatch between skills needed and available human resources are some societal-wide concerns that must be considered and must be weighed vis-à-vis individual aspirations. While the Philippines cannot stop people from leaving, the country will need to explore how migration can be an instrument for development.

3.5 Some Key Lessons from the Philippines Case

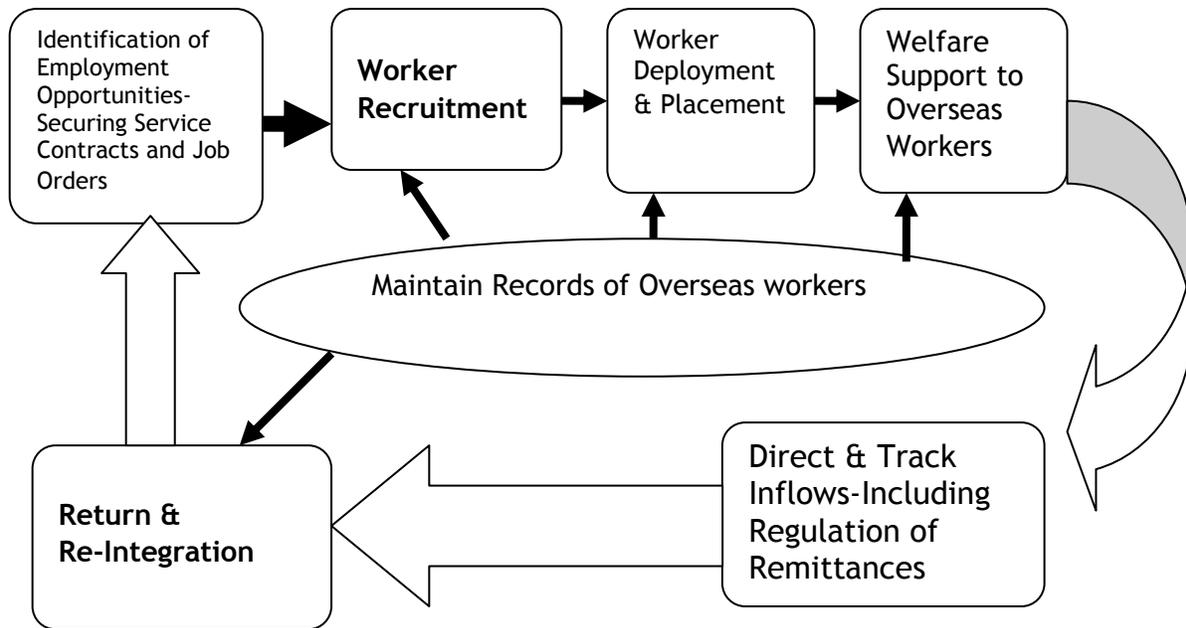
Export of labor has to be balanced with strong development planning in the source country to maximize the development dividend of remittances. Export of labor is not a substitute for strong development planning and reforms to build local productive capacity, competitiveness and expansion of employment opportunities in the source country. Policies have to be developed to make labor export through temporary migration an effective instrument of development.

Women are a key labor resource that needs to be harnessed through labor export. Most labor export opportunities tend to be more suitable for women particularly in the areas of home care and other caring professions as well as in entertainment. However, these sectors tend to be less protected and domestic regulations with regard to the safety and well-being of the women placed abroad have to be put in place.

There is need to balance labor export promotion with protection. In this regard, the government of origin needs to create mechanisms for promoting as well as safeguarding the welfare of its overseas workers.

Reducing the cost of remittances is an essential element of labor export policy. For instance, the remittance cost in Uganda presently at slightly more than 1% through the regulated channels is quite high yet in the Philippines, following some innovative interventions by the Philippine central Bank, the cost reduced to less than 0.5%. Reducing the average remittance cost acts as an additional incentive not only for overseas employment but also for workers employed abroad to increase their remittances through the regulated channels.

Deliberate efforts with clear targets premised on structures tailor-made to identify employment opportunities abroad, recruit workers, deploy workers, respond to specific needs in the foreign employment market, and direct and track inflows, maintain records of their workers abroad, offer welfare support workers while abroad, and reintegration when workers return are critical to successful labor export. The above activities, also diagrammatically represented below, together represent best practice in the management of the labor export process. At each stage of the process, careful supervision and regulation are essential.



In terms of management of the labor export process, the Philippine experience provides key insights for intending countries. First is the effective regulation of private recruitment agencies to ensure that nationals preparing to depart the country as temporary migrant workers are not charged exorbitant recruitment and placement fees nor issued with false contracts. Establishing a dedicated office within the Ministry responsible for Labor tasked to review overseas' labor contracts prior to migrant workers' departure. The Foreign Affairs Ministry through a country's missions and consulates in destination countries can monitor the treatment of the expatriate workers; provide services for filing complaints about false contracts and labor disputes.

Secondly, is the need for Pre-Departure Seminars to brief migrating temporary workers on expectations in the destination country including; information on prospective employers, contacts of migrant community organizations, available savings instruments, the remitting process and how to plan for eventual repatriation and reintegration upon conclusion of contracts.

Third, is the setting up Protection Mechanisms for overseas migrant workers through migrant welfare systems, managed by the source country government. Such mechanisms could provide several support services for overseas workers including; emergency repatriation in the event of an

emergency or repatriation of the migrant's body in the event of death, Life Insurance, Welfare Assistance, and Reintegration Preparedness.

Fourth is the importance of Developing an Identification and Reporting Mechanism for overseas migrant workers. This would provide for the guarantee of return requirements of destination countries in addition to backstopping the protection mechanism adopted in (3) above.

Fifth, is the need to minimize remittance costs by promoting competition in the remittances industry to maximize the development impact of remittances?

Central banks in countries of origin can help lower remittance costs by requiring banks and other RSPs to transparently post all costs related to a particular transaction, thereby ensuring that remitters and their recipients are fully aware of the costs of various products. Governments can also inform migrants about the options available in host countries for remitting money home through a pre-departure financial literacy program.

3.6 Other Observations and Lessons from the Review

Some additional observations can be made from the foregoing review. Firstly, labor export as a source of foreign exchange and poverty reducing income has a strong justification because of its consistence with the economic principle of comparative advantage. Developing countries gain from unskilled labor export through remittances that more than offset the exported labor's original (low) contribution to home output as the welfare of those who remain behind also rises. For the developed (labor importing) regions, higher imports of unskilled labor are more beneficial in terms of reduced unskilled wages and stimulation of most sectors especially agriculture, manufactures and some services.

Africa's Position in the international labor market remains small and insignificant. North Africa and South Africa are the major players on the African continent. Labor migration in Africa is a common phenomenon and increasing like in other regions of the world. Labor export and temporary migration is marked by substantial intra-African exchange.

Another key observation is that while inward remittance flows to SSA constitute reasonably large percentages of most countries GDP, (on average above 2.0%), the levels of outward remittances

remain high, which reduces the development impact of the remittance inflows. Whereas it may be difficult for countries in the region to significantly reduce on their labor imports, expansion of remittance earnings seems to be a main policy option to improve the current account situation of these countries.

4. Methodological approach to the study

The study adopted a descriptive research design combined with analytical modeling to estimate the level of unemployment. Both secondary and primary data collection methods were employed to obtain the required data for the study. The population for the collection of primary data included higher education institutions as well as senior officials of relevant government institutions. The study relied mainly on purposive sampling targeting specific informants who would provide the required information.

4.1 Data Collection

Data collection for this study involved extensive desk research and document review; extensive internet research, key informant interviews; and field survey involving Universities, tertiary institutions, visits to different sector associations/offices and various occupational associations, the Ministry of Labor, Gender and Social Development and the Labor Externalization Unit, survey of companies externalizing labor, Ministry of Public Service, the Public Service Commission, Ministry of Education and Sports, as well as other institutions where employment and unemployment data could be obtained.

4.2 Desk Research and Document Review

This involved the search for, collection and systematic review of several documents and reports covering the labor market situation in Uganda, the East African Community as well as the international market particularly focusing on countries of export interest to Uganda. Some of the national reports and documents reviewed included but were not limited to the following:

4.2.1 National Reports and Policy Documents

The following documents were reviewed;

- 1) Uganda Skills Inventory Report, IOM Kampala, 2004

- 2) The Employment Act, 2006. Republic of Uganda, Kampala
- 3) Report on the Institutional Framework for Migration of Ugandan Labor to Foreign Countries, (2004), Ministry of Gender, Labor and Social Development, Kampala
- 4) The Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations, 2005
- 5) Review on Remittances By Ugandans in the Diaspora, IOM Kampala, 2004
- 6) The Treaty for the Establishment of the East African Community, (July, 2000)
- 7) The EAC Common Market Draft Protocol

4.2.2 Extensive Internet Search

This was undertaken to obtain detailed information on high labor demand regions where Uganda has export interest including the EU, North America, Japan, the Middle East. Review was also done on high labor exporting countries especially in south and South East Asia to draw lessons on possible best practices that could inform countries trying to increase their exports of labor and to develop supportive policy and legal frameworks.

4.2.3 Survey of Universities and Tertiary Institutions

Uganda currently has 21 registered universities and several tertiary institutions who supply the labor market. In order to obtain the most up-to-date data on the training outputs supplied to the labor market over the last five years, visits were made to each of the universities and institution to obtain detailed statistical information. The main data collected was on graduates supplied to the labor market by these Universities and tertiary institutions since 2000. Information was also collected on the employment size of the Universities and Tertiary institutions.

4.2.4 Key Informant Interviews

Key informant interviews were conducted and these involved key government departments and Ministries, employment agencies, employers/sector associations as well as other key stakeholders involved with labor migration in Uganda. This exercise helped obtain important secondary data on the labor market situation especially labor demand and employment in the different sectors. Key informant interviews were conducted with the following among others: Ministry of Labor, gender and social development; Labor Externalization Unit; The Immigration Department; Ministry of Public Service and the Public Service Commission; The BTVET department of the

Ministry of Education and Sports; The Directorate of Industrial Training; Other sector recruitment agencies of the GOU (ESC, HSC, JSC).

4.3 Analytical Approach and Labor Market Estimation

The analytical approach involved establishment of employment levels across all employment sectors in both the public and private sectors. Emphasis was on obtaining trend data to allow for statistical projection of the employment levels and the computation of annual employment growth across the different sectors. Analysis also involved establishment of the aggregate skilled labor supply from Universities and tertiary institutions since 2002 and projecting labor supply over a ten year period. A comparison between estimates of labor supply and demand allowed for estimating the amount of labor shortage or excess. The main objective was to establish whether or not Uganda had adequate stocks of exportable labor both skilled and unskilled.

With regard to estimating unemployment, the study adopted the modified Kakwani & Son (2006) measure of unemployment that recognizes the high rate of under employment in the informal sector. This measure estimates both the *open unemployment* and combines it with the level of *underemployment* in the informal sector to estimate unemployment. The Kakwani & Son model of unemployment is described in detail in Section 5.3.

5. Findings

5.1 Inventory of Uganda's Labor Force

Data on Uganda's labor market (jobs, job seekers, employment levels, desired skills etc.) in both public and private sectors including the large informal sector is important in order to have accurate information about the quantitative and qualitative aspects of the labor market.

Uganda's total labor force, measured by the size of the population in the age brackets 14-64 (UBOS, 2007) increased from 9,773,000 in 2002/03 to 10,882,000 in 2005/06, an average increase of 11.4% over a three year period. However, the broad occupational distribution of the population maintained largely the same pattern with the majority 'employed' in agriculture and a much smaller proportion in paid or wage employment.

Table.6 .Employment Distribution of Uganda’s labor force 2002-2005

Employment Status	2002/3	% of Popn	2005/2006	% of Popn	% Growth
Self-Employment in Agriculture	6,117,898	62.6	7,584,754	69.7	11.2
Self-Employment in Non-Agriculture	2,179,379	22.3	1,458,188	13.4	-9.4
Paid Employment	1,475,723	15.1	1,839,058	16.9	24.6
Total Labor Force	9,773,000	100.0	10,882,000	100	11.4

Source: UBOS, 2008; Authors’ Computations,

The table shows that there is substantial increase in self-employment in agriculture, (both in absolute and percentage terms). Given the very low productivity levels (and sometimes declining output) in the sector (see PEAP, 2004), this growth in self-employment in agriculture implies increasing levels of under employment in the sector. While the growth in self-employment in agriculture is in line with the overall growth in labor force size, there is a decline in self-employment in non-agriculture (the informal sector), which suggests that there is increasing occupational migration to paid employment, either locally or abroad⁵. The decline in the informal sector averaged 3.1% per annum between 2002- 2005 amounting to about 202,682 persons migrating from the sector over that period. The level of paid employment grew at a higher rate than the overall growth in the labor force suggesting a much greater increase in the demand for paid jobs than any other form of occupation. A further analysis of the paid employment workforce in Uganda shows that the following sector distribution and the average growth rates in each employment sector.

⁵ The informal sector is mainly composed of school dropouts who get involved in blue-collar work with skills acquired through coaching and mentorship processes while on the job, upon which individuals graduate to set up their own informal business operations. The sector also includes graduates of educational institutions who decide to go into self-employment in the informal sector after failing to obtain paid employment.

Table.7. Sector Distribution of the Paid Employment workforce 2002-2008

Employment Sector	2002	2003	2004	2005	2006	2007	2008	Av. Growth Rate %
Civil Service	83,073	85,062	91,601	100,076	85,226	74,347	74,750	-1.2
Teaching & Education Services	206,539	213,673	219,756	232,879	244,072	186,775	186,512	-1.0
Health (Public & Private)	-	-	-	-	40,000	42,000	45,000	
Armed Forces ⁶	18,106	17,229	17,945	17,730	17,565	25,945	29,270	9.6
Manufacturing	17,198	19,334	29,393	35,974	*29,849	-	-	17.4
Financial Services	-	-	-	-	-	13500	14,000	
Private Professional Services ⁷	-	-	-	-	36,000	38000	39,000	-
Hospitality, Tourism & Travel Related	-	-	-	-	-	9700	13,000	-
Transport & Auxiliary Services						46,000	54,000	
Printing & Publishing								
Construction & Construction Related						120,000	150,000	
Legislators, Senior Government & Political Leaders	600	630	744	780	810	980	1100	9.1
Other ⁸	1,150,807	1,261,434	1,368,969	1,452,399	1,613,149			

Source: UBOS 2007; Ministry of Public Service, Kampala; Statutory Sector Regulators, NSSF Incomplete data reported.

⁶ The Armed Forces do not include the Military due to the sensitivity of the data. However, current estimates put the level at 0.1 million.

⁷ Private Professional services Include(Engineering, Legal, Accounting And Audit & Business Services

⁸ This number is estimated to be comprised of Casual workers who comprise 9.7 of Uganda's total labor force. According to Austin Associates & UMACIS (2004) this labor category is most likely not to have attained Tertiary and University Education.

The table shows that two sectors continue to dominate paid employment in Uganda and these are the civil service and the public teaching and education services. These have been the traditional employment sectors and together employed over 20% of total paid employment during the period 2000-2008. However, the two sectors have registered negative growth in employment since 2002, suggesting that their role is becoming less significant as a future source of employment. Given that these traditional employment sectors have been the biggest providers of formal employment, there is apparent need to diversify sources of paid employment with a capacity to absorb large numbers of workers. The table further shows that formal paid employment which occurs mainly in the different sub- sectors of the services sector is growing. Modest employment growth was registered in Armed forces (Police, Prisons service, Private security services).

However, given that Uganda's biggest number of recorded foreign workers abroad are offering security services-40,000 by 2008 (Ministry of Gender, Labor and Social development, 2008), growth in security services by Ugandans abroad could compensate for any shortfall in growth in the other employment sub-sectors. The other services disciplines, though known to be high growth sectors in terms of job creation, information remains scanty. However, previous reports such as the Services Export Strategy report (UEPB, 2006) pointed out that services continue to generate 90% of all jobs although up to 30% of these are taken by foreigners owing to the skill gaps prevalent in the country. With regard to manufacturing employment, high growth is depicted but is still premised on a relatively small base and therefore the absolute numbers are still small. The sector will have to grow substantially in order for it to become a major source of paid employment opportunities in the long run.

The above employment data confirms that Uganda's labor market is still underdeveloped and employment status can only be traced by sector rather than by occupational or skill categories. Because of this, it is difficult to classify Uganda's labor force in accordance with the International Standard Classification of Occupations of the International Labor Organization (ILO) as originally set out. Uganda currently has no system of classifying labor based on occupation or skill types.

5.2 Projections of Graduate Output from Higher Education Institutions 2008/09 to 2019

By 2008, Uganda had a total of 21 licensed Universities nine of which were chartered. Uganda also had a growing technical and vocational training sector whose enrolment levels were increasing. Many of these technical and vocational institutions had started producing employable graduates by 2002. In all, there are over 132 public and private BTVET institutions by 2008. In terms of the labor market, annual labor supply is best measured by looking at graduates from training institutions. Using figures obtained from the survey and from key secondary data sources, annual graduate output from Uganda's training institutions was established and is presented below.

5.2.1 Graduate Output from Uganda's Universities 2002-2007

Uganda's Universities produce a limited range of skill types with the overwhelming majority of the graduates being from the Humanities and few from the professional disciplines and the sciences. There are few graduates from the applied sciences such as Information and Communications Technology (ICT). Graduate output per University is presented in Table 9, below. The table shows that total annual graduate output grew from 6, 546 graduates in 2000 to 25,975 by 2008.

Growth was at an average annual growth rate of 20.1% while the rates of a number of individual universities were much higher. The output growth rates of some Universities exceeded 30% for the period. This graduate output growth from Universities together with that of the other non-University tertiary institutions indicates major growth in skilled labor supply for the formal employment market.

Table 9. Graduate output from Uganda's Universities 2000-2007

University	2000	2001	2002	2003	2004	2005	2006	2007	2008	Average Annual Growth*
Makerere	5,016	4,849	6,561	6,880	8,131	12,764	10,327	10,178	12,589	14.4%
Kyambogo	-	-	-	-	3,540	2,862	2,021	5,906	4,134	28.4%
Mbarara	97	109	132	195	227	284	330	382	436	21.1%
Gulu	-	-	-	-	-	286	324	443	625	30.4%
Nkumba	309	431	439	500	839	736	589	797	883	23%
UCU		182	357	519	769	922	1435	910	905	32.6%
UMU	67	79	337	340	354	565	542	983	1159	63%
IUIU	287	377	323	322	447	620	597	712	790	15.1%
Kampala International	770	1,470	1,560	1410	2,157	670	1,440	1,168	2,322	33.3%
Kampala University	-	-	-	148	251	-	327	396	530	38.7%
Bugema	300	350	375	247	210	412	514	422	420	9.7%
Busoga	-	-	-	-	-	95	271	306	812	121%
Others	-	-	-	-	-	-	-	320	370	15.6%
Totals	6,546	7,847	10,084	10,561	16,925	20,216	18,717	22,923	25,975	20.1%

Source: Compiled from the Survey of the Universities; * The rate was computed for the period data was available

5.2.2 Graduate Output from the Non-University Tertiary Education Institutions

Graduates from BTVET Institutions

Uganda had 132 Business, Technical and Vocational Institutions by 2008 (MOES, 2008) training Ugandan youth in a range of 12-15 blue collar skills. The most established blue-collar skills training undertaken included the following:

Electronics	Electrical Installation
Painting and Decoration	Welding and Fabrication
Motor Vehicle Mechanics	Metal Machining and Fitting
Auto Electrical	Carpentry and Joinery
Brick Laying and Conc. Practice	Plumbing and Pipe Fitting
Weaving	Catering and Hotel Management
Tailoring and Garment cutting	Secretarial studies and Practice
Radio servicing	

Data from the BTVET sector indicated that on average, 2,685 skilled BTVET graduates were produced since 2004.

While it is difficult to determine with precision the adequacy of these numbers for the local employment market, due to lack of statistics on demand, the general perception is that blue collar skills are still short for the demands of the local market except for carpentry workers who seem to have been produced in larger numbers than is required by the market. Overall, output of blue-skill workers is on the increase by about 33.5% per annum since 2004 and given increased government investment in the BTVET sector and the passing of the BTVET Act in 2008, this increase is expected to continue over the next 10 years. Table 10 below summarizes the graduate totals from the BTVET sector institutions for the period 2000-2008.

Graduates from Teacher Training Colleges and Colleges of Commerce

Another category of the non-University tertiary institutions are the teacher training colleges and the colleges of commerce. Uganda had 10 National Teacher Training colleges (NTCs) and over 60 primary teacher training colleges (PTCs) by 2008. In addition to the teacher training colleges, the country also had 5 public colleges of commerce and over 19 privately owned colleges of commerce. These together with the BTVET institutions constituted the tertiary education sector. The total number of graduates from the tertiary education sector is summarized in the table below. The table below shows that overall growth rate of graduates output from the non-university tertiary sector is declining at an annual average rate of 4.7%. More specifically, graduates from primary teachers colleges and National teachers colleges (secondary school

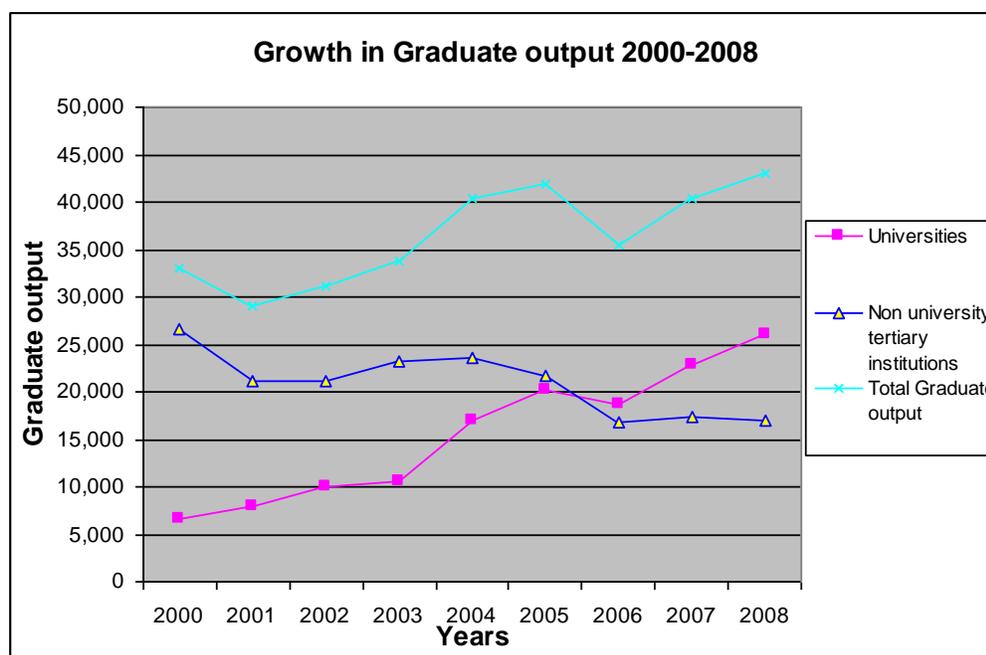
teachers) are declining fastest at rates above 5% annually while graduate output from Uganda Colleges of Commerce (UCCs) is growing only modestly. The BTVET sector is the only whose output is growing at a faster rate of over 19%.

Table 10: Graduate Output from Non-University Tertiary Institutions, 2000-2008

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	Av. Growth
UCCs	3344	3444	3548	3654	3764	3877	3994	4,114	4,234	2.9%
NTCs	5062	2180	4822	6982	5464	2318	712	0	0	-6.5%
PTCs	16,794	14,157	11,224	11,119	12,717	11,031	9,411	10,947	10,390	-5.0%
BTVET	1,324	1,386	1,451	1,520	1,592	4,525	2,604	2,304	2,399	19.2%
Totals	26524	21167	21045	23275	23537	21751	16721	17365	17023	-4.7%

Source: Compiled from the survey of Non-University Tertiary Institutions, Uganda National Examinations Board (UNEB), Department of Industrial Training (DIT), BTVET Department - Ministry of Education and Sports, Kampala.

Combining the graduate output from Universities and the non-University tertiary institutions, data shows that Uganda’s total annual graduate output from higher education increased from 33,070 in the year 2000 to 42, 998 in 2008. Total output growth occurred at an average annual rate of 4% during the period. Figure 1 below shows the trends in graduate output over the period 2000-2008.



5.3 Estimating Local Employment/Unemployment

Unemployment occurs when a person is available to work and seeking work, but the person is without work (Riddell,1999, Zhang,2005).However, the UN defines the unemployed as persons without work who have been actively searching for employment in the previous four weeks (ILO, 2006). According to Riddell (1999), the principle objective of measuring unemployment in an economy is to provide a measure of the extent of unused labor supply, that is a measure of the number of individuals available for work but are not employed. The prevalence of unemployment is usually measured using the unemployment rate, which is defined as the percentage of those in the labor force who are unemployed. The unemployment rate is found by dividing the total number of unemployed by the total labor force. Although different types of unemployment may be found, which principally relate to the underlying causes rather than any unique manifestations, the common denominator has been to look at the proportion of individuals in the labor bracket who are without jobs. Thus, the common type and measure of unemployment is the open unemployment type which estimates the number of persons actively searching but are unable to find jobs (Kingdom and Knight, 2005).

Recent empirical literature suggests that measuring the open type of unemployment is not suitable for LDCs and grossly underestimates the level of unemployment. Kakwani and Son (2006) argue that a more suitable measure of unemployment in LDCs should take into account the weak labor markets in those countries. Because demand for paid labor is very weak in LDCs, most LDCs have a large proportion of their labor force employed in the informal sector, which is characterized by providing low incomes for its workers. Incomes in the informal sector are often so low that workers are unable to afford the basic necessities of life for their families.

The fact that workers in LDCs are unlikely to get any monetary support from the government when unemployed, they cannot afford to stay idle. They have to do some work to survive but often report themselves as employed. Consequently, the conventional measure of unemployment reported from labor force surveys tends to underestimate the true measure of unemployment in LDC countries. Thus, many LDC countries have low open unemployment rates but still suffer from massive poverty because of the low earnings of a large segment of their ‘employed’ workforce.

This study adopted a modified Kakwani and Son (2006) measure of unemployment which recognizes the high rate of under employment in the informal sector. This measure estimates both the *open unemployment* and combines it with the level of *underemployment* in the informal sector to estimate unemployment. The measure defines underemployment as persons who earn below the *subsistence wage*⁹ and is expressed as below.

$$U_{\alpha}^* = 1 - \frac{1}{n} \sum_{i=1}^n \delta_{i\alpha} (1 - r_i)$$

Where: U is the unemployment rate; r_i is the unemployment status of a person i ; n the number of persons in the labor force and δ is the degree of employment of a person i.e. fully employed or under employed if earning above or below the minimum wage respectively.

The Kakwani and Son (2006) Unemployment Index simply requires that an estimation be made of the number of persons earning below the minimum wage and then summed up with those openly unemployed to come up with a measure of unemployment suitable for developing countries. This study adopted a modified Kakwani and Son (2006) index.

However, because of the absence of a minimum wage, the high incidence of casualization¹⁰ of labor that has been reported, together with a relatively large informal sector, a slight modification was made in Kakwani and Son Index to accommodate the existing reality in Uganda's labor market. A new model was adopted that considers three key aspects of the labor market: skilled labor supply from education institutions which tends to be higher than job creation, the high rate of casualization and lastly the attrition (migration) from the informal sector into the paid employment market¹¹. This model therefore estimates total unemployment to include three

⁹ This applies very well where a local minimum wage has been set. Through a survey, it then becomes easy to estimate the proportion of workers earning below the minimum wage.

¹⁰ According to Austin (2004) casual labor in Uganda is temporary, earns very low pay (estimated at an average of UGX50, 000/= per month that was equivalent to less than USD 30 at the time. As a result of low wages, casual workers are in constant search for more gainful employment.

¹¹ As already indicated, the Uganda Labor Force Survey 2002/2003 reported that the level of casualization stood at 9.7% of the total labor force. Casual labor is temporary, earns very low pay (estimated at an average of UGX50, 000/= per month, an equivalent of less than USD 30) and therefore are in constant search for more gainful employment, they cannot be considered as gainfully employed. Similarly, self-employment in the informal sector is fast shrinking at an annual average rate of 3.4% releasing labor into the paid employment market.

variables namely graduate unemployment, the total casual workforce and thirdly the informal sector workers unable to find or continue in informal sector employment in a given year.

Graduate unemployment, the sum of graduates produced from the education system in a given year that are unable to find jobs (gu_t) is estimated by the difference between total annual job creation jc_t and total *skilled labor supply* in a given year. Total *skilled labor supply* constitutes the total graduate output go_t and the immigrant work force in that particular year iw_t . Secondly, total casual workforce is the total number of casual workers (who earn below the poverty line) c_t and in this case estimated by the difference between total labor force in paid employment from the National Household Survey 2004/05 and the total labor force reported in this study. Thirdly the informal sector workers unable to find or continue in informal sector employment in a given year (m_t) was estimated using the rate of attrition computed from the informal sector data obtained from the National Household Surveys 2002/03 and 2004/05.

This model was considered to be more robust in capturing the under employed but also in capturing the effect of the dwindling size of the informal sector on the level of unemployment. The model employed in this study is illustrated below:

$$U_t^{**} = \frac{1}{n} \sum_{i=1}^n \delta_i (gu_{it} + c_{it} + m_{it})$$

Where

n Is the total labor force

$\delta_i = 1$; if the i^{th} person belongs to the category

0; otherwise

$$gu_t = \sum_{i=1}^n \delta_i gu_{it} = jc_t - (go_t + iw_t)$$

$$c_t = \sum_{i=1}^n \delta_i c_{it}$$

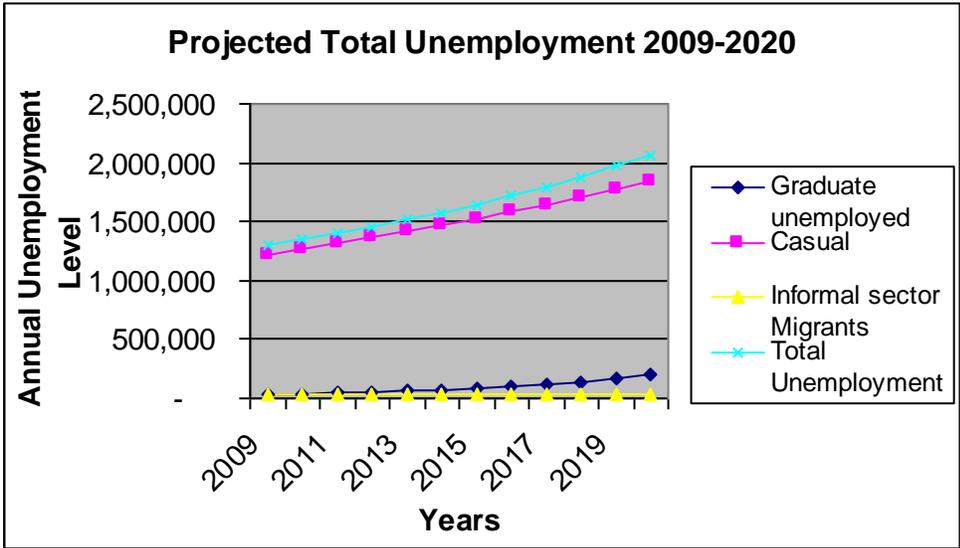
$$m_t = \sum_{i=1}^n \delta_i m_{it} = (IS_{t-1} - IS_t)$$

Using data on employment¹² collected under this study, annual job creation was estimated for the period 2009-2020 using the Auto Regressive Integrated Moving Average (ARIMA). The estimates represented annual labor demand for paid employment during the period.

The results of the estimation are presented in Appendix 1. Similarly, data on annual graduate output for the period 2000-2008 collected under this study was used to estimate annual graduate output for the period 2009-2020.

Additional data on migrant labor, using data on work permits issued by the Immigration Department was used and projections for the period 2009-2020 made. As already indicated, both sets of estimates employed the Auto Regressive Integrated Moving Average (ARIMA) estimation procedure. The ARIMA is more robust than the ordinary time series analysis as it combines both the effect of time as well as the variable itself in estimating future values of the variable. The latter two estimates represented labor supply for paid employment.

The detailed results of the projections are presented in appendix 2. Projected unemployment levels for graduates (skilled labor) and the projected levels of casual labor and the informal sector unemployed are presented in figure 2 below.



¹² Data obtained from the formal employment sectors was assumed to relate to skilled workers who tend to be formally employed and reported as such. This is also premised on the fact that over 90% of employment in Uganda is in the services sector who tend to employ mainly skilled workers. On the contrary, casual workers are often not reported and tend to comprise mainly unskilled workers.

The Data shows that graduate unemployment is likely to increase from the level of 34,603 in 2009 to nearly 200,000 by 2020. The total casual workforce is likely to increase from the current level of 1.22 million in 2009 to over 2.0 million by 2020. Similarly, informal sector migrants who represent the informal sector unemployed will persist till 2020. These trends will continue to exacerbate the overall level of unemployment. Total unemployment will increase from approximately 1.3 million in 2009 to 2.1 million in 2020 representing an average increase of 4.3% per annum.

5.4 Exportable Labor force Size and Viability of Labor Export

Exportable labor in this study is used to refer to labor that is in search of gainful employment but whose deployment outside the country would not negatively affect the local economy's output and competitiveness. To estimate the size of this kind of labor in a country with a weak labor market such as Uganda, it was imperative that all categories of labor are examined in terms of the level of unemployment but also underemployment. Uganda currently has a high level of graduate output and a relatively lower level of job creation which has resulted into a high job deficit level estimated at 34,603 for 2009. This implies that the economy at present does not have the capacity to absorb its graduates from Universities and tertiary education institutions.

This deficit constitutes a labor pool that could be exported for gainful employment abroad taking into consideration skill surpluses and deficits shown in earlier studies.

In addition to the relatively high level of graduate unemployment, Uganda also suffers from a high level of "*Labor Casualization.*" As already indicated, the Uganda Labor Force Survey 2002/2003 reported that the level of casualization stood at 9.7% of the total labor force. Using the Uganda Bureau of Statistics data, this was estimated to be around 1.0 million in 2005/06 and approximately 1.2 million in 2008 (UBOS, 2003; UBOS, 2007).

Given that casual labor is temporary, earns very low pay (estimated at an average of UGX50,000/= per month, an equivalent of less than USD 30) and therefore are in constant search for more gainful employment, they cannot be considered as gainfully employed. They therefore constitute a pool of exportable labor. This category of labor would benefit from higher paying employment opportunities abroad. Thirdly, given that self-employment in the informal sector is

fast shrinking at an annual average rate of 3.4% and releasing labor into the paid employment market, this situation exacerbates local unemployment and creates additional labor resources that are exportable. In view of the above, deliberate promotion of labor exports in Uganda seems to be a strategic option for mitigating the effect of the increasing job shortages that are currently experienced, and likely to worsen in the next ten years.

The above pool of unemployed labor constitutes a large labor resource from which labor exports could be effected to further benefit the economy. However, given that the local economy is dependent on cheap labor for competitiveness, not all casual workers are exportable without causing shocks to the local economy. A conservative estimate of 20% is assumed to be safe enough for casual workers to be withdrawn without any shocks to the local economy. This estimate together with the graduate unemployed and those released from the informal sector gives an estimate of 320,232 for 2009 and 595, 901 for 2020 in line with the trend in unemployment. These figures represent the labor force size that potentially available for export (deployment abroad) without causing any shocks to the local economy but with potential to engender positive effects on household poverty and local economic performance. It is important to note that the above estimates of exportable labor for 2009 are more than double the current size of Uganda's total emigrants abroad estimated by the World Bank (2008) at 154, 697 in 2005. This suggests that Uganda has the potential to triple remittance earnings with a more deliberate and pro-active labor export policy.

5.5 Market Analysis for Labor in High Demand Countries

The demand for labor from the south in the high demand regions of the world varies with the levels of economic growth but has generally been on the increase over the last decade. This demand has mainly been for the “3-D jobs”¹³ as opposed to white collar jobs whose demand has remained static over the same period. The market conditions in selected high demand regions are summarized below.

¹³ 3-D jobs refer to difficult, dirty and dangerous jobs.

Japan

The demand for migrant labor in Japan seems to be largely specialized, not in terms of skill but in terms of source. The most preferred source of labor are from Latin America but of Japanese ancestry notably Fiji, Peru, Philippines, Brazil and others such as Malaysia, Indonesia. The other major supply countries are Thailand, and Iran. Japanese firms have filled lower-paid, short-term jobs with overseas recruits, particularly with South Americans of Japanese ancestry.

These new legal laborers, who have benefited from liberalized immigration laws for people of Japanese descent, are rising in number as the population of unauthorized workers, such as visa over stayers, dwindles.

Unemployment has steadily increased over the past decade, from 2.1 percent in 1991 to 3.4 percent in 1996 and then to 5.0 percent in 2001. Despite the bursting of the "bubble economy" in 1991, the number of foreigners living and working in Japan continued to grow in the past decade. In March 2002, the Ministry of Health, Labor and Welfare estimated the number of foreign workers in Japan at the end of 2000 to be at least 710,000, up 6 percent from the previous year and accounting for just over 1 percent of the Japanese workforce. This figure includes approximately 100,000 professionals and other highly skilled workers, as well as 54,000 people holding "entertainer" visas. Excluded are permanent residents such as "old-comer" Koreans and a small segment of Brazilian Nikkeijin (Brazilians of Japanese descent). Immigrant workers continue to bolster Japan's low-skilled and semi-skilled labor pool. In particular, South American Nikkeijin and visa over stayers make up the largest proportion of these workers. Added to this are trainees and technical interns who participate in special government-sanctioned programs. Each of these groups has carved out a unique niche in Japan's stressed economy. The number of South American Nikkeijin rose sharply in the early 1990s, encouraged in good part by the revised Immigration Control Law of 1990, which allowed second and third-generation persons of Japanese descent easier access to residential visas with no employment restrictions. Aggressive recruitment by employers also played a role. According to the Ministry of Justice, Brazilian nationals constituted the largest group, which grew to reach 250,000 in 2000, followed by Peruvians with a population of 46,000.

Visa Over stayers

Liberalizing the admission rules for the Nikkeijin in 1990 was one policy instrument designed to halt the growth of unauthorized immigration; official estimates placed the number of visa over stayers alone at nearly 300,000 in 1993. (The category of unauthorized immigrants also includes those who have arrived in Japan legally but who may be working without permission to do so, such as foreign students, as well as a much smaller group of immigrants who have arrived at Japan's shores illegally.) The vast majority of visa over stayers came from other Asian countries, such as Korea, China, the Philippines, Thailand, Malaysia, and Iran, and took so-called "3K jobs" -- *kitsui* (demanding), *kitanai* (dirty), and *kiken* (dangerous). The estimated number of visa over stayers has decreased slowly. Most of the decrease has been in the number of Iranians, whose numbers dropped sharply from 40,000 in 1992 to 5,000 by 2001, and in the population of Thais and Malaysians. With a total population of 230,000 at the beginning of 2001, however, visa over stayers still constitute a major group of foreign workers, according to the Ministry of Justice.

At its core, the trainee system is another mechanism for recruiting "unskilled labor." Despite the stated goal of fostering the transfer of technical skills, numerous studies have indicated that the majority of businesses accept trainees to lower personnel costs and to offset labor shortages. While the number of trainees appeared to reach a plateau in the mid-1990s, it increased by 36 percent between 1999 and 2000. According to the Ministry of Justice, of the 36,000 trainees registered at the end of 2000, 61 percent were Chinese, followed by Indonesians (12 percent) and Filipinos (8 percent). Keeping pace with the increase in trainees has been the notable growth in the number of trainees applying for technical internships -- from 5,300 in 1996 to 12,400 in 1998 and then to 16,100 in 2000, according to the Japan International Training Cooperation Organization (JITCO). Trainees are not protected by labor standards and receive "allowances" that are often significantly lower than the minimum wage. Although technical interns are "workers" in the legal sense, they too have found their wages cut back due to a series of deductions unilaterally imposed by employers. JITCO statistics show that approximately half of the 16,100 prospective technical interns in 2000 were expected to receive a monthly wage of less than 120,000 yen (US\$900), and those who could expect 150,000 yen or more accounted for only 3 percent. These figures are substantially lower than the average wages of Japanese workers, aged 20-29, in the manufacturing sector: approximately 240,000-280,000 yen for males and 190,000-

210,000 for females, according to the 2002 Japan Statistical Yearbook. Growing product and price competition from abroad, particularly from China, is one of the factors driving the increase in the number of technical interns and trainees. While some businesses in Japan have relocated their production lines to China, others have had no choice but to maintain their facilities in Japan, retain their place in the Japanese production and supply chain, and recruit young Chinese trainees. Nearly half of the technical interns are employed in the textile and clothing industries, the section of Japanese manufacturing that is most vulnerable to losing market share due to international competition. Other Factors are at play in Japan's increasing demand for foreign labor-the prospect of a declining population and labor shortages likely to be experienced in some economic sectors have raised possibilities of further admission of foreign migrant workers. Many Japanese businesses want Japan to open its doors wider to migrant workers, but most Japanese oppose more immigration.

Japan remains largely closed to unskilled guest workers. Ethnic Japanese from Brazil, trainees mostly from China (93,000 arrived in 2006), and foreign students fill many low-skill jobs in Japan, augmented by visa over stayers who illegally work. Legal foreign workers are dominated by entertainers; they were over half of the 81,000 foreign workers admitted in 2006 (Onishi, 2009)¹⁴.

Middle East

Foreigners account for more than two thirds of the residents of most countries in the region and up to 90 percent of the region's workforce. South and South East Asia including Pakistan are the preferred supply countries for foreign workers in the gulf countries. Asian workers are preferred because they are willing to work for lower wages under poor working conditions and migrate without their families as a result they tend not to settle and therefore perceived as posing fewer long-term immigration and security threats (Kapiszewski,2006)¹⁵. While the private sector is more inclined to hire foreign recruits, nationals from the region prefer working in the public sector because it offers much higher salaries and more attractive financial benefits (Kawah,

¹⁴ "An Enclave of Brazilians is Testing Insular Japan", Norimitsu Onishi, New York Times, 10th January, 2009.

¹⁵ "Arab Versus Asian Migrant Workers in the GCC Countries", Kapiszewski, Andrzej, UN Expert Group Meeting, May 15-17, 2006 Beirut

1998)¹⁶. Across the region, foreign workers continue to dominate the labor market forcing governments to design incentive frameworks to increase the employment opportunities for their nationals in the private sector. Low private sector wages have led to a segmented labor market in the Middle East, women constitute less than 10% of the native work force while foreign women are often 25% of the foreign workforce, and are employed largely as domestic helpers.

Jordan: Jordan currently hosts 400,000 foreign workers three quarters of who are Egyptians. However, there is a high unemployment rate estimated at 15-25% of its 900,000 workforce. Most Jordanian workers are inclined not to take up 3-D type jobs which yet are attractive to foreign workers. In general, competition for employment opportunities between foreign workers and Jordanians is in the low paying jobs while medical, engineering, administrative and secretarial jobs have been closed to foreigners. There is a minimum wage for Jordanian workers which have increased preference for foreign workers for the low paying jobs.

UAE: The UAE has a high demand for foreign workers especially in construction, restaurants, shops and some factories. With a population of 6.4 million residents, 86 percent of the UAE's population (5.5 million) and over 97 percent of the private sector work force are foreigners and over 200,000 being illegal. The UAE introduced measures making it compulsory for the private sector to hire nationals, including a ban on the recruitment of expatriates for jobs that can be filled by natives. In addition, incentives have been introduced to encourage companies which hire UAE nationals by giving them preference in awarding government contracts (Davidson, 2008)¹⁷.

Saudi Arabia:

Saudi Arabia has a government controlled labor market with Saudi employers requiring permission from the state to import labor. The Saudi government continues to intervene in both the demand and supply side of the labor market, denying employers permission to import e.g. secretaries, and offering young Saudis courses in how to be better workers.

There are about three million Saudi workers and five million foreign workers in the country. The Saudi government has been implementing a program to create more jobs for Saudis, by having Saudis take on jobs currently done by foreigners. Just like the UAE, the Saudi government gives

¹⁶ "Gulf States turn to Private Sector to Create Jobs for Nationals", Agence Presse, May,6,1998

¹⁷ "Dubai: The Vulnerability of Success" Davidson, Christopher M, 2008, Columbia University Press

preference to companies who hire nationals in its contracts. Over 900,000 Saudis are employed in government jobs and hold most of the jobs in retailing while foreigners hold most jobs in construction, factories and other services, significantly 90% of the nurses in Saudi Arabia are foreigners. The Saudi Manpower Council in 2003 decreed that foreigners should be reduced to 20% of the population and no nationality should be more than 10% of the foreign population. This implied that several million foreigners would have to leave Saudi Arabia with large reductions in the number of South Asians, Filipinos and Egyptians.

Despite strict visa restrictions there are many Hajj visa over stayers every year. Saudi Arabia is building four “economic cities” that aim to employ Saudis in white collar private sector jobs.

Kuwait. There are about 1.2 million foreign workers and their families in Kuwait constituting 63 percent of Kuwait's 1.9 million residents. The Kuwaiti labor market is subject to a very strict public health regime which does not accept HIV positive migrants; all foreign workers found seropositive are immediately deported. Kuwait has attempted to make recruitment of foreign labor more expensive by forcing companies to increase health and other benefits for foreign workers and by raising visa and residence fees.

Israel: There are over 250,000 foreign workers in Israel working in various sectors of the Israeli economy especially agriculture, most foreign workers are from Romania, Thailand, the Phillipines and some African countries. Most of the foreign workers overstay their visas and continue to live and work in the country illegally. Many of them enter fictitious marriages with Israelis to legalize their stay, some 3,000 such marriages are reported to take place annually. Palestine used to be a big source of foreign workers although their numbers have decreased by more than six times since 1992, currently, Thailand seems to be a preferred supplier.

The trends in the labor markets of the Middle East have several implications for labor exports from Uganda, first is that demand for foreign labor in the region is generally on the increase and there is a definite preference for foreign labor in the private sector. The demand is mainly for 3-D type jobs in construction, factories, the care and hospitality services, and for domestic helpers. There is a high demand for nurses in the region. These areas constitute the growth segments in this important export market and Uganda should position itself to exploit this opportunity. Another implication is that whereas Uganda's major export presence in the region is in the

security services segment particularly in Iraq, there is need to diversify into other areas on high demand especially the high growth segments above.

The European Union

The European Union had 500 million residents as of January 1, 2009, including 329 million in the Euro zone. Germany is the most populous EU country with 82 million residents. The EU is estimated to have somewhere between four and eight million unauthorized workers. Unemployment rose in Europe in the fall of 2008, and is expected to increase further in 2009. Countries with recent influxes of migrant construction workers, including Ireland and Spain, have rapidly shrinking construction sectors. As migrants are laid off, many are returning to their countries of origin. The Spanish government offered departure payments to unemployed non-EU foreigners who agree to leave and pledge not to return for at least three years. When the so-called A8 (accession) countries of central Europe joined the EU May 1, 2004, the old EU-15 states were allowed to restrict the migration of A8 workers for up to seven years. Only Ireland, Sweden and the UK allowed A8 workers to enter freely for jobs. In 2008, 11 of the old EU-15 member states allowed A8 nationals freedom of movement to seek jobs, but Germany, Austria, Belgium and Denmark did not over concerns of "serious labor market disturbances", due the freedom of movement.

The EU Parliament in November 2008 approved legislation that encourages member states to penalize employers of unauthorized workers, such as requiring payment of back wages and benefit contributions and reimbursing governments for the cost of returning migrants to their countries of origin. Criminal penalties are recommended for employers who employed unauthorized workers in conditions of "extreme exploitation." The EC proposed EU-wide sanctions on employers of unauthorized workers in May 2007. The EU in 2008 launched an €15 million Joint Initiative on Migration and Development (JIMD) project to support NGOs that work with local governments in 16 mostly African and Asian labor-sending countries to strengthen migrant rights, reduce the cost of remittances, and enhance the capacities of migrants to contribute to the development of their countries of origin. This initiative gives new impetus to the blue-card program to attract skilled migrant workers; the blue-card program approved by the EU in November 2008 will go into effect early in 2009. Blue-card holders must either have at least a

Bachelor's degree or five years of professional experience in the industry or occupation in which they will work. Blue Cards are valid for up to four years, and the families of the holders to join them within six months. After 18 months in the EU country that first admitted them, blue-card holders may move anywhere in the EU to live and seek employment. Blue-card holders who lose their jobs have up to six months to find another job. The UK and Irish governments decided not to participate in the Blue Card scheme, since they already have programs that aim to attract highly skilled non-EU foreigners. The blue card provides a good opportunity to graduates from the developing world to seek gainful employment in the EU.

UK & Ireland

Between 2002 and 2007, some 2.5 million foreigners migrated to the UK and 750,000 British left; the British Diaspora is 5.5 million. There were 3.7 million foreign-born workers employed in the UK in the first quarter of 2008, representing 12.5 percent of the 29.5 million total employments. Between September 2006 and September 2008, employment rose from 29.2 to 29.5 million, including an increase of 469,000 in foreign-born workers and a decrease of 149,000 in UK-born workers. Net immigration added 237,000 people to the UK in 2007, up from 191,000 in 2006; immigration peaked at 244,000 in 2004. Most immigrants who remain in the UK are from outside the EU. Immigration is projected to raise Britain's population from the current 61 million to 68 million by 2031. Most newcomers settle in England, which is set to surpass the Netherlands as the most densely populated country in Europe in 2009. Although there is domestic pressure for an annual cap on immigration, however, Public Policy Research Institutions have argued that more immigrants could fill jobs related to the Olympics scheduled for 2012 and reduce the severity of the 2008-09 recession. At the end of 2008, there were 800,000 Poles in the UK most whom were employed in agriculture, construction, and service jobs. The UK operates a five tier immigration system. Tiers two and five of this system became effective in November 2008. Tier 2 non-EU foreigners must have a certificate of sponsorship issued by a UK employer registered with the government, and must obtain at least 70 points under a test that scores individuals on the basis of their English language skills, support funds, and personal attributes, including their education and prospective UK earnings. Tier five short-term students and temporary workers such as sports and entertainment teams must also have a UK sponsor and

score at least 40 points, while Tier 5 Youth Mobility Scheme foreigners must score 50 points based on sponsorship, age and funds for their maintenance in the UK foreigners.

The British government maintains a labor "shortage list," giving extra points to foreigners arriving to fill jobs in labor-short occupations. In November 2008, the shortage list included occupations with 800,000 jobs (Whitehead, 2008)¹⁸. Britain rose the age at which foreigners can apply for a marriage visa to enter the country. In an attempt to stop forced weddings and immigration abuse, both partners in marriage must now be at least 21.

Sweden

Sweden received over 102,000 immigrants in 2008, a record high, pushing the foreign-born share of the 9.3 million populations toward 14 percent. Foreign-born Swedish residents lag behind native-born Swedes in education and employment, and many immigrants born in Africa are not employed despite high levels of education. One reason may be segregation--many foreign-born residents of Sweden live near other foreign-born residents. The Swedish government in December 2008 made it easier for Swedish employers to hire non-EU workers— employers no longer need certification from the Employment Service that Swedes, settled foreigners, and EU nationals are not available. Employers must advertise the job vacancy they want to fill with non-EU workers by offering wages and conditions equal to those in collective bargaining agreements (or at prevailing wages), and unions can object to the employer's request for non-EU workers. Non-EU workers receive renewable two-year work permits and, after four years of employment in Sweden, can apply for permanent residence status (Sullivan, 2008). Swedish unions have considerable influence in the Swedish government, and they have embraced a limited-numbers, full-rights approach to labor migration. However, under the changed policy, unions can no longer prevent employers from hiring non-EU workers. The union-linked opposition Social Democratic Party claims the new law could lead to the exploitation of immigrants.

Germany. Germany's total labor market was reported at 40 million in 2008 including, 3.1 million jobless, and an unemployment rate of 7.4 percent. The labor force of close to 28 million employed German workers is covered by mandatory social insurance, including 1.8 million

¹⁸ "Migrant Workers Lists Includes 800,000 Jobs," Tom Whitehead, Daily Telegraph, November 11, 2008.

foreigners, almost seven percent. Some 560,000 foreigners were unemployed in 2007, for a jobless rate of 20 percent, down from the peak 25 percent in 2005.

North America

US. The US unemployment rate rose to 7.2 percent in December 2008, the highest rate since 1994, as payroll employment shrank by almost 20,000 jobs per work day. Over 500,000 jobs a month were lost in November and December 2008, a total 2.6 million in 2008. The unemployment rate is expected to climb to nine percent in 2009 and could top the 10.8 percent reached during the 1981-82 recession. The current recession officially began in December 2007; the unemployment rate averaged 4.6 percent in 2007. Hispanic immigrants comprise the biggest portion of the migrant force in the US and are the worst affected by the recession. Their labor force participation rate fell one percent between the third quarter of 2007 and 2008. Over 11 million workers are presently jobless. The share of jobless Americans receiving unemployment insurance payments has been falling. Half of the jobless received UI benefits during the 1974-75 recession, 42 percent during the 1981-82 recession, and 37 percent in the fall 2008.

US eating and drinking places employ 10 million workers; the 2008 recession led to shrinking employment in the sector for the first time in almost a decade, and layoffs have led to a glut of applicants in a sector that employs many newcomers. SnagAJob.com, a Web site, reported in November 2008 that there were 36 applicants for every restaurant job posting, up from 22 applicants per posting in January 2008. H-1B. The H-1B program allows US employers to hire foreigners via an easy attestation process. The jobs H-1B workers fill must "require theoretical and practical application of highly specialized knowledge to perform fully." When the H-1B program was being developed for inclusion in the Immigration Act of 1990, the consensus was that, in general, the US had enough workers, but not enough to fill jobs in fast-growing occupations that required training, such as science and engineering and health care occupations. For this reason, employers were allowed to simply assert or attest that they wanted to hire foreign "specialty workers" and were paying at least the prevailing wage to the foreigner. The US Department of Labor was obliged to approve the employer's application, and was not allowed to investigate whether employers were abiding by their promises unless complaints were received. To protect US workers, the number of H-1B visas was capped at 65,000 a year.

A November 2008 study reported that there were 1.3 million legal immigrants in the US who were not using the skills they acquired abroad, largely because many lack sufficient English or cannot get their foreign-earned credentials recognized in the US. Essential, low-skill jobs which defy mechanization or outsourcing because they demand face-to-face contact, emotional links, or complex communication skills seemingly provide the best niche for immigrant workers in the US. About 76 percent of US jobs were in the services industry, but only 20 percent of them, 28 million in 2004, were service occupations in this category (NAICS codes 31-3900). Many low-wage jobs appear to defy easy mechanization or outsourcing, including janitors, 2.7 million in 2004; waiters, 2.3 million; food preparation workers, 2.2 million; nursing aides and orderlies, 1.5 million; maids and cleaners, 1.4 million; and landscapers, 1.2 million (Jimenez,2008)¹⁹

Canada: Canada admitted 236,758 permanent resident immigrants and 115,470 temporary foreign workers in 2007. The Philippines was the number-one source of immigrants and migrants, accounting for 19,064 immigrants and 15,254 temporary workers in 2007. About two-thirds of the Filipinos are women, many of whom are employed as teachers, nurses and caregivers. Canada's point-selection system favors the admission of skilled workers and their families, while its temporary worker programs favor the admission of unskilled workers. Between 2005 and 2007, the number of temporary foreign workers admitted to Canada rose sharply; almost a quarter went to Alberta. During the same period, the number of immigrants fell.

Between 240,000 and 265,000 immigrants are expected in 2009, including 156,000 admitted under the point system, 71,000 for family unification, and 37,400 in the humanitarian category. There are over 900,000 foreigners on waiting lists for Canadian immigration visas.

After two years of employment in Canada as a temporary worker, an employer can sponsor the foreign worker for an immigrant visa, which allows settlement and family unification. Canada launched a new "experience" class to retain foreign students and guest workers as immigrants in response to the difficulty immigrants were having in finding jobs that use their education and skills. Applicants must have two years of Canadian work experience in managerial, professional, technical occupations or skilled trades to qualify, and foreign graduates of Canadian universities must have at least one year of full-time Canadian work experience after graduation to qualify.

¹⁹ "Filipinos Top the Immigrant and Temporary-Worker Lists," Marina Jimenez, Globe and Mail, December 17, 2008.

5.6 Assessment of Uganda’s Regulatory Framework for Export of Labor

5.6.1 Legal and Regulatory Framework

Uganda embarked on a process of streamlining the process of export of labor (externalisation of labor as it is locally called) only in 2005. The government of Uganda Employment Act in 2006 and the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations in 2005. The Employment Act of 2006 focuses mainly on regulating employment relations in the country. The Act covers general principles, administration and jurisdiction, defines the employment relationship, wages and related notices, rights and duties in employment, discipline and termination, continuity of employment, severance and remedies. However, under section 3 (5), the act specifically states that “except where the contrary is provided, nothing under this act applies outside Uganda.” The act therefore was enacted squarely to regulate only domestic employment. There is nothing, implicit or explicit regarding the role of government in promoting employment beyond its borders as one of the strategies for mitigating domestic unemployment and under employment.

However, the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations 2005 have four stated objectives. These are:

- 1) To promote full employment and equality of employment opportunities for all and to uphold the dignity of Ugandan migrant workers
- 2) To allow deployment of Ugandans to countries which have existing labor and social laws or are signatories to international agreements protecting the rights of migrants
- 3) To protect every Ugandan desiring to work abroad by securing the best possible terms and conditions of employment
- 4) To provide a mechanism for issuing of licenses to recruitment agencies

The Regulations provide for minimum capital requirements for recruitment agencies and specifies the tasks and duties that recruitment agencies must accomplish in order for their licenses to be renewed. The Regulations also specify the standards of conduct, guidelines for business operations, the standards of performance expected and the relationship with the government

regulatory authority. They further specify the conditions under which the license of a recruitment agency may be suspended or cancelled or revoked. The law also provides for external recruitment by the labor department other than by the recruitment agencies and specifies minimum employment/welfare standards for Ugandan migrant workers. The law provides that as part of employment and welfare services, Pre-Departure Orientation Seminars shall be the responsibility of recruitment agencies.

However, the Law does not seem to make it mandatory although it provides that such seminars can be conducted by other stakeholders such as NGOs, Embassies and Consulates. This is a fundamental weakness as Pre-Departure Orientation Seminars should ideally be mandatory and rigorously enforced consistent with best practice elsewhere.

Lastly, the Regulations provide for duties and obligations of the Ugandan migrant workers, reporting obligations of parties, a complaints procedure, offences and penalties and for appeal.

From the above review, it is clear that Uganda's existing legal framework on Employment and Externalization of Labor provides for improved supervision and regulation of domestic employment as well as supervision and regulation of recruitment agencies involved in externalizing labor. The Law places prime responsibility for identification of external employment opportunities, recruitment and deployment and for welfare of migrant workers either on the recruitment agencies or the migrant workers themselves. The Law in its current form does not seem to provide for a facilitation or promotional role for the government. The Law does not provide for strong institutional framework to handle temporary migration of Ugandan labor and to promote labor exports as a major source of foreign exchange and employment opportunities.

In addition, the regulations apart from stating the obligations of recruitment and their principals abroad do not provide for sanctions and penalties should any of the parties be found in breach. The Law therefore does not adequately provide for enforcement. The Law does not provide for a clear Code of Conduct for recruitment agencies leaving the fair treatment of workers at the discretion of the agencies.

The Law does not explicitly recognize the trade dimension of labor externalization and as such does not provide for close coordination between the unit and the Ministries responsible for trade

and trade diplomacy. The Law in its current form suggests that the government of Uganda will play no facilitation, support or promotional role and sees itself to merely supervise and regulate.

Because the first large scale opportunity in 2005 was for security services, the focus and emphasis has tended to remain on security services and to one major country destination market, Iraq. There is a need to broaden government outlook to focus on exporting other labor categories and exploiting employment opportunities that exist in different markets. There is need for government to prepare a broad coherent response to promote externalization of labor, maximize remittance flows and alleviate local unemployment and underemployment.

5.6.2 Assessment of the Institutional Framework

Uganda started to formally export labor in 2005 following the high demand for security guards by American forces in Iraq. It was when this opportunity to export security guards in large numbers that the government of Uganda started to take steps to create an enabling legal framework on externalization of labor. The institutional framework for externalizing labor in Uganda comprises a labor externalization unit of the Employment Services Department in the Ministry of Gender, Labor and Social Development. The unit has the mandate to coordinate all stakeholders in the labor export process, develop guidelines, licensing, regulating and monitoring recruitment agencies in Uganda.

This mandate is enshrined in the Employment Act of 2006 and the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations in 2005.

The objectives of the unit are to promote full employment and equality of employment opportunities for all, allow deployment of Ugandans to countries which protect the rights of migrants, protect Ugandans desirous to work abroad, enable them secure the best possible terms and conditions of employment and issue licenses to recruitment agencies.

Since its inception in 2005, the unit has prepared and enforced the rules and regulations governing the recruitment of Ugandan migrant workers abroad, licensed 16 recruitment agencies and overseen the deployment of up to 11,096 Ugandan Migrant workers in 5 countries (Iraq, the UAE, Sudan, Chinese Taipei and Syria) earning an estimated US\$ 6.4 million per month to-date.

A detailed institutional analysis of the unit was done to assess the capacity of the unit to achieve its mandate. The status of the unit is characterized by the following;

Gross Understaffing;

Following the recognition by government of the increasing importance of remittances to the national economy, reforms were undertaken in 2004 at the Ministry of Gender, Labor and Social Development to create a dedicated unit to coordinate all labor export issues. The unit was designed to be division in the Employment Services Department with four full time staff members under an Assistant Commissioner. The unit was meant to evolve into an autonomous agency in the medium to long term. However, by 2009, the unit was still manned by one junior officer at the level of a Senior Labor Officer. The positions of Assistant Commissioner, Principal Labor Officer, and Labor officers were still vacant.

As a result much of the work of the unit as stipulated in its mandate is not being done. This continues to leave gaps in the coordination and supervision of the labor externalization process.

Absence of a Program Budget;

The labor externalization unit is supposed to be a Division within the Employment Services Department in the Ministry responsible for labor and employment. The unit is supposed to be one of the three Divisions in the department. However, the entire department of employment services currently receives an annual program budget allocation of UGX. 16 million disbursed on a quarterly basis. This implies that the unit receives about UGX.4 million annually for its program implementation out of an annual budget of UGX.178 Million in 2009. The budget shortfall is so significant and the allocation too small for the unit to implement any activities including basic ones like; awareness building of the labor export process and its requirements, sensitization of recruitment agencies and their roles, verifying information presented by recruitment agencies and complainants, ensuring compliance by the recruitment agencies to the set standards and guidelines and undertaking labor export market intelligence. It's partly as a result of a very low program budget that the unit cannot recruit additional personnel and therefore continues to operate at minimal capacity.

Lack of Administrative Autonomy;

The creation of this unit was an administrative process within the Ministry of Gender, Labor and Social Development and as such there is no reference to it in the Employment Act, moreover the Act makes no mention of externalization of labor as already mentioned in 7.1 above. The unit is supposed to have a Steering Committee to play an oversight role. The steering committee is supposed to be comprised of key stakeholders in labor externalization. However by 2009, this committee was not in place. The lack of statutory authority has denied the unit the opportunity to raise additional funding beyond its dismal allocation from its parent ministry.

Limited Coordination with other Government Agencies;

Because the law does not recognize the trade dimension of labor externalization, there is limited coordination between the unit and other relevant government departments in charge of trade and trade diplomacy. The absence of the Steering Committee has exacerbated the limited coordination between the unit and other government agencies and stakeholders particularly with regard to promotion of labor exports.

The main strength of the unit is that it's being headed by a relatively experienced officer with adequate understanding of labor migration issues. The officer has created the current systems of the unit, prepared the regulations and guidelines and has clarity of the future direction the unit should take to become more effective.

In addition to the above, the unit seems to enjoy some degree of recognition by policy makers within the government partly arising from the increasing importance of labor remittances to the national economy and the unit's role in labor externalization.

5.6.3 Emerging Issues and Policy Implications

For Uganda to fully realize its full potential through labor export a number of reforms need to be considered for implementation in the short and medium term. In the short term, there is need to take measures to strengthen the Labor Externalization Unit in the Ministry of Gender, Labor and Social Development. This will involve increasing the program budget for the unit up to 10 times from its 2009 levels. The unit needs to be strengthened with additional staffing of experienced personnel in labor migration and externalization; the unit currently requires 3 additional staff to fill the establishment. The unit also needs to be strengthened by appointing an Institutional

Steering Committee to facilitate decision making and improve inter-institutional Coordination. It's expected that these measures when implemented will enable the unit to become a functional division within the Department of Employment Services of the Ministry of Gender, Labor and Social Development.

In the medium term, legal reforms particularly with regard to amending the Employment Act, 2006 to give explicit statutory recognition to Labor Externalization and provide for the creation of a competent authority responsible for labor externalization and export.

The scope of the legal reforms should include strengthening the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations to provide for sanctions and their enforcement and provide for mandatory Pre-Departure Orientation Seminars, a clear Code of Conduct for Recruitment Agencies including minimum staffing standards. The regulations also need to provide for mandatory site visits by the licensing authority to verify workers complaints while abroad and compliance with the terms and conditions by recruitment agencies and their principals. A mandatory levy may be considered as a possible funding option for the future.

Given the importance of remittances to the national economy as an export and an avenue for alleviating local unemployment and household poverty, the government needs to assume a promotional role with regard to labor externalization. This promotional role needs to be recognized and emphasized in the Employment Act, and other relevant laws, in pursuit of this promotional role the government needs to consider the creation of an autonomous agency responsible for labor externalization and export in the medium to long term.

5.7 Effect of Regional and Multilateral Agreements on Uganda's Export of Labor

Uganda is a signatory to a number of multilateral and regional agreements that have a direct or indirect effect on export of labor and outward temporary migration in general. The most prominent among them is the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO). Others include the UN Convention on the Rights of All Migrant Workers and their Families and the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children. The East African Community Common Market Protocol expected to come into effect at the beginning of 2010 and the COMESA Trade in

services Framework Agreement are likely to shape the environment for Uganda's export of labor at the regional level.

5.7.1 The General Agreement on Trade in Services and Labor Export

The GATS provides a framework for international trade in services and defines four (4) modes in which international trade in services can be provided. One of the modes, Mode 4, specifically provides for the Temporary Movement of Natural Persons across national borders with regard to the nationals of one country providing services in another. There are no provisions on labor mobility under the WTO Agreements.

However, movement of natural persons as service suppliers is covered by Mode 4 of the GATS which is defined as "*the supply of a service... by a service supplier of one Member, through presence of natural persons of a Member in the territory of another Member*". This includes independent service suppliers and the self-employed, as well as foreign employees of foreign companies established in the territory of a Member.

The GATS Annex on Movement of Natural Persons Supplying Services under the Agreement contains two important limits on mode 4. Paragraph 1 of the Annex states that the GATS does not apply to "*measures affecting natural persons seeking access to the employment markets of a Member, nor... to measures regarding citizenship, residence or employment on a permanent basis*".

By not addressing the issue of employment of foreigners by local firms on the understanding that access to labor market is outside the scope of coverage under the GATS (Zutshi et al, 2002)²⁰, the agreement falls short of its effective application by Uganda and other countries in the same category.

The GATS provides no guaranteed access for Mode 4 suppliers; access is instead determined by the nature of each Member's specific commitments. The General Agreement on Trade in Services in its present form tends to favour high-skill professionals and executives associated with Mode 3

²⁰ "*Temporary Entry of Natural Persons as Service Providers: Issues & Challenges in Further Liberalization under the Current GATS Negotiations*" Zutshi B. K. & Richard Self, Joint WTO-World Bank Symposium, Working Paper, Geneva, 11-12, April 2002.

and large multinational service providers. While Mode 4 covers service suppliers at all skill levels, these commitments have tended to be limited to higher skilled categories such as managers, specialists and professionals. Typically, Mode 4 commitments are quite restrictive, tending to favor intra-corporate transferees and often subject to economic needs tests. A WTO Secretariat Analysis (S/C/W/75), which tabulated the number of Commitments, underscores these conclusions by worker category.

The analysis revealed the dominance of business visitors, senior executives, managers, and specialists with proprietary knowledge of company technology among the commitments made (94%), only 6% of them were in the category of workers. Access under Mode 4 is further constrained by MFN exemptions and licensing requirements, including recognition of qualifications, as well as other Mode 3 restrictions. This implies that whereas Uganda may have Mode 4 market access, such access is often pegged to commercial establishment requirements (Mode 3) that is subject to several restrictions.

There are no specific provisions in the GATS for facilitated entry, although individual countries' specific commitments may include measures to facilitate (Nielson, 2002)²¹. Many countries would want to leverage frameworks like the GATS and advance their export agenda. This underscores the relative shortcomings of the current GATS provisions in advancing Uganda's Mode 4 (Labor export) interests.

However, the GATS still remains the multilateral framework governing labor export despite its shortfalls and Uganda should seek to utilize it in its current form. The current GATS negotiations provide an opportunity for a review of these provisions to address the above concerns. Relatedly, Uganda together with other EAC partner states is negotiating a comprehensive Economic Partnership Agreement with the European Commission which includes trade in services. This provides an additional opportunity for Uganda with an additional opportunity to improve its labor export possibilities to the European Union.

Uganda continues to have large numbers of its nationals abroad and as such is a signatory to multilateral agreements and conventions with a direct impact on the welfare of these nationals

²¹ “*Current Regimes for Temporary Movement of Service Providers : Labor Mobility in Regional Trade Agreements*” Julia Nielson, 2002

including the UN Convention on the Rights of All Migrant Workers and their Families and the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

In conclusion, the GATS architecture is generally restrictive of labor exports especially of unskilled labor. However, for Uganda to export labor under the existing framework, it needs to be proactive and secure employment contracts for her nationals in advance. Uganda will need to explore innovative mechanisms of tracking employment possibilities in northern countries and wherever export job prospects may be. Negotiating bilateral agreements with labor importing countries provides an alternative approach to securing labor export opportunities beyond the GATS limitations. Nevertheless, it will be important for Uganda to establish a system which guarantees the return of all her nationals who take advantage of the labor export market by seeking employment abroad on a temporary basis.

5.7.2 Effects of the East African Community Common Market Protocol on Uganda's Labor Export Environment

Uganda as a partner state of the East African Community is to be part of the East African Common Market Protocol expected to take effect in 2010. The draft protocol being negotiated provides for two important aspects that are likely to impact on employment, unemployment and export of labor. These are Freedom of Movement of Workers in the region and the right for self-employed persons to seek employment across the common market as self-employed persons. Freedom of movement of workers in the region is to be actualized by the phasing out of work permit and the elimination of the economic needs test (ENT) as a requirement for East Africans. This will widen employment possibilities for Ugandans to the four partner states of the EAC while at the same time fully opening up Uganda's labor market to the other EAC countries without the restrictive work permit requirements. A lot more people will be competing for fewer jobs, suggesting that Uganda will need to substantially grow its job creation capacity to keep levels of unemployment at a low level. This is in part due to the fact that Uganda's relative labor productivity is lower than that of some EAC countries particularly Kenya²². To maintain current levels of employment, job creation will have to increase by more than four times following the signing of the EAC common market. Similarly, maintaining current levels of employment will

²² For more details on this issue, refer to J E. Austin (2005)

have to entail substantial investment in skills training (both to increase quantity and improve quality) in areas of high demand by the private sector.

The right for self-employed persons to seek employment across the common market as self-employed persons implies that the informal sector will be opened up for competition across East Africa. This right together with the right to establish business across East Africa are likely to displace some Ugandans from employment in the informal sector further accelerating the reduction of the number of Ugandans employed in the sector. The net effect of this is to exacerbate local unemployment and increase pressure to seek more gainful employment opportunities abroad for Ugandans. This will further raise the necessity to strengthen the labor externalization infrastructure.

6 Summary of key findings

1. At the moment, Uganda's labor pool is much less amenable to ILO labor classification based on occupational and skill labor categories. Equally, it's not yet prudent to promote labor exports along ILO skill categories.
2. Uganda has a high level of Projected Unemployment because of its high rate of graduate unemployment, the high rate of labor casualization and the relatively high labor migration from the informal sector.
3. The high graduate output and a relatively lower level of job creation have resulted into high annual graduate unemployment estimated at 34,603 for 2009. This implies that the economy at present does not have the capacity to absorb all its graduates from Universities and Tertiary education institutions.
4. In addition to the relatively high level of graduate unemployment, Uganda suffers from a high level of "*Labor Casualization.*" Casual labor is temporary, earns very low pay (estimated at an average of UGX50, 000/= per month, an equivalent of less than USD 30) and therefore are in constant search for more gainful employment. Casual labor earns low and erratic wage rates making it logical for them to seek higher paying employment abroad.

5. Uganda is experiencing fast dwindling employment levels in the informal sector characterized by relatively high occupational migration to paid employment. This situation seems to be in part due to the reduction in size of the informal sector due to changing business conditions in the Ugandan economy. This increases the number of job seeking Ugandans that could take up employment opportunities abroad.
6. Uganda's exportable labor is conservatively estimated to increase from 320,232 persons in 2009 to 595, 901 by 2020.
7. The labor externalization regime has continued to look at labor export from purely the "labor perspective" rather than an economic policy and trade issue. As a result, it has remained limited in scope, focus and outlines a very limited role for the government in promoting and facilitating labor export.
8. Uganda's institutional framework for export of labor remains weak in terms of capacity when compared to what may be required to effectively promote, facilitate and support the labor export process. This is especially so when compared to what is pertaining in high labor exporting countries such as the Philippines.
9. The Middle East presently seems to be the most attractive labor export market for Uganda characterized by an abundance of employment opportunities mainly in the 3-D jobs particularly in construction, security services, and others for male workers and nurses and homecare workers for female workers. Although there is strong competition for the market, Uganda stands a chance to successfully market its labor in the region.

7 Policy implications and recommendations

A number of policy implications seem to emerge from the study that require government attention and action. These implications relate to; general policy orientation on labor and employment, legal & regulatory reform, institutional reform as well as labor export promotion.

General Policy Orientation on Labor and Employment,

Given that Uganda has substantial labor resources that are unemployed and in search of gainful employment and given the importance of remittances to the national economy as an export and an avenue for alleviating local unemployment and household poverty, there is need for government to adopt a deliberate and proactive policy to promote export of labor. Therefore, labor export should be treated as an economic policy and trade issue and not just as a labor and social issue.

Legal & Regulatory Reform

- 1) In order for Uganda to fully realize its full potential through labor export, a number of reforms need to be considered for implementation in the short to medium term. In the short term, there is needed to take measures to strengthen the Labor Externalization Unit in the Ministry of Gender, Labor and Social Development. The unit needs to be strengthened by appointing an Inter-Institutional Steering Committee to facilitate decision making and improve inter-institutional Coordination. The unit also needs to be strengthened with additional staffing of experienced personnel in labor migration and externalization. The unit requires an adequate program budget to enable it effectively undertake planned activities. Budget levels need to be increased significantly by up to 10 times from current levels in order for the unit to have increased positive impact on labor externalization. Full implementation of these measures will enable the unit to become a functional division within the Department of Employment Services of the Ministry of Gender, Labor and Social Development.
- 2) In the medium term, legal reforms particularly with regard to amending the Employment Act, 2006 to give explicit statutory recognition to Labor Externalization and provide for the creation of a competent authority responsible for labor externalization and export. The scope of the legal reforms should include strengthening the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations to provide for sanctions and their enforcement and provide for mandatory Pre-Departure Orientation Seminars, a clear Code of Conduct for Recruitment Agencies including minimum staffing standards. The regulations also need to provide for mandatory site visits by the licensing authority to verify workers complaints

while abroad and compliance with the terms and conditions by recruitment agencies and their principals. A mandatory levy may be considered as a possible funding option for the future.

- 3) Instituting Mandatory Pre-Departure Seminars to brief departing workers on expectations in the country of destination including; information on prospective employers, available savings instruments, the remitting process, how to plan for eventual repatriation and their reintegration upon conclusion of their contracts.
- 4) The Development of an Identification and Reporting Mechanism for Ugandan workers abroad. The current trading frame work within which labor is exported has inbuilt systemic problems arising out of concerns by labor importing countries regarding illegal migration as a result of temporary workers overstaying their visas. These concerns in practice are barriers to labor export which would be addressed by such a mechanism. Developing such an identification system would address both the immigration concerns of labor importing countries as well as facilitate effective operation of the welfare systems referred to above. As part of the needed reforms, Uganda needs to develop such a system that partially guarantees the return of her workers abroad in order to leverage on the market access advantages that accrue from it.
- 5) In order to improve the management of the labor export process, lessons need to be drawn from the Philippine experience. Some of the measures that need to be undertaken include first, the effective regulation of private recruitment agencies to ensure that Ugandans preparing to go abroad as temporary migrant workers are not charged exorbitant recruitment and placement fees nor issued with false contracts. Establishing a dedicated officer within the Ministry responsible for Labor tasked to review overseas' labor contracts prior to migrant workers' departure will be essential. The Ministry of Foreign Affairs through Uganda's missions in countries of export interest need to monitor the treatment of the Ugandan workers and offer services for filing complaints on defective contracts and other labor related disputes.

Institutional Reform

- 6) Given the importance of remittances to the national economy as an export and an avenue for alleviating local unemployment and household poverty, the government needs to assume a promotional role with regard to labor externalization. This promotional role needs to be recognized and emphasized in the Employment Act, and other relevant laws. In pursuit of this promotional role, the government needs to consider the creation of an autonomous agency responsible for labor externalization and export in the medium to long term.
- 7) In order to improve the management of the labor export process, lessons need to be drawn from the Philippine experience. Some of the measures that need to be undertaken include first, the effective regulation of private recruitment agencies to ensure that Ugandans preparing to go abroad as temporary migrant workers are not charged exorbitant recruitment and placement fees nor issued with false contracts. Establishing a dedicated officer within the Ministry responsible for Labor tasked to review overseas' labor contracts prior to migrant workers' departure will be essential. The Ministry of Foreign Affairs through Uganda's missions in countries of export interest need to monitor the treatment of the Ugandan workers and offer services for filing complaints on defective contracts and other labor related disputes.

Labor Export Promotion

- 8) The measure is the setting up of Protection Mechanisms for Ugandan workers abroad through appropriate welfare systems set up and managed according to Ugandan law. Such mechanisms could include providing support services for Ugandan workers abroad such as; emergency repatriation in the event of an emergency or repatriation of the worker's body in the event of death, Life Insurance, Welfare Assistance, and Re-Integration Preparedness. In the short run, a policy on Re-Integration for Ugandan workers abroad needs to be developed.
- 9) The fourth measure is the Development of an Identification and Reporting Mechanism for Ugandan workers abroad. The current trading frame work within which labor is exported has inbuilt systemic problems arising out of concerns by labor importing countries regarding illegal migration as a result of temporary workers overstaying their visas. These concerns in

practice are barriers to labor export which would be addressed by such a mechanism. Developing such an identification system would address both the immigration concerns of labor importing countries as well as facilitate effective operation of the welfare systems referred to above. As part of the needed reforms, Uganda needs to develop such a system that partially guarantees the return of her workers abroad in order to leverage on the market access advantages that accrue from it.

- 10) The fifth measure is to minimize remittance costs through the formal channels especially banks and money transfer agencies which are presently high. This may involve requiring commercial banks and other agencies that provide foreign exchange transfer services to transparently post all costs related to a remittance transaction, thereby ensuring that remitters and their recipients are fully aware of the costs of various products. Such information can be provided by Government to all Ugandan workers abroad during the Pre-Departure Orientation Seminars and make such information publicly available.
- 11) Data on employment and unemployment remains scanty and largely unavailable in the public domain in Uganda. There is need to strengthen data collection mechanisms with regard to outputs from education, job creation and employment/unemployment levels on an annual basis.
- 12) Bilateral initiatives with potential labor importing countries need to be undertaken to secure employment opportunities for Ugandans abroad. Middle East countries specifically encourage this approach with many sending countries.
- 13) Encourage skills training in Nursing, Home care which are on high demand in the High Demand Countries especially for women workers.
- 14) The labor export policy needs to balance between the size of exportable labor and its quality. The available pool of workers needs to be of a global standard who can work anywhere in the world. The potential labor being turned out of the educational system as a result of the presence of over 21 Universities and tertiary level institutions, should comply with global labor standards. These quality standards have to be benchmarked against the best practices available in the international community as well as the market requirements in the labor

importing countries. Therefore, the linkages between the labor export strategy and the education sector need to be prioritized. The education system should be positioned to respond to both the domestic employment and labor exporting requirements.

- 15) Establish an institutional framework for collection, analysis and dissemination of labor market information to stimulate local training in skills that may be on high demand in foreign countries.
- 16) Encourage and support the private sector to invest in training and preparing Ugandan labor force for many 3-D jobs abroad.
- 17) The Government of Uganda should take advantage of the current GATS negotiations to pursue the broadening of the GATS provisions in Mode 4 to allow for facilitation of labor mobility. Within the GATS framework, work with other affected parties to negotiate the possibility of delinking Mode 3 from Mode 4, to extend the same degree of flexibility currently available to intra corporate transferees to Independent Service Suppliers and other Mode 4 Service Suppliers. This would increase opportunities for labor export.
- 18) Uganda's is likely to be at a disadvantage with in the EAC owing to its linguistic challenge of not speaking Swahili which is the de-facto lingua franca for the East African Community together with its relatively low productivity and a generally poor work ethic. Uganda needs to further intensify Swahili language training at all levels and undertake initiatives aimed at promoting improvement in labor productivity and more positive work ethic. In addition to Swahili, Spanish, French, Chinese and Arabic are major international languages that need to be made a priority in the education system for Ugandan workers to adequately meet the market access requirements of the labor importing countries.

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Appendix 1

Projected Employment Levels per Sector, 2009-2020

Employment Sector	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Civil Service	75,647	76,555	77,473	78,403	79,344	80,296	81,260	82,235	83,222	84,220	85,231	86,254
Teaching & Education Services	194,346	202,508	211,013	219,876	229,111	238,733	248,760	259,208	270,095	281,439	293,259	305,576
Armed Forces[1]	32,080	35,160	38,535	42,234	46,289	50,732	55,603	60,941	66,791	73,203	80,230	87,932
Manufacturing	48,300	56,704	66,570	78,153	91,752	107,717	126,460	148,463	174,296	204,624	240,228	282,028
Legislators*,	1,091	1,190	1,299	1,417	1,546	1,686	1,840	2,007	2,190	2,389	2,607	2,844
Other	207,7596	2,260,424	2,459,342	2,675,764	2,911,231	3,167,419	3,446,152	3,749,414	4,079,362	4,438,346	482,8921	5,253,866
Total	351,463	372,116	394,890	420,083	448,041	479,165	513,922	552854	596,593	645,875	701,555	764,634

Legislators: Include Senior Government & Political Leaders *

Projected Annual Employment Creation per Sector, 2009-2020

Employment Sector	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Civil Service	897	908	919	930	941	952	964	975	987	999	1,011	1,023
Teaching & Education Services	7,834	8,163	8,505	8,863	9,235	9,623	10,027	10,448	10,887	11,344	11,820	12,317
Armed Forces	2,810	3,080	3,375	3,699	4,054	4,444	4,870	5,338	5,850	6,412	7,027	7,702
Manufacturing	7,159	8,404	9,866	11,583	13,599	15,965	18,743	22,004	25,833	30,328	35,605	41,800
Legislators*,	91	99	108	118	129	141	153	167	183	199	217	237
Other/ Casual**	168,041	182,828	198,917	216,422	235,467	256,188	278,733	303,261	329,948	358,984	390,574	424,945

Notes: Include Senior Government & Political Leaders *, Others: Include Casuals**, the figure on casuals is not used in the computation of graduate unemployment.

Appendix 2

Projections of Graduate output from the Universities, 2009 - 2020

University	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Makerere	1,4402	16,476	18,848	21,562	24,667	28,219	32,283	36,932	42,250	48,334	55,294	63,256
Kyambogo	5,308	6,816	8,751	11,236	14,428	18,525	23,786	30,542	39,215	50,352	64,653	83,014
Mbarara	528	639	774	938	1,136	1,375	1,665	2,017	2,442	2,958	3,582	4,337
Gulu	815	1,063	1,386	1,807	2,357	3,073	4,007	5,225	6,814	8,885	11,586	15,108
Nkumba	1,086	1,336	1,643	2,021	2,486	3,058	3,761	4,626	5,690	6,999	8,608	10,588
UCU	1,200	1,591	2,110	2,798	3,710	4,919	6,523	8,650	11,469	15,208	20,166	26,741
UMU	1,452	1,820	2,280	2,857	3,580	4,485	5,620	7,042	8,824	11,056	13,853	17,358
IUIU	909	1,047	1,205	1,387	1,596	1,837	2,114	2,433	2,801	3,224	3,711	4,271
KIU	3,095	4126	5,500	7,331	9,773	13,027	17,365	23,147	30,856	41,130	54,827	73,084
Kampala University	735	1,020	1,414	1,961	2,721	3,773	5,234	7,259	10,068	13,965	19,369	26,865
Bugema	461	505	554	608	667	732	803	881	966	1,060	1,163	1,276
Busoga	1,134	1,585	2,214	3,093	4,321	6,036	8,432	11,780	16,456	22,989	32,116	44,866
Others	428	494	572	661	764	883	1,021	1,180	1,364	1,577	1,823	2,107
Totals	31,196	37,466	44,997	54,042	64,904	77,950	9,3617	112,435	135,034	162,176	194,773	233,922

Projections of Graduate Output from Non University Tertiary Institutions, 2009 - 2020

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
UCCs	4,357	4,483	4613	4,747	4,885	5,026	5,172	5,322	5,476	5,635	5,799	5,967
NTCs	582	544	509	476	445	416	389	364	340	318	297	278
PTCs	9,871	9,377	8908	8,463	8,040	7,638	7,256	6,893	6,548	6,221	5,910	5,614
BTVET	2,860	3,409	4063	4,843	5,773	6,882	8,203	9,778	11,655	13,893	16,560	19,740
Totals	16,223	15,460	14734	14,041	13,381	12,752	12,153	11,582	11,038	10,519	10,024	9,553

Total Graduate Output from Higher Education in Uganda 2000-2008

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008
Universities	6,546	7,847	10,084	10,561	16,925	20,216	18,717	22,923	25,975
Tertiary Institutions*	26,524	21,167	21,045	23,275	23,537	21,751	16,721	17,365	17,023
Totals	33,070	29,014	31,129	33,836	40,462	41,967	35,438	40,288	42,998

* Non University Tertiary

Appendix 3

Total Projected Graduate Output 2009-2020

A: Total Graduate Output, 2009-2020												
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
University	31,196	37,466	44,997	54,042	64,904	77,950	93,617	112,435	135,034	162,176	194,773	233,922
Tertiary	16,223	15,460	14,734	14,041	13,381	12,752	12,153	11,582	11,038	10,519	10,024	9,553
Total Output	47,419	52,926	59,731	68,083	78,285	90,702	105,770	124,017	146,072	172,695	204,797	243,475
B: Annual Job Creation - Formal Employment Sectors												
Employment Sector	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Civil Service	897	908	919	930	941	952	964	975	987	999	1,011	1,023
Teaching & Education Services	7,834	8,163	8,505	8,863	9,235	9,623	10,027	10,448	10,887	11,344	11,820	12,317
Armed Forces [1]	2,810	3,080	3,375	3,699	4,054	4,444	4,870	5,338	5,850	6,412	7,027	7,702
Manufacturing	7,159	8,404	9,866	11,583	13,599	15,965	18,743	22,004	25,833	30,328	35,605	41,800
Legislators,	91	99	108	118	129	141	153	167	183	199	217	237
TOTAL	18,791	20,654	22,773	25,193	27,958	31,125	34,757	38,932	43,740	49,282	55,680	63,079
Notes: Legislators Include Senior Government & Political Leaders *												

Projected Annual Graduate Unemployment 2009-2020												
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Job creation	18,791	20,654	22,773	25,193	27,958	31,125	34,757	38,932	43,740	49,282	55,680	63,079
Total Graduate Output	47,419	52,926	59,731	68,083	78,285	90,702	10,5770	12,4017	146,072	172,695	204,797	24,3475
Foreign Workers	5,975	6,617	7,328	8,115	8,987	9,953	11,022	12,206	13,517	14,969	16,577	18,357
Graduate unemployed	34,603	38,889	44,286	51,005	59,314	69,530	82,035	97,291	115,849	138,382	165,694	198,753

Projected Total Annual Unemployment 2009-2020												
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Graduate Unemployed	34,603	38,889	44,286	51,005	59,314	69,530	82,035	97,291	115,849	138,382	165,694	198,753
Casual	1,220,508	1,266,887	1,315,029	1,365,000	1,416,870	1,470,711	1,526,598	1,584,609	1,1644,824	1,702,206	1,772,206	1,839,550
Informal Sector Migrants	41,528	40,184	38,926	37,708	36,528	35,384	34,276	33,204	32,164	31,158	30,182	29,238
Total Unemployed	1,296,639	1,345,960	1,398,241	1,398,241	1,512,712	1,575,625	1,642,909	1,715,104	1,715,104	1,876,867	1,968,082	2,067,541