



**FRIEDRICH
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A Workers Advocacy Guide to:
**THE MINIMUM
WAGE IN
UGANDA**

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This flyer has been produced to create awareness and provide simplified information on the concept of minimum wage. Its production is part of a series of activities being undertaken by Development Research and Training (DRT) with funding support from the Friedrich-Ebert-Stiftung (FES) to advocate for social protection and social justice in Uganda and particularly the implementation of a minimum wage.

This flyer explains in simple terms:

- A) The meaning of minimum wages,
- B) Why a minimum wage is urgently needed in Uganda,
- C) How a minimum wage could be practically promoted and by which actors,
- D) The current obstacles to establishing a minimum wage,
- E) The different options for the implementation of a minimum wage in Uganda, and
- F) What workers and citizens can practically do to support the establishment of a minimum wage in Uganda.

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A) What is a minimum wage?

- A minimum wage is the lowest monetary value/rate which may be paid to a worker at a particular point in time.
- In Uganda, currently, there is no functional minimum wage. The last minimum wage was set in 1984 at 6,000 Ugandan shilling per month and has never been revised since.

B) Why is a minimum wage urgently needed in Uganda?

- A high number of Ugandans are in employment, but earn not enough to be able to move out of poverty. It is estimated that 30 percent of salaried workers are living in extreme poverty, earning a monthly incomes of between 50,000 to 60,000 Ugandan shilling.
- A minimum wage is a form of affirmative action for women. In the majority of the work places, women are mostly employed in low ranking jobs that attract little pay. Evidence indicates that of the total number of women in employment, 50 percent work in the lowest paid jobs.
- Having a minimum wage provides the following benefits:
 - It guarantees a worker a basic income to be able to afford basic necessities of life such as adequate food, shelter, and clothing among others as well as be able to carry out other duties as required of a head of a family.
 - It can help improve income distribution as it mostly benefits women who also earn the least in the majority of jobs.
 - It is a means of determining pay where collective bargaining is absent or weak.
 - It prevents the exploitation of workers by employers and promotes a fair wage structure.
 - It is a motivational instrument for low-level, low-skilled workers.
 - It promotes fair and decent remuneration.
 - It provides incentives to work.

All workers are entitled to just and favourable conditions of work and a life in dignity. It is a form of exploitation not to have one. A minimum wage provides a basic income to enable workers to afford basic needs of life such as health, education and shelter and as a result enjoy a life in dignity.

C) How can a minimum wage be practically promoted?

There are four options for implementing a minimum wage:

- A minimum wage can be applied for all workers in all sectors.
- A minimum wage can be applied to specific sectors such as agriculture, construction and security.
- A minimum wage can be applied for rural and urban areas.
- A minimum wage can be applied based on the number of employees one employs.

The key actors involved in the minimum wage include employers, employees, trade unions/workers' representatives and the government.

Minimum wages can be secured either through an Act of Parliament or tripartite agreements from dialogues between workers representatives, employers and the government as happened in South Africa and Argentina.

It can also be achieved through collective bargaining agreements arising out of negotiations between workers and employers as was the case in Greece and Belgium.

Given the current resistance to a minimum wage by key stakeholders and policy makers and the likelihood that the passing of an Act of Parlia-

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ment might take a longer time, one of the approaches that can be used to secure a minimum wage in Uganda is through encouraging and engaging in dialogue and collective bilateral agreements at the sector level.

D) Obstacles to establishing a minimum wage in Uganda

- *Lack of political will.* - The Government of Uganda has been reluctant to establish a minimum wage because it is perceived as having serious implications for employment, investment and the economy in general.
- *Weak collective bargaining by trade unions.*
- *Negative attitudes towards a minimum wage.*
- *Lack of demand from the citizens.* - Citizens are not demanding enough for the implementation of a minimum wage as a basic social protection tool.

E) Developing a Minimum wage: Existing options

The government has in place a number of policies and laws that provide for a minimum wage. However, many of these have not been implemented. These include among others:

- The National Development Plan 2009/10-2014/15,
- The Minimum Wages Advisory Board and Wages Councils Act (1964), and
- The Minimum Wage-Fixing Machinery Convention, 1928 (No. 26) (ratified by Uganda in 1967.
- Furthermore in 2012, a Minimum Wage Bill was tabled in parliament to seek the enactment of another law to guarantee the right to a minimum wage. It is yet to be discussed, one year after it was tabled.

F) What can workers and citizens practically do to support the establishment of a minimum wage in Uganda?

- Workers bodies and trade unions should ensure that many workers join unions for increased collective bargaining strength.
- Citizens should engage their local leaders, such as Members of Parliament, to support the Minimum Wage Bill, currently before parliament.
- Workers together with trade unions and civil society organizations should organize campaigns to support the call for a minimum wage for Uganda.
- The media needs to be engaged and supported to raise awareness and the profile of minimum wage issues.
- Existing collective bargaining mechanisms such as continuous negotiations between trade unions and employers need to be strengthened.
- Awareness must be created through education and sensitization amongst workers as well as amongst the opponents of the minimum wage policy promotion in Uganda. The awareness should focus on the need for and benefits of a minimum wage in Uganda
- Champions for a minimum wage need to be identified and worked with. These champions should be identified across all the political spheres.
- Civil society organisations such as organisations that target women must get involved in advocating for a minimum wage.

Where can you find further information?

You can find more information from the following publications:

- DRT. 2013, *Social Protection in Uganda: What is the Role of a Minimum Wage?*
- The Minimum Wage in Uganda: An Urgent Call, DRT Policy Brief No. 4 October 2013

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