

The role of labour externalization in fostering sustainable Agro-Industrial value chains in Uganda

Youth Dialogue Proceedings Report



Economic Policy Research Centre Conference Hall

March, 2021

Background

The **Economic Policy Research Centre (EPRC)** through a one and a half-year project on **“Creating productive and decent work for youth and women in Uganda through agro-industrialisation (AGI)”** seeks to provide evidence on the existing potential for job creation and employment opportunities for women and youth along the nine strategic agro-industrial value chains. In line with the youth dialogue, the study seeks to understand the implications of labour externalization on the AGI value chain agenda. The activities of the project will bridge the gap between knowledge, policy and practice in the policy making processes in employment for youth and women in Uganda. The evidence generated through the study will be used to inform the implementation and revision of the 2011 National Employment Policy. The project is supported by the **Inclusive Development (INCLUDE)** under the **African Policy Dialogues (APD)**.

The project will identify concrete context-relevant priority actions that could reduce the high rates of unemployment amongst youth and women by identifying the opportunities for job creation for youth and women in Uganda. Succinctly, the purpose of the dialogue was to provide a platform for some of the stakeholders in the labour externalization field to discuss how best the agro-industrialisation agenda can benefit from migrant workers; as well as bring together key policy players to deliberate on what needs to be done to get more youth interested in agricultural related activities.

The dialogue attracted key high level policy and technical stakeholders that included Government ministries and agencies responsible for overseeing the labour exportation activities (Ministry of Gender Labour Social Development, Uganda association of external recruitment agencies), former migrant workers and those intending to travel abroad for work-related reasons, value chain players in some of the key strategic commodities such as fish, and livestock. The event was both virtual and physical (held at the EPRC conference hall), and was held on December 8th, 2020. Over 50 stakeholders attended the event, both virtually and physically.

1. Opening Remarks: Dr. Swaibu Mbowe, Senior Research Fellow, EPRC



The opening remarks were given by Dr. Swaibu Mbowe who represented the EPRC Executive Director, Dr. Sarah Ssewanyana. In his words, he welcomed all the participants of the youth dialogue and indicated that the dialogue was intended to discuss important issues on the role of labour externalization in fostering agro-industrial activities in Uganda. He further noted that during COVID-19, he presented the agricultural value chains of various commodities to the ministry of finance, planning and economic development, indicating the opportunities along each one of them.

He further noted that despite positive economic growth registered by Uganda, the country is continuously faced with a jobless growth with fewer decent employment opportunities for the youth and women. This therefore forces most young people into taking up vulnerable informal jobs, and others opting to travel abroad in search for job opportunities.

Although Government through interventions such as the Youth Livelihood Programme (YLP), Uganda Women Entrepreneurship Programme (UWEP) has tried to support the youth and women to find decent employment, the young people have not taken advantage of these scheme largely due to limited interest in agriculture. In conclusion, Dr. Mbowe implored the young people traveling abroad to acquire skills in agricultural sector given its relevancy in the domestic market as well as capacity to create more employment in the country.

2. Panel Session: Moderated by Dr. Madina M. Guloba, Senior Research Fellow, EPRC



The session involved panel discussions by experts on topics around the theme "*The role of labour externalisation in fostering sustainable Agro-Industrial value chains in Uganda*". The moderator (Dr. Madina Guloba) set the scene for the panellists by informing them that there is a lot to gain from labour externalisation including but not limited to the skills and exposure gained by migrant workers and wisely

investing the money they remit back home. However, so much needs to be done for the gains from labour externalisation to be tapped into by the main sectors of the economy such as agriculture. In order to guide the discussion in the right direction, she asked each panellist specific

questions in the context of the role they play in the labour externalisation. Specifically the following questions were asked as each panelist responded accordingly;

a) Mr. Lawrence Egulu- Commissioner, Employment Services (MoGLSD)

Qn: How is the labour externalization generally structured?



Mr. Egulu indicated that in 2005, the government officially streamlined the labour export industry before which most people would be trafficked to work abroad. However today, one can travel through any of the 110 registered companies in the country or travel on individual arrangements upon obtaining a job abroad. He further clarified that Ministry of Gender, Labour and Social Development's (MGLSD) role is to fast-track the labour externalization process but also verify the availability of the job abroad for the citizen workers

travelling.

The commissioner highlighted the process of labour externalization as follows; Government to Government placements where governments work together to get jobs for workers. These can be engineers, doctors, nurses, teachers among others. However he noted that government has not done so well in regard to government to government placements. Consequently, workers under the highlighted professions normally travel on their own or go through registered companies.

On a good note, the commissioner revealed that whereas a maid in Uganda is paid an average salary of USD 25 a month, the salary for the same services in Dubai is about 250 dollars, 10 times higher which makes a lot of sense to travel abroad for work. He added that whereas there are some fears of sexual harassment and domestic violence on working abroad, this may be true, though sometimes it is over exaggerated. Mr. Egulu emphasized that there is need for pre-departure training and orientation to prepare the peoples' mindset that when they go abroad, they go to work and not to enjoy leisure. Specifically, he advised that;

"You are being paid, they did not bring you all the way to Saudi Arabia to slay on phone all day, that's why some are denied access to phones, he said. The contracts are usually 2 years but people get tired so one has to be mentally prepared that while they will gain something, they will lose something."

QN: How can we ensure that migrant workers acquire the skills that are essential and can be transferred back home and applied in more productive sectors?

In his response to the above question, Mr. Egulu admitted that this is where they have not done well as a ministry. He indicated that this is because government to government placements is still limited and this is where the government needs to help companies. He also noted that as a country, we can do better “who said Uganda can only export maids and guards to United Arab Emirates (UAE)?” he wondered. There are other countries and other professionals that can be exported with much better benefits.

QN: How best can you re-align as a ministry to help migrants to save better?

Mr. Egulu indicated that the cost of remitting money to Uganda was very high up to 35 percent of the amount sent hence efforts geared towards reducing this cost are needed. Further, youth abroad need to be advised on the importance of starting up associations/groups to pool resources. He added that this will not only help them to make bigger investments but also help government to advance funding them to invest in commercial agriculture.

b) Ms. Enid Nambuya, Executive Director, UAERA

Qn. Do you think Uganda’s agricultural sector can gain from labour externalization? If yes, how best can the gains from labour exportation be tapped into to create more jobs for youth and women in the agricultural sector?



Ms. Nambuya indicated that prospective workers are informed about contracted obligations, savings culture, but the challenge is peoples’ background limits their performance abroad. She added that most of the externalized workers have not worked before, it becomes difficult to tell them to go back and invest.

She also pointed out the challenge of limited land ownership among women compared to men which limits them from investment their savings in agriculture. Relatedly, the youth in Uganda do not own land and only obtain it through inheritance. More so, their mindset towards agriculture is negative, as the sector is looked to be for the poor and undesirable in the modern era. Some of them first sell off the land upon inheritance. To emphasize her point, she mentioned that;

“The reason why young people are not in agriculture is because of the negative mindset. She added that even in school, everything related to agriculture was a punishment not something desirable, it was nothing to be proud of. People don’t even acknowledge their parents working in agriculture therefore mindset change should be critical in this discussion”- Enid Nambuya

She also noted the challenge of mistrust among the youth, adding that government gives people (youth) money but they don't pay back. For instance, the Emyooga fund is programme that these youth can take advantage and later pay back the money but it requires youth to organize themselves into associations. On the contrary, people don't associate for development issues but instead they associate to contribute for parties and funerals.

Ms. Shamim Nabbale Nsereko, Director, Kauthar Training Centre for migrant workers



QN: Which kind of skills do young people get from training when they are going?

She indicated that the girls are trained 7 days before travelling abroad however this period is not enough since they are coming from different backgrounds and most lack even basic skills. For instance, she noted that most of them have never used home machines like cookers, washing machines, driers etc. Nonetheless the skills imparted include;

- a) *Goal setting*: This aims at enabling them to set goals on how they are going to do and what will you do when you return.
- b) *Contract awareness*. It aims ensures that the girls understand the terms of reference of their jobs.
- c) *Telephone and social media use*: They are trained on how to use social media platforms such as WhatsApp, Facebook among others.
- d) *Customer service*: This entails training them to work with other people and shaping their attitude towards work. *“Your attitude because your attitude determines your altitude”*
- e) *Destination culture*. Where you are going they have their culture and we have ours for example to an Arabian you can't kneel because to them you only kneel to God.
- f) *Domestic work and practical activities*. Since the biggest number of externalized workers are maids. How to use toilets, machines such as cookers, washing machines etc.

QN: How best can we leverage on the people you train when they come back?

In response, Ms. Shamim noted that there are certain things people learn by being placed in certain areas. For instance, by doing government to government placements of the externalized workers, the government can ensure that girls are equipped with certain rare skills in the country. The girls can be recommended to go and work, say, in goat farms in Israel, Jordan, UAE among others to acquire skills which they can come back and implement on their own.

Mr. Egulu also informed the participants that government through MGSLD is reviewing the curriculum to make agriculture attractive for the young people given that Agriculture is the life blood of the economy. He further expressed his dissatisfaction on the role of our embassies abroad, citing their failure to lobby business opportunities for their countries abroad. They have failed to give such rich information to their citizens back home in Uganda.

d) Mr. Mukasa Muawiya, Director, at KHM International



Qn: Can you share with us your story given that you are a former migrant worker in the Middle East?

He opened his discussion by sharing with the participants his journey. He traveled to Dubai in 2010 and worked as a cleaner for one and a half years. He later opened his own company in Dubai. He indicated that what drove him to do that was the goals he set for himself and his background.

Mr. Mukasa revealed that his mother was a poor woman working in Nakulabye market and he had to sacrifice his education for the sake of his siblings. But this motivated him to start thinking of investing the moment he started getting money. He pointed that he learnt that *“Money saves you when you save it but grows you when you invest it”*. He noted that later he bought land and planted trees and bought another plot and built rentals worth 70 million Ugandan shillings in Nansana but the later venture wasn’t profitable so he sold it off to real estate buyers.

Having sold the rentals, he ventured into agriculture after attending an agriculture expo organized in UAE. During the expo, Mukasa realized that farmers are not organized enough to serve the external market. He also indicated that commercial agriculture requires a lot of money which youth do not have which pointed to the need to start up farmer SACCOs to address this issue. Relatedly, he indicated that although Uganda Investment Authority (UIA) currently is providing information on the viable areas of investment and the related subsidies offered by government, the youth are yet to get this important information. In conclusion, he emphasized that government needs to know that returnees are potential investors and hence should be given information on where to invest, why to invest and what subsidies are available.

QN: How did you make use of where you were to be successful?

In response, Mr. Mukasa noted that whereas he wanted to supply what the UAE requires which is fruits while he was abroad, this agri-business venture required a lot of capital which he didn’t have at the time. He had to look for an investment that would fit his budget. Consequently, he

thus zeroed down to rearing rabbits, after he realized that they have the best white meat that has ready market both on the local and external market.

Mr. Mukasa also noted that it's a big challenge for people out there to send money home. It's very expensive and you have to be creative to save. He further noted that youth are demotivated and think that every successful person has connections in the government which is not actually the case. He reiterated that although the government hasn't done a number of things, the youth should look at how they can benefit from those programmes already in place such as *Emyooga*, YLP among others.

3. Plenary session : Moderated by Madina M. Guloba, Senior Research Fellow, EPRC



Following the panel session, the participants were eager to comment on the remarks by the panelists and pose questions. There was active participation from both the physical and online participants. The following are the comments and questions posed by the participants:

Participant	Comment/Question
Ms. Teopista Nakintu, Returnee.	Regarding investment in agriculture, she argued that it's important for everyone to identify their niche rather than be forced to look at agriculture. She emphasized that not everyone is interested in Agriculture. Even those who may be interested, individuals may be interested in different segments of the sector since it has very many aspects.
Ms. Jauhara Nabukeera, Potential migrant worker.	The girls going abroad are usually scared and this is because they don't feel confident as they don't have enough practical trainings. Girls are mistreated for petty reasons like breaking things or spoiling equipment which can happen to anyone.

	There is need to give girls ideas that will make them dream of investment when they come back.
Mr. Moses Baluku, Potential Migrant worker	He raised questions concerning how the government is going to help migrant workers who go out there and suffer. He wondered if the government ever makes a follow up on the environment where these young people go.
Ms. Lovin Kobusingye, Team leader-Kati Fish farms Uganda Ltd.	There is need for by labour companies to partner with private sector to identify investible areas? During training could we expose them to benefits of various value chain investments? For instance, a partnership with a person like me who owns a fish processing plant would enable the trainees to know which investment opportunities are available for returnees in the fish industry and what are the requirements in terms of capital and equipment.

Mr. Lawrence Egulu responded by indicating there is no perfect employer, even in Uganda domestic workers are mistreated. He indicated that mistreatment is a human nature and evil and indicated that its true there are cases of domestic violence among domestic workers abroad but comforted the audience that if one has passed through the right channels, it's easy to trace such a person and bring him back.

“The ones that are trafficked are those most likely to be mistreated but we do our best to bring them back but to ease our work go through the right channels. The employers will also respect you if they know you government backing”.

He indicated that there is need to create jobs at home because 400, 00-500,000 young people are entering the labour market every single year and government is responsible for ensuring that they are decently employed. He further indicated that jobs abroad should be out of choice not desperation so that people will go through the right channels.

He concluded by indicating that agriculture is cool, it returns money into your pocket and therefore we shouldn't look at agriculture as something for our grandparents. Agriculture brings

employment, foreign exchange and income. We need to think through market access and make agriculture attractive for the young people.

Ms. Enid Nambuya responded to the participant's questions and comments by indicating that they started externalizing labour on large scale in 2017. She indicated that the orientation is supposed to enable the worker find ways out of difficult situations but because people are from hardships they try to be patient until it gets out of hand. She concluded by noting that in Arab culture men don't respect their own women and therefore people are mistreated but in terms of percentages, they are much lower compared to those that have been successful.

She also indicated that they (UAERA) are already partners with Private Sector Foundation Uganda (PSFU) and that they are currently learning the process and how they can benefit from the partnership. She noted that the 7 days training is an orientation training that intends to prepare someone going abroad for work and it's not enough period to discuss investment ideas, however these can be done on YouTube and shared with them.

Ms. Shamim Nabbale Nsereko also noted that girls are given a chance to share what they would like to do when they return and are encouraged to do what they have always known and what they are passionate about.

Mr. Mukasa Muawiya indicated that the difference between the rich and the poor is time. To be rich, the youth must work a minimum of 1000hours a day by buying other people's time through investing in business. Therefore, he advised that since young people have free time, they should use it to invest in business to make a profit even if you have a formal job.

He concluded by listing the 6 principles of being successful in agriculture which include; 1) you must have passion, 2) you must seek knowledge, 3)commitment 4) supervise the business, 5) assess the market and find out if you can supply it sustainably and 6) think about the numbers.

The entrepreneur in the Fish processing indicated that she happened to have travelled on the same plan as one of the girls going to work abroad however she was struck by the lack of confidence, inexperience and exposure these girls have. Accordingly, she indicated the need for thorough internship of these girls before they go overseas to work as this would equip them with practical skills and exposure in modern chores and households such as using washing and drying machines, picking telephone calls among others. This would prepare them for the jobs abroad and save them of a lot of harassment and embarrassment in the Middle East. She suggested that this can be done by implementing national wide apprenticeship programme to train the youth.

4. Closing Remarks : Dr. Swaibu Mbowe, Senior Research Fellow, EPRC

Dr Mbowa thanked the attendees and Panellists for their participation in the Youth dialogue. Particularly, he thanked all the potential migrant workers and returnees for sharing their experience and insights. Dr. Mbowa emphasized that youth need to emulate the successful examples such as Mr. Mukasa Muawiya, Director, at Khm international consultants who was determined against all odds to save money and make meaningful investments in Agriculture upon his return to Uganda. In conclusion, he implored government to create a supportive environment for migrant workers by ensuring their safety abroad but also incentivise them to invest in commercial agriculture when they return home.

ANNEX

Annex 1: Youth Dialogue program

Time	Activity	Responsible Person (s)
1:30Pm-2:00Pm	Arrival and registration of participants	Ms. Rehema Kahunde and Ms. Aida K. Nattabi
2:00Pm-2:05Pm	Welcome Remarks	Dr. Swaibu Mbowe, Senior Research Fellow, EPRC
2:05Pm-2:15Pm	Scene setting and introducing the panel session	Dr. Madina M. Guloba, Senior Research Fellow, EPRC (Session moderator)
2:15Pm-3:20Pm	Panel Discussion	Panellists
	Theme: "Role of labour externalisation in fostering sustainable Agro-Industrial value chains in Uganda"	Mr. Lawrence Egulu, Commissioner, Employment Services (MoGLSD)
		Ms. Shamim Nabbale Nsereko, Director, Kauthar Training Centre for migrant workers.
		Ms. Enid Nambuya, Executive Director, UAERA
		Mr. Mukasa Muawiya, Director, at khm international consultants; Director & founder of Kapeeka agro & livestock farm and KALF Rabbitry
3:20Pm-3:50Pm	Plenary discussion	All participants
3:50Pm-4:0Pm	Wrap up and Closing remarks	Dr. Swaibu Mbowe, Senior Research Fellow, EPRC
4:00Pm	Health Break, Networking and Departure	All participants

Annex 2: List of participants

Name	Institution	Telephone
Nampala Peruth Doreen	Not indicated	757923528
Nakintu Teopista	Not indicated	756088239
Nanyonjo Rose	Not indicated	704949929
Namugyenyi Esther	Not indicated	755397067
Egulu Lawrence	MGLSD	775828036
Nabadda Josephine	Not indicated	702683831
Enid Nambuya	UAERA	702995613
Mukasa Mwawiya	KALF	754831157
Ndagire Kevin	Not indicated	759394514
Namakula Sylvia	Not indicated	755104128
Lovin Kobusingye	Chairperson, Women's fish organisation	701041160
Musinguzi John	Not indicated	781686030
Nabukeera Jauhara	Ndejje university	708352917
Naturinda Joan	Not indicated	787732660
Baluku Moses	Not indicated	756116212
Hajat Shamim Nsereko	KAUTHAR T/C	704194232
Sigoa Dennis	UBC-TV	780339925
Doreen Ssemanda	UBC-TV	754075074
Nansikombi	Not indicated	704102813
Nagujja Hellen	Not indicated	755730591
Nakwere Lydia	Not indicated	754090516
Nabasumba Violet	Not indicated	758146831
Nabatanzi Zufula	Not indicated	701598496
Kato Kevin	Not indicated	701715725
Nansubuga Kanat	Not indicated	750098078
Nazziwa Olivia	Not indicated	701434969
Namuyana Rebecca	Not indicated	708558920
Mugalu Derrick	Not indicated	782867941
Nansubuga Martha	Not indicated	758284450
Nalukenge Hadija	Not indicated	782721220
Kiyingi Abuduraham	Not indicated	708504817
Namwenge Jane	Not indicated	751987478
Salome Harriet	Not indicated	788549063
Mukasa Joseph	Not indicated	770809625
Bbali Jonathan	Not indicated	783024839
Zawedde Judith	Not indicated	755938385
Atwondeza Philbert	Not indicated	775274804
Ziwa Lucky	Not indicated	783840616
Madina Guloba (PhD)	EPRC	
Sarah Ssewanyana (PhD)	EPRC	

Swaibu Mbowa (PhD)	EPRC	
Ibrahim Kasirye (PhD)	EPRC	
Rehema Kahunde	EPRC	
Aida Nattabi	EPRC	
Nathan Sunday	EPRC	
Enock Bulime	EPRC	
Blessing Atwine	EPRC	
Medard Kakuru	EPRC	
Regean Mugume	EPRC	
Elizabeth Birabwa	EPRC	
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