

# CHINESE CORPORATIONS OPERATING IN UGANDA: HUMAN RIGHTS & LABOUR STANDARDS COMPLIANCE

## **Commissioned by:**

Initiative for Social and Economic Rights (ISER) in Collaboration  
with the Uganda Consortium on Corporate Accountability (UCCA)

## **Prepared by:**

Dr Phiona Muhwezi Mpanga

**NOVEMBER 2019**

## CONTENTS

1. Introduction.....	3
1.1 Context of the Assignment.....	3
1.2 Objectives .....	4
1.3 Project Scope of Work .....	4
1.4 Project Expected Outputs and Deliverables.....	4
2. Methodology.....	5
2.1 Approach Used .....	5
3. Human Rights Compliance:.....	5
4. Labour rights as human rights: .....	9
5. Nature of Chinese enterprises in Uganda:.....	13
6. Tentative Conclusions and Recommendations.....	15

## 1. INTRODUCTION

### 1.1 Context of the Assignment

The National Development Plan II envisages a significant role for the private sector in financing the country's development. It strongly promotes public-private partnerships and puts forward a series of strategies designed to create a more conducive environment for doing business. The Government continues to prioritize infrastructural development, including boosting energy production, lowered tariffs and trade barriers for regional trade, and increasing foreign direct investment as key drivers to attain middle income status and hence economic development. However, this focus on FDI and the overall private sector engagement in the country's development has not been accompanied by adequate efforts to protect, respect and remedy human rights in line with international human rights standards and the UN Guiding Principles on Business and Human Rights. A clear standard setting and regulatory framework on business and human rights reinforces the realization and the enjoyment of economic social and cultural rights, and it is imperative that this framework is developed and integrated into the broader State institutional frameworks including in; policies and legislations.

Article 20 (2) entrusts the State as the custodian of the human rights regime and obligated under international human rights law, to protect against human rights abuses within their territory by third parties, including business enterprises. This necessitate taking appropriate steps to prevent, investigate, punish and provide redress for such abuse through effective policies, legislations, regulations and adjudication. Equally, business enterprises have a corporate responsibility to respect human rights. They should take due diligence to avoid infringing on the human rights of others and should address human rights impacts with which they are involved.

In the last decade or so, Uganda as with the rest of the developing world, continues to witness an influx of Chinese business and development projects in various sectors including, retail and wholesale, processing, manufacturing, infrastructural development and natural resource exploitation among others. According to the Uganda Investment Authority, China is Uganda's second largest investor. However, these business ventures have raised major concerns regarding their **investment model, respect for human rights, labour standards and broader legal and policy compliance issues by the Chinese corporations**. Similarly, the nature of state capture and increasing protection of these investments against social protection of their employees and other affected communities, continues to worry human rights advocates.

This report highlights the broader effects and impact of Chinese business and other development projects on the realization of labour rights as economic and social rights. It also highlights the regulatory and compliance gaps within the Investment sector—contributing towards strengthening the capacity of the state and its agencies to regulate corporations to ensure respect for human rights in business activities and enhance corporate accountability.

## 1.2 Objectives

The main objectives of the assignment were to:

- a. Assess the nature and status of Chinese business enterprises and development projects in Uganda and their impact on enjoyment of human rights;
- b. Analyse the legal and policy frameworks under which they operate and their compliance to national policy and legal frameworks;
- c. Assess their compliance records concerning respect for fundamental human rights.
- d. The current legal and policy framework and the capacity of the state to regulate Chinese corporations—including state owned corporations.
- e. Identify the gaps within the policies, legal and institutional framework that limit enhancing corporate accountability by the Chinese enterprises; and
- f. Map out the different Chinese business enterprises and development projects—highlighting their nature, status of operation and financing structure. This is with a view to concretely appreciate the financing structures and various safety and human rights standards in place and what accountability mechanisms they provide for.

## 1.3 Project Scope of Work

Under the overall leadership and supervision of ISER, the project consultant was expected to carry out the following tasks:

- a. Undertake research on the operation of Chinese business enterprises and other development projects in Uganda and their effects and impact on realization of economic and social rights and broader human rights enjoyment.
- b. Review specific situations and cases and highlight the various corporate abuses and gaps within the policy and legal framework.
- c. Make consultations with the relevant stakeholders, especially government agencies and establish gaps/challenges they are confronted with in the execution of their respective mandates.
- d. Prepare a project report.

## 1.4 Project Expected Outputs and Deliverables.

The main project outputs are;

- a. A final report detailing the effects and impact of Chinese Business Enterprises on the enjoyment of human rights and compliance with labour standards in Uganda.

Prior to this, the specific deliverables anticipated include:

- i) An inception report detailing the methods to be used in undertaking the assignment;
- ii) A draft report of the study with a corporate mapping of the current Chinese businesses/ development projects operating in Uganda; the nature of their operations and financing;
- iii) A validation meeting.

## 2. Methodology

### 2.1 Approach Used

This study was intended to be carried out using qualitative and participatory approaches. However, this was not entirely possible due to the difficulties encountered by the Consultant. It was carried out in a phased manner. In total, the work was done in 3 main phases. The methods and tools to support the assessment include: i) Document/ literature review; ii) Key informant interviews (KIIs) and iii) Synthesis of findings. It was never possible to carry out Focus Group Discussions (FGDs) with workers. The challenges are enumerated below.

It was not possible to identify workers who had been working or were currently working in Chinese companies. The workers are generally afraid of victimization for disclosing information relating to their employers. There was inadequate time to build the trust needed for them to freely participate in focus group discussions. As a result, the Consultant relied on secondary data sourced by an independent journalist.

#### *Phase I: The Document Review*

The document review encompassed a study of the UCCA baseline report on the State of Corporate Accountability in Uganda; UCCA report on the State of business and human rights in Uganda; Capacity of the State to Regulate Corporations; Business and Human Rights toolkit; National Legal and Policy documents; International and Regional Conventions relating to Human Rights, International Labour Organisation Conventions relating to labour standards; Trade related International and Regional instruments.

Information derived from the literature review supported the development and refinement of interview and assessment tools to be used in phase II of the assignment including the areas for more in-depth investigation, and identification of the actual individuals to be interviewed.

#### *Phase II: Consultations and synthesizing of information*

Key informant interviews using a key informant interview guide were undertaken with persons in the Ministry of Gender, Labour & Social Development; and Trade Union Leaders. The rest of this report comprises of this phase of the research process.

## 3. Human Rights Compliance:

### *The normative standards for corporations:*

Corporations are traditionally viewed as non-state actors within the realm of international law, which are not bound by the same obligations as States parties to international law conventions. As such the relationship between states and corporations has been slow to crystallize and is mostly founded on voluntary mechanisms. MNCs are often encouraged to practice self-regulation. However, increasingly international human rights understanding of state responsibility have expanded to include the conduct

of MNCs within their jurisdictions. The doctrine compels states in which non-state actors are operating to prevent human rights violations from occurring; and to provide mechanisms to address such violations when they occur. In other instances, the MNCs have been directly found responsible for human rights violations on account of the Maastricht Principles on Extraterritorial Obligations of States in the area of Economic, Social and Cultural Rights.<sup>1</sup>

Extensive work done by the working group established by the UN Sub-Commission on the Protection and Promotion of Human Rights in 1998 also made way for the acceptance of the work of the special representative on the issue of business and human rights, Prof. John Ruggie. The Guiding principles constituted in the United Nations Guiding Principles on Business and Human Rights espouse the Protect, Respect, Remedy framework which was endorsed by the Human Right Council in 2011. Although the principles do not espouse direct corporate responsibility, they have facilitated engagements by civil society, states and where possible host communities to hold business enterprises to account for human rights violations.

Uganda has ratified and domesticated many of the international human rights conventions and soft law norms which have provided a basis for these understandings of human rights. The Constitution in its Article 20 (2) guarantees the rights of all persons by all organs, agencies, government and by all persons. It is therefore arguable that MNCs doing business in Uganda can be held to both international and national human rights standards.

The information gathered from interviews indicated that the Chinese companies are not far different from other Ugandan companies in upholding and violating the guiding principles on business and human rights. One respondent noted, that the only difference is perhaps that the Chinese companies have more capital than their local counterparts. As such the Chinese Companies have the financial capacity to spend more on compliance with human rights and labour standards compliance than many other local companies. While this may be true, there is evidence that financial capacity can never be a prerequisite to respect for human rights and labour standards compliance.

#### *Enforcement of human rights:*

The literature reveals that the case law on enforcement of human rights in Uganda remains contradictory. It would appear that courts have been more assertive in enforcing some of the human rights which are explicitly included in Chapter 4, the courts appear hesitant and at best demonstrate deference to the executive where economic and social rights, whose progressive realization is envisaged as a long term outcome, are in issue. Nonetheless, with respect to the land acquisition cases, there is evidence that the courts may be ready to liberally interpret and enforce these constitutional rights.<sup>2</sup> It remains to be seen how much the enactment of the Human Rights (Enforcement) Act 2018 will impact the enforcement of human rights as against corporations.

---

<sup>1</sup>UCCA (2016) The State of Corporate Accountability in Uganda page 12-15.

<sup>2</sup> *Advocates for National Resources Governance and Development & Others v Attorney General and Uganda National Roads Authority* Constitutional Petition No. 9 of 1997.

The information gathered from the interviews provides a mixed account. It indicates that labour standards violations by corporations have been handled assertively by courts in some instances. For instance, where a complaint was made to the High Court in relation to refusal of workers in the infrastructure industry to unionize, the court's intervention gave the much-needed credence to the unionist's claims. Several workers have since been able to join trade unions in this particular sector. It has provided an opportunity to push for unionization of workers in other sectors.

On the other hand, there are concerns that the Industrial court has been slow in resolving disputes referred to it. The Industrial court operates on a circuitous basis which means that it schedules and hears disputes across the country. This necessarily slows down its capacity to resolve disputes early and expeditiously.

#### *Trends in corporate accountability:*

Due to the globalized nature of business transactions, corporations have clamored for respect as 'global citizens', a concept which emerged in the 1990s. The proponents of this view argue that corporations no longer perceive their stakeholders to be limited to their shareholders but expand their stakeholders to include the distant communities, often in under developed countries where the corporations do business.<sup>3</sup> That the 'do no harm' principle that was traditionally advocated is inadequate today, and that corporations must do more to improve the quality of lives of the communities from which they benefit. However, although progressive, this idea falls short of an explicit acceptance of responsibility for human rights and remains largely voluntary.

Uganda's legal framework facilitates business enterprise and is driven by the government policy to ease business for local and foreign investors. In fact, the country is largely dependent on foreign direct investment for delivery of its National Development Plan.

The Companies Act stipulates specific reporting requirements for companies incorporated in Uganda. However, the accountability mechanisms relate to shareholding, transfer of interests, dividends and governance structures, primarily, for *taxation* purposes. There is little to indicate that accountability for human rights compliance is espoused by the company law framework.

The Investment Code Act which came into force in February 2019, aims to among other things, provide for the registration of investors and investment licenses; monitoring and evaluation of investors and investments in Uganda among others. It remains to be seen whether the enforcement mechanisms envisaged within the Act will enhance accountability of Chinese enterprises among other foreign enterprises in Uganda.<sup>4</sup>

In executing its mandate, the Uganda Investment Authority has been able to keep track of Chinese companies doing business in Uganda. The information shows that the companies have increased sharply over the last five years. The table below illustrates this:

---

<sup>3</sup> <https://www.gscouncil.org/what-does-corporate-global-citizenship-really-mean/> retrieved 1 August 2019.

<sup>4</sup> Section 10 Investment Code Act, section 18; Schedule 2 of the Act.

## LICENSED PROJECTS<sup>5</sup>

FINANCIAL YEAR	LICENSED PROJECTS
1993/94	3
1994/95	6
1995/96	2
1996/97	6
1997/98	1
1998/99	3
1999/2000	3
2000/2001	7
2001/02	6
2002/03	4
2003/04	9
2004/05	15
2005/06	25
2006/07	31
2007/08	18
2008/09	34
2009/10	41
2010/11	36
2011/12	21
2012/13	68
2013/14	53
2014/15	55
2015/16	66
2016/17	78
2017/18	54
2018/19	63
<b>TOTAL</b>	<b>708</b>

The corporate social responsibility modelled along the UN global compact has been adopted by most MNCs. Again, it is largely voluntary in nature and constitutes soft law.<sup>6</sup> In Uganda's context, the MNCs have frequently adopted a strategy of compliance with minimum statutory requirements. For instance, one obligation explicitly set out for registered foreign investors under the Investment Code Act is to 'observe and adhere to the laws of Uganda'.<sup>7</sup> As such where human rights standards are categorized as voluntary, it is unlikely that they will be adopted.

<sup>5</sup> Data sourced from Uganda Investment Authority

<sup>6</sup> UCCA (2018) The Capacity of the State to Regulate Corporations in the Labour Sector page 24-25.

<sup>7</sup> Section 18 Investment Code Act.



### *Civil Society participation in corporate accountability:*

The literature surveyed demonstrates that civil society has made bold steps in enhancing corporate accountability for MNCs. Particularly in the flower farming industry and mining sectors, there is evidence that the participation of civil society has largely shaped the scope and manner in which MNCs account for their conduct.<sup>8</sup> In the extractives industry, the civil society actors have advocated for social impact assessments which aim to cover the range of economic and social rights of host communities.

From the interviews, it emerged that trade unions would benefit from the support of civil society in working towards enhancing corporate accountability. There have not been consistent partnerships and collaborations between the trade unions and civil society on issues of corporate accountability.

#### **4. Labour rights as human rights:**

There is a wide range of legislation and work-related policies in Uganda. Commencing with a constitutional guarantee to economic rights espoused in Article 40. The freedom is further emphasized in Article 40 (3) (a) of the Constitution which gives every worker in Uganda, a right to form trade unions to protect their economic and social interests, “a right to collective bargaining and representation” and the right to collectively withdraw labour i.e. the right to strike. The literature has explored the content of substantive legislation such as the Employment Act, Labour Unions Act, Labour Disputes (Arbitration and Settlement) Act, Occupational Safety & Health Act, Workers Compensation Act, National Social Security Fund Act, Minimum Wage Act, Equal Opportunities Act and attendant regulations.

The literature also documents challenges of the State’s capacity to enforce this suite of labour related legislation. For instance, inspections of work places carried out fall far short of the number of work places, the courts have provided conflicting guidance on the avenues for seeking judicial remedies for aggrieved persons. Further to this, investigations of breaches of safety remain inconclusive and therefore unenforceable.<sup>9</sup>

The information gleaned from interviews indicate that labour rights and freedoms are perceived as human rights. The challenges with enjoyment of labour rights emerged are as follows:

#### **4.1 Contract of employment:**

A contract of employment is an agreement to offer services. The Employment Act defines it as any contract whether oral or in writing, whether express or implied where a person agrees in return for remuneration, to work for an employer and includes a contract of apprenticeship.

---

<sup>8</sup> UCCA (2018) Business and Human Rights in Uganda, page 36; UCCA (2018) The Capacity of the State to Regulate Corporations in the Labour Sector page 52-53.

<sup>9</sup> UCCA (2018) The Capacity of the State to Regulate Corporations in the Labour Sector, pages 40- 42, 44, 63

The employment may also be casual. Where the Employment Act defines casual employee as meaning a person who works on a daily or hourly basis where payment of wages is due at the completion of each day's work.

The nature of Chinese corporations' employment terms are largely casual. This means that the corporations tend to take on more casual workers than permanent workers. The result is that each day constitutes a new contract of employment which terminates at the end of the day. Those who have written contracts usually have 6 monthly contracts, with no guarantee of renewal.

The implications of this are serious and far reaching. For instance, as a result, the workers are unable to access certain entitlements such as sick leave and maternity leave. Their guarantee of wages is pegged to their ability to work each day. This was also borne out in the journalist's interviews which indicated that where a worker got injured at work, they were taken care of for that day and no further.

In addition, one of the interviewees stated that there would be little evidence of employment since the sign on sheet belongs to the corporation and it is removed every six weeks.

#### **4.2 Right to collective bargaining:**

Collective bargaining is a constituent element of the right to associate and organize freely. It entails workers freely discussing and negotiating their relations at the work place. The interviews revealed that the management of many of the Chinese corporations are wary of allowing workers to participate in union activity. This is manifested by the management's reluctance to allow union leaders to talk to workers or educate them about their rights. This makes it difficult to meaningfully pursue the right to collective bargaining.

One interviewee disclosed that the company is willing to remit, at its cost, the employee contributions to union activities but will not allow union leaders onto the premises to talk to the workers. As such the freedom to discuss and negotiate the terms and conditions of work is effectively non-existent. As a consequence, the ability to organise and galvanise for the enjoyment of the entire suite of labour rights is non-existent. For instance, in such a situation, workers cannot fathom withdrawing labour or negotiating for better pay.

#### **4.3 Health & Safety at work:**

Ideally, all workers in all categories of economic activity should be guaranteed a safe and healthy environment; in addition, working conditions should protect the well-being and human dignity of all workers. Section 2 of the Occupational Safety & Health Act defines "health" in relation to work means not merely the absence of diseases or infirmity, it includes the physical and mental elements affecting health which are indirectly or directly related to safety and hygiene at work

Section 13 of the Act lists the duty of the employers to protect workers. Every employer has a responsibility:

To take, as far as reasonably practicable, all measures for the protection of workers and the general public from the dangerous aspects of the employer`s undertaking at his or her own cost;

To ensure as far is reasonably practicable that the working environment is kept free from hazard due to pollution, and shall extend to;

- The provision and maintenance of plant and systems of work that give, a safe working environment including its vicinity;
- Arrangements for ensuring safety and absence of risks to health, in connection with the use, handling, storage and transport of articles and substances;
- Provision of adequate and appropriate information, instructions, training and supervision necessary to ensure the safety and health of the employees; the application and use of occupational safety and health measures;
- Regarding any work place under an employer`s control, the maintenance of the workplace in a condition that is safe and without risks to health and the provision and maintenance of means of access to exit from the work place that are safe and without such risks;
- Provision of correct information of the real and potential dangers of substances used in an undertaking including any toxicity tests and environmental impact assessment involved in the use of the substances to all concerned; and
- Provision of personal protective equipment to prevent, as far as is reasonably practicable, the risks of accidents or of adverse effects on health.

From the information gleaned in the interviews, there is a challenge arising from the employer`s failure to provide ample training to workers using machines. Evidence from interviews shows that while there are several provisions relating to health and safety, in practice many employers do not comply with the Act. One respondent narrated that one worker was fatally injured by a machine because the worker was adequately trained to use the machine and on the procedures to take before switching on the machine. The Labour Inspection report indicated that there was a language barrier between the worker who spoke Itesot and the Chinese supervisor who spoke Chinese and minimal English. A foreman who frequently doubled as an interpreter was required to supervise long distances and was not at the particular camp site on that occasion.

OSH programmes must aim at both protection and prevention. As a result, all work places must be designed to be safe from the onset. Personal protective gear is required to ensure protection and prevention of injuries. This is not the case in practice. One respondent noted that there were employers who used rudimentary methods of carrying out work in the small-scale industries such as scrap iron melting which exposed workers to tremendous risk of injury. He stated that some of the workers have very hard palms due to frequent exposure to very hot metals.

OSH services should be established in order to protect and promote workers` health. This includes efforts to enhance workers` physical, mental and social well-being. In the current scenario where labour is highly casualised, this remains impossible. Right from the outset, the employer- employee

relationship is temporary making it impossible to nurture an environment that can foster the physical and mental wellbeing of workers.

On the positive side, it was noted that there was increased compliance with providing lavatory and hand washing facilities along project sites, especially along the road construction projects. In other instances, mobile toilet facilities are rotated around project sites to ensure that workers have clean and safe sanitary spaces.

#### **4.4 HIV/AIDS and the World of Work**

Uganda has a National Policy on HIV/AIDS and the world of work. The aim of the policy is to ensure that persons living with HIV are not discriminated against, confidentiality, and are provided with the care and support that they need to lead productive lives in the world of work. Currently, the aim is to encourage HIV testing so that individuals can know their status and when infected commence on anti-retroviral treatment in good time. The interviews conducted disclosed that this policy is being abused. There were claims of forced testing, where HIV testing is used as a prerequisite to grant or deny an opportunity to work. On the other hand, the social impact of infrastructure projects is known to have increased rates of infection around the project camps. In other instances, there were reports of infection arising from sexual harassment of workers along the project site areas (Kamwenge).

The government of Uganda has now insisted on social and environmental impact assessments and providing for mitigation measures along project sites in recognition of the negative social impact that may emerge from the activities of developers.

#### **4.5 Workers Compensation:**

The Workers Compensation Act implores an employer to compensate a worker who has suffered personal injury arising out of the course of a worker's employment. The employer is not liable where the injury doesn't result in permanent incapacity or does not incapacitate the worker for at least three days. There are a number of injuries that include;

Under section 4, fatal injuries, these arise on the occasion of death of the worker; Permanent total incapacity, arising where permanent total incapacity has resulted from the injury and at times the worker will be likely to require constant assistance of another person on a permanent basis as noted under section 5; Permanent partial incapacity is provided for under section 6 and arises where the injury causes permanent partial injury; Section 7 provides for temporary incapacity.

The employee is only entitled to compensation of injuries suffered and diseases caused during the course of employment. Where employment is deeply casualised it is difficult to draw a line as to the course of employment

#### **4.6 Social security:**

The law requires that every employer who employs a minimum of five workers, within the ages of 16-55 years is registered and makes contributions on their behalf to the NSSF. The responsibility to deduct

and deposit the contributions is borne by the employer. The interviews revealed that many of the Chinese Companies doing business are reluctant to register for NSSF. In addition, where they are registered, it is only a fraction of the staff who are on the payroll. The majority are casual workers for whom the legal provision would not apply.

## 5. Nature of Chinese enterprises in Uganda:

China's relations with Uganda span over half a century. But the push for commercial activities is a more recent and aggressive agenda. The literature surveyed indicates that there are several motivations for Chinese business in Africa and Uganda. This includes the access to local market, intense domestic competition in China, the need to transfer excessive domestic production capability, entry into new foreign markets via exports and taking advantage of African regional or international trade agreements.<sup>10</sup> Some have been attracted to Uganda by its attractive government policies. Given Uganda's drive to invest in infrastructure projects, as well as oil and gas projects, there appears to be sufficient motivation for these businesses to find Uganda an attractive destination for business.<sup>11</sup>

The literature reports that three kinds of Chinese enterprises are doing business in Uganda. These are: the state-owned enterprises, hybrid and the private owned enterprises.<sup>12</sup> State owned enterprises are often linked with bilateral agreements with Uganda to facilitate the development agenda. The Chinese companies in Uganda are mostly involved in four sectors: import for wholesale trading, construction companies, import for retail trading and manufacturing. Within the construction sector, the State-owned enterprises dominate. The China Development Bank and one of the two Chinese energy companies are also state-owned enterprises.

Employment of Ugandans in Chinese business enterprises also varies according to the nature and size of the company. While many of these enterprises rely on Chinese labour, the State-owned enterprises employ a higher percentage of Ugandans in the workforce followed by the private owned enterprises. The justification for keeping a high number of foreign employees was based on efficiency, cultural understanding which facilitated the business goal of low profit margins and high volumes of sales. However, with increased difficulty in accessing work permits, it is envisaged that the number of Ugandans in these enterprises will grow.

However, it was noted that even where there was a higher number of Ugandans employed, this was not in managerial positions. Only 3% of companies interviewed in the study had over 50% Ugandans at management level. The justification provided was insufficient local expertise and experience to take on management roles.

---

<sup>10</sup>ard Warmerdam & Meine Pieter van Dijk (2013) Chinese State Owned Enterprise Investments in Uganda: Findings from a recent survey of Chinese Firms in Kampala, *Journal of Chinese Political Science* (18) 3, Page 5

<sup>11</sup> Ward Warmerdam & Meine Pieter van Dijk (2013) Chinese State Owned Enterprise Investments in Uganda: Findings from a recent survey of Chinese Firms in Kampala, *Journal of Chinese Political Science* (18) 3, Page 5

<sup>12</sup> Ward Warmerdam & Meine Pieter van Dijk (2013) Chinese State Owned Enterprise Investments in Uganda: Findings from a recent survey of Chinese Firms in Kampala, *Journal of Chinese Political Science* (18) 3

The literature also noted that one of the main challenges encountered by Chinese enterprises doing business in Uganda was the compliance with labour law. Particularly, the social security legislation, and the role of trade unions in Uganda.

### *Licensed Projects*

The Uganda Investment Authority is the statutory body mandated with granting investment licenses in Uganda. Although Uganda currently has a new statutory standard established under the Investment Code Act 2019, the majority of these companies were licensed under the old regime (199....)

The Investment Code Act provided as follows:

### **LICENSED PROJECTS PER SECTOR, JAN 1991 TO JUNE 2019<sup>13</sup>**

<b>SECTOR</b>	<b>LICENSED PROJECTS</b>	<b>%GE</b>
Agriculture, Hunting, Forest & Fish	34	4.8
Community & Social Services	5	0.7
Construction	63	8.9
Electricity, Gas & Water	19	2.7
Finance, Insurance, Real Estate & Business Services	58	8.2
Manufacturing	449	63.4
Mining & Quarrying	37	5.2
Not Specified	1	0.1
Transport, Storage & Communication	22	3.1
Wholesale & Retail, Catering & Accommodation Services	20	2.8
<b>TOTAL</b>	<b>708</b>	<b>100.0</b>

The data shows that the largest participation in the Ugandan economy lies in manufacturing and construction. This provides an indication that the largest percentage of Ugandans employed in business owned by Chinese companies are working in these two sectors.

<sup>13</sup> This information is extracted from data provided by the Uganda Investment Authority on 19<sup>th</sup> November 2019.

## 6. Tentative Conclusions and Recommendations

The existing legal framework, although compliant with ILO standards has not adequately provided for the protections necessary to ensure that employees are treated with dignity, enjoy their constitutional guaranteed rights and can enforce these rights. The biggest challenge which accounts for this situation is the massive casualization of labour/ workforce in Uganda.

It is recommended that civil society engages with government to craft a new definition of casual labour which cures the mischief that has played out with the current understanding of casual workers.

Civil society organizations need to do more to engage with corporations so as to be able to set a baseline and assess performance of these corporations with enforcement of labour standards.

There is need to carry out a comprehensive mapping of Chinese business enterprises in order to be able to engage with these corporations on the nature of labour relations necessary to foster a safe and healthy working environment.

## **REFERENCES**

Uganda Bureau of Statistics (2018), *Manpower Survey Uganda (MAPU) 2016/17*

ILO Technical Memorandum, *Uganda Labour administration and Inspection Needs Assessment*

Office of the Auditor General (2016) *Work Safety First: Enforcement of Occupational Safety and Health Activities at Workplaces by the Department of Occupational Safety & Health under the Ministry of Gender, Labour & Social Development*

Government of Uganda, Ministry of Gender, Labour and Social Development (2007) *National Policy on HIV/AIDS and the World of Work*

*Laws of Uganda*

The Employment Act, 2006

Labour Unions, 2006

The Workers Compensation Act 2006

The Occupational Health and Safety Act, 2006

National Social Security Act, 2004

The Labour Disputes (Arbitration and Settlement) Act, 2006



## **UCCA SECRETARIAT**

Initiative for Social and Economic Rights (ISER)

Plot 60 Valley Drive, Ministers' Village, Ntinda

P.O.Box 73646, Kampala - Uganda

Telephone: +256414581041

Website: [www.ucca-uganda.org](http://www.ucca-uganda.org)



UGANDA CONSORTIUM ON  
CORPORATE ACCOUNTABILITY

U C C A