

FREE MOVEMENT OF WORKERS IN THE EAST AFRICAN COMMUNITY:

Implications for youth employment in Uganda and the EAC



Strengthening Africa in World Trade

Introduction

The Common Market Protocol which came into effect on 1st July 2010 provides for, among others, the free movement of workers across the EAC region. This freedom has the potential of reducing the youth unemployment challenges facing Uganda and the other partner states. In Uganda alone youth unemployment stands at over 62%.¹

SEATINI-Uganda undertook an in depth analysis of the performance of this freedom including the progress so far, challenges and policy recommendations on the further realization of this freedom. This policy brief summarizes the challenges and recommendations.

The challenges constraining the realization of the free movement of workers:

There are provisions in the Common Market Protocol which limit the free movement of workers. These are:

The CMP provides for the movement of the highly skilled workers only.

The CMP (Article 10(13)) provides for the free movement of very highly skilled workers i.e. corporate managers; physical, mathematical and engineering science professionals; teaching professionals, lawyers and metal and related trades workers.² This legally excludes many potential employment seekers in the region especially the youth.

Retention of the work permit regime

The Common Market Protocol allows Partner States to issue work permits as a prerequisite for one to access employment within the region. However, more often than not the process of acquiring a work permit is tedious, characterized by long bureaucratic procedures and stringent conditions.

High work permit fees

The fees charged by partner states are too high and act as a hindrance to movement of workers. Only Rwanda and Kenya have waived work permit fees for all citizens of the EAC. In Tanzania, work permit fees now stand at USD 2000 from USD 470. Uganda has also increased her work permit fees twice since the coming into force of the CMP.

Hindrances to student/learner mobility

The Protocol prohibits holders of a student pass from taking up employment in the host country except where the holder of a student pass is on industrial training or internship (Reg. 7). The Common Market Protocol therefore denies students studying in another territory the opportunity to finance their education with employment income.

Challenges arising from the structures of the labour market economies in the region:

Unattractive wages, terms and conditions of work in the EAC

Other than Kenya, the proportion of wage earners in the other EAC Partner States is far lower than the world and Sub-Saharan estimates of wage earners which are approximately 43.9% and 22% respectively (ILO 2008). Additionally, the minimum wages in Kenya and Tanzania though higher than in Uganda are still low and cannot therefore afford a young Ugandan worker sufficient welfare and savings to repatriate to home

¹ The New Vision, Feb 1st 2013

² The CMP seems to have only encoded job classifications of professionals and technicians who had been moving for work around the region even prior to its coming into force. To this extent, the CMP offered a very limited departure from what had been obtaining before.

The Low potential to create decent and productive work in the EAC

The capacity of the EAC partner states to create decent jobs is very low as most jobs are in the subsistence low productivity agricultural sector.

High levels of jobless growth and exporting jobs through unprocessed exports

The exports of the all the EAC Partner States have remained largely primary unprocessed products. Yet the continued export of raw materials without any value addition does not only minimize the positive economic multiplier effects of forward and backward linkages but also indirectly exports jobs to the developed world.

High mortality of firms

There is a high mortality of firms in the region undermining the creation of productive and well remunerating jobs. For example more than 60 percent of the firms in Uganda do not survive beyond their second birthday. The constraints to enterprise and industrial growth include, inter alia, high interest rates, laissez faire policies, poor and infrastructure.

Unfavorable legislative environment within the partner states.

Some laws enacted by the partner states hinder the

free movement of workers. For example, in Rwanda, Immigration Law (No 19/2011) in the case of workers who fall in the category “*Skilled Workers Sponsored*”, the responsible employer has to prove that a Rwandan with similar skills could not be found on the Rwandan labour market. This conflicts with the letter and spirit of the CMP. Additionally, the Kenya Citizenship and Immigration Regulations, 2012 restrict the issuance of work permit to only foreigners who are 35 years old and above and are also assured of a salary or income of not less than USD 24,000 annually. This excludes many youth and middle income workers from the opportunity to work in Kenya under the aegis of the CMP.

Challenges facing the use of National Identity Cards as travel documents

The use of national identification cards which would ease the free movement of workers is yet to be actualized as the process of registration and issuing these cards has been quite slow. While majority of Kenyan and Rwandan nationals do possess national IDs and can use them for travel across the region, in Uganda, the process of registering citizens for the purpose of issuance of national identity cards was launched in April 2014. The same process has just been launched in Burundi and Tanzania. Some of the Partner States have given the absence of a national identification system as the reason for their reluctance to open up more space in their labour markets for Ugandans.

Policy recommendations towards actualizing the free movement of labour in Uganda and the EAC

Develop and implement Strategies for productive and Decent Work

Stimulating job rich growth and decent work should be a conscious and deliberate goal of economic policy; and all government policies should have job creation at the core of their objectives.

Formulate National labour Migration Policies

In order to optimize the benefits of labour migration as well as mitigate losses, there is need for strategic migration management by the governments. Strategic migration management implies moving away from laissez-faire cum ad hoc approach to a coherent and comprehensive policy and institutional framework. For example, Uganda’s labour migration interests in the EAC should be deliberate, well defined, quantifiable, and systematically aligned with the broader national development goals.

Institutionalize the linkage between migration and employment

Institutions for aligning the free movement of workers and Uganda’s employment needs should be strengthened. The External Employment Unit (EEU) of the Ministry of Gender, Labour and Social Development should be strengthened to establish mechanisms for promoting employment opportunities for Ugandans abroad.

Increase awareness about the available job opportunities and related prerequisites

Potential migrants are often poorly informed or misinformed about the conditions governing entry, work and residence, skills required, cultural issues as well as their rights and obligations in destination countries. There is need for intense public awareness to address this anomaly.

Enhance skills development for national and regional labour markets

There is need for relevant government departments in collaboration with training institutions and employers to review the nature of skills development training structures, systems and outcomes. Such reviews should aim at putting in place mechanisms for improving the quality of education and making it easily adoptable to emerging labour market needs. The quality as well as quantity of physical infrastructure and manpower in training institutions right from primary, secondary to tertiary should be improved as a matter of urgency since various studies and reviews on Uganda's education sector have found education outcomes at all levels wanting.

Expedite the mutual Recognition of academic qualifications and Skills

The EAC Partner States should expedite the process of deepening and consolidating systems for Mutual Recognition of Academic Qualifications (MRAQs) because, working in another Partner State under the CMP is contingent on possession of requisite academic qualifications or skills. Yet, the Partner States have differing education systems and standards.

Expedite the Certification of informal workers

There is need to establish a mechanism at regional level for accreditation and validation of informally acquired skills. Uganda has already taken some steps in this regard. The BTVET³ Act 2008 mandates the Directorate of Industrial Training (DIT) to assess and certify formal and informal skills training. The DIT has already established the Worker's PAS (Proficient Acquired Skills) which certifies the skills and competences of an individual for a particular trade. This system should be popularized in the region.

Conduct Regular Manpower planning and Surveys

This will enable government to facilitate the alignment of skills development to labour market demand in Uganda and abroad. In Uganda the last Manpower survey was conducted 24 years ago (1988).

Strengthen National and Regional Labour Migration Data Management

The migration data available in Uganda's Statistical Abstract does not provide adequate information for government to make informed decisions regarding labour migration. Therefore labour migration data should be disaggregated to address this issue.

Finalize the institutionalization of the National Identification System

The process of creating a national identification system should be expedited and completed. The absence of a

comprehensive national identification system undermines opportunities for Ugandans in the labour markets of the other Partner States.

Easing Cross Border Movement of Persons

The process of securing a Ugandan travel document has remained an arduous, long and frustrating process for the majority of Ugandans. The government of Uganda should establish an equal opportunity, transparent, expeditious procedure for securing national travel documents as a means of enabling Ugandans to move more easily. Although some measures have been undertaken to streamline the process of applying for a passport, a number of serious challenges still exist.

Establish a regional framework for Social security coordination

The EAC Partner States should adopt an Annex to the CMP on Social Security as a means of facilitating coordination of social security. Coordination of social security is important because the conditions for, coverage, contribution, benefit entitlement are different in each of the EAC Partner States. The absence of coordination, portability, export and totalization of social security benefits discourages the movement of workers within the region.

Strengthen deployment of Labour Attachés

The Government of Uganda should establish Labour Attaché positions at its missions in all EAC Partner States where Ugandans are working.⁴ The role of Labour Attachés should be to promote and protect the interests of Ugandan migrant workers in the respective countries.

Managing Brain Drain

The government should put in place measures for managing brain drain. This phenomenon has adversely affected many countries where retaining capacity is often a more important issue than capacity development itself.

Facilitate reintegration of returning migrants

The government should put in place mechanisms for facilitating returning migrant workers. Design of appropriate migrant reintegration programmes will enable returning migrants to transfer skills back to Uganda and vice versa and to contribute generally to the development of Uganda.

3 Business Technical Vocational Education and Training

4 A Labour Attaché is a Foreign Service Officer responsible for the interests of his or her nationals working in his diplomatic area of jurisdiction.



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