

GENDER PAY GAP AND LABOUR-MARKET INEQUALITIES IN UGANDA



Introduction

Despite progress in women's economic and political participation, formal employment and education attainment, a gender pay gap remains a pervasive labour-market feature across the world. More and more countries – both industrialized and developing – have passed laws mandating the equal treatment of women in the labour market, with the objective of reducing gender economic inequalities. The objective of this brief is to present an overview of the adjusted gender pay gap and labour-market inequalities in Uganda. It uses data from Uganda's National Panel Survey (2019–2020)¹ and relies on the findings of the UN Women (2023) study titled “Why Women Earn Less: Gender Pay Gap and Labour-Market Inequalities in Uganda.”

Uganda, with a population of around 47.3 million in 2022,² is among the world's poorest nations, ranked 166 out of 191 countries on the Human Development Index.³ The country has made progress towards gender equality in terms of women's economic and political participation, formal employment and education attainment in recent years. For instance, as at 2021, 34.9 per cent of seats in parliament were held by women.⁴ However, the gender pay gap is a prevalent feature of Uganda's labour market.

Labour-market structure

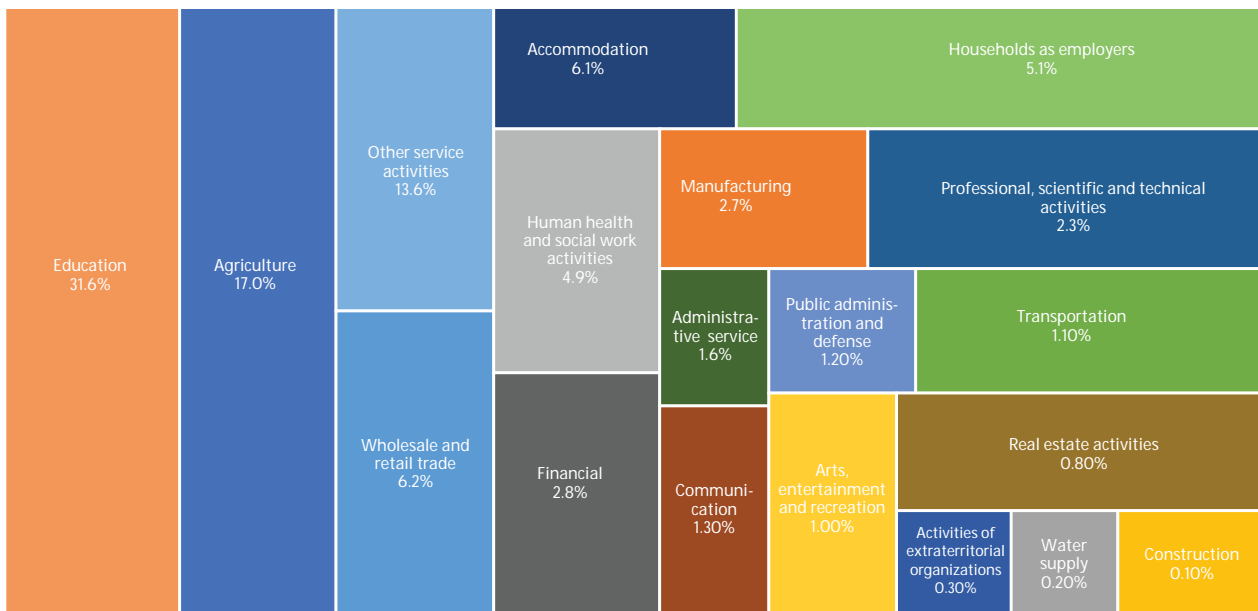
The employment rate in Uganda is 70.1 per cent for individuals aged 15–64 years. The employment rate of women is lower (66.8 per cent) than the employment rate of men (73.6 per cent).

As shown in Figure 1, the sectors that account for most women's employment, in terms of percentage of women's wage employment, are education,

agriculture, wholesale and retail trade and other service activities. Figure 2 shows that traditionally “masculine” sectors, such as manufacturing, construction and transport, along with education and agriculture make up the majority of men's wage employment.

Figure 1

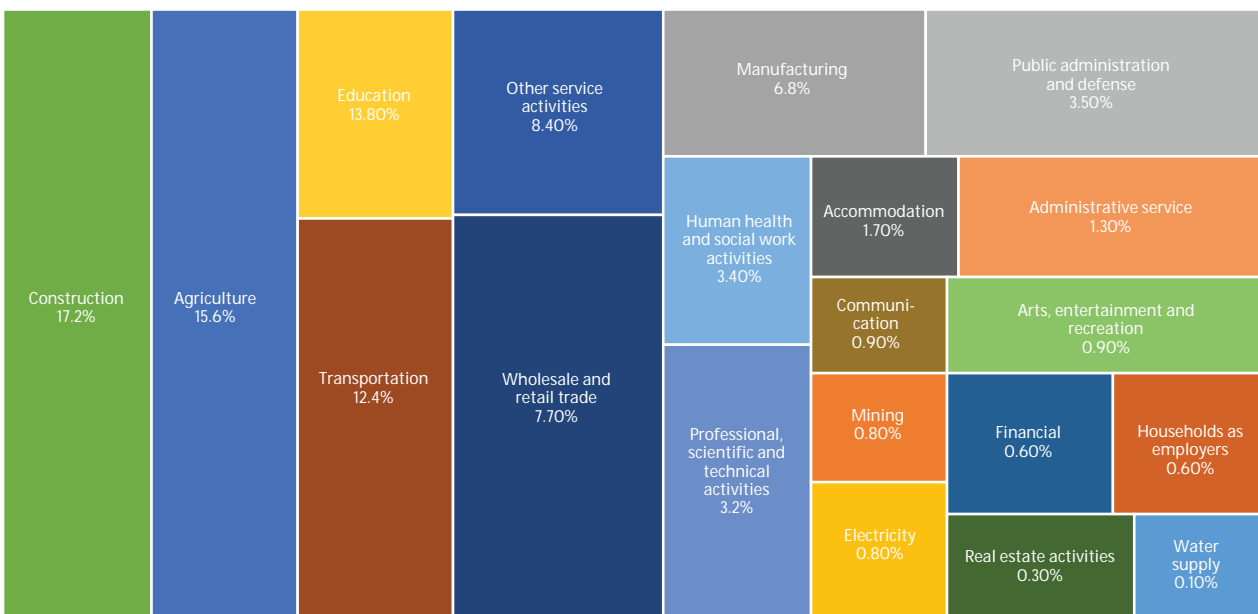
Women's share of employment by sector, as a percentage of women's total employment



Source: Authors' own calculations.

Figure 2

Men's share of wage employment by sector, as a percentage of men's total employment



Source: Authors' own calculations.

Table 1 shows that the occupational categories professionals and service and sales workers account for larger shares of women's employment than of men's employment. Interestingly, men are overrepresented in informal wage employment.

However, it is important to note that the gender employment gap for informal work might change significantly if data were available on contributing family members.

Table 1

Percentage of wage employment by occupation (as per the International Standard Classification of Occupations) and formality status, by gender

| | Men (%) | Women (%) |
|---|---------|-----------|
| Armed forces | 1.5 | 0.0 |
| Managers | 2.4 | 2.1 |
| Professionals | 16.4 | 31.5 |
| Technicians and associate professionals | 4.2 | 5.3 |
| Clerical support workers | 1.8 | 2.0 |
| Services and sales workers | 10.4 | 22.4 |
| Skilled agricultural, forestry and fish workers | 3.7 | 4.5 |
| Craft and related trades workers | 12.3 | 0.2 |
| Plant and machine operators and assemblers | 10.8 | 0.0 |
| Elementary occupations | 36.6 | 32.1 |
| Formality status | | |
| Formal | 30.1 | 40.7 |
| Informal | 69.9 | 59.3 |


Source: Authors' own calculations.

Gender pay gap

The **unadjusted or raw gender pay gap** in Uganda is **25.2 per cent** when considered at the hourly level and **32.3 per cent** when considered at the monthly level. The monthly gap is larger than the hourly gap because women work fewer hours than men in paid employment. In fact, women work fewer hours in paid employment than men across all educational level groups. This can be attributed to various factors, including women's disproportionate responsibilities for unpaid care work, discriminatory practices prevalent in the labour market and individual preferences. For the rest of this brief, only the hourly pay gap is discussed. This average pay gap hides significant heterogeneity in various characteristics.

The gap exists for all levels of education but is largest, at

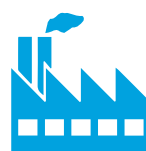
 **45.7%**, for individuals with a primary-level education and smallest, at

 **33.9%**, for individuals with a tertiary-level education.

The gap is smaller for married individuals



(15.7%) than for single individuals (19.9 per cent). The unadjusted gender pay gap also varies by sector and occupation. The gap is larger in sectors dominated by men than in sectors dominated by women, although there is substantial heterogeneity. For example, women are paid



103% less than men in manufacturing, a traditionally masculine sector,



12.4% less in agriculture, which is dominated by women, but



4.1% more in transport. The gap also exists across most occupations, except clerical support work. The raw gender pay gap for

informal workers is about 51.9 per cent, even though women are underrepresented in informal work. Personal and labour-market characteristics of individuals are important determinants of the pay gap observed from the data. Men and women

have different characteristics, which can explain at least part of the difference in their pay. After accounting for age, marital status, educational level, occupation, sector and formality status, the adjusted gender pay gap is 16.1 per cent.

Decomposition of the gender pay gap

The Oaxaca–Blinder decomposition⁵ of the gender pay gap is presented in Table 2. Personal and labour-market characteristics do not have a statistically significant explanatory power in explaining the gender pay gap. This shows that the observable characteristics cannot explain the total gender pay gap. The unexplained part of the gap and interaction between unexplained and explained parts account for the majority of the gender pay gap.

This suggests that factors other than observable personal and labour-market characteristics affect the gender pay gap in Uganda. In other words, even if men and women were to have the same observable personal and labour-market characteristics, i.e. age, marital status, educational level, occupation, sector and formality status, most of the pay gap would still exist.

Table 2
Oaxaca–Blinder decomposition of the gender pay gap in Uganda

| | Average log hourly wages |
|--|--------------------------|
| Men | 7.338*** |
| | (0.057) |
| Women | 7.015*** |
| | (0.079) |
| Difference (raw pay gap) | 0.322*** |
| | (0.098) |
| Explained part, i.e. explained by characteristics | -0.0678 |
| | (0.105) |
| Unexplained part | 0.213** |
| | (0.087) |
| Interaction of the two parts | 0.177** |
| | (0.090) |

Source: Authors' own calculations.

Note: *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively. Standard errors given in parentheses. Results robust to heteroskedasticity.

Gender pay gap by percentile

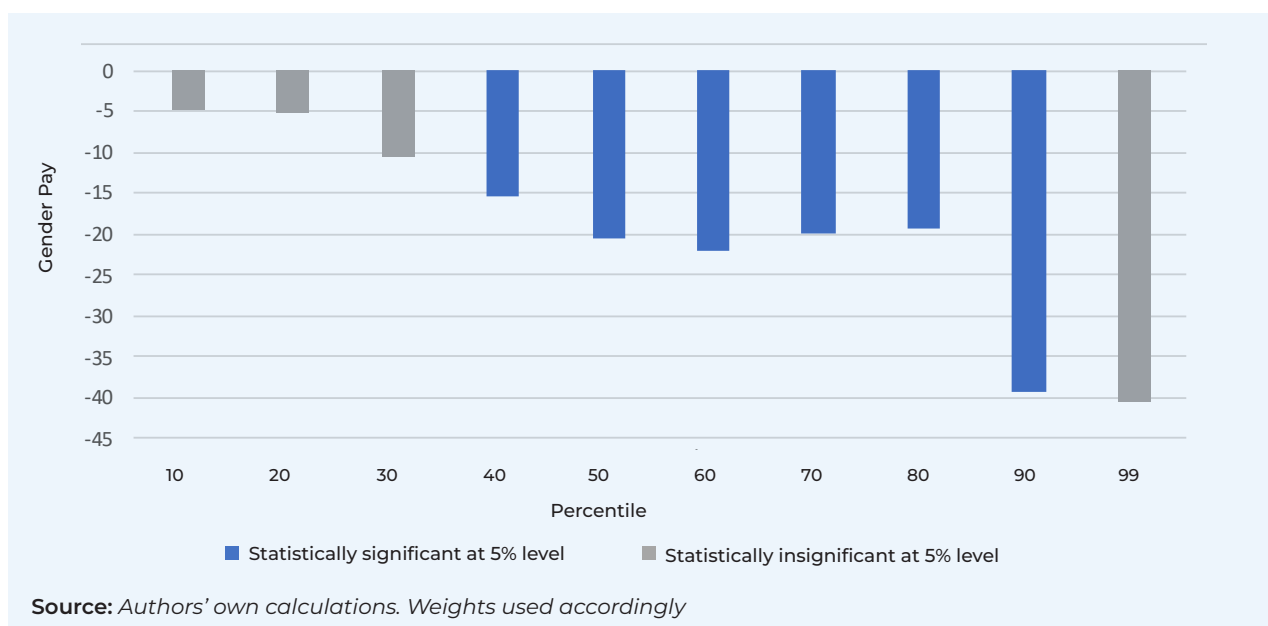
Figure 3 presents the adjusted pay gap through deciles (and the top centile). Understanding the gender pay gap at various points along the wage distribution provides insights into the existence of a “sticky floor” and “glass ceiling” in the economy. A “sticky floor” refers to a labour market where individuals, typically women, in low-paying

roles encounter limited job mobility and barriers to career advancement. A “glass ceiling” refers to obstacles that hinder women from reaching top managerial and leadership positions. The gap increases up the wage distribution. There is limited evidence of a “sticky floor” because the gender pay gap is statistically insignificant for

the three lowest deciles. It is much higher for the top deciles, but the gap, although large in magnitude is statistically insignificant for the top centile. This suggest that a “glass ceiling” may

affect middle-level supervisory wages, but not top managerial and leadership positions in the top centile of the wage distribution.

Figure 3
Adjusted gender pay gap by decile and top percentile



Occupational and sectoral segregation by gender

Women and men are distributed unevenly across sectors and occupations in the economy and as such horizontal segregation is a big driver of the gender pay gap. To examine this segregation further, Table 3 presents Duncan Segregation Index values for Uganda.⁶ The occupational segregation value is 0.29, which shows that about a

30 per cent of employed women and men would need to switch occupations for the occupational distribution of women and men to become equal. The sectoral segregation index value is 0.39, which shows that about 40 per cent women and men would need to switch sectors for the distribution to become identical.

Table 3
Horizontal gender segregation index values in Uganda

| | All | Educational level | | |
|------------|-------|-------------------|-----------|-------------------|
| | | Primary or less | Secondary | Tertiary or above |
| Occupation | 0.292 | 0.275 | 0.520 | 0.188 |
| Sector | 0.386 | 0.468 | 0.469 | 0.337 |

Source: Authors' own calculations. Weights used accordingly.

Conclusion

The objective of this study was to calculate and shed light on the gender pay gap and other labour-market inequalities in Uganda. Strikingly, there is an employment gap between women and men of 6.8 percentage points (p.p.), with women facing lower employment rates, particularly those with a secondary-level education or above and aged 25–49 years. Among the employed population, women consistently work fewer hours than men. The unadjusted gender pay gap in Uganda is 32.3 per cent at the monthly level and 25.2 per cent at the hourly level, highlighting differences in working hours. The gender pay gap persists across all educational levels, being widest among primary-educated individuals and, interestingly, narrowest among secondary-educated individuals. In terms of marital status, the gender pay gap is slightly smaller for married individuals than for single individuals. After accounting for individual and labour-market characteristics, the gender pay gap declines, to give an adjusted gender pay gap of 16.1 per cent. A significant portion of the raw gender pay gap (8.7 p.p.) remains unexplained by personal and labour-market characteristics, indicating that unmeasured factors such as differences in motivation, bargaining power, social networks and labour-market discrimination affect the gender pay gap in Uganda.

Closing the gender pay gap and addressing other labour-market inequalities is important for improving women’s socioeconomic position and achieving social justice for more than half of the world’s population. However, as this study highlights, the gender pay gap and other labour-market inequalities are complex issues influenced by

various factors, such as occupational segregation, differences in education and care responsibilities, discrimination and societal norms. Addressing these issues, therefore, requires a comprehensive approach that involves multiple stakeholders, including governments, employers, civil society organizations and individuals.

In conclusion, achieving gender pay equality and addressing labour-market inequalities require a multifaceted approach involving various stakeholders across the economy. Better data on the pay distribution, collected at frequent intervals, would enable a better understanding of the gender pay gap in the region and inform work to advocate for policies to address it. Public policy efforts to tackle the “explained” part of the gender pay gap could prioritize enhancing educational opportunities for women and girls, promoting women’s participation in high-paying and traditionally “masculine” occupations and sectors, supporting women’s labour force reintegration after career breaks and providing a robust social protection system. Tackling the “unexplained” part of the gender pay gap requires regulating the private sector, to ensure that equal compensation and equal opportunities are provided to women and introducing interventions to break down gendered cultural norms. Policies to recognize, reduce and redistribute women’s and girls’ unpaid care work responsibilities would complement all policy efforts to reduce the gender pay gap. In this way, Uganda can unlock the full potential of its workforce, fostering socioeconomic advancement, innovation and sustainable economic growth.

References

1. This brief uses data from Uganda's National Panel Survey (2019–2020). This survey comprises 3,098 households and 16,076 individuals, of whom 8,039 individuals are of working age, i.e., between the ages of 15 and 64 years. A person is considered employed if that person worked for wage, salary, commission or any payment in kind; ran a business of any size, for themselves; helped without being paid in household business; are an apprentice; or worked on their household farm. Wage data are available for 1,236 individuals, who make up the first employed category, that is people working for wage, salary, commission or any payment in kind. To calculate hourly wages, wages are discounted based on the period over which the wage is earned (e.g. per hour, week or month). Such data are not available for approximately 18 per cent of the sample and so 40 hours of work per week is assumed.
2. World Bank (2023). "Population, Total – Uganda." Accessed 13 December 2023. <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=UG>.
3. UNDP (United Nations Development Programme) (2022). "Uganda." Human Development Reports. Accessed 13 December 2023. <https://hdr.undp.org/data-center/specific-country-data#/countries/UGA>.
4. UN Women (2023). "Uganda." Accessed 13 December 2023. <https://data.unwomen.org/country/uganda>.
5. Please refer to Fortin et al. (2011) for a detailed discussion of the methodology.
6. The Duncan Segregation Index is a measure of occupational/sectoral segregation based on gender that gauges whether there is a larger than expected presence of one gender over the other in a given occupation or sector. A Duncan Segregation Index value of 0 indicates perfect gender integration within the workforce, while a value of 1 indicates complete gender segregation.