



Dr. Bhasa Science

Sponsored by
The Science Foundation College
Uganda East Africa
Senior one to senior six

+256 778 633682 0753 143413

Based on, Best for Science

digitalteachers.co.ug



Nuture your dreams

SENIOR SIX TERM 1

TOPIC 2/2: Population, Labour, Labour Unions and Employment

Competency: The learner analyses population trends, labour market dynamics, and their impact on national development and employment, using relevant statistics and graphical data to develop evidence-based policy recommendations that incorporate ethical principles and promote sustainable community and national development.

Population

Population refers to the number of people living in a certain area (region) at a given time. The total number of people is established by carrying out population census.

Demography: The study of population size, structure, and distribution, including births, deaths, and migration.

Aspects of Population

- (i) **Population size:** The total number of people in a country or region.
- (ii) **Population growth:** The rate at which the population increases, often measured by birth and death rates.
- (iii) **Population distribution:** How people are spread across rural and urban areas.
- (iv) **Population density:** The number of people per unit of land area.
- (v) **Population structure:** Age and sex composition (e.g., proportion of youth vs. elderly).
- (vi) **Population census** refers to the physical counting of people in the country after a given period of time. In Uganda, population census is normally carried out after every 10 years.

The importance of population census in the economy

- (i) **Resource allocation:** Helps governments distribute resources fairly across regions based on population size.
- (ii) **Economic planning:** Provides data for national development plans, budgeting, and investment priorities.
- (iii) **Labor market analysis:** Identifies the size and structure of the workforce, guiding employment policies and training programs.

- (iv) **Infrastructure development:** Informs decisions on where to build schools, hospitals, roads, and housing.
- (v) **Market information:** Businesses use census data to identify consumer demand, target markets, and expansion opportunities.
- (vi) **Taxation and revenue collection:** Accurate population figures help design fair tax systems and improve revenue mobilization.
- (vii) **Social services provision:** Guides investment in education, healthcare, and social welfare programs.
- (viii) **Urban and rural planning:** Helps manage migration, urbanization, and settlement patterns.
- (ix) **Foreign aid and investment:** Reliable census data attracts international donors and investors who need accurate demographic information.
- (x) **Monitoring and evaluation:** Provides benchmarks for measuring progress in poverty reduction, employment, and living standards.

Migration

This refers to the movement of people from one area (region) to another in a given time.

Immigration

This refers to the movement of people which involves entering and settling into the country from another country.

Emigration

This refers to the movement of people which involves moving out of the country to settle in other countries.

Factors which influence migration of people

(i) Economic factors

- Search for better employment opportunities and higher wages.
- Desire for improved living standards.
- Escape from poverty in rural or underdeveloped areas.

(ii) Social factors

- Access to better education and healthcare services.
- Family reunification (joining relatives abroad or in cities).
- Desire for improved lifestyle and social mobility.

(iii) Political factors

- Escape from political instability, wars, or persecution.
- Migration due to government policies encouraging settlement in certain areas.
- Refugee movements caused by conflict or oppressive regimes.

(iv) Environmental factors

- Natural disasters (floods, droughts, earthquakes) forcing people to relocate.
- Climate change impacts such as desertification or rising sea levels.

- Search for fertile land and favorable agricultural conditions.

(v) **Demographic factors**

- High population pressure in certain regions leading to overcrowding.
- Youth migration in search of opportunities, leaving behind aging populations.

(vi) **Technological factors**

- Improved transport and communication making migration easier.
- Globalization enabling easier movement across borders.

Summary

Migration is driven by **push factors** (poverty, conflict, disasters) and **pull factors** (jobs, education, safety). Together, they shape patterns of movement both within countries and internationally.

Birth rate (Crude birth rate)

This refers to the number of children born alive in a year per thousand of the population. It is expressed as a percentage.

$$\text{Crude birth rate (CBR)} = \frac{\text{Number of Live born babies}}{1000} \times 100\%$$

Death rate (crude death rate)

This refers to the number of deaths in a year per thousand of the population. It is expressed as a percentage.

$$\text{Crude death rate (CDR)} = \frac{\text{Number of deaths}}{1000} \times 100\%$$

Natural population growth rate (NPGR)

This is the difference between the number of live births per thousand of the population and the number of deaths per thousand of the population in a year.

OR. It is the difference between the crude birth rate and the crude death rate.

$$\text{N.P.G.R} = \text{Crude birth rate (CBR)} - \text{Crude death rate (C.D.R)}$$

$$= \frac{\text{Live births} - \text{deaths}}{1000} \times 100\%$$

Example 1

In a certain country, the birth rate is 35 per thousand and the death rate is 15 per thousand of the population. Calculate the natural population growth rate.

Solution

$$\text{N.P.G.R} = \frac{\text{Live births} - \text{deaths}}{1000} \times 100\%$$

$$\frac{35 - 15}{100} \times 100\% = 2\%$$

Artificial population growth rate

This is population growth rate resulting from net international migration that is the difference between immigration and emigration.

$$\text{Actual population growth rate} = \text{C.B.R} - \text{C.D.R} + \text{net international migration}$$

Determinants of population growth rate

1. Birth rates
2. Death rates
3. Immigration
4. Emigration

Dependence burden

This is a situation where there is a big proportion of the non-working population depending on a smaller proportion of working population

Dependence ratio

This refers to the ratio of the non-working population to the working population.

$$\begin{aligned} \text{Dependence ratio} &= \frac{\text{Number of dependents}}{\text{Working population (Labour force)}} \times 100\% \\ &= \frac{\text{Young dependents} + \text{Old dependents}}{\text{Working population}} \times 100\% \end{aligned}$$

Young dependents = people below 18 years;

Old dependents = people above 65 years

Active group (working group) = 18- 65 years

Fertility rate

This is the average number of live children born per a fertile woman. (For Uganda's case it is six children per woman)

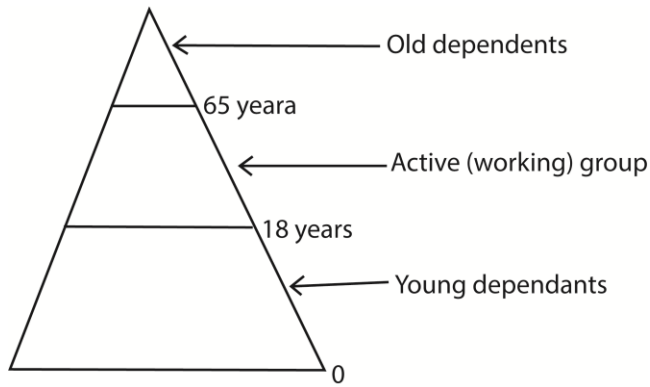
The structure of Uganda's population 2025

The population structure of Uganda is described basing on the following features

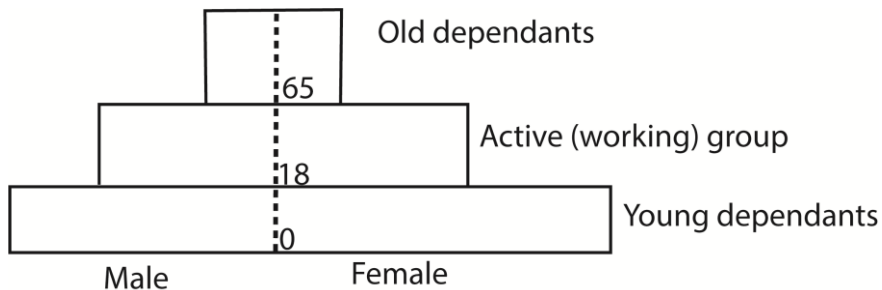
1. Age structure

Uganda's population in 2025 is about **51.4 million people**, with an **expansive pyramid structure** — meaning it has a very broad base of young people and a small proportion of elderly. Nearly **43% are under 15 years old**, while only **2.2% are over 65**, making Uganda one of the world's youngest populations

(a) The age groups are represented in a triangular form as follows;



(b) The age groups can also be represented in form of a pyramid as follows;



The age structure reflects a high proportion of young dependants followed by a relatively big proportion of the active group and a small old age group. The high proportion of the non-working population compared to the small proportion of the total working population reflects a high dependence burden

2. Sex structure.

In Uganda, the number of women slightly exceeded the number of men by 2024 census results. Females are limited in participating economically towards development. This is due to social-cultural limitations and the high degree of female absenteeism at places of work due to maternity leaves and their need for domestic work,

3. Citizenship structure.

In Uganda, we have the foreigners forming a small proportion compared to the large proportion of the local people. The non-citizens are the major investors because they have capital to invest in large scale projects as compared to the local people.

4. Size and Population growth rate structure.

Uganda's population size was about 45.9 million people as per 2024 population census. The growth rate of about 3% This is mainly attributed to the high birth rates in the country.

..

- 5. Occupation distribution.** More than 60% of the population is employed in agriculture and other primary production activities with very few in manufacturing and tertiary sectors. The number of people in paid employment (white collar jobs) is very small as compared to the whole population.
- 6. Regional (Geographical) distribution.** In Uganda, the urban areas are densely populated as compared to rural areas. This is due to the desirable economic and social conditions existing in towns. But in general, Uganda has a big percentage of the population in the rural areas than in

urban areas. In addition, the central region is densely populated because of the productive economic activities, security and other social attractions.

7. **Religion structure.** Uganda's population is characterized by many religions due to freedom of worship, but it is dominated by Catholics and Protestants. This has a political influence in resource and job allocations.
8. **Quality structure in terms of skills, literacy levels and health conditions.** Many Ugandans are illiterate but the number is reducing because of mass education (UPE and USE). In addition, the population is characterized by more unskilled than the skilled labour and more unhealthy than the healthy people.

Implications (Consequences) of Uganda's population structure

Negative implications of Uganda's population structure

- (i) **High dependency ratio:** A large share of children depend on a relatively small working-age population, straining household incomes and public services.
- (ii) **Pressure on education and health services:** Massive demand for schools, teachers, and healthcare facilities, especially maternal and child health.
- (iii) **Youth unemployment challenges:** With millions entering the labor force annually, job creation struggles to keep pace, risking underemployment and frustration.
- (iv) **Potential demographic dividend:** If Uganda invests in education, skills, and jobs, the youthful population could drive industrialization and innovation.
- (v) **Urbanization pressures:** Rural-to-urban migration accelerates, creating overcrowding in cities and demand for housing, transport, and infrastructure.
- (vi) **Food security concerns:** Rapid growth increases demand for food, requiring modernization of agriculture to avoid shortages.
- (vii) **Environmental strain:** High population growth leads to deforestation, land fragmentation, and pressure on water resources.
- (viii) **Low elderly burden:** With only ~2% elderly, pension and elderly care costs are relatively low, but intergenerational balance is weak.
- (ix) **Political and social implications:** A youthful population can be a source of energy and innovation, but also of instability if unemployment and inequality persist.
- (x) **The structure reflects inefficiency and low productivity of labour.** This is due to low levels of education and poor health conditions. This leads to low levels of resource exploitation hence retarded economic growth and development.
- (xi) **This structure reflects low per capita income and low standard of living.** This is due to high and increasing population size as compared to almost a low and stable national income.
- (xii) It leads to "brain drain". This is because the educated and highly skilled labour leave the country in search for "greener pastures" in foreign countries due to high levels of unemployment and under employment in the country.

Positive implications of Uganda's population structure

- (i) **Large labor force potential:** A youthful population means Uganda will have a growing supply of workers for agriculture, industry, and services.
- (ii) **Demographic dividend opportunity:** If properly harnessed through education and job creation, the youth bulge can drive rapid economic growth.
- (iii) **Expanding domestic market:** A large, young population increases demand for goods and services, encouraging investment and industrialization.
- (iv) **Innovation and entrepreneurship:** Young people are more adaptable to new technologies, fostering creativity and digital transformation.
- (v) **Low elderly dependency:** With only ~2% elderly, Uganda faces less pressure on pensions and elderly healthcare compared to aging nations.
- (vi) **Human capital development:** Investment in education and skills training can transform the youthful population into a highly productive workforce.
- (vii) **Urbanization and modernization:** Youth migration to towns and cities stimulates urban growth, infrastructure development, and modernization.
- (viii) **Cultural vibrancy:** A youthful population sustains cultural dynamism, sports, arts, and social movements that energize national identity.
- (ix) The small section of foreigners with enough capital encourages capital-inflow in the economy. Such capital is used to set up investments which are used to generate government tax revenue.
- (x) The big population size is easily mobilized in war times to protect the country from external invasion.
- (xi) **It increases government revenue.** The government is able to get much tax revenue in case the big percentage of the population is productive.

Increasing, decreasing and ageing population

Increasing population

An **increasing population** means the number of people in a country or region is growing steadily, often due to high birth rates, declining death rates, or migration. Uganda, for example, has one of the fastest-growing populations in the world, with an annual growth rate of about **2.7%**.

Declining (decreasing) population

A **declining population** occurs when birth rates fall below replacement levels and deaths outnumber births.

Negative effects (implications) of a declining population

- (i) **Shrinking labor force:** Fewer working-age people reduce productivity and economic growth potential.
- (ii) **Increased dependency ratio:** With fewer young people and more elderly, the burden on the working population rises.
- (iii) **Pressure on pensions and social security:** Governments face higher costs for elderly care, pensions, and healthcare services.
- (iv) **Reduced innovation and entrepreneurship:** Younger populations tend to drive creativity and technological adoption; fewer youth can slow innovation.

- (v) **Declining consumer demand:** Smaller populations mean reduced markets for goods and services, affecting business growth.
- (vi) **Urban decline:** Cities may face depopulation, leading to abandoned housing, reduced tax bases, and weaker infrastructure.
- (vii) **Economic stagnation:** Countries with declining populations often struggle with slower GDP growth and reduced competitiveness.
- (viii) **Brain drain risk:** If younger people migrate abroad, the decline accelerates and leaves behind an aging, less dynamic society.

Positive effects (implications) of a declining population

- (i) **Reduced pressure on resources:** Less demand for land, water, food, and energy helps ease environmental strain.
- (ii) **Improved living standards:** With fewer people competing for jobs, housing, and services, individuals may enjoy better access and quality.
- (iii) **Lower unemployment rates:** A smaller labor force can reduce job competition, improving wages and working conditions.
- (iv) **Environmental sustainability:** Declining population growth slows deforestation, pollution, and climate change impacts.
- (v) **Better urban planning:** Cities face less overcrowding, allowing for improved infrastructure and housing quality.
- (vi) **Higher investment in human capital:** Governments and families can invest more per person in education, healthcare, and skills development.
- (vii) **Social stability:** Reduced youth bulges may lower risks of political unrest and instability often linked to large unemployed youth populations.
- (viii) **Focus on quality over quantity:** Economic strategies can shift toward productivity, innovation, and efficiency rather than sheer labor supply.
- (ix) **It reduces congestion and rural urban migration.** This helps to control open urban unemployment in the economy.
- (x) **It helps to check on inflationary tendencies and shortage of goods and services in the economy.** This is because of reduced aggregate demand due to a declining population.

Ageing population

This refers to the population characterized by a big proportion of people in the old age group, that is people above 65 years.

The Ageing population is due to,

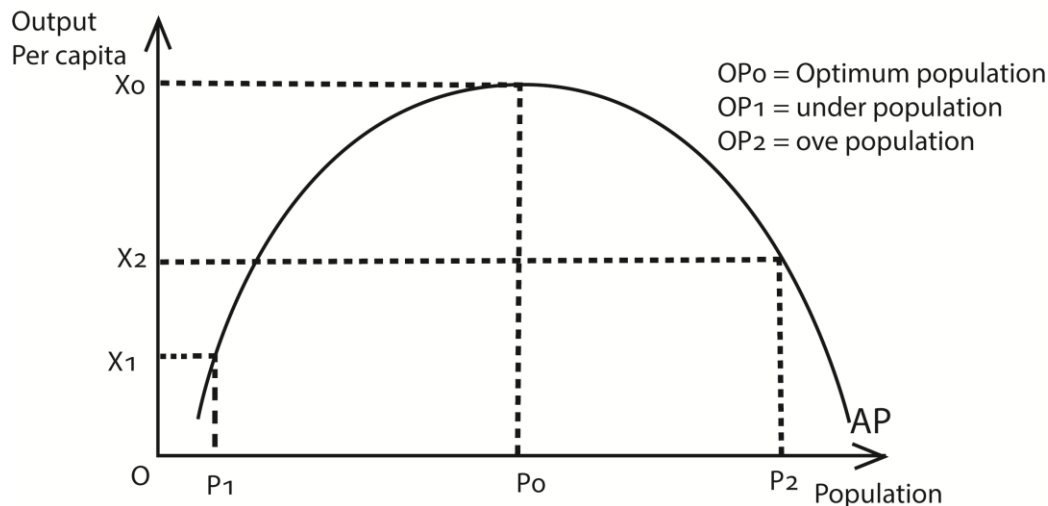
1. A fall in birth rate due to improved medical services.
2. Improved nutrition and balanced diet.
3. Improvement in technology.
4. Low death rates.

Negative effects of an ageing population

- (i) **Shrinking labor force:** Fewer young workers entering the job market reduces productivity and slows economic growth.
- (ii) **Rising dependency ratio:** More elderly depend on fewer working-age adults, straining households and public finances.
- (iii) **Pressure on pensions and social security:** Governments face higher costs for retirement benefits and elderly healthcare.
- (iv) **Increased healthcare demand:** Ageing populations require more medical care, long-term care facilities, and specialized services.
- (v) **Slower innovation and entrepreneurship:** Younger populations tend to drive creativity and technological adoption; fewer youth can slow innovation.
- (vi) **Tax burden on the working population:** To fund pensions and healthcare, taxes may rise, discouraging investment and consumption.
- (vii) **Urban and housing challenges:** More elderly may require adapted housing, accessible transport, and age-friendly infrastructure.
- (viii) **Risk of economic stagnation:** Countries with ageing populations often face slower GDP growth and reduced competitiveness.
- (ix) **Social implications:** Possible intergenerational tensions as younger workers feel burdened by supporting the elderly.

Under population, optimum population and overpopulation

Graphical illustration of optimum population, under population and over population



Under population

Under population occurs when a country or region has **fewer people than are needed** to fully utilize its resources and achieve optimal economic development. In other words, the population is **too small relative to the available land, capital, and natural resources**. Or it refers to the population size where the increase in labour force leads to an increase in output per capita given the available resources and capital stock.

Negative effects of under population

- (i) **Underutilization of resources:** Natural resources (land, minerals, forests) remain untapped due to insufficient labor.
- (ii) **Small domestic market:** Fewer consumers limit demand for goods and services, discouraging industrial growth.
- (iii) **High cost of infrastructure:** Roads, schools, hospitals, and utilities become expensive to maintain per person because of low population density.
- (iv) **Labor shortages:** Scarcity of workers raises wages, which can hurt competitiveness in global markets.
- (v) **Slow economic growth:** With fewer workers and consumers, GDP growth stagnates despite resource wealth.
- (vi) **Dependence on immigration:** Countries may rely heavily on foreign workers to fill labor gaps, which can cause social and political tensions.
- (vii) **Weak defense capacity:** Small populations may struggle to maintain strong military forces or national security.
- (viii) **Limited innovation:** Fewer young people reduce creativity, entrepreneurship, and technological advancement.

Optimum population

Optimum population refers to the **ideal number of people** in a country or region that allows full and efficient use of available resources, while maintaining the **highest possible standard of living**.

Over population

Overpopulation occurs when the **number of people exceeds the carrying capacity of available resources** in a country or region. It means there are **too many people relative to food, land, water, jobs, and infrastructure**, leading to economic, social, and environmental strain.

Advantages of over population

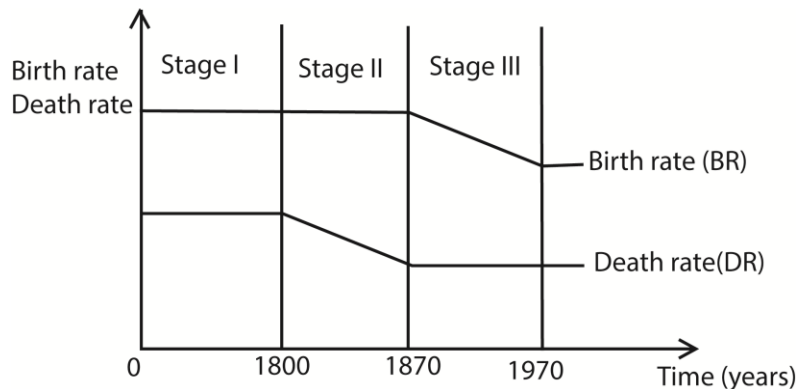
- (i) **Large labor force:** More workers available for agriculture, industry, and services, boosting productivity if jobs exist.
- (ii) **Expanding domestic market:** A bigger population increases demand for goods and services, encouraging industrial growth and investment.
- (iii) **Innovation and entrepreneurship:** Youthful populations tend to be creative, adaptable, and more likely to embrace new technologies.
- (iv) **National strength and influence:** Large populations can enhance military capacity, political influence, and cultural impact globally.
- (v) **Urban growth and modernization:** Overpopulation accelerates urbanization, leading to infrastructure development and modernization of cities.
- (vi) **Cultural vibrancy:** Dense populations sustain diverse traditions, arts, sports, and social movements, enriching national identity.
- (vii) **Potential demographic dividend:** If education and employment opportunities are provided, a youthful population can drive rapid economic growth.

Disadvantages of over population

- (i) **Resource strain:** Excessive demand for food, water, energy, and housing leads to shortages and rising costs.
- (ii) **Unemployment and poverty:** Too many workers chasing too few jobs increases unemployment, underemployment, and poverty levels.
- (iii) **Pressure on social services:** Schools, hospitals, and transport systems become overcrowded, reducing quality of service.
- (iv) **Environmental degradation:** Deforestation, pollution, and land fragmentation intensify as more people compete for limited land and resources.
- (v) **Poor living conditions:** Overcrowding in cities leads to slums, inadequate housing, and sanitation problems.
- (vi) **Political and social instability:** Large unemployed youth populations can fuel unrest, crime, and political instability.
- (vii) **Decline in quality of life:** Rising costs, congestion, and competition for resources reduce overall living standards.
- (viii) **Pressure on infrastructure:** Roads, electricity, and water systems are overstretched, leading to frequent breakdowns and inefficiency.
- (ix) **It can lead to food shortage in the economy.** This results in famine and malnutrition hence poor health conditions.

The theory of demographic transition

This theory explains population growth from a historical perspective for developed countries. According to this theory, population growth in developed countries has passed through three main stages that is the stagnant phase, rapid population growth rate phase and the stable population growth rate phase.



The theory is explained in three stages as follows

Stage I (The stationary population growth phase). This stage is characterized by high

birth and death rates which are almost equal (balanced). Therefore the rate of population growth is very low.

- The high death rates are due to poor medical facilities, poor living conditions, malnutrition, diseases and poor technology.
- The high birth rates are due to low levels of education, high demand for children, cultural values, early polygamous marriages etc.

Stage II (The early transition phase). This is also called the early expanding phase. The birth rate is still very high. There is a sharp fall (decline) in death rates due to improved technology and standard of living. Therefore the rate of population growth (BR - DR) is very high. This marks the beginning of demographic transition and most developing countries are still in this phase (stage)

Stage III (The late transition phase). This is also called the late expanding phase. It is characterized by falling birth rates and low but constant death rates. The fall in birth rates is due to improved standard of living, family planning and high female education due to modernization. Therefore population growth rate (BR - DR) is very low. Developed countries like Britain have reached this stage.

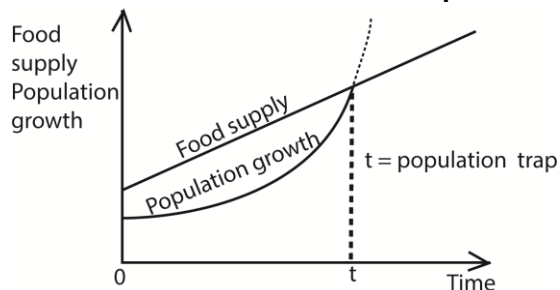
The Malthusian population theory

The **Malthusian Population Theory**, proposed by Thomas Robert Malthus in 1798, argues that **population grows faster than food supply**.

Population increases **geometrically (exponentially)**, while food supply grows only **arithmetically (linearly)**.

This imbalance, Malthus warned, would eventually lead to famine, poverty, and social unrest unless checked

Illustration of the Malthusian Population Trap



Malthus suggested that the only way to avoid human suffering beyond the population trap; population growth must be checked by preventive negative checks such as celibacy, late marriages, family planning, moral restraint, etc.

NB. Population Trap refers to the inevitable level of population at which population growth stops because of shortage of food to support it.

Relevance Today

- (i) **Sustainability debates:** Malthus's idea that population growth can outpace resources is echoed in modern concerns about climate change, food security, and water scarcity.
- (ii) **Developing countries:** Nations with high fertility rates and rapid growth, like Uganda, face challenges of unemployment, poverty, and pressure on land, which align with Malthus's warnings.
- (iii) **Global food security:** Despite advances in agriculture, unequal distribution of food and rising demand highlight the tension between population and resources.
- (iv) **Environmental stress:** Overpopulation contributes to deforestation, pollution, and biodiversity loss, reflecting Malthus's concern about limits to growth.
- (v) **Economic policy:** Policymakers use Malthusian insights to argue for family planning, education, and sustainable resource use.
- (vi) **Contrast with modern theories:** While Malthus emphasized inevitable famine, modern demographic transition theory shows that fertility rates decline with development, moderating growth.

Limitations of Malthusian population theory

The **Malthusian Population Theory** has several limitations: it underestimated technological progress, ignored global trade, and assumed food was the only determinant of population growth. These weaknesses make the theory less applicable in today's world

- (i) **Assumption of fixed resources:** Malthus assumed land and resources were fixed, ignoring that technology can expand resource use (e.g., irrigation, mechanization).
- (ii) **Neglect of technological progress:** He did not foresee advances like the Green Revolution, which dramatically increased food production.
- (iii) **Ignored international trade:** Countries can import food and resources, reducing the risk of famine even with high population growth.
- (iv) **Food as the sole factor:** Malthus treated food supply as the only determinant of population growth, overlooking education, culture, and migration.
- (v) **Overly pessimistic outlook:** His prediction of inevitable famine and misery has not materialized in most regions due to innovation and policy interventions.
- (vi) **No consideration of demographic transition:** Modern demographic theory shows that as societies develop, fertility rates decline naturally, stabilizing population growth.
- (vii) **Unequal distribution ignored:** Hunger today is often due to poor distribution and inequality, not absolute shortages of food.

Summary

The Malthusian theory is limited because it **failed to anticipate technological progress, global trade, and demographic transitions**. While it highlighted the tension between population and resources, its predictions of inevitable famine have largely been disproven.

Population problems in developing countries (Uganda)

Uganda, like many developing countries, faces **serious population problems** including rapid growth, high fertility rates, youth unemployment, pressure on social services, and environmental degradation

- (i) **High fertility rates:** Uganda has one of the highest fertility rates globally, leading to rapid population growth that outpaces economic development.
- (ii) **Youth unemployment:** With millions of young people entering the labor force each year, job creation cannot keep pace, resulting in widespread underemployment.
- (iii) **Pressure on education and healthcare:** Overcrowded schools and hospitals struggle to meet demand, lowering the quality of services.
- (iv) **Poverty and inequality:** Overpopulation contributes to persistent poverty, especially in rural areas where resources are limited.
- (v) **Environmental degradation:** Rapid growth leads to deforestation, land fragmentation, and climate change impacts, threatening food security.
- (vi) **Urbanization challenges:** Migration to cities creates slums, poor housing, and overstretched infrastructure.
- (vii) **Refugee influx:** Uganda hosts large numbers of refugees, adding further pressure on already limited resources.
- (viii) **There is food shortage to support the increasing population.** Countries are forced to import foodstuffs or to seek for foreign aid from other countries.
- (ix) **Poor standards of living.** This is due to shortage of goods and services and high levels of inflation due to excessive demand for goods and services.
- (x) **High dependence burdens.** The increasing population makes developing countries to depend on other developed countries for foreign aid in form of food and other consumer goods.
- (xi) **High levels of brain drain.** The increasing population accelerates brain drain as the young and highly educated individuals leave their countries in search of "greener pastures" in developed countries.

Possible Solutions to Population Problems in Developing Countries (e.g., Uganda)

Developing countries often face **rapid population growth, high dependency ratios, unemployment, poverty, and environmental stress**. These challenges can be addressed through a mix of **social, economic, and policy interventions**.

Key solutions include

- (i) **Family planning and reproductive health:** Expanding access to contraceptives, reproductive health services, and awareness campaigns to reduce high fertility rates.
- (ii) **Education (especially for girls):** Investing in universal education helps lower fertility rates, delays marriage, and empowers women economically.
- (iii) **Job creation and skills training:** Developing industries, modernizing agriculture, and promoting entrepreneurship to absorb the growing labor force.
- (iv) **Healthcare improvements:** Strengthening maternal and child health services reduces infant mortality, which often drives high fertility.
- (v) **Urban planning and infrastructure development:** Managing rural-to-urban migration by building affordable housing, transport systems, and sustainable cities.

- (vi) **Agricultural modernization:** Using technology, irrigation, and mechanization to increase food production and ensure food security.
- (vii) **Environmental conservation:** Promoting sustainable land use, reforestation, and renewable energy to reduce ecological strain.
- (viii) **Economic diversification:** Reducing reliance on agriculture by investing in manufacturing, ICT, and services to create balanced growth.
- (ix) **Policy and governance reforms:** Strong leadership, effective policies, and anti-corruption measures ensure resources are used efficiently.
- (x) **Regional cooperation:** Cross-border trade and shared resource management help countries manage population pressures collectively.

Summary

Population problems in developing countries can be solved through **family planning, education, job creation, healthcare, and sustainable resource management**. The goal is to transform rapid population growth into a **demographic dividend** rather than a burden.

Labour

Labor refers to human effort (physical and mental) **used in the production of goods and services. It is one of the** four factors of production **in economics, alongside land, capital, and entrepreneurship.**

Types of Labor

- (i) **Unskilled labor:** Simple tasks requiring little training (e.g., cleaners, farm workers).
- (ii) **Semi-skilled labor:** Some training or experience needed (e.g., machine operators, drivers).
- (iii) **Skilled labor:** Specialized training or education required (e.g., teachers, nurses, engineers).
- (iv) **Professional labor:** Highly educated and specialized workers (e.g., doctors, lawyers, scientists).

Importance of Labor

- (i) **Production:** Essential for transforming raw materials into finished goods.
- (ii) **Economic growth:** A productive workforce drives GDP growth.
- (iii) **Innovation:** Skilled labor contributes to technological advancement.
- (iv) **Income generation:** Labor provides wages, which sustain households and demand for goods.

Labour force

The **labour force** refers to the total number of people in a country who are **able and willing to work**. It includes both the **employed** (those currently working) and the **unemployed** (those actively seeking work). It excludes groups such as children, retirees, and those not seeking employment.

Components of the Labour Force

- (i) **Employed persons:** Individuals engaged in productive work (formal or informal sector).
- (ii) **Unemployed persons:** Individuals without jobs but actively seeking work.
- (iii) **Exclusions:** Students, homemakers, retirees, and discouraged workers (not actively seeking employment).

Importance of the Labour Force

- (i) **Economic growth:** A strong labour force drives production and GDP.
- (ii) **Policy planning:** Governments use labour force data to design employment, education, and training programs.
- (iii) **Income distribution:** Determines how wages and wealth are spread across society.
- (iv) **Social stability:** Employment opportunities reduce poverty and unrest.

Characteristics (structure) of Uganda's labour force

Uganda's labour force is characterized by a **young, rapidly growing population**, heavy reliance on the **informal sector**, and persistent challenges such as **high youth unemployment, gender inequality, and skills mismatches**.

- (i) **Young population:** Over half of Uganda's population is under 20 years old, creating a youthful labour force entering the job market each year.
- (ii) **Rapid growth:** The working-age population (14–64 years) is expanding quickly, adding more entrants than exits annually.
- (iii) **Dominance of informal sector:** Most Ugandans work in informal jobs such as subsistence farming, petty trade, and casual labor, with limited job security.
- (iv) **Agricultural dependence:** Agriculture remains the largest employer, absorbing the majority of rural workers, though productivity is low.
- (v) **High youth unemployment:** Youth unemployment rates remain in double digits, reflecting limited job creation despite economic growth.
- (vi) **Gender disparities:** Women's participation in the labour market is among the lowest globally, with many confined to unpaid or low-paying informal work.
- (vii) **Skills mismatch:** Education and training often fail to align with labour market needs, leaving graduates without relevant skills for available jobs.
- (viii) **Urbanization pressures:** Migration to cities increases demand for urban jobs, housing, and services, often leading to overcrowding and informal settlements.
- (ix) It is characterized by low levels of productivity due to low levels of education and training.
- (x) It is full of target workers who aim at achieving their objectives in a given time and leave the job there after.
- (xi) There is high mobility of labour and high rates of brain drain. This is mainly common with the small fraction of highly skilled labour that prefers to look for greener pastures abroad.
- (xii) It is characterized by weak trade unions due to poor organization of labour.

Labour supply

Labour supply refers to the number of individuals who are willing and able to work at the prevailing wage rate in a given time.

OR.

It refers to the total number of hours a worker is willing to work at a given wage rate in a given time

Determinants of Labour supply

- (i) **Population size and growth:** Larger populations increase the potential labour supply, while rapid growth expands it faster than job creation.
- (ii) **Age structure:** A youthful population (like Uganda's) expands future labour supply, while aging populations reduce it.
- (iii) **Wage levels:** Higher wages encourage more people to work or work longer hours; low wages discourage participation.
- (iv) **Education and skills:** Skilled and educated workers are more employable, increasing effective labour supply.
- (v) **Cultural and social factors:** Traditions, gender roles, and family responsibilities affect participation rates, especially for women.
- (vi) **Government policies:** Labour laws, retirement age, childcare support, and social security influence labour participation.
- (vii) **Migration:** Immigration increases labour supply; emigration (brain drain) reduces it.
- (viii) **Health and working conditions:** Good health and safe working environments encourage participation, while poor conditions reduce supply.

- (ix) **The level of experience and expertise needed for a particular job.** When the job requires high experience, for example 20 years, the supply of labour for that job reduces. But when the level of experience required is low, then labour supply increases.
- (x) **The nature of the job.** The higher the risk on the job, the lower the labour supply and the lower the risk of the job, the higher the labour supply.
- (xi) **Level of motivation at work.** High motivation in form of attractive wages, better working conditions etc. increase labour supply but poor motivation of workers in form of low payments and poor working conditions reduce labour supply.
- (xii) **Degree of mobility of labour.** The higher the degree of labour mobility geographically and occupationally, the higher the labour supply and the lower the degree of labour mobility, the lower the labour supply.
- (xiii) **The government policy.** Government policies in form of early retirement age of workers, restrictions on child labour etc. reduce labour supply. But if the government policy is in support of labour supply for example recruitment of workers in civil service, high retirement age etc. increases labour supply
- (xiv) **The degree of political stability.** The higher the degree of political stability in the country, the higher the labour supply and the lower the degree of political stability, the lower the labour supply.

Demand for labour

The **demand for labour** refers to the number of workers employers are willing and able to hire at different wage levels.

OR.

It refers to the number of people employers are willing to offer jobs at a given wage rate in a given time.

Determinants of demand for labour

Demand for labor is a **derived demand**, meaning it depends on the demand for goods and services produced by labour and depends on:

- (i) **Wage levels:** Lower wages encourage employers to hire more workers, while higher wages may reduce demand.
- (ii) **Productivity of labour:** Employers demand more workers if they are skilled, efficient, and produce more output per hour.
- (iii) **Demand for goods and services:** When consumer demand rises, firms expand production and hire more workers.
- (iv) **Cost of capital vs. labour:** If machines or technology are cheaper than workers, employers may substitute capital for labour.
- (v) **Technology:** Advanced technology can reduce demand for unskilled labour but increase demand for skilled labour.
- (vi) **Government policies:** Minimum wage laws, taxes, subsidies, and labour regulations affect hiring decisions.

- (vii) **Economic growth:** Strong growth increases labour demand, while recessions reduce it.
- (viii) **Globalization and trade:** Access to international markets can expand industries and create more jobs, but also expose workers to competition.
- (ix) **The degree of competition for labour among firms.** The higher the degree of competition for labour by firms, the higher the demand for labour and the lower the degree of competition for labour, the lower the demand for labour.
- (x) **The government policy.** The government policy of minimum wage legislation for workers reduces the demand for labour while the government policy of maximum wage legislation increase the demand for labour by the firms.

Productivity of labour

It refers to output produced per unit of labour employed in a given time.

Determinants of Labour Productivity

- (i) **Education and skills:** Skilled workers produce more output per unit of time.
- (ii) **Technology:** Modern tools and machinery increase worker output.
- (iii) **Capital availability:** Access to equipment and resources boosts productivity.
- (iv) **Health and nutrition:** Healthy workers are more energetic and productive.
- (v) **Motivation and incentives:** Wages, bonuses, and recognition improve effort.
- (vi) **Work environment:** Safe and supportive workplaces enhance productivity.
- (vii) **Personal qualities (abilities) of the worker.** Workers who are more innovative and hardworking at the place of work are more efficient than those who are lazy and less innovative.

Labor efficiency

Labour efficiency refers to the **quality and effectiveness of work performed**, not just the quantity. It measures how well workers use their skills and resources to achieve maximum output with minimal waste.

Determinants of labor efficiency

- (i) **Training and experience:** Proper training ensures tasks are done correctly and effectively.
- (ii) **Management and organization:** Good leadership and coordination improve efficiency.
- (iii) **Discipline and attitude:** Commitment, responsibility, and teamwork increase efficiency.
- (iv) **Resource utilization:** Efficient workers minimize waste and maximize use of inputs.
- (v) **Working conditions:** Comfortable, safe, and supportive environments encourage effective work.
- (vi) **Cultural and social factors:** Traditions, values, and work ethics influence efficiency.
- (vii) **Prospects of promotion at the place of work.** Workers with high hopes of being promoted at the place work are more efficient than those with less prospects of being promoted.

Wages

A wage is a monetary reward to labour for the services it renders in the production process in a given time.

Nominal (Money) Wage. This refers to the wage paid to the worker in monetary terms in a given time for example 50000/= paid to the worker per week.

- **Real Wage.** This refers to the basket of goods and services that a nominal wage can purchase in a given time.

$$\text{Real wage} = \frac{\text{Nominal wage}}{\text{Price index}}$$
- **Reserve wage.** This refers to the minimum wage below which the individual cannot accept a given job offer.

Factors affecting reserve wages

- Cost of living:** Higher living expenses (housing, food, transport) raise the minimum wage workers demand.
- Unemployment benefits and social support:** Generous welfare or unemployment benefits allow workers to hold out for higher wages.
- Alternative income sources:** Income from family, savings, or informal work reduces urgency, increasing reserve wages.
- Skill level and education:** Highly skilled workers set higher reserve wages because they expect better pay.
- Job preferences and working conditions:** Workers may demand higher wages for unpleasant, risky, or insecure jobs.
- Labour market conditions:** In tight labour markets (high demand for workers), reserve wages rise; in recessions, they fall.
- Length of unemployment:** The longer someone is unemployed, the more likely they are to lower their reserve wage.
- Cultural and social factors:** Social norms, family expectations, and lifestyle choices influence the minimum acceptable wage.
- Geographic location:** Urban workers often set higher reserve wages than rural workers due to higher living costs.
- Changes in the individual's overall wealth.** Rich employee cannot not accept low wage
- Marital status.** When a spouse has a higher wage, reserve wage increases
- Health and disability issues.** Disabled people are willing to accept low reserve wages

Methods of wage determination in Uganda

- Collective bargaining:** Negotiations between trade unions and employers to set wages and improve working conditions. Strong unions secure better wages, while weak unions result in lower pay.
- Government wage determination:** The state sets minimum or maximum wages through legislation. Uganda's Minimum Wages Advisory Board recommends wage levels, which are then gazetted by the Minister of Labour.
- Market forces of supply and demand:** Wages are influenced by the availability of workers (labour supply) and the demand for their skills. Scarce skills command higher wages, while abundant labour lowers pay.
- Individual negotiations:** In jobs without union representation, wages are set through direct negotiation between employer and employee, often influenced by experience, skills, and bargaining power.
- Productivity-based determination:** Employers may set wages based on worker output or efficiency, rewarding higher productivity with better pay.

- (vi) **Government/public sector scales:** Civil servants and public employees are paid according to standardized salary scales set by government policy.
- (vii) **Piece rate.** This is where wages are paid according to the amount of work done by the employee for example 10,000/= for 2000 bricks made. This is common with unskilled labour.
- (viii) **Time rate.** This is where wages are paid to employees according to the number of hours worked for example 1000/= per hour, 10, 000/= per day or 500,000/- per month. This is common with skilled labour.
- (ix) **Wage leadership.** This is where small firms set their wages following the wages paid by large firms to their workers. Therefore large firms determine the wage which is to be paid to the workers by small firms.

Summary

Uganda's wage determination system combines **formal mechanisms (government regulation, collective bargaining)** with **informal ones (market forces, individual negotiations)**. However, challenges such as weak unions, a large informal sector, and limited enforcement of minimum wage laws often leave many workers vulnerable to low pay.

Methods of wage payment

- (i) **Time rate system:** Workers are paid based on the amount of time they work (hourly, daily, weekly, or monthly). Common in government jobs and salaried positions.
- (ii) **Piece rate system:** Workers are paid according to the number of units produced or tasks completed. Encourages productivity but may compromise quality.
- (iii) **Commission system:** Payment is based on a percentage of sales or profits generated. Common in sales, marketing, and brokerage jobs.
- (iv) **Bonus and incentive system:** Workers receive extra pay for exceeding targets or achieving specific goals. Motivates employees to improve performance.
- (v) **Profit-sharing system:** Employees receive a share of company profits in addition to regular wages. Builds loyalty and a sense of ownership.
- (vi) **Salary system:** Fixed regular payment (monthly or annually), regardless of hours worked. Common for professionals and managerial staff.
- (vii) **Hybrid systems:** combination of methods (e.g., base salary plus commission or incentives). Balances stability with motivation.
- (viii) **Payment in kind.** This is where a worker is paid in terms of goods for the work done for example giving bunches of bananas to those working in a banana plantation.

Advantages of time rate system of wage payment

- (i) **Simplicity:** Easy to calculate and administer since wages are tied directly to time worked; e.g. Ug. Sh. 200,000/= per month.

- (ii) **Quality focus:** Encourages workers to maintain high standards of work rather than rushing to produce more units.
- (iii) **Job security:** Provides stable and predictable income, reducing stress and financial uncertainty for workers.
- (iv) **Fairness in certain jobs:** Suitable for roles where output is hard to measure, such as teaching, healthcare, or administrative work.
- (v) **Reduced exploitation:** Workers are protected from being underpaid when tasks take longer than expected.
- (vi) **Encourages loyalty:** Stable wages foster long-term commitment and reduce employee turnover.
- (vii) **Better working conditions:** Since pay is not tied to speed, workers are less likely to overwork or compromise safety.
- (viii) **It is suitable for organizations where team work is emphasized as opposed to individual effort.**

Disadvantages of time rate system of wage payment

- (i) **No incentive for higher productivity:** Since wages are not tied to output, workers may lack motivation to produce more.
- (ii) **Risk of inefficiency:** Some employees may waste time or work slowly, knowing their pay is fixed.
- (iii) **Higher supervision costs:** Employers must closely monitor workers to ensure effort and prevent idleness.
- (iv) **Unsuitable for output-based industries:** In manufacturing or piecework jobs, where productivity matters, this system may reduce competitiveness.
- (v) **Potential inequality:** Hardworking and efficient employees earn the same as less productive ones, which can cause dissatisfaction.
- (vi) **Limited flexibility:** Employers cannot easily reward extra effort or innovation under this system.
- (vii) **It requires a lot of supervision to see how the work is being done.** This is costly to the management.

Advantages of piece rate system of wage payment

- (i) **Direct link to productivity:** Workers earn more by producing more, encouraging higher output.
- (ii) **Motivation and efficiency:** Since pay depends on performance, workers are motivated to work harder and faster.
- (iii) **Reduced supervision costs:** Employers don't need to monitor workers closely because pay is tied to results.
- (iv) **Fairness:** Hardworking and efficient workers are rewarded more than slower ones, reducing resentment.
- (v) **Lower labour costs per unit:** Employers benefit from higher productivity, which reduces the average cost of labour per unit produced.
- (vi) **Encourages skill development:** Workers improve their techniques and speed to maximize earnings.
- (vii) **Output certainty for employers:** Employers can predict labour costs more accurately since wages are tied to production levels.

Disadvantages of piece rate system of wage payment

- (i) **Quality may suffer:** Workers may rush to produce more units, leading to poor workmanship or defective products.
- (ii) **Health and safety risks:** Pressure to work faster can cause fatigue, accidents, or long-term health problems.
- (iii) **Income instability:** Earnings fluctuate depending on output, leaving workers with uncertain or irregular incomes.
- (iv) **Unfair for complex tasks:** Jobs requiring creativity, skill, or teamwork cannot be fairly measured by output alone.
- (v) **Exploitation risk:** Employers may set very low rates per piece, forcing workers to overwork for minimal pay.
- (vi) **Discourages cooperation:** Since pay is tied to individual output, workers may compete rather than collaborate.
- (vii) **Not suitable for all industries:** Service-based jobs (teaching, healthcare, administration) cannot be measured in pieces.
- (viii) **Supervision challenges:** Employers must monitor quality closely, which increases management costs.

Theories of wage determination

Theories of wage determination explain how workers' wages are set, based on different economic perspectives. The main theories include **subsistence theory, standard of living theory, wage fund theory, residual claimant theory, marginal productivity theory, and bargaining theory**

- (a) **Subsistence Theory of Wages (Iron law of wages):** It was proposed by classical economists like David Ricardo. It proposes that 'Wages are set at the minimum level necessary for workers to survive'. If wages rise above subsistence, population growth increases labour supply, pushing wages back down.

Application of the iron law of wages in Uganda

- (i) **Large informal sector** Most Ugandans work in agriculture, trade, or informal services where wages are not regulated. Pay often remains at subsistence levels, consistent with the Iron Law.
- (ii) **Weak enforcement of minimum wage laws:** Although Uganda has an Employment Act and labour protections, enforcement is limited. Many employers pay below living wages, keeping workers at survival income.
- (iii) **High unemployment and underemployment:** With a growing youth population and limited formal jobs, labour supply exceeds demand. This surplus pushes wages down toward subsistence levels.
- (iv) **Dependence on survival income:** Workers often accept very low pay because alternatives are scarce. This reflects the Iron Law's prediction that wages stabilize at the minimum required for survival.

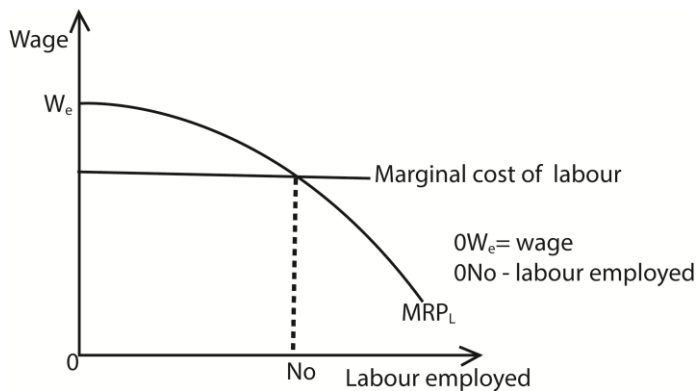
- (v) **Migration and informal work:** Many Ugandans migrate to urban areas or abroad for better wages. Those who remain often rely on informal work, where pay is unstable and low.
- (vi) **Government and NGO interventions:** Policies promoting decent work, labour rights, and wage reforms aim to break the cycle of subsistence wages. However, weak union power and limited bargaining capacity make progress slow.

Limitations of the iron law of wages in Uganda

- (i) **Government intervention:** Uganda's Employment Act and labour policies set minimum standards for wages and working conditions. Even if enforcement is weak, these interventions challenge the idea that wages always fall to subsistence.
 - (ii) **Trade unions and collective bargaining:** Though relatively weak, unions and workers' associations negotiate for better pay, which can push wages above subsistence levels.
 - (iii) **Skill differentiation:** Skilled professionals (e.g., doctors, engineers, IT specialists) earn wages far above subsistence, showing that productivity and education matter more than Ricardo's law suggests.
 - (iv) **Informal sector diversity:** While many informal workers earn survival wages, others in trade, transport, or small businesses can earn significantly more, contradicting the uniform subsistence prediction.
 - (v) **Globalization and remittances:** Ugandans working abroad or receiving remittances often enjoy higher incomes, which raises expectations and wage demands locally.
 - (vi) **Economic growth and entrepreneurship:** Expanding sectors like telecom, banking, and construction create opportunities for higher wages, showing that wages can rise with productivity and investment.
 - (vii) **Social and cultural factors:** Family support systems, community networks, and informal savings groups help workers survive even on low wages, weakening the strict subsistence argument.
- (b) **Wage fund theory.** According to this theory, a wage fund is created out of which the wages are paid. This wage fund is accumulated from profits realized from production.
 - (c) **Residual theory of wages.** According to this theory, the wages are the residues (left overs) after other factors of production have been rewarded. The more the left overs, the higher the wage.
 - (d) **Bargaining theory of wages.** This theory states that wages are determined by the relative strength of the trade union and the concerned employer. To arrive at a given wage involves negotiations between the employer and the trade union representatives.
 - (e) **Market theory (Modern theory) of wages.** According to this theory, wages are determined by the market forces of demand and supply for labour in the labour market. If there exists excessive supply of labour in the market, wages fall and if there is excessive demand for labour, wages increase.
 - (f) **Marginal productivity theory of wages (labour).** A worker is paid according to the value of the extra output they generate.

The wage equals the marginal product of labour multiplied by the price of the output

$W = MPL \times P$; where W = wage, MPL = marginal product of labour, P = price of output.



Assumptions of the Marginal productivity theory of wages (labour)

- (i) Perfect competition in labour and product markets.
- (ii) Homogeneous labour (all workers of similar skill).
- (iii) Labour is divisible and mobile.
- (iv) No government intervention in wage setting.
- (v) Employers aim to maximize profits.
- (vi) Labour can measure its marginal product.
- (vii) Labour is perfectly mobile.
- (viii) It assumes the law of diminishing returns in the production process.
- (ix) It assumes existence of excess capacity in the production process.

Criticisms (Limitations) of the marginal productivity theory of wages (Labour)

- (i) **Unrealistic assumptions:** Assumes *perfect competition* in labour and product markets, which rarely exists. Ignores monopolies, oligopolies, and government interventions that distort wage determination.
- (ii) **Homogeneity of labour:** Treats labour as uniform, but in reality workers differ in skills, experience, and productivity.
- (iii) **Measurement difficulties:** It is nearly impossible to measure the exact marginal product of each worker, especially in team-based or service jobs.
- (iv) **Neglect of trade unions and bargaining power:** Wages are often influenced by collective bargaining, strikes, and negotiations, not just productivity.
- (v) **Ignores social and institutional factors:** Cultural norms, minimum wage laws, and social expectations also shape wages.
- (vi) **Short-run vs. long-run issues:** In the short run, wages may be influenced by demand and supply shocks, not marginal productivity.
- (vii) **Unemployment and underemployment:** The theory assumes full employment, but in countries like Uganda, high unemployment and underemployment distort wage levels.
- (viii) **Exploitation risk:** Employers may pay workers less than their marginal product if labour markets are weak or workers lack bargaining power.

Wage differentials

Wage differentials refer to the differences in wages paid to workers across occupations, industries, regions, or even within the same organization

Causes of wage differences among workers

- (i) **Differences in skills and education:** Highly skilled or educated workers (e.g., doctors, engineers) earn more than unskilled labourers.
- (ii) **Experience and productivity:** Experienced workers are more efficient and productive, which justifies higher pay.
- (iii) **Nature of the job:** Hazardous, strenuous, or specialized jobs (e.g., mining, aviation) often pay more to attract workers.
- (iv) **Demand and supply of labour:** Scarce skills (like IT specialists) command higher wages, while abundant labour (like casual workers) earns less.
- (v) **Cost of living differences:** Workers in urban areas (e.g., Kampala) earn more than rural workers to match higher living costs.
- (vi) **Industry profitability:** Profitable industries (banking, telecom) can afford higher wages compared to low-profit sectors (subsistence farming).
- (vii) **Union strength and bargaining power:** Strong trade unions negotiate better wages, while weak unions leave workers vulnerable to low pay.
- (viii) **Government policies and regulations:** Minimum wage laws, employment acts, and labour protections influence wage levels.
- (ix) **Gender and discrimination:** Cultural norms and discrimination may cause men and women to earn differently for similar work.
- (x) **Regional and international factors:** Globalization, remittances, and foreign investment can raise wages in certain sectors, creating disparities.
- (xi) **Differences in the nature of the job (that is temporary or permanent).** Workers employed in temporary jobs (contracts) are paid higher wages than those employed in permanent jobs.
- (xii) **Differences in job status and responsibilities.** Workers in high positions with more responsibilities are paid higher wages than those in lower positions with fewer responsibilities e.g. a manager is paid more than the cleaner working in the same organization.
- (xiii) **Differences in talents.** Workers with special talents earn more wages than workers who are not talented. For example musicians, footballers etc.

Trade unions

Trade unions in Uganda are worker organizations that represent employees in negotiations with employers and government, aiming to improve wages, working conditions, and labour rights.

Examples of Trade unions in Uganda

- Uganda Medical Workers' Association
- Uganda National Teachers' Union.
- Uganda Law Society etc.

Objectives of Trade Unions

- (i) **Protecting workers' rights:** Safeguard employees against unfair dismissal, discrimination, and exploitation.
- (ii) **Collective bargaining:** Negotiate with employers for better wages, benefits, and working conditions.

- (iii) **Improving working conditions:** Ensure safe, healthy, and humane workplaces.
- (iv) **Securing fair wages:** Advocate for minimum wage laws and fair compensation based on skills and productivity.
- (v) **Promoting job security:** Resist arbitrary layoffs and push for stable employment contracts.
- (vi) **Providing welfare and support:** Offer legal aid, financial assistance, training, and social welfare programs for members.
- (vii) **Influencing labour policy:** Lobby government to enact and enforce labour-friendly laws and regulations.
- (viii) **Promoting solidarity:** Unite workers across industries to strengthen bargaining power and collective action.
- (ix) **Encouraging skill development:** Provide training and education to improve workers' employability and career growth.

Types of Trade unions

1. **Closed shop Trade Unions (Monopoly unions).** These are trade unions which require employers to employ only the workers who are members of the trade union for example Uganda Law Society.
2. **Open shop Trade Unions.** These are trade unions where workers are free to get employment irrespective of whether they are members of the trade union or not.
3. **Craft unions.** These are trade unions formed to organize the workers according to their particular skills for example doctors, lawyers, teachers etc.
4. **Industrial unions.** These are trade unions which attempt to organize workers in a particular industry regardless of the type of job done by the workers. Members are accepted regardless of their place of work, nature of work and qualifications etc. for example Uganda National Teachers' Union etc.

Determinants of the membership and strength of Trade Unions

- (i) **Level of industrialization:** In highly industrialized sectors (e.g., banking, telecom, manufacturing), unions tend to be stronger because workers are concentrated and easier to organize.
- (ii) **Size of the formal sector:** A larger formal workforce increases union membership, while a dominant informal sector (like in Uganda) weakens union strength.
- (iii) **Wage levels and working conditions:** Poor wages and unsafe conditions encourage workers to join unions for protection.
- (iv) **Education and awareness:** Educated workers are more likely to understand their rights and join unions, strengthening collective action.
- (v) **Union leadership and organization:** Strong, transparent, and democratic leadership attracts members and builds trust.
- (vi) **Government policies and legal framework:** Supportive labour laws (e.g., the Labour Unions Act in Uganda) strengthen unions, while restrictive policies weaken them.
- (vii) **Employer attitudes:** Employers who resist unionization reduce membership, while those who cooperate can strengthen unions.
- (viii) **Bargaining power and success rate:** Unions that successfully negotiate better wages and conditions attract more members.
- (ix) **Political environment:** Political stability and freedom of association encourage union growth, while repression or interference weakens them.

- (x) **Social and cultural factors:** Traditions, gender roles, and community solidarity influence whether workers see unions as necessary.
- (xi) **Level of unemployment in the country.** The higher the level of unemployment in the country, the weaker the trade union and the lower the level of unemployment, the stronger the union.
- (xii) **The cost of joining the union.** The higher the cost of joining the union in form of membership and subscription fees, the smaller the size of the union and the lower the costs, the bigger the size.
- (xiii) Nature of employment (that is either full time or part time employment). Full-time employment encourages the workers to join the union unlike part time employment.

Tools (Methods) used by Trade Unions to achieve their objectives

- (i) **Collective Bargaining:** Negotiating with employers on wages, working conditions, and benefits. Often the primary method unions use to achieve improvements.
- (ii) **Mediation:** This is an intervention in an industrial dispute by an independent and impartial third party who examines the arguments of both sides and makes a recommendation for resolving the dispute.
- (iii) **Arbitration.** This is where both parties present their offers to an objective and impartial third party (arbitrator), who is effectively the judge. In this case he/she compares the two offers. After studying the both sides, he comes up with a recommendation for resolving the dispute which then binds both parties.
- (iv) **Strikes:** Workers collectively stop working to pressure employers into meeting demands. Can be partial (go-slow, work-to-rule) or complete (general strike).
- (v) **Work-to-Rule / Go-Slow:** Employees strictly follow job rules or deliberately reduce speed to highlight their importance.
- (vi) **Demonstrations and Protests:** Public rallies, marches, or picketing to raise awareness and pressure employers or government.
- (vii) **Political Action:** Lobbying government, supporting labour-friendly policies, or influencing legislation.
- (viii) **Legal Action:** Taking disputes to labour courts or tribunals to enforce workers' rights.
- (ix) **Publicity Campaigns:** Using media to inform the public about workers' grievances and gain support.
- (x) **Solidarity and Alliances:** Collaborating with other unions, NGOs, or international labour organizations to strengthen bargaining power.
- (xi) **Welfare Programs:** Providing training, legal aid, financial support, or social services to members.

Conditions (Circumstances) that force workers to demand for higher wages

- (i) **Rising cost of living:** Inflation increases the prices of food, housing, transport, and healthcare, making existing wages inadequate.
- (ii) **Increased workload or responsibilities:** Workers demand higher pay when asked to take on extra duties without corresponding compensation.
- (iii) **Company profitability:** When employers record high profits but wages remain stagnant, workers push for a fairer share.
- (iv) **Skill scarcity:** Workers with rare or specialized skills demand higher wages due to high market demand.

- (v) **Comparison with peers:** Wage differences between similar jobs in other firms or regions motivate workers to demand parity.
- (vi) **Union influence:** Strong trade unions mobilize workers to demand higher wages collectively.
- (vii) **Government policies:** Introduction of minimum wage laws or labour reforms can encourage workers to demand adjustments.
- (viii) **Poor working conditions:** Hazardous or stressful jobs often lead workers to demand higher wages as compensation.
- (ix) **Economic growth:** In periods of national or sectoral growth, workers expect wages to rise in line with productivity.
- (x) **Social pressures:** Rising expectations for education, healthcare, and family support force workers to seek higher incomes.

Problems facing Trade unions in Developing countries

- (i) **Large informal sector:** Most workers are employed informally (e.g., agriculture, petty trade), where unionization is weak or absent.
- (ii) **Low union density:** Only a small percentage of workers are unionized, limiting collective bargaining power.
- (iii) **Weak enforcement of labour laws:** Even when protective laws exist, governments often fail to enforce them effectively.
- (iv) **Political interference:** Governments may control or suppress unions, reducing their independence and effectiveness.
- (v) **Limited financial resources:** Unions often lack funds to support members, organize campaigns, or provide welfare services.
- (vi) **Poor leadership and corruption:** Weak or undemocratic leadership reduces trust among workers and discourages membership.
- (vii) **Employer resistance:** Many employers discourage unionization, sometimes through intimidation or dismissal of union leaders.
- (viii) **Low awareness among workers:** Many workers are unaware of their rights or the benefits of union membership.
- (ix) **Globalization pressures:** Competition from multinational companies and outsourcing weakens local unions' bargaining power.
- (x) **Gender and social barriers:** Women and marginalized groups are often excluded from union leadership and decision-making.
- (xi) **High levels of unemployment.** There are high levels of unemployment in developing countries which make trade unions weak. Workers fear to go on strike for fear of losing their jobs
- (xii) **Poor communication network inform of inaccessible roads.** This makes it hard for the workers to be properly coordinated and organized in fulfilling the activities and objectives of the trade unions.
- (xiii) **In most developing countries, the government is the biggest employer.** Governments always refuse to increase wages as an anti-inflationary measure. This weakens the activities of trade unions.

Factors that determine strength of trade unions

- (i) **Membership size and density:** Larger membership gives unions more bargaining power and legitimacy.
- (ii) **Unity and solidarity among workers:** Strong cohesion and collective action increase union effectiveness.
- (iii) **Leadership quality:** Transparent, democratic, and visionary leadership builds trust and mobilizes workers.
- (iv) **Financial resources:** Adequate funds allow unions to organize campaigns, provide welfare services, and sustain strikes.
- (v) **Legal framework and government support:** Supportive labour laws (e.g., Uganda's Labour Unions Act, 2006) strengthen unions, while restrictive policies weaken them.
- (vi) **Employer attitudes:** Cooperative employers make unions more effective, while hostile employers undermine union strength.
- (vii) **Industrial structure:** Unions are stronger in large, formal industries (banking, telecom, transport) than in fragmented informal sectors (agriculture, petty trade).
- (viii) **Education and awareness of workers**
- (ix) Educated workers are more likely to understand their rights and join unions.
- (x) **Union success in bargaining:** When unions win wage increases or better conditions, they attract more members and grow stronger.
- (xi) **Political environment:** Political stability and freedom of association encourage union growth; repression or interference weakens them.
- (xii) **Globalization and external alliances** Links with international labour organizations (e.g., ILO, ITUC) can boost union influence.

Revision exercise 2

Section A questions

1. (a) Define the term labour force.
(b) Outline three characteristics of Uganda labour force.
2. (a) Distinguish between labour productivity and labour efficiency
(b) Suggest any two ways increasing labour productivity and labour efficiency in your country
3. (a) What is meant by demand for labour?
(b) State any three determinants of labour demand in the economy
4. (a) State the marginal productivity theory of distribution.
(b) Outline three assumptions underlying the marginal productivity theory of distribution.
5. (a) Differentiate between labour freeze and labour constraint.
(b) Give any two causes of wage differentials in your country
6. (a) what is meant by minimum wage legislation?
(b) State any two reasons for minimum wage legislation in your country
7. (a) Distinguish between Money wage and Real wage

- (b) Give two determinants of real wage in an economy.
- 8 Mention four circumstances under which time rate is preferred to piece rate system of wage payment
- 9 (a) What is meant by a reserve wage
(b) Mention three determinants of reserve wage in your country
- 10 (a) Distinguish between "time rate" and 'piece rate" methods of wage payment
(b) Mention two merits and two demerits of time rate method of wage payment.
- 11 (a) Differentiate between a closed shop and open shop trade unions
(a) Give any two settlements by force tools used by trade unions to achieve their objectives.
- 12 Mention four objectives of trade unions.
- 13 (a) State the "iron law of wages"
(b) Give three peaceful tools used by trade unions to achieve their objectives
- 14 (a) What are Trade Unions?
(b) Distinguish between closed shop and open shop trade unions.

Section B questions

- 1 (a) Explain the Marginal Productivity theory of labour
(b) What are the limitations of the Marginal Productivity theory of labour in the determination of wages?
- 2 (a) How are wages determined in your country
(b) Account for wages differences in your country
- 3 (a) Under what circumstances may trade Unions demand for higher wages.
(b) What are the problems facing trade Unions in your country
- 4 (a) What role do trade unions play in the development of an economy
(b) Explain the factors that determine the strength and success of trade unions in an economy
(c) What is the basis for higher wage claims by trade unions in your country?
- 5 (a) What is meant by collective bargaining?
(c) Explain why trade unions are increasingly becoming un popular in your country.
- 6 (a) Describe the features of your country's labour force
(b) Explain the determinants of labour supply in an economy

Thank you

Please find free new curriculum notes, exams and marking guides on digitlteachers.co.ug website

