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# Linking Labour Organisation and Vocational Training in Uganda: Lessons for Rural Poverty Reduction

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# Table of Contents

Abstract	9
<hr/>	
1. Introduction	13
<hr/>	
1.1 The Role of Non-Formal Training in Rural Poverty Reduction	13
1.2 Scope and Methodology of the Study	15
1.3 Overview	18
2. Economic and Social Development Outlook	23
<hr/>	
2.1 Economic Development and Poverty Outcomes	23
2.2 Labour Markets in Rural Uganda	26
2.3 Achievements and Challenges in the Education and Training Sector	28
3. Education and Training for the Rural Poor: the Policy Context	35
<hr/>	
3.1 BTVET Reform: Reaching a Rural and Informal Labour Force	35
3.2 The Agricultural Education Strategy	37
3.3 Agricultural Extension and Skills Development for Poverty Reduction	41
3.4 Skills, Empowerment, and the Cooperative Development Policy	45
4. Linking Rural Labour Organisation and Non-formal Training	51
<hr/>	
4.1 Non-Formal Training in Eastern Uganda's Coffee Sector	51
4.2 Uganda Cooperative Alliance	53
4.3 Local Cooperatives as Training Providers: Gumutindo	56
5. Conclusion	61
<hr/>	
5.1 Lessons Learned for Rural Skills Development	61
5.2 The Need for a Conducive Policy Framework	62
List of Acronyms and Abbreviations	67
<hr/>	
References	71
<hr/>	



# Abstract





# Abstract

This study examines conditions for effective skills development in Uganda in the context of reducing rural poverty. The study assesses the achievements and shortcomings of the Ugandan policy framework for formal and non-formal vocational education and training for the rural labour force. It is shown that the capacity of the formal vocational training system is unlikely to be adequate for the provision of services that reach the poorest segments of the rural labour force, despite significant improvements brought about by ongoing reform processes. The analysis of Uganda's strategy for agricultural education, as well as its agricultural extension system, points to the need for a more comprehensive approach to rural skills development, which can respond to the skills needs of smallholder farmers and agricultural wage workers. It is argued that in order to up-scale sustainable results through non-formal vocational training in rural areas, skills development efforts need to be integrated into existing organisational structures of farmers at the local level. Case studies of agricultural cooperatives in eastern Uganda provide fresh evidence of innovative approaches to skills development for the rural poor. However, this study also shows that the integration of training provision into existing organisational structures may compromise, rather than improve, access to training. As economic and social structures of organisation in rural communities are strengthened, existing inequalities may be perpetuated. As a result, access to training, as well as other services, may be biased towards wealthier and more powerful sections of the community. Thus, any integration of non-formal training provision into cooperative approaches needs to carefully assess the local political environment, as well as the existing structures of economic and social inequality.

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# Part One



# 1. Introduction

## 1.1. The Role of Non-Formal Training in Rural Poverty Reduction

For its recent history of economic development, Uganda has become a “cause celebre” and is a much-cited example for its success in achieving and maintaining macroeconomic stability and high growth rates for nearly two decades. Positive trends in poverty reduction, however, have been less sustained than economic growth, and since 2000 a rise has been recorded in poverty headcounts (UNSD accessed 08/2009). In recent years, the persistence of rural (and to a lesser extent urban) poverty, as well as rising levels of inequality, have caused more critical evaluations of Uganda’s economic development process (Hickey, 2003 and 2006; Okuonzi, 2004; Okidi et al., 2005). Through its Poverty Eradication Action Plan (PEAP), the country has an extensive policy framework for poverty reduction; however, current measures have so far not succeeded in reversing the trend of rising inequality and persistent poverty in particular among the rural labour force.

As most countries in Sub-Saharan Africa, Uganda has an agriculture-based economy. The agricultural sector is a major source of growth and employment, while at the same time, the majority of the poor live in rural areas (WB, 2008: 4). The low level of post-primary education and training, in particular among the rural population, and the lack of productive skills in the rural labour force pose a serious challenge to poverty reduction efforts. Uganda’s agricultural productivity remains low despite a rich natural endowment, a large supply of labour, and a high “ease of employing workers” (World Bank, Doing Business, 2010). The flexibility of Uganda’s labor market has not translated into improved productivity and more (decent) employment. The widespread lack of business, technical and vocational skills, including agricultural expertise, contributes to the persistence of low wages and poor returns on self-employment. At the same time, labour is (together with land) the most important asset, and certainly the only abundant one, for the majority of the rural poor. Development of productive and employable skills among the rural labour force is thus essential for improving the economic opportunities of the working poor.

As elsewhere in Sub-Saharan Africa, Uganda’s working poor depend on multiple economic activities to secure their income (Bird and Shinyekwa, 2005). The present study confirms this prevalence of occupational pluralism in the rural labour force in eastern Uganda. The field research for this study, carried out in 2008 and 2009, indicates that the most common

employment pattern consists of a mixture of commercial and subsistence farming,<sup>[1]</sup> as well as casual agricultural wage employment and/or self-employment activities. Non-agricultural wage employment is rare among the rural poor. The majority of rural households have limited, or no, access to formal post-primary education and training. Access to formal vocational education and training is particularly low. The current reform of Uganda's Business, Technical and Vocational Education and Training (BTNET) system is expected to improve the flexibility of the formal system and is thus likely to improve access to services. However, the limited capacity of the BTNET system and the relatively high cost of formal vocational training indicate that a significant number of the working poor, especially in rural areas, will continue to depend on non-formal<sup>[2]</sup> vocational training services for years to come.

In order to effectively improve the level of productive skills in rural areas, innovative and affordable approaches to the provision of vocational training are needed to ensure improved access to services for Uganda's large rural labour force. The reformed BTNET system will allow for the certification of skills acquired outside the formal training system, for example in a small workshop or, as is often the case, through unpaid family labour. This will allow groups without access to formal education and training programmes to acquire formal vocational qualifications. However, the process of skills acquisition for these groups will remain within the domain of non-formal training because the capacity of the cost-intensive formal vocational training system remains limited. Even in a reformed, decentralised system, it is hardly feasible to establish formal vocational training institutes outside towns and trading centres. Thus, access to formal training programmes remains extremely limited for the rural population, due to poor infrastructure and a lack of funds to pay for transport.

As the above scenario indicates, non-formal vocational training is essential for closing the large gap between the high demand<sup>[3]</sup> for productive skills, especially – but not exclusively – in rural areas, and the capacity of the formal vocational education and training system. Non-formal vocational training programmes may offer relevant services at a significantly lower cost to a largely informal and rural labour force. However, to provide relevant and effective non-formal training, a comprehensive policy framework that cuts across different sectors of social service provision is needed to guide the implementation of complementary programmes. The ministries of education, labour, agriculture and trade would ideally cooperate to close the existing gaps in

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[1] The survey conducted among smallholder farmers in eastern Uganda showed that even very poor farming households with less than a quarter acre of land usually sell part of their produce. Those not engaged in the production of export cash crops cultivated cash crops for the domestic market.

[2] The term "non-formal vocational training services" is used for all forms of vocational training, including agricultural, technical and business skills development, which take place outside Uganda's formal education and training system. Such services are usually characterised by short duration, a high degree of flexibility and a focus on praxis-oriented contents and delivery methods.

[3] The high demand for vocational education and training, including agricultural skills, in eastern Uganda's rural areas is described in section 4.1.

access to relevant skills development. To realise such an ambitious policy target, more and better data are needed on the provision and impact of non-formal vocational education and training in Uganda and in Sub-Saharan Africa at large.<sup>[4]</sup> In Uganda and throughout the region, non-formal vocational training provision is fragmented, and there is no coherent documentation of the activities of a multitude of providers, their didactical methods, training contents and means of financing. Apart from rather small-scale success stories that have been well documented, information on the nature of the programmes and their impact on living standards remains patchy.

The present study examines innovative approaches to the provision of non-formal vocational training in rural Uganda and reviews the existing policy context for their promotion. Based on new data on smallholder farmers and agricultural wage workers in eastern Uganda, the study outlines options for improving the provision of non-formal vocational training for a rural, and largely informal, labour force. An analysis of Uganda's policies that are relevant to rural skills development indicates shortcomings, but it also points to opportunities in the context of national agricultural modernisation and plans to develop cooperatives. Overall, cooperation across the different sectors of service provision remains insufficient, but recent policy initiatives represent important opportunities for the development and implementation of a more coherent approach to rural non-formal skills development.

The agricultural education strategy, which is part of the educational sector-planning framework, represents a first attempt, at the policy level, to improve the provision of formal and non-formal agricultural training in context of the Plan for the Modernisation of Agriculture (PMA). The newly created policy for the development of cooperatives<sup>[5]</sup> provides opportunities for the sustainable provision of skills development services to poor smallholder farmers, even in remote rural areas. Aimed at the revitalisation of Uganda's cooperative movement, it promotes complementary support initiatives for cooperatives-based skills development, micro finance and rural infrastructure for agricultural production and trade. A presentation of case studies shows that the organisational structure of agricultural cooperatives offers a realistic opportunity to promote a sustainable institutional framework for the provision of non-formal training.

## 1.2. Scope and Methodology of the Study

This study draws on field data on the linkages between skills development and rural labour organisation in the agricultural sector. The generation of empirical data was based on qualitative and quantitative methods and was conducted in Kampala, as well as five districts in eastern Uganda

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[4] With the exception of the Research Consortium on Education Outcomes and Poverty, RECOUP, which recently produced useful case studies on Ghana, very little data on the provision and impact of vocational training in Sub-Saharan Africa is available.

[5] A first draft of the policy was published in February 2009.



(Mbale, Sironko, Kapchorwa, Bududa and Manafwa). The study uses preliminary results from a survey of smallholder farmers, as well as on- and off-farm wage workers in all five districts. Furthermore, qualitative data were generated through numerous interviews and focus group discussions at the village, sub-county, district and national levels. All interviews were conducted in the respective local language of the participant to ensure that community members without knowledge of English could – and would – participate.

None of the respondents was a “pure” subsistence farmer, while a small proportion of interviewed wage workers did not farm at all due to lack of access to land. Contrary to the assumption made in some policy documents, that poor smallholder farmers in Uganda are largely subsistence farmers,<sup>[6]</sup> national statistics show that the majority of farmers sell part of their produce (UBOS, 2002). In all five districts covered by the present survey, coffee is a widely cultivated crop all the output of which is sold whenever possible. However, the vast majority of coffee farmers intercropped with banana, cassava or other domestic cash crops. Furthermore, virtually all of the poorer households depended on multiple economic activities, including casual on- and off-farm wage work and typically some involvement, either directly or through family labour, in non-agricultural micro entrepreneurial activities. Thus, the vast majority of farmers covered by the present survey were wage workers and/or non-agricultural micro entrepreneurs, as well as farmers.

In the first phase of field research, semi-structured interviews were conducted with public and private sector representatives in Kampala. Respondents included management personnel of the relevant ministries and government bodies, of the cooperative movement, of sector-specific agricultural associations, of coffee exporters, and of NGOs, CBOs and private-sector providers engaged in rural skills development.

In the second phase, a questionnaire-based survey of more than 330 smallholder farmers and casual agricultural wage workers was carried out in the sub-counties of all five districts. The survey covered basic household data and information on educational attainment, employment patterns, farming, labour organisation, and vocational (including agricultural) education and training.

In the third phase, the survey results were followed up in selected villages with semi-structured interviews and focus group discussions involving farmers and agricultural wage workers. Additional semi-structured interviews were conducted with local government officials, as well as field officers and representatives of NGOs, agricultural cooperatives and coffee-exporting companies. These interviews were partly conducted in the respondents’ offices in the provincial capital Mbale or in the district trading centres, and partly in farmers’ fields and backyards.

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[6] The PMA and NAADS master documents assume that 70% and 80%, respectively, of all farmers are subsistence farmers; see MFPEP (2000) and NAADS (2001).

Throughout the field study, qualitative and quantitative research methods were used to facilitate one another. Policy analysis was based on secondary data and semi-structured interviews. The survey generated new data on labour organisation and employment patterns, as well as the extent and impact of non-formal education and training. Emphasis was put on qualitative methods in assessing the capacity of different approaches to non-formal vocational training to reach the poorest sections of the rural labour force. However, preliminary results from the questionnaire-based survey indicated possible directions for qualitative interviews and focus group discussions. Similarly, the interpretation of linkages between rural labour organisation and effective skills development was largely based on qualitative data, but the survey as well as available statistical data were indispensable for cross-checking initial results.

While interviews in Kampala, as well as at the district level, were conducted in English, the majority of work in the villages was conducted in Luganda, Lugisu and Swahili. The remainder of this section outlines the field activities of each phase in more detail.

In the first phase, an assessment of the capacity of relevant policies to respond to the skills needs of rural labour was carried out. Semi-structured interviews were conducted with representatives of: the Ministry of Education and Sports (MES); the Ministry of Trade, Tourism and Industry (MTTI); the Ministry of Gender, Labour and Social Development (MGLSD); the National Agricultural Advisory Services (NAADS); the National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE); the Uganda Coffee Development Authority (UCDA); and the Uganda Cooperative Alliance (UCA).

Additional perspectives on the strengths and weaknesses of current policies for the provision of rural skills development were derived from interviews with domestic and international coffee exporters, as well as local and international NGOs engaged in rural, non-formal skills development in eastern Uganda. The selection of companies and NGOs was based on their respective involvement in skills development for farmers and on- and off-farm wage workers. Due to their small number and likely involvement in training, interviews were conducted with all cooperative enterprises in eastern Uganda's coffee sector. Interviews with companies were limited to those that buy directly from smallholder farmers (rather than from middlemen) and/or run processing factories where casual labour is employed.

In the second phase, a questionnaire-based survey of more than 330 smallholder farmers and casual on- and off-farm wage workers in eastern Uganda's coffee sector was carried out. Villages were selected based on a snowballing methodology: information given by local informants was cross-checked with that provided by community workers and local government officials. Prior to the selection, information was gathered on the distributional patterns of participation in farmers' organisations and cooperatives, on the distribution of poverty, and on the implementation of non-formal training programmes in all five districts. An even distribution

was aimed at between communities with high rates of labour organisation and participation in cooperatives, and those with low rates or no organisation.

An extensive questionnaire with four main sections was administered. The first section covered basic household data, including educational attainment of members and the internal division of labour. Secondly, a section on well-being and economic security covered nutrition, land ownership and usage, income from farming and non-farming activities, and access to savings and credits. A third section on employment and work focused on patterns of employment and labour organisation. This section included respondents' evaluation of the impact that belonging to a labour organisation had on their living standards and access to training. The fourth section covered non-formal vocational training, including agricultural skills development, as well as issues relating to demand, supply, access and perceived impact.

In the third and last phase of the field research, interviews and focus group discussions with a selection of smallholder farmers and casual wage workers in all five districts provided in-depth information on issues brought up during the policy analysis and the survey. While all interviews and group discussions conducted in villages were attended by "farmers" and all those conducted in and around coffee processing factories were attended by "workers", many respondents were in fact both, at different times of the year. Some of the group discussions were held with same-sex groups in order to prevent male dominance in discussions, which was repeatedly observed in mixed groups. Discussions with cooperative members were conducted separately from discussions with the cooperative leaders in order to prevent the domination of the meetings by the local leaders.

### 1.3. Overview

Chapter Two gives a brief overview of Uganda's recent history of socio-economic development. Results for reduction in poverty levels and improvement in living standards are reviewed especially in regard to the rural population. The achievements and remaining challenges in Uganda's path to broad-based growth and poverty reduction are outlined and an estimation is given of the current political context. The central characteristics of the rural labour force, in particular the main patterns of rural employment and income generation, are presented. Current developments within the education and training sectors are reviewed, pointing to achievements, opportunities and shortcomings with regard to skills development among rural labour.

Chapter Three discusses the policy framework relevant for rural skills development. The capacity of current national strategies to effectively address the skills needs of an essentially informal and rural labour force is reviewed. The ongoing reform of the BTVET system is scrutinised from the perspective of improving the provision of skills development for the rural

poor. The capacity of Uganda's national strategy for agricultural education and training to respond to rural skills needs is examined. It is pointed out that there is room for improvement with regard to demand-oriented planning and the provision of non-formal (as opposed to formal) agricultural education and training. Subsequently, the provision of non-formal vocational training for smallholder farmers in the context of Uganda's extension system is discussed.

The discussion of farmers' skills development through the agricultural extension system (the National Agricultural Advisory Services – NAADS), highlights NAADS' capacity to strengthen local organisational structures as a sustainable institutional framework for the provision of non-formal training. However, challenges under the current extension system regarding the perpetuation of inequalities at the local level are pointed out. The advantages of integrating rural skills development into broader structures of institutional development are further discussed in regard to Uganda's cooperative development policy. The government's ongoing effort to revitalize the cooperative movement in order to reduce poverty levels and promote rural employment is outlined, highlighting its opportunities for sustainable rural skills development.

The fourth chapter outlines the state of non-formal vocational training for the rural poor in eastern Uganda. Preliminary results of the survey are used to highlight major trends and challenges, and two case studies are presented to illustrate opportunities and threats to the effective provision of rural skills development. The strong demand at the local level for relevant training services is highlighted and contrasted with the current quantity and quality of supply. The role of farmers' organisations in effective provision, as well as a condition for access, is discussed. The first case study, of the Uganda Cooperative Alliance (UCA), gives an example of how rural skills development can be integrated into the development of institutional structures in rural labour markets. A second case study discusses the comprehensive approach to training taken by a local cooperative enterprise called Gumutindo, which has established itself as a producer and exporter of Arabica coffee from eastern Uganda.

In the fifth and concluding chapter, the analysis of relevant policies and the discussion of case studies are brought together in an assessment of the opportunities and challenges facing non-formal vocational training. It is pointed out that a more comprehensive policy approach is needed for providing non-formal vocational training to vulnerable groups, and this calls for the (closer) cooperation of relevant actors in the respective sectors of education, labour, agriculture and trade. It is concluded that recent positive developments regarding the expansion of functional cooperative structures represent an important opportunity for providing sustainable skills development that is responsive to the needs of the working poor.



# Part Two



## 2. Economic and Social Development Outlook

### 2.1. Economic Development and Poverty Outcomes

Over the past two decades, Uganda's economic development has been characterised by high overall growth rates, as well as a stable and relatively low inflation rate (WB, 2009; WDI, accessed 08/2009). Pro-market reforms, supported by an increasing inflow of development aid, helped to regain and maintain macroeconomic stability. Since the early 1990s, government policies have been geared towards restoring the confidence of the private sector, promoting private enterprise development and reducing government control (EUI Country Reports, 1991, 2008).

The implementation of structural adjustment policies contributed to the achievement of high and sustained economic growth, leading to significant improvements in the country's economic development. The value added by industry as a percentage of GDP increased from 10% in 1988 to 26% in 2007 (WDI, 2009). Furthermore, recent improvements in product and export diversification indicate a growing base of economic growth (OECD, 2008: 601). However, the fast and early liberalisation of the economy (as compared to its state of development in the early 1990s) did not create the expected "trickle down" effect. Instead, as will be further discussed below, economic inequality remained, and widespread poverty is still a major challenge, despite positive macroeconomic development.

The implementation of such extensive economic reforms was made possible by an environment of political stability, which was restored after the civil strife and economic disaster of the 1970s and civil war in the 1980s. Following Idi Amin's military dictatorship and Milton Obote's oppressive second rule, the country's economy was largely dysfunctional by the mid-1980s. Since the National Resistance Movement (NRM) under Yoweri Museveni took power in 1986, political stability has been maintained based on a loyal and re-disciplined army, as well as strong popular support for the president (EIU, 2009). This has enabled the implementation of extensive economic reforms.

With the first Poverty Eradication Action Plan (PEAP) in 1997, Uganda's government provided an extensive and cross-sectoral policy framework to improve the living standards of the poor. Since then, policies for free basic health care and primary education, as well as improved water supply, have contributed to the reduction of poverty during the 1990s (OPM, 2008: iv). High



growth rates were accompanied by a significant decrease in poverty levels between 1992 and 2000. However, from 1997 onwards, the skewed distribution of the benefits from growth meant that income inequality started to increase considerably. As growth rates started to slow down, national poverty headcounts increased, as the figures from 2000 onwards show (Kappel *et al.*, 2004; Obwona *et al.*, 2006). Thus, the percentage of the population living below the national poverty line rose, from 33.8% in 2000 to 37.3% in 2003 (UNSD, accessed 08/2009).

Therefore, poverty reduction results have been mixed, indicating the persistence of rural poverty and of regional disparities (Kappel *et al.*, 2004 and 2005; Obwona *et al.*, 2006; Hickey 2003; UNSD, accessed 08/2009). As has been the case in a number of countries in Sub-Saharan Africa, and indeed throughout the developing world, growth in Uganda has been urban-biased (Uganda's first Poverty Status Report, MFPED, 2001). Regional disparities mean that poverty reduction has been much less pronounced in the north and east of the country, compared to the southern, western and central regions (UBOS, 2003).

**Table** *Proportion of population below the poverty line: Uganda*

	1990	1995	2000	2003	2005	2007
Population below national poverty line, total, %	n.a.	n.a.	33.8	37.7	n.a.	n.a.
Population below national poverty line, urban, %	n.a.	n.a.	9.6	12.2	n.a.	n.a.
Population below national poverty line, rural, %	n.a.	n.a.	37.4	41.7	n.a.	n.a.

Source: UNstats 2009; MDG Indicators.

The persistence of widespread poverty poses a serious challenge to Uganda's social and economic development. Among the urban population, the increase in the number of people living below the national poverty line the period 2000 to 2003 was 2.6%, while in rural areas it was 4.3% (UNSD, accessed in 08/2009). As studies of poverty shifts during the 1990s have shown, poverty reduction was biased in favour of households that were already better off, in relative terms, while living standards among the most-disadvantaged households – the majority of them rural – remained unchanged or even worsened (Appleton, 2001). The high levels of

chronic poverty in rural areas are aggravated by the depletion of natural assets and insufficient access to land (Lawson et al. 2003; Sseweya, 2003; Bird and Shinyekwa, 2003; Nabbumba, 2003).

Health indicators equally point to significant disparities between rural and urban areas (OPM, 2008). Uganda's successful sensitisation campaign against HIV/AIDS is a case in point. While it led to an impressive decrease in the HIV/AIDS prevalence rate among the urban population, from 15% to 6% between 1997 and 2005, prevalence among the rural population rose during the same time, from 4.7% in 1998 to 5% in 2005 (OPM, 2008: v). Uganda's human development indicators point to the magnitude of the existing challenges. The country was ranked 156<sup>th</sup> out of 179 on UNDP's Human Development Index 2008. Life expectancy is still low, at 51, and only one year above the 1990 level (HDR, 2008; WDI, 2009). Furthermore, inequality as measured by the GINI coefficient has increased continuously since 1992, but has risen almost twice as fast since 1999-2000 (UNECA, 2003). The share of the national income attributed to the poorest quintile of the population was 6.0% in 1992 and remained virtually unchanged at 6.1% in 2005 (UNstats MDGs, 2009).

Thus, Uganda's overall achievements in poverty reduction are limited with regard to the poorest segments of the population, which are concentrated in the rural areas of the northern and eastern regions of the country. The country's overall economic and social development outcomes are impressive, considering the prevailing social and economic conditions less than two decades ago. However, significant challenges remain with regard to broadening the base of economic growth and establishing functional structures for the (re-)distribution of wealth. Macroeconomic performance has been consistently positive and significant progress has been made with regard to the reduction of poverty in urban areas, as well as in the western and southern regions. However, high inequality and widespread rural poverty persist, with some recent data showing an increase in both.

In order to reverse these trends, it is essential to support the development of broad-based growth and to improve the living standards of those who have not benefited from economic reforms. In order to generate social and economic change processes that allow for the redistribution of wealth and broader-based economic growth, stable and functional democratic institutions are needed. The development of democracy in Uganda showed promise during the 1990s, as indicated by a relatively free press, the promulgation of laws to promote equality, the renewed discipline of the army and the prospect for multiparty elections; however, signs of a possible reversal of this trend have increased in recent years. Concerns about the growing lack of transparency in public-sector spending as well as the occurrence of patronage politics have been voiced, and the perceived level of corruption has been rising (Robinson, 2005; HRW, 2009).

Furthermore, recent reports on human rights abuses and a continuously growing defence budget have given rise to concern (HRW, 2009: 130-135; Robinson, 2005).

The growing signs of weakening democratic structures in Uganda need to be taken seriously. Effective policies that target the reduction of both poverty and inequality are necessary to promote broad-based economic growth. Furthermore, transparent implementation processes are needed to ensure the desired development outcomes. So far, the government has not been successful in compensating those who did not benefit from the economic reforms. Significant regional disparities persist, and the urban-rural divide seems to be widening. In order not to undermine the long-term stability of Uganda's successful and impressive path to economic prosperity, as well as its social and political development, increased participation by the poorest segments of the population in the country's growth process is essential.

## 2.2. Labour Markets in Rural Uganda

Uganda has a predominantly rural labour force, with 85% of the economically active population located in rural areas (UBOS, 2007, LM conditions). Agriculture continues to be the most important source of employment, providing an average of 69.1% of total employment between 2002 and 2004, although data from the Uganda Bureau of Statistics indicate a slight increase of employment in services and manufacturing (WB, 2008: 321; UBOS, 2006: 12). Agriculture-based livelihood strategies are not necessarily synonymous with farming. As has been pointed out for rural labour markets in the developing world at large, a significant part of work consists of agricultural wage employment, and the high-value crop and livestock sectors offer good potential for employment growth (Cramer, 2007). However, it is further pointed out that working conditions in agriculture are unlikely to allow for large welfare improvements due to the nature of the production processes and a general lack of regulation (*ibid*).

The field research for this study, conducted in eastern Uganda's coffee sector, confirmed this situation for on- and off-farm agricultural wage labour. None of the wage workers who were interviewed, whether unskilled, low-skilled or skilled, had a written working contract, neither at the small, family run coffee farms, nor at the coffee washing stations that are run directly by multinational companies, nor at the processing factories in the provincial towns. In addition to the high insecurity of employment status, basic health/safety precautions at the work place, such as face masks for factory workers or sun umbrellas at the coffee-washing stations, were consistently missing.

Agricultural wages tend to be significantly lower than wages in rural off-farm employment, in Uganda as well as other developing and transformation economies (WB, 2008: 212). In Sub-Saharan Africa, poor women especially seem to rely increasingly on agricultural wage work (Cramer, 2007). The present field work clearly indicated that in eastern Uganda's coffee sector,

the dominance of women in the lowest-paying and highly insecure agricultural wage jobs is significant. Gender-based inequality within agricultural wage employment is prevalent throughout the sector and indeed throughout the country, relegating women to the lowest-paying work. However, male dominated wage employment tends to be equally insecure, and while wages are higher, much of the available work is physically too strenuous to be carried out by middle-aged and older men. On the whole, the results of the present field work indicate that on- and off-farm agricultural wage employment in Uganda's coffee sector is nearly always casual, characterised by low wages and a high level of insecurity.

The national statistics corroborate what the present field research has shown: work in Uganda tends to be informal. Of the total labour force, 45.3% consists of own-account workers (UBOS, 2007: iv). Many of these workers either run informal micro enterprises or work as self-employed workers for an "employer", with no strings attached. Of these, 37.9% are unpaid family workers and only 16.3% officially count as employees (*ibid*). The nature of wage employment is mainly casual, with an estimated 5% of total employment being formal and permanent (OECD, 2008: 609). The most recent data for Uganda show that the achieved rates of growth in employment and output are largely based on informal labour and micro enterprises, rather than formal employment in manufacturing and large-scale agriculture (OECD, 2008: 601-2).

With regard to the rural population in eastern Uganda, the present field research indicated the high prevalence of occupational pluralism due to land scarcity, and the lack of opportunities for decent employment or profitable self-employment. The working poor tend to depend on multiple income-generating activities in order to reduce risk. Economic activities include seasonal agricultural wage labour (consisting of on- and off-farm work), self-employment, and in the case of women, an additional heavy work load of unpaid family labour.

Furthermore, farm incomes are an important source of cash, and it appears that most smallholder farmers are selling portions of their output. While evidently all coffee cultivated is sold if possible, all interviewed coffee farmers were intercropping so they could also sell other crops, usually banana and cassava, on the local and regional markets. Thus, the commonly held assumption that the majority of the rural poor are mainly "subsistence farmers"<sup>[7]</sup> was invalidated by the present field research. This result is further supported by Ugandan statistics, which show that most farmers, even in the extremely poor northern region, sell part of their output (UBOS, 2002).

Official unemployment in Uganda is low at 1.9%; however, underemployment is significantly higher at 12.1%, and half of the working population (51.5%) live on less than 1 USD (PPP) per day (UBOS, 2007; UNstats, 2009). Thus, although unemployment ranks second (28%) after

[7] The PMA and NAADS master documents assume that 70% and 80%, respectively, of all farmers are subsistence farmers; see MFPED (2000) and NAADS (2001).

poverty (43%) as the most serious concern of Ugandans (Afrobarometer, 2008), being in employment is not necessarily a way out of poverty: in many cases, employment does not offer a sufficient income to lift people out of poverty.

Income poverty among the working population is particularly severe in rural areas. The available data on income sources for rural households show a high dependency on farm incomes, while non-farm income makes up a maximum of 20% of total income (Bahiigwa, 2001). With low agricultural productivity and small average land holdings, income from farming often fails to provide economic security for large households. A look at the components of non-farm income shows that it is largely generated through self-employment, remittances and casual wage work, while formal employment is only significant for the wealthiest tercile of rural households (ibid). Thus, there is considerable dependency by the rural labour force on casual wage employment and self-employment, as well as on farming. On the whole, 70% of Uganda's poor live in rural areas (WB, 2008: 4).

The overall educational attainment of Uganda's labour force is low: 13.9% have no school certificate, while 62.2% are educated to the primary level (UBOS, 2007). Reliable figures on the attainment of vocational skills are not available; but the relatively low enrolment rates in the formal BTVET system and the generally low level of technical education at the tertiary level indicate a profound lack of post-primary vocational skills. Educational attainment is particularly low among the rural population, and the lack of productive skills continues to be a major cause of poverty. As subsequent reports by Uganda's Participatory Poverty Assessment Process (UPPAP) have pointed out, limited education and low skill levels are perceived as major causes of poverty by the disadvantaged people across the country (UNDP, 2005: 13). Although the link between skills development and poverty reduction has been widely recognised in the relevant literature (King and Palmer, 2006; Tilak, 2006; ILO, 1998; World Bank, 2004a; Fluitman, 2005, WB report, 2008), there is a lack of data on the impact of education and training programmes on living standards.

In the next section, Uganda's recent development achievements in the education and training sector are outlined, and the remaining challenges are highlighted. The role of non-formal vocational training in rural skills development is discussed, and the need for a coherent strategy for its provision is stressed.

### 2.3. Achievements and Challenges in the Education and Training Sector

In 1998, Uganda started implementing its Education Strategic Investment Plan (ESIP) (1998 – 2003) as a policy framework for educational reform. Its flagship campaign was the programme for Universal Primary Education (UPE), which aims at providing free primary schooling for up

to four children from each family.<sup>[8]</sup> The plan is now in its second phase, ESIP II (2004 – 2015), and includes a policy initiative to improve the provision of agricultural education and training, the National Agricultural Education Strategy (NAES, 2004 – 2015). Equally, the reform of the Business, Technical and Vocational Education and Training (BTVET) system, responsible for the provision of formal vocational training, is implemented under the overall framework of ESIP. Under Uganda's sector-wide approach (SWAp) in education, donor assistance to educational reforms has been effectively clustered under the ESIP programme.

The quantity of primary education services provided has been greatly improved since the launch of the UPE programme. But despite impressive achievements with regard to enrolment rates, important challenges remain with regard to quality (GoU, 2007 and 2008). Proficiency in literacy and numeracy after six years of primary school attendance was still low in 2008, at 49.6% and 41.4% for boys and girls, respectively, although it has increased under the Quality Enhancement Initiative launched by the government to improve primary education quality (GoU, ESSAPR, 2008). The figures on primary school enrolment published in Uganda's Education and Sports Sector Annual Performance Report are impressively high at 93.3% for 2007 and 92% for 2006; however, international data sources indicate that other surveys may show lower results for this figure (ESSAPR, 2008: 78). However, the extremely high primary school drop-out rates in Uganda for boys and girls indicate that the enrolment figures will not deliver the needed improvement in educational results: the primary completion rate was reported at 47% in 2007/8, down from 48% in 2006/7 (ESSAPR, 2008: 68). Also, while the gender gap in enrolment rates has been effectively closed (UN Statistical Division, accessed 08/2009), there remains a 6% difference between boys and girls in completion rates, with 44% of girls and 50% of boys completing P7 (ESSAPR, 2008: 68).

Access to general secondary education remains limited, despite continuous improvements. The Net Enrolment Ratio (NER) increased from 18.6% in 2007 to 21.3% in 2008 (GoU, ESSAPR, 2008). Recent data show increasing inequality in favour of pupils from better-off households (OPM, 2008). Given the concentration of poverty in rural areas, it is assumed that rural participation rates are particularly low. Access to formal vocational education and training services is similarly limited, with a total enrolment of 29,441 pupils in 2008, out of a population of 5,810,000 aged between 15 and 24 (GoU, ESSAPR, 2008; World Population Prospects, UN, 2008). The ongoing reform of the BTVET system aims to improve the labour market relevance of vocational training through the modularisation and decentralisation of services. Access for disadvantaged youth and adults is expected to improve since the system will offer vocational qualifications based on short-term training courses, rather than full-time courses lasting up to three years. Furthermore,

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[8] Based on President Museveni's election campaign of 1996.

in the reformed system, certifications are offered for skills and competencies, regardless of whether these were acquired in a formal institutional setting or an informal workshop, a family farm or a large business.

Thus, the reformed BTVET system promises to improve access to post-primary vocational training for disadvantaged youth and adults who cannot afford to spend long periods of time away from work, in formal educational institutions. However, reaching the large number of poor rural households in fairly remote areas is beyond the capacity of the formal BTVET system, even if the provision of services is modularised and decentralised. After all, the provision of formal vocational training programmes takes place in formal educational institutes located in towns, which large segments of the rural population are able to visit only once in a lifetime. For the most disadvantaged parts of the rural population, non-formal education and training programmes will continue to be the main source of post-primary skills development, at least in the medium term.

Improving the provision of non-formal basic education has been the focus of major programmes implemented by the GoU, as well as local and international NGOs in recent years. In particular with regard to adult and youth literacy rates, the achievements are significant. Non-formal literacy programmes, such as the Functional Adult Literacy Programme (FAL) under the Ministry of Gender, Labour and Social Development (MGLSD), and a number of NGO programmes contributed to a rise in adult literacy rates (for those over the age of 15) from 54% in 1991 to 68% in 2002, or an average of 72.6% for the period between 1999 and 2006 (UG HDR, 2005; UNDP: HDI, 2008). Literacy rates among those 15 to 24 years old rose from 69.8% in 1991 to 76.6% in 2002 and to 86.3% in 2007 (UNstats MDGs, 2009). These achievements, however, are somewhat compromised by the evaluations of individual programme outcomes. An evaluation of graduates from the FAL programme showed that nearly all respondents were able to read and understand very simple questions, e.g. about people's names and today's date (Okech, 2006: xvi). However, slightly more complicated comprehension questions yielded scores of only 60%, and just over 70% for simple numeracy items; for simple writing tasks, the scores of programme participants were under 40% (ibid).

Improvement in the provision of non-formal vocational training has been much less pronounced. While anecdotal evidence in the form of individual success stories exists, comprehensive data on programme outcomes are not available. The lack of a coherent policy to address the challenge of providing non-formal vocational training to poor communities in rural areas explains why achievements so far are likely to have been scattered. No significant up-scaling of successful approaches has been documented to date. However, data from the present study indicate that an up-scaling of efforts may be achieved through the government-supported revival of cooperatives. As will be discussed further below, agricultural cooperatives provide, among other things, training services to smallholder farmers that are likely to be sustainable.

The following chapter outlines Uganda's policies and strategies relevant to rural skills development. The capacity of the BTVET reform to improve the level of productive skills among the rural labour force is critically reviewed. The scope and limitations of the national agricultural education strategy are outlined, and an overview is given of achievements and challenges to date. The strengths and weaknesses of agricultural education and training, in context of Uganda's Plan for the Modernisation of Agriculture (PMA), are then discussed. Finally, the development policy for cooperatives is reviewed with a particular focus on its capacity to provide an institutional framework for sustainable rural skills development.

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# Part Three



## 3. Education and Training for the Rural Poor: the Policy Context

### 3.1. BTVET Reform: Reaching a Rural and Informal Labour Force

The capacity of the formal vocational training system to reach large parts of the population, and the poorest segments in particular, is limited. Adequately equipped vocational training institutes are costly to operate, and there is not enough engagement by medium-sized and large companies to make vocational training relevant and affordable. Private sector engagement is expected to increase with the reform of the Business, Technical and Vocational Education and Training (BTVET) system, but a large part of the labour force will continue to train and work in small workshops, rather than in large-scale industry and agriculture. For this majority, training in formal BTVET institutes and formal enterprises will remain unlikely for some time to come. In rural areas, the low level of mobility due to poor infrastructure further aggravates the access problems associated with formal BTVET providers. While the current BTVET reform addresses some of these issues, a majority of the rural population will continue to depend on non-formal training services in order to acquire and/or improve their productive skills.

The provision of vocational education and training programmes that are responsive to labour market demand (and thus contribute to the establishment of a competitive labour force) is recognised in Uganda's Poverty Eradication Action Plan (PEAP) as an essential component of broad-based economic development and poverty reduction. In this context, the national BTVET system is undergoing comprehensive reform, as outlined below. Central to this reform is a paradigm shift from a centralised, relatively theoretical and firmly institution-based vocational training system to a modularised system that is decentralised, praxis-oriented and which engages the private sector. In addition, the curriculum for general secondary education is being reviewed to increase its responsiveness to labour market needs, and the government is increasing the number of vocational training institutes relative to academic secondary schools.

In 2003, Uganda's Ministry of Education and Sports (MES) adopted a policy to reform the fragmented BTVET system. Offering three-year training programmes with little practical content and often outdated curricula, Uganda's BTVET institutions had failed to respond to

changing labour market needs. Thus, the reform's main objective is to create a flexible, labour-market-oriented vocational training system, which effectively prepares young people for labour market entry and increases the supply of skilled workers whose competencies match employers' demands. Uganda's Vocational Qualification Framework (UVQF) was developed to regulate qualification through standardised assessment and the certification of skills throughout the country. In 2008, the BTVET Act was passed by Parliament, establishing the institutional framework needed for a modularised and praxis-oriented vocational training system. The development and implementation of the first modularised training courses is ongoing, and a decentralised, praxis-oriented certification system is being established.

A major achievement expected from the reform is significantly increased flexibility and a labour-market orientation of the BTVET system. The new institutional framework separates the delivery of BTVET services from certification and quality assurance functions. In particular, medium-sized and larger companies are encouraged to actively engage in the planning and delivery of training through skills development networks. The integration of the private sector into the development and systematic revision of curricula further ensures improved matching of skills supply with demand. These measures promise to improve the current situation, in which 47% of Ugandan firms report the lack of skills as a moderate, major or severe constraint to business, while the number of training programmes offered by Ugandan firms per worker is below the average for Sub-Saharan Africa (OECD, 2008: 610). If properly implemented, the BTVET reform is expected to contribute significantly to improving the productivity and competitiveness of the labour force.

The reform is expected to improve access to formal vocational training services for the poorer segments of the population. Previously, only those students who could afford to attend a one-to three-year, full-time training programme, usually in an urban institution, could receive formal certification. This made the BTVET system virtually inaccessible for the majority of poor rural youth. In the reformed system, skills acquired on the job – whether in a small family owned workshop, on the family plot or in a formal enterprise – can be certified through a competency-based certification process that is recognised throughout the country. Furthermore, the division of qualifications into modularised, and thus shorter courses, means that trainees do not have to forego income-generating activities for long periods of time.

However, reducing access inequalities between regions, as well as closing the gender gap in enrolment, remains a major challenge (ESSAPR, 2008: 37-39). Overall enrolment figures for BTVET institutions are continuously improving, but the differences between the regions are still pronounced; central Uganda, the country's wealthiest and most urbanised region, shows enrolment figures between two and ten times higher than any other region (ibid). The gender gap is closing, but doing so slowly; while total enrolment increased by 14% between fiscal 2006/7 and 2007/8, female enrolment increased by only 2% (ibid). With a total enrolment of

29,441 in 2007/8 (out of a labour force of 9.8 million), the colleges, schools and institutes that make up the BTVET system still reach only a fraction of overall demand (*ibid*).

Given the high cost of formal vocational training, it is hardly realistic to expect the elimination of the existing BTVET service bias toward the urban population and those who have ready access to towns. The establishment of a more extensive network of formal vocational training providers, based on the public and private sector, is undoubtedly crucial to the development of a skilled labour force. However, given budget and infrastructure constraints, this approach is unlikely to be extensive enough to provide large parts of the rural population with the needed services. Instead, rural areas will remain dependent on non-formal education and training programmes. However, rather than pursuing a coherent approach to improve the effectiveness and impact of non-formal training, Uganda's BTVET system remains essentially focused on the provision of formal education and training. Thus, the benefits of the ongoing BTVET reform will bypass the poorest segments of the rural population, which are characterised by low mobility and low participation rates in formal institutional structures.

Uganda still lacks a coherent process for planning and implementing the provision of non-formal vocational training. However, concerted efforts are being made to improve primary and post-primary education and training in rural areas, where the largest number of recipients of non-formal vocational education and training services are located. Firstly, the National Agricultural Education Strategy (NAES), implemented by the Ministry of Education and Sports (MES), promotes the development of rural skills development in context of the national Education Strategic Investment Plan, as well as the PEAP. The strategy targets formal agricultural education up to the tertiary level, but equally includes development objectives for non-formal education and training that do not require previous formal education. Secondly, both formal and non-formal agricultural skills development through agricultural extension services has been thoroughly reformed under the PMA. After a discussion of NAES in the following section, the effectiveness of agricultural education and training, as provided under PMA for the poorest sections of the rural population, is reviewed.

### 3.2. The Agricultural Education Strategy

The agricultural sector is central to economic development and poverty reduction in Uganda. Agriculture is not only the principal supplier of exports and a major contributor to GDP; the sector also represents the country's largest source of employment. While non-farm incomes are important for smallholder farmers to make much-needed investments in agricultural production and pay for domestic necessities, farm incomes remain equally important, as agricultural production provides the highest yearly cash income for the majority of poor rural households. Thus, many Ugandan smallholder farmers point to their coffee, cassava and banana

gardens when asked how they pay for their children's education. The low level of skills and education among the rural population mean that non-farm income opportunities are usually not secure and offer poor returns.

In order to improve agricultural productivity and increase farm incomes, the poorest segments of the rural labour force require access to relevant agricultural education and training. Employment-oriented skills development for the rural poor needs to focus on the transmission of agricultural, as well as managerial, business and technical skills. The large majority of the rural population depends on multiple livelihood strategies based on subsistence and cash-crop agriculture, as well as casual on- and off-farm wage work, often combined with micro-entrepreneurial activities. Due to the lack of decent (self-) employment opportunities outside the agricultural sector, improvement in agricultural knowledge and skills remains crucial for transforming the living standards of the working poor.

The government recognised the need for improving the quality and quantity of agricultural education and training services, and it responded by launching the national agricultural education and training strategy (NAES) in 2004. NAES is implemented within the framework of Uganda's second Education Strategic Investment Plan (ESIP II, 2004 – 2015), and it aims at improving the productivity of agriculture through the provision of high-quality formal and non-formal agricultural education and training. By targeting both formal and non-formal education and training, NAES responds to the need for an inclusive and comprehensive approach to rural skills development. This is in line with efforts being made under ESIP II, which extends the previous emphasis of educational policy beyond the quantity of primary schools to include also quality issues in both primary and post-primary education and training.

However, the design and provision of agricultural education and training still faces multiple challenges. Agricultural research needs to be linked more closely to the needs of smallholder farmers who constitute a large part of agricultural production. Furthermore, research results have to be made both understandable and usable by the smallholder farmers, in order to improve the consistently low rates of technology adaptation.<sup>[9]</sup> The transmission of knowledge to large numbers of farmers in remote areas still proves problematic. Even though research stations are operating in fairly remote agricultural areas, the communications gap between these tertiary education institutions and farmers remains significant.

The provision of agricultural education and training at the secondary level is still insufficient in terms of quantity and quality. The relatively few agricultural training programmes provided within the BTVET system reach only a fraction of the rural population. The same is true for agricultural colleges. Furthermore, many agricultural education and training programmes continue to lack

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[9] When NAES was launched in 2004, technology adaptation rates were below 30% (NAES, 2004: 4).

practical relevance, although the revision of curricula to increase the use of practical approaches is ongoing (ESSAPR, 2008). However, budgetary constraints have delayed the implementation of agricultural teaching units intended to increase practical work experience and exposure to modern technologies (ESSAPR, 2008: 9). As has been noted with regard to Uganda's overall policy framework for poverty reduction, there is a lack of sufficient investment in the agricultural sector (OPM, 2008). This represents a serious barrier to the development of policies with a high relevance to poverty reduction, such as the agricultural education strategy.

With regard to non-formal education and training, the fragmentation of provision is arguably the most significant challenge today. Programmes are offered by a variety of civil society and private-sector providers, but these services remain uncoordinated and unchecked for quality, due to a lack of regulations and standards. The launch of NAES represented an important step towards addressing non-formal agricultural skills needs within a policy context. However, there is still no comprehensive institutional framework for the provision of non-formal training in the agricultural sector. The only major planning instrument focused exclusively on non-formal education, the National Adult Literacy Strategic Investment Plan, concentrates on basic literacy and numeracy. The tasks of planning and providing non-formal vocational training, including skills development in agricultural technology, business management, and agricultural marketing, continue to be carried out under several different education-sector policies and are considered to be a cross-cutting issue. This inhibits the coherent regulation and coordination of individual programmes for quality, regional coverage, and local relevance.

Thus, there is room for improvement regarding the capacity of Uganda's agricultural education and training system to reach the rural poor. The launch of NAES has improved the overall policy framework for rural skills development by initiating an extensive review of agricultural education curricula aimed at increasing practical applications and including agri-business management skills. A more holistic approach is being taken with regard to content and delivery, in order to increase relevance, participation and applicability at the local level.

NAES' recognition that smallholder farmers and casual wage workers need to be empowered to participate in training programmes and to subsequently apply newly acquired skills is an important one. This basic assumption is essential for realising the potential of rural skills development to contribute to sustainable poverty reduction. However, without functional institutional structures that enable economically and socially marginalised training participants to acquire and productively apply new skills, efforts to improve non-formal training services may fail to have a significant impact on rural livelihoods. Non-formal education and training is still the most likely form of post-primary skills development for smallholder farmers and agricultural wage workers. In the absence of policy measures targeted specifically at improving the quality and provision mechanisms for non-formal training, it is unlikely that reliable institutional structures for rural skills development will be established.



Within ESIP II (the policy framework for implementing NAES), non-formal education and training plays a negligible role, despite the large percentage of the population that actually depends on these services. As a consequence, programmes are in many cases not complementary but repetitive, leading to the inefficient use of resources and a lack of interest among target groups.<sup>[10]</sup> Furthermore, the lack of relevance of some of the programmes to local labour-market needs and capacities is frequently noted by participants.<sup>[11]</sup> Due to the fragmentation of provision, quality control is difficult to implement, and the “wrong” programmes may be up-scaled despite good intentions.<sup>[12]</sup>

Despite the shortcomings discussed above, the establishment of a national strategy for agricultural education and training represents an important step towards improving the provision of rural skills development. Recognition that the effective promotion of agricultural education and training must extend to non-formal (as well as formal) skills development in order to reach the poorest segments of the rural population is essential. If education and training services are to effectively contribute to rural poverty reduction, access to services in rural areas has to be improved, and the prospect of productively using newly acquired skills have to be promoted.

Non-formal education and training is not a panacea for rural poverty reduction. It can neither create employment, nor does it substitute for insufficient access to natural and financial resources. However, it effectively improves the employability and productivity of marginalised parts of the labor force. It is likely to reach even the poorest target groups in rural areas, and due to its flexibility and independence from formal institutional structures, its capacity to respond to locally specific labour needs is high. By improving the level of productive skills in the most disadvantaged communities, non-formal education and training represents an opportunity to improve the single most important, and often only, asset of the working poor. As was noted more than a decade ago, education is likely to replace land ownership as the main determinant of income in Uganda (Reardon, 1997). Today, due to the increasing depletion and scarcity of natural resources caused by soil erosion, population growth and the increasing irregularity of water supply, education and training levels have become more decisive than ever in poor households’ ability to create and seize income generating opportunities.

With regard to non-formal basic education, considerable progress has been made over the past decade. Large literacy and numeracy programmes, such as the Functional Adult Literacy (FAL) and the Complementary Opportunities for Primary Education (COPE) programmes, have been successfully implemented. These contributed to a much improved national literacy rate

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[10] Interviews and focus group discussions with farmers and agricultural wage workers in eastern Uganda between December 2008 and April 2009. The results of a survey conducted in eastern Uganda between October and November 2008 equally indicated this problem.

[11] *Ibid.*

[12] Personal communication with training participants, NGO and community workers, as well as government officials.

of 69% by 2005-6 (UNHS, 2006). Non-formal vocational training, on the other hand, has not been promoted by comparable programmes, and there still exists no comprehensive educational policy for its provision. However, through its national agricultural extension system, Uganda's public sector has organisational structures in place for the provision of services in remote rural areas, including agricultural education and skills development outside the formal schooling system. In the late 1990s, extension services were inadequate and reached few farmers (interviews with government officials and farmers). Since 2001, the National Agricultural Advisory Service (NAADS) system has been revised in order to effectively improve farmers' access to information, knowledge and technology, as stated in its official mission (NAADS homepage). The strengths and weaknesses of the revised extension system as an effective framework for the provision of rural skills development are discussed below.

### 3.3. Agricultural Extension and Skills Development for Poverty Reduction

Uganda's agricultural extension system was renamed National Agricultural Advisory Service (NAADS) in 2001. The new name mainly represented a move towards private sector service provision and a new emphasis on farmers' responsibility to identify and articulate their needs and to obtain the required services from private sector providers. Extension services continue to be financed by public funds, and the local government administration retains control, at the sub-county level, over the tendering process and the allocation of contracts to service providers.

The capacity of farmers to articulate their needs depends on their ability to organise themselves into groups within the NAADS organisational structure. Group members are represented through so-called farmer forums at the sub-county, district and national level. This structure of representation was created to ensure that the public sector extension system would be highly attentive to farmers' needs. NAADS' principal role in the current extension system is to facilitate farmer groups and forums, to ensure ongoing cooperation between the public administration and the farmers' representatives, and to coordinate the outsourcing of service provision. It is the responsibility of farmers, represented through groups and forums, to articulate their needs for services at the relevant administrative level. Thus, the identification and articulation of demands for education and training, although supported by NAADS' facilitation function, is now firmly integrated into the organisational structures of the farmers. The provision of services remains under the control of the local government, and is coordinated by NAADS, but actual service supply is outsourced to the private sector.

NAADS' concept, to strengthen farmers' capacity to identify and articulate their own needs, is sensible and promises positive long-term development effects: through the facilitation of democratic organisational structures for needs assessments at the local level, farmers are given a stronger voice in the decision-making processes regarding service provision for rural

development. This idea reflects NAADS' overall goal to contribute to the attainment of poverty reduction objectives in the context of Uganda's Plan for the Modernisation of Agriculture and its Poverty Eradication Action Plan (PMA, 2000; PEAP, 2000 revision). NAADS' vision to establish "a decentralised, farmer-owned, and private-sector-serviced extension delivery system" (NAADS, 2007: v) is meant to directly contribute to the PMA's overall mission to eradicate poverty by "transforming subsistence agriculture to commercial agriculture" (MAAIF & MFPED, 2000: 28).

However, two questions need to be answered carefully with regard to NAADS' capacity and effectiveness in providing services for the rural poor. Firstly, how democratic are farmers' organisational structures at the local level? Put differently, what is being done to prevent local elites from capturing access to resources and control over the decision-making processes within and through these structures? Secondly, how effective is a strategy for rural poverty reduction that is guided by the overall mission of transforming subsistence agriculture into commercial agriculture? Answers to both questions are highly relevant to illustrate who benefits from rural development services. In theory, the barriers for farmers to become group members are low, consisting of a small registration fee and the possibility of occasional contributions, in exchange for better access to services. In addition, the widely held assumption that the poorest farmers are largely subsistence farmers means that these farmers are likely to benefit from the commercialisation policy.

With regard to the question of how democratic the local organisational structures really are, the present research results indicate a perpetuation rather than an abolishment of social and economic inequalities through the integration of new organisational structures into existing power relations. These findings tend to confirm previous research results from Uganda on the politics of (rural) development (Hickey 2003; Brock *et al.*, 2003; UPPAP, 2002; Francis and James, 2003). Thus, existing structures of discrimination against the poorest groups, usually women,<sup>[13]</sup> youth, disabled people and migrants, may be maintained and even strengthened through the power given to farmers' groups, if the latter are dominated by local elites.

The survey conducted in the five districts of eastern Uganda clearly showed that organising themselves through NAADS or a similar organisational structure was an essential, but not sufficient condition for the poorest segments of the rural population to improve their access to non-formal education and training services. Thus, being organised in farmers' groups facilitated by NAADS or by agricultural cooperatives did not necessarily increase women's access to services (or to profits from their labour), if these groups were led by men. Overall, the results

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[13] Widowed women are particularly affected by social and economic marginalisation; however, the economic and social mobility of married women is often restricted by unequal power relationships within the household, and women in general still effectively lack crucial legal rights, such as those pertaining to land ownership.

(as perceived by farmers) in terms of improved levels of economic security and access to services for the members of farmer groups were mixed. Better-off farmers were more likely to experience improvements in living standards based on participation in local organisational structures than were the poorer households.

The qualitative research further confirmed what the survey indicated: existing structures of discrimination were neither abolished nor significantly changed through the promotion of local organisational structures. Decision-making processes within farmer groups continued, to a large extent, to be determined by informal processes from which vulnerable groups were excluded.

Significantly improved participation rates by vulnerable groups in local decision-making processes were found only in cases in which the promotion of organisational structures explicitly targeted vulnerable groups, *e.g.* through promoting women-farmer groups. However, detailed research at the sub-county level showed that NAADS effectively works with already existing group structures, thus building its support through existing power structures. This means that activities are coordinated with, and channelled through, the most eloquent and outgoing farmers in each community. Female quotas for the leadership positions in farmer groups and forums, as well as related regulations to promote equal opportunity, are implemented by NAADS to prevent the recurrence of existing gender-based inequalities. While such regulations are necessary to initiate procedural change, they are unlikely to be sufficient to ensure the integration of poor women into decision-making processes. Furthermore, they do not address existing inequalities based on wealth. It is thus not surprising that within the current extension system resources for rural development continue to be channelled through organisational structures characterised by inequalities based on gender and wealth.

A closer look at the current state of subsistence farming in Uganda sheds light on the second question – how effectively do agricultural extension services contribute to the reduction of rural poverty, if guided by the mission of transforming subsistence into commercial agriculture? As Uganda's national household surveys show, more than two-thirds of farmers in all regions except the North already sell part of their output (UBOS, 2002 & 2003). The present field work in eastern Uganda confirmed that the sale of agricultural output, although often limited to local markets, is a major source of income for the majority of smallholder farmers. It has been argued elsewhere that the PMA's objective is to increase the share of marketed output from the already relatively successful farmers, rather than attempt to commercialise "subsistence" agriculture (Bahigwa et al, 2004: 486). This objective makes sense as a way to improve agricultural productivity levels and contribute to the creation of agricultural wage employment. However, with regard to service provision, such as training to increase productive-skills levels, this strategy bypasses the poorer segments of the rural population. Thus, rural development programmes implemented under PMA have tended to focus on farmers with the potential to become

larger export-crop producers, while the poorest and most risk-averse farmers obtain limited benefits (PMA, 2002; PMA/OPM, 2005; Ekwamu & Ashley, 2003).

The focusing of agricultural modernisation efforts on farmers with export-oriented growth potential, rather than on service provision for the 40% of the rural population below the national poverty line, has significant consequences for pro-poor skills development. The results of the present field work clearly indicate that access to all kinds of extension services, including education and training, is biased towards the better-off farmers, while the majority of farmers and rural workers are unable to rise out of poverty. Furthermore, the channelling of resources through organisational structures based on existing power relations seems to largely prevent the creation of benefits for the poorest and most vulnerable groups. The survey showed – unsurprisingly – that the most profitable cash-crop production for export, as well as the publicly funded support services associated with that, are dominated by middle-aged and older men. Male youth (between 15 and 24) are likely to quit agricultural production in order to become middlemen or seek non-agricultural wage labour, due to the lack of access to land. Female youth and women are largely consigned to casual agricultural wage work and/or working on their father's and husband's land, without sharing in the profits.

The discussion of agricultural cooperatives in the following section shows that women's opportunities to share in the benefits of rural development programmes may improve as women actively take up the possibilities offered by new organisational structures. Thus, women in eastern Uganda are increasingly pushing into the marketing of cash crops for export as they form their own registered farmer groups. However, economic opportunities for these women-farmer groups are often impeded by insufficient land rights and lack of access to the resources needed to kick-start local economic development. Such inequalities are often perpetuated through well-established local power structures. Thus, in any of the communities studied in eastern Uganda, the wealthiest and usually male heads of household were likely to command significant control over the local farmer groups through which the provision of extension services is organised.

In concluding this section, it should be emphasised again that targeting the better-off, rather than the poorest, farmers is an effective approach for improving overall agricultural productivity levels. However, this approach simultaneously compromises NAADS' capacity to provide much-needed skills development services to the poorer segments of the rural population. This is regrettable, as NAADS has the capacity to reach large numbers of farmers even in remote rural areas. Its organisational structure covers an impressive number of districts, and although the quantity of staff, as well as its capacity, needs to be further improved, there are few comparable organisations in Uganda capable of delivering services in remote rural areas. Furthermore, the central role given to strengthening farmers' organisational structures at the local level offers the potential to provide even the poorest segments of the rural labour force with services on a

sustainable basis. However, NAADS' guiding principle to enforce farmers' bargaining power through the agricultural marketing process ("empowerment") is in fact primarily targeting a relatively small group of better-off farmers, rather than the 40% that represent the very poor.

The next section outlines opportunities for pro-poor skills development through efforts by the GoU, with support from international development partners, to revive Uganda's cooperative movement. The main components of the country's new cooperative-development policy are reviewed, and the issues most relevant for pro-poor skills development are identified.

### 3.4. Skills, Empowerment, and the Cooperative Development Policy

Uganda can look back at a history of cooperatives that is almost a century long, starting in 1913. In eastern Uganda, cooperative enterprises have been particularly strong throughout this time, although the formation of collective action to pursue common social and economic goals played a relevant role for rural development across the country (Bunker, 1987). During times of civil strife and economic turmoil under Amin's dictatorship and Obote's second rule in the 1970s and early 1980s, Uganda's cooperative movement suffered from severe mismanagement. The output of cooperatives started to fall significantly, especially in the agricultural sector, which comprises the vast majority of cooperatives to this day. As a result, the significance of cooperatives as major economic actors within the agricultural sector started to weaken. Structural adjustment reforms in the late 1980s and early 1990s further reduced the cooperatives' sphere of influence, and the dismantling of cooperative finance mechanisms seemed to finally relegate cooperatives to secondary economic players.

However, against the background of increasing poverty and inequality, the capacity of cooperatives to improve the social and economic bargaining power of vulnerable groups was politically rediscovered. Consequently, the Department for Cooperative Development in the Ministry of Tourism, Trade and Industry has regained political significance. Its mandate is to revive and strengthen Uganda's cooperative enterprise sector and provide an effective policy framework to promote its growth. The majority of existing cooperatives operate in the agricultural sector, focusing on the production and marketing of cash crops, for export as well as for the domestic market. The main objectives of agricultural cooperatives are the improvement of market access, more bargaining power for farmers, and the attainment of higher prices based on the higher quality and quantity of the output. Closely linked to the agricultural cooperatives are the credit and savings cooperatives, aiming to provide sustainable financing mechanisms for agricultural production and marketing, including capacity building measures for members.

In February 2009, the GoU drafted a policy aimed at reviving and strengthening Uganda's development of cooperatives in order to promote rural development and improve the capacity

of the working poor to achieve decent living standards. The policy does not oppose the guiding principle of economic liberalisation, but it should be understood as an attempt to rebuild and promote institutional structures that enable greater participation in the country's economic growth process. Thus, the cooperative movement is expected "to play a leading role in poverty eradication, employment creation and the socio-economic transformation of the country" (MTTI, 2009: 3). As increasing levels of inequality and, to some extent, poverty have started to accompany Uganda's high growth rates, GoU's efforts to revive the cooperative enterprise structure represent an important step towards (re-) building social and economic structures that offer a foundation for broad-based growth. Based on cooperative structures, smallholder farmers can increase their bargaining power and get better prices for their output. The cooperatives offer training and agricultural marketing services to smallholder farmers, but also provide storing facilities to enable bulking and connect farmers to buyers.

With regard to skills development for the rural poor, cooperatives offer an extensive institutional structure that allows for participatory development and the provision of non-formal education and training. The village-based primary societies, which form the primary level of organisation for a cooperative, are accessible by all community members who produce agricultural commodities. As many seasonal agricultural wage workers and self-employed micro entrepreneurs own small plots of land for farming, cooperatives are likely to reach large parts of the rural labour force, even those who become wage labourers during certain times of the year. Furthermore, fresh empirical evidence indicates that even the most vulnerable groups who lack access to land, such as women, can be included as independent economic actors within the cooperative structure.

As the present field research has shown, even community members who do not own land but depend on agricultural wages and the precarious social security that comes from unpaid family labour, can gain access to land-use rights and services by organising themselves at the primary societal level. Such primary societies often grow out of informal self-help groups aimed at pursuing common economic goals, such as agricultural production and marketing. Visits to numerous villages illustrated how groups who lacked access to land, in most cases women, organised themselves to increase their opportunity to produce and sell crops. As a group or society registered with a cooperative, these (women's) groups were able to negotiate land-use rights with the wealthier community members and gain control over the marketing of their output. Through their membership in an active economic group, these women became visible to education and training providers at the sub-county and district level. What is more, the process of organising and coordinating their economic activities had a positive add-on effect on the capacity of vulnerable community members to articulate their educational and training needs at the local meetings.

As part of its planned actions, the new cooperative development policy<sup>[14]</sup> specifically refers to skills development as an important part of cooperatives' activities. Thus, close cooperation between public and private training institutions is envisioned in order to provide business and entrepreneurial skills development, and visits to successful cooperative enterprises are to be promoted in order to study the successful transfer of knowledge and skills (MTTI, 2009: 17 - 18). The policy supports flexible, demand-oriented cooperative-based education and training through a multitude of non-formal activities at the local level, as well as formal higher education through a cooperative college that is to function as a centre of excellence (ibid). Education and training materials are to be developed in local languages (as well as English), which will provide an immense advantage to the rural poor, who are more likely than other groups to have insufficient command of English.

Responsibility for providing education and training services to members is shared by tertiary, secondary and primary societies and supported by professional staff at the cooperative. Primary societies are village-based and consist of farmers, whereas secondary societies are formed by two or more primary societies. The staff of the cooperative, working at the secondary level, train farmers who in turn are responsible for dissemination at the village level. Given past cases of mismanagement in Uganda's large cooperatives, a special emphasis is being put on avoiding the creation of extensive bureaucratic structures.

While the policy promoting the development of cooperatives is still in its inception phase, the revival of Uganda's cooperative movement has slowly started to gain momentum. In the late 1990s and the early years of the present decade, many cooperatives greatly reduced operations or even closed down due to lack of financing and strong competition from multinationals that had entered the agricultural sector after its liberalisation. However, in recent years, the number of functional cooperative enterprises has been rising again. Furthermore, some newly founded cooperatives have experienced considerable success, leading to greatly expanded membership numbers. One example is the Gumutindo cooperative in Mbale, eastern Uganda, as discussed in section 4.3.

Given its mission to create self-reliant, democratically controlled organisational structures, and its objective to improve employment and generate socio-economic change processes, it is not surprising that the cooperative-development policy puts great emphasis on education and training. For the provision of rural skills development, the cooperative movement presents an important opportunity to combine vocational training aimed at improving the economic opportunities of the working poor through the development of democratic institutional structures. As has been comprehensively argued elsewhere, sustainable poverty reduction and broad-based economic development can hardly be realised and maintained in the long term without functional democratic structures (Sen, 1999, especially chapter 6).

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[14] At the time of writing, only a draft version had been issued by the Ministry of Tourism, Trade and Industry, dated February 2009.





# Part Four



# 4. Linking Rural Labour Organisation and Non-Formal Training

## 4.1. Non-Formal Training in Eastern Uganda's Coffee Sector

The present field research generated fresh data on the provision of vocational (including agricultural) education and training in eastern Uganda. While all respondents were involved in the coffee sector, either as farmers or as on- or off-farm wage workers, the vast majority also depended on other economic activities, including some non-agricultural wage work and micro entrepreneurship. Typically, once a farmer has harvested his own yield, he works on another farmer's field for a low, daily wage. Also, some farmers operate small shops in the village with the help of unpaid family labour. Women farmers often undertake sewing work or provide other small services within their own, as well as neighbouring, villages.

One of the simplest, but most striking findings of both the quantitative and qualitative data collection was the overwhelming demand for vocational education and training. All interviewed workers and farmers, with very few exceptions (among the very old respondents),<sup>[15]</sup> not only expressed great interest in vocational and especially agricultural skills development, but also confirmed their willingness to pay for such services. While the level of articulation regarding the kind of training that was sought differed considerably depending on the respondent's level of education, virtually no one was indifferent to the question. Everyone who had previously participated in a training programme stated that he or she was willing to pay for an opportunity to attend additional training, even if the past training experience was not entirely satisfactory or had not yet shown obvious results.

The survey of farmers and wage workers further showed, among other things, that access to non-formal vocational training programmes depends to a large extent on membership in organisations. Given the absence of functional unions for wage workers, these are usually farmers' organisations, either regional or sector-specific cooperatives like the Bugisu Cooperative Union (BCU) and the National Union for Coffee Agribusinesses and Farm Enterprises (NUCAFE), or the nationwide Uganda Cooperative Alliance (UCA). All of these member-based organisations

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[15] Over 60 years old and thus well above Uganda's average life expectancy.

provide services to improve productivity, quality, and agricultural marketing processes. Education and training activities for farmers, usually provided by field officers and so-called contact or demonstration farmers, are a central aspect of such services while not all members of large organisations receive training, membership in smaller cooperatives, such as Gumutindo (see section 4.3), usually means improved access.

Some farmers “register” with multinational companies that buy directly from farmers. The registration entails no formal commitment whatsoever on either side; however, it allows large buyers to assess the estimated yield capacity of the registered farmers thus improving business planning. On the other side, farmers gain access to minimal skills development, usually one training session per year, aimed at improving the quality and quantity of output. One of the main multinational buyers active at the farm level runs an “organic zone” with registered farmers, while another major buyer is in the process of starting to trade in organic coffee.

Membership in informal groups founded at the village level to pursue common social and economic objectives (without registration in larger organisations) has considerably increased access to training programmes, usually provided by NGOs or donor-funded projects. Farmers registered with groups promoted by NAADS stated they had increased opportunities for training; however, few programmes seem to be actually implemented due to the insufficiency of funds reaching the local level.

In general, farmers who were not organised had no access to vocational education and training services due to their lack of “visibility” from the perspective of the providers. The same was true for agricultural wage workers. There were no functional organisational structures for agricultural wage workers in the coffee sector, neither at the time of the field research nor in the recent past. Thus, none of the wage workers interviewed in factories, coffee-processing stations or in the fields reported any access to vocational education and training through their wage-work activity. With the exception of some of the semi-skilled workers at the Gumutindo cooperative enterprise, neither the cooperatives nor the multinationals offered any training for employees. However, demand for training was clearly articulated by respondents on an individual basis.

Regarding the scope of the training content provided to organised farmers, the survey indicated relatively high coverage of technical agricultural skills, but a profound lack of content on business and marketing skills. The quantity of training accessed by individual farmers, typically less than three days, indicated that there is room for improvement in overall training capacity. The training content’s relevance to local needs was reported as lacking in some cases and this can mostly be ascribed to the inadequate coordination of the training. Thus, a number of respondents noted that skills acquired in training courses could not be applied due to a lack of necessary complementary skills.

The next section outlines the provision of training, and its perceived impact, for farmers organised in the cooperatives being promoted by the umbrella organisation of Uganda's cooperative movement: the Uganda Cooperative Alliance (UCA).

## 4.2. Uganda Cooperative Alliance

Founded in 1961, UCA is the umbrella organisation of Uganda's cooperative movement. Its main objectives are to advocate for and represent Ugandan cooperatives, educate and train members as well as leaders, and mobilize resources for the development of cooperatives. Activities concentrate on capacity building among members, the development of a cooperative financial system based on members' savings, and the provision of marketing services to improve members' access to markets.

Core capacity building activities include a broad range of education and training programmes covering agricultural, managerial and business skills. Furthermore, the promotion of environmental protection, the transfer of technologies to smallholder farmers, and the advancement of women's social and economic empowerment are the main objectives pursued by UCA. While some of UCA's programmes specifically target the promotion of economic opportunities for youth, UCA's focus on reducing gender-based inequality is treated as a cross-cutting issue.

UCA's organisational structure at the local level consists of village-based primary societies called Rural Producer Organisations (RPOs), which form area cooperative enterprises (ACEs) at the sub-county level. ACEs, formed by up to 20 RPOs, provide marketing services to their members. Thus, rather than buying farmers' output and re-selling it, as a middleman would do, the professional staff of ACEs are paid a fee by the members for successfully connecting them to a buyer. Product ownership remains with the members until the yield is sold in bulk to a large buyer. With regard to cash crops, the buyer would usually be an exporting company or an international buyer. In the latter case, the ACE has succeeded in connecting farmers directly to the international market. ACEs must usually have at least 200 members to reach the critical mass of output required to significantly improve farmers' bargaining power relative to the buyer.

As implied by the manner in which it has organised the provision of marketing services for its members, UCA is set up to be a member-controlled organisation that tries to avoid the use of expensive and possibly unproductive bureaucratic structures. This can presumably be attributed to past experiences with management inefficiencies within the large cooperatives, which contributed to the rapid collapse of some cooperative enterprises after Uganda's agricultural sector opened to international competition. The provision of training is organised in an equally simple and output-oriented way. While professional staff is paid for providing training to multipliers, partly through member fees and partly through external funding sources, the

responsibility for multiplication activities is shared by lead farmers, primary society committee members, and primary society members themselves.

One of the largest UCA programmes for providing extensive non-formal training services is called “Empowering Farmers through Agribusiness and Financial Services” (EFTAF), and it is active in 27 districts, including the five covered by the present field research. EFTAF consists of 300 participating primary societies, including 60 ACEs, and its direct aim is to improve farmers’ incomes. In 2007/8, 25,000 farmers, or 40% of all those participating, were provided with training courses on technical and business skills in a variety of agricultural sub-sectors (UCA, 2008: 1). Twenty-seven professional staff members were trained regarding gender mainstreaming and are responsible for the conduct of dissemination workshops at the local level. Of the lead farmers in primary societies, 390 were trained in basic cooperative accounting, business management and business planning and are responsible for dissemination in their respective communities. However, while nearly half of the participants in other training sessions were female, only 17% of these trainees were women.

To achieve high participation rates in identifying the training needs and decision-making processes of the agricultural sub-sectors covered by the training courses, UCA utilises the structure of primary societies and ACEs. However, a closer look at some village-based primary societies indicates that underlying the democratic distribution of power promoted by UCA, well-established relations of power at the local level may determine the decision-making processes. Kwoti village, and some of the neighbouring villages in the Tegeres sub-county, the Kapchorwa district, are cases in point.

The primary societies of Kwoti and its neighbouring villages, although now organisational units of the cooperative structure promoted by UCA, are in fact based on previously existing structures of socio-economic organisation at the village level. Traditional labour groups, as well as informal groups that previously worked together to achieve common social and economic goals, formed the foundation of the new primary societies. The distribution of decision-making power within these societies reflects pre-existing relations of inequality based on educational attainment and wealth.

Thus, the only woman who participated actively and articulately in discussions led by the all-male committee members of the Kwoti primary society was the wife of a particularly wealthy community member. Furthermore, during meetings with female society members, social grievances that directly affected members’ opportunities to access services and participate in the decision-making processes were openly discussed. These included unequal access to primary education, unequal distribution of labour within the household, lack of access to land, and domestic violence. In particular, the lack of basic numeracy among many women, as well as the poorest male community members, was cited frequently as a barrier to equal participation

in managing cooperative activities. Equally, gender-based inequalities in the division of labour were frequently given as a reason for women's underrepresentation in cooperative management functions. As the results of gender mainstreaming workshops in the district showed, women's workload was almost double that of men's.

The above example indicates that the explicit targeting of equal participation rates in training programmes, as aimed for by UCA and other non-formal training providers, does not suffice to ensure improved participation rates for women in economic development processes. Thus, the successful application of newly acquired skills by women seems to be highly dependent on the existence of appropriate organisational structures that support the transformation of skills into positive economic outcomes. In a number of villages, women founded women-farmer groups after attending training programmes, stating that they could not profitably apply their new skills within the existing organisational structure. Organised within a group that offers a more equal internal distribution of power, these women gained access to agricultural marketing services for their products through cooperative structures. Put differently, women who had cultivated cash crops since their childhood, earned cash incomes independently from their husbands for the first time. At the time of the field research, the women-farmers group in Kwoti village was negotiating with a wealthy community member for the right to lease land on which to cultivate cash crops.

The promotion of democratically controlled organisational structures through which training, as well as agricultural marketing services, are provided is a sustainable approach to local economic development. Even particularly vulnerable community members can organise themselves in relative independence of local elites in order to improve access to services they may have been previously excluded from. Men and women in traditionally powerful positions at the local level did not interfere with the groups or societies founded by vulnerable community members. Some level of agitation against certain groups, including women's societies or those (few) societies led by women, was visible at various locations. While this may have hindered some from joining, it did not impede profitable activities or access to services by such groups.

By providing an organisational framework outside and above the organisational structures at the local level, large cooperative organisations offer an external frame of reference that can protect vulnerable groups and ensure higher equality in access to services at the local level. Such an "external frame of reference" may be offered by cooperative umbrella organisations such as UCA, or alternatively by sector-specific cooperative unions, such as the National Union of Coffee Agribusiness and Farm Enterprises (NUCAFE).

However, local power structures based on gender, wealth and ethnicity are not overridden by cooperative structures. On the contrary, they can be perpetuated and strengthened as new resources are channelled through long-established power structures. Thus, issues of inequality



and power have to be targeted deliberately by service providers in order to avoid the domination of access to resources and services by the local elites. Organisations such as UCA and NUCAFE, but also NAADS provide training services, as well as other resources and services, based on local organisational structures. In light of the above examples, it would be advisable to employ means that promote and strengthen the formation of new groups, as well as working with those that already exist.

### 4.3. Local Cooperatives as Training Providers: Gumutindo

Gumutindo, a fair-trade producer of organic coffee, was founded in 1998 as a joint project between Bugisu Co-operative Union (BCU), a large and long-established agricultural cooperative, and Twin Trading, a UK based dealer in fair-trade products. In 2003, BCU's business collapsed due to a lack of financing; the cooperative finance mechanisms were severely strained by structural adjustment, fierce competition from international exporters, as well as internal management problems. Gumutindo's farmers, then part of BCU, founded the Gumutindo Coffee Cooperative Enterprise Ltd. (GCCE), a registered exporter of Arabica coffee, independent of BCU and Twin Trading.

The GCCE cooperative aims at enabling farmers to provide a consistent supply of high-quality organic coffee so as to command better prices; this goal is reflected in its name, which means "excellent quality" in the local Lugisu language. As a cooperative enterprise, profits are reinvested in training to improve productivity and quality, but also into local infrastructure for farming and for basic local services. Thus, in addition to investing in access roads to fields, a local medical clinic was expanded and a school building was repaired.

With regard to improvement in skills levels, as well as productivity and quality outcomes, GCCE has proven remarkably successful. Numerous interviews and focus group discussions during six months in 2008/9 indicated that members of the GCCE village cooperatives command a level of knowledge about the economic environment in which they operate that significantly exceeds what is typically encountered in the region. Furthermore, appropriate technical skills, combined with functional management, contribute to GCCE's growth. The original number of five village cooperatives (or primary societies) has grown to 10, and GCCE now includes 6,000 farmers, with more than half of them by now certified for organic production.

The provision of vocational training for Gumutindo farmers is organised through field officers who train so-called "contact farmers" in the villages and support the latter in training farmers' groups. External technical expertise is obtained for the training of field officers. Members, *i.e.* farmers, attend quality improvement seminars, as well as training sessions covering basic knowledge about the macroeconomic context of the coffee trade as well as business and organisational skills. Agricultural skills taught cover pruning, picking and drying techniques,

utilisation of organic fertilisers as well as terracing methods to prevent soil erosion and water run-off. Beyond these purely technical skills, training sessions cover basic knowledge about the global value chain for coffee and price development trends in recent years, but also concepts related to community development and business skills.

The inclusion of broader social, economic and environmental issues in the training programmes highlights the difference between Gumutindo's approach to skills development and that of the more conventional training programmes. The latter usually focus on a set of narrowly defined technical skills. While these are essential for improving agricultural productivity and quality standards, the sustained and correct application of newly acquired skills is often hampered by a lack of understanding at the local level about the long-term environmental and economic benefits of the promoted techniques. Thus, underlying the comprehensive approach to the training curricula undertaken by Gumutindo is a perspicacious and rather level-headed consideration. To ensure sustainable impacts from training, an improvement in farmers' understanding of the broader social and economic environment (which enables or limits local economic opportunities) is just as important as the transmission of specific technical skills.

While a relatively small cooperative enterprise that competes with large multinational exporters may not be able to afford a holistic and all-embracing approach to education and training in the Freirian sense, basing the business concept on fair-trade and organic principles certainly helps to make an all-inclusive members' training curriculum more likely to contribute to the business' success. Nevertheless, complying with international organic standards poses a considerable challenge to farmers who depend on immediate returns to pay for basic necessities.<sup>[16]</sup> Thus, especially during the challenging attainment process of organic certification, training provided for farmers may initially focus more narrowly on agricultural techniques due to the lack of staff.

Furthermore, some farmers seem to lack trust in the cooperative's management, as interviews with farmers, managers and consulting staff showed. The Gumutindo Management Agency (GMA) was hired to provide management, marketing, and organic-conversion services, which includes coordinating significant aspects of the training. The lack of trust in GMA is likely to reflect past experiences with large agricultural cooperatives, when farmers missed out on profits due to cases of mismanagement, but also due to the embezzlement of cooperative-owned resources. The relatively weak faith that farmers have in the outsourced management of cooperative resources, even though the latter are protected by law, indicates that trust in democratic institutional structures and their supervision still needs to grow.

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[16] Without the use of pesticides, yields usually decline temporarily following the introduction of organic cultivation methods.



# Conclusion



## 5. Conclusion

### 5.1. Lessons Learned for Rural Skills Development

The present study points to the need for a more comprehensive policy approach to the design, implementation and regulation of non-formal vocational training in Uganda. It has been argued that a more inclusive approach to vocational training is necessary to enable vulnerable groups to acquire and to productively apply skills. To ensure the transformation of competences into positive economic outcomes, poor rural labour market participants require an institutional environment that allows them to equitably participate in the processes of economic development. Thus, to address rural poverty reduction through local skills development processes means addressing the issues of inequality as well as productivity, both at the local, national and international levels.

The discussion regarding employment patterns among the rural poor showed that the latter largely depend on small-scale commercial and subsistence farming, casual wage work, and micro entrepreneurial activities. If vocational training is to respond to rural labour market needs, the relevant policies and programmes need to reflect the needs of these labour market participants, as well as those of large and medium-sized enterprises. One of the main challenges in the provision of services to improve the socio-economic opportunities of vulnerable groups has always lain in defining their needs, or rather, giving them “a voice” with which to articulate them. For the provision of relevant vocational training services, it is indispensable to identify the local skills needs in participatory ways, and to promote the development of institutional structures that allow for the productive application of skills by vulnerable groups.

The present field research pointed to the close linkages between rural labour organisation and the effective provision of non-formal vocational training. Fresh empirical data on the provision of rural skills development in eastern Uganda showed that cooperative-based approaches to training are an effective and sustainable way to provide skills development to vulnerable groups. In two regards, training provided through farmers’ cooperatives seemed to be more effective than the programmes of providers outside these organisational structures. Firstly, demand seemed more likely to be articulated by target groups at the local level. Secondly, access may be significantly improved through the utilisation of an organisational structure that allows for the socio-economic organisation, at the local level, of even the most vulnerable groups.

The organisational structures promoted by cooperatives provide the necessary institutional framework for the participatory identification of skill needs and the sustainable provision of

skills development programmes. The democratic institutional structures promoted by cooperatives support the participation of vulnerable groups in decision-making processes, like those underlying the design and implementation of training programmes. Although it has long been a central concept (and an often-used buzz word) for rural development, the participation of poor rural groups in such decision-making processes is often hard to achieve. Cooperatives increase the bargaining power of vulnerable groups as economic actors, and thus they improve the opportunities for participation in socio-economic processes at the local level.

However, the discussion of relevant case studies equally showed that through the utilisation of existing organisational structures for service provision, long-established relations of inequality at the local level can be perpetuated. Thus, as existing structures of local organisation are strengthened and used for channelling resources to the local level, it is essential to explicitly address gender, wealth and ethnicity based inequalities. Furthermore, the inclusion of cross-cutting issues, such as gender equality and democratic decision-making processes into local skills development programmes, albeit necessary, is unlikely to be sufficient for the generation of sustainable social change processes. The analysis of the presented empirical data suggests that the promotion of new organisational entities at the local level, such as women-farmer societies, may be necessary to ensure access by the most vulnerable groups to social services and to improve their participation in local development processes.

## 5.2. The Need for a Conducive Policy Framework

Over the past three to four years, some of the large and established agricultural cooperatives in Uganda have started to rebuild their institutional capacity to provide training and marketing services to the rural poor. In this context, a necessary focus is being put on strengthening efficacy and transparency within the new management structures. Also, younger organisations, such as NUCAFE, have developed functional structures for participatory needs-assessment and service provision for vulnerable groups. Furthermore, the successful establishment of new cooperative enterprises, such as Gumutindo, provides promising possibilities for labour market-oriented, pro-poor skills development in the rural areas.

The launch of the cooperative development policy presents an opportunity to fully realise the potential of these developments. In order to ensure the revitalisation and further development of democratically controlled organisational structures, the policy needs to address current skills development needs. To respond adequately to the challenges posed by the low level of agricultural, managerial and organisational skills, a comprehensive approach to the design, planning and implementation of local skills development is needed. Thus, cooperation between relevant sectors, including education, labour, agriculture, as well as trade and industries, is indispensable. Furthermore, the promotion of cooperative structures needs to respond

adequately to the danger of recurring cases of corruption as well as to the perpetuation of existing inequalities at the local level.

This paper has been largely concerned with the provision of vocational training in the on- and off-farm agricultural sector. However, to improve the employment situation of Uganda's rural labour force, the dependency on agriculture needs to be reduced in the long run. Thus, while training in agriculture needs to be made more relevant and accessible to the most vulnerable segments of the rural population, better skills for employment outside agriculture are equally needed. The feasibility of extending the promotion of skills development to non-agricultural cooperative enterprises, which so far make up a small part of the total number of cooperatives in Uganda, would be an interesting point for further research, but exceeds the scope of this paper.

### Box *Providing non-formal skills development to the rural poor: success factors*

- A coherent policy framework for non-formal training that cuts across different public sectors, including education, labour, agriculture, and trade.
- Addressing inequality as well as productivity: To enable the transformation of skills into positive economic outcomes, the provision of skills development needs to be embedded in institutional structures that support a more equitable participation of the rural poor in the processes of economic development.
- Organising the rural poor: Democratic organisational structures that are open to all and are based at the village, sub-county and district level are needed to make the rural poor "visible" to service providers and to strengthen their voice in the decision-making processes regarding resources for local development.
- Preventing the perpetuation of inequalities at the local level: New organisational structures through which access to services and resources is organised tend to be "captured" by local elites. Dominant power relations have to be identified and understood in order to address associated inequalities directly.
- Cooperatives as training providers: A socio-economic organisation at the local level that is based on cooperative structures contributes to improving the visibility and bargaining power of the most vulnerable groups. Providing training services through cooperative structures improves access to training services and the transformation of skills into positive economic outcomes. Examples are women-farmer groups.
- Recognising the structure of the rural labour markets: Many smallholder farmers in Sub-Saharan Africa depend on commercial as well as subsistence farming. Addressing skills needs related to domestic and regional trade may be as important as issues of productivity. Furthermore, recognising the importance of agricultural wage labour is important.





# List of Acronyms and Abbreviations



# List of Acronyms and Abbreviations

ACE	Area Cooperative Alliance (organisational unit of UCA)
BCU	Bugisu Cooperative Alliance
LC1	Local Council 1 (Village level)
LC2	Local Council 2 (Parish level)
LC3	Local Council 3 (Sub-county level)
LC5	Local Council 5 (District level)
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MES	Ministry of Education and Sports Industries and Fisheries
MFPEP	Ministry of Finance, Planning and Economic Development
NAADS	National Agricultural Advisory Services
NAEP	National Agricultural Education Policy
NAES	National Agricultural Education Strategy
NRM	National Resistance Movement
NUCAFE	National Union of Coffee Agribusiness and Farm Enterprises
PEAP	Poverty Eradication Action Plan
PMA	Plan for the Modernisation of Agriculture
RPO	Rural Producers Organisation (organisational unit of UCA at the village level)
RDS	Rural Development Strategy
SACCO	Savings and Credit Cooperative
SECU	Sabin Elgon Cooperative Union
UCA	Uganda Cooperative Alliance
UCDA	Uganda Coffee Development Authority
UNFFE	Uganda National Farmers' Federation



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# Linking Labour Organisation and Vocational Training in Uganda: Lessons for Rural Poverty Reduction

*This study examines the conditions for effective skills development to reduce rural poverty in Uganda. It is shown that the capacity of the vocational education and training system, despite its ongoing reform, is inadequate to reach the rural poor. An assessment of the relevant policies calls for a more comprehensive approach to rural skills development, addressing the skills needs of farmers and agricultural wage workers. To upscale existing efforts, non-formal vocational training services in rural areas need to be integrated into organisational structures among farmers and agricultural workers. Case studies of agricultural cooperatives provide current examples of innovative approaches to rural skills development. However, the integration of training provision into local organisational structures may also compromise access to training if existing inequalities in rural communities are unintentionally reproduced. Thus, any integration of non-formal training provision into cooperative approaches needs to be based on a careful assessment of the local political environment and existing structures of economic and social inequality.*

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