Living Wage Report

Rural Uganda

Lake Victoria Basin

Context Provided in the Floriculture Sector

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Photo by Azfar Khan

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ACKNOWLEDGEMENTS

This study, we would venture to suggest, represents a small, but essential, step in the understanding of living wages and their importance for workers across the world to live a life in dignity. There is no instant cure for poverty and drudgery, but there is an absolute need to take steps, no matter how small, to relieve stresses and uncertainties that the workers face. While we may sympathize with the lot of many workers, we acknowledge that good motives alone cannot guarantee effective action. Action has to be based on the precept of social justice. There is much to suggest the roles that different actors – public and private - can play in this regard.

The authors would like to take the opportunity to thank all those whose support in the preparation of the study was vital. Firstly, we would like to acknowledge the management and workers of the farms we visited for their obliging views on the issues we were researching and for accommodating us with humor. We cannot name them here for the sake of maintaining anonymity, though we know who they are. Our heartfelt thanks go out to you.

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SECTION I. INTRODUCTION

The report presents an estimate of a living wage for workers employed in the floriculture sector in Uganda. This benchmark living wage study was commissioned by Fairtrade International (FI). The study was undertaken amid increasing concerns of the consumers, labour activists, and the global community at large that the production process, environmental stewardship and working conditions be held to a certain standard. For their part, Fairtrade commissioned the research as part of their larger strategy to enable workers to earn a living wage—with specific attention to conditions in certain sectors such as East African floriculture. Besides this study for Uganda, Fairtrade has also funded Living Wage benchmarking relevant to flower production in Ethiopia, Kenya and recently Tanzania. It is the intention of the report also to support and further the work of the Global Living Wage Coalition (GLWC)[1] and thus, promote the idea of paying a living wage to workers in the global supply chains participating in the certification systems, which it endorses.

1. DEFINITION OF A LIVING WAGE

What do we mean by a "living wage"?

The real objective of the living wage is to ensure that everyone has a decent life, the sort that ensures access to nutritious food, healthy housing, adequate health services, a decent level of education through secondary school for children, and other basic needs of human existence and thus, promote the development of just society. The living wage is a family concept and the idea is that it should not just support a worker, but should support workers and their families at a basic but decent standard of living and also enable them to be productive members and to participate actively in the social and cultural life of their respective societies. Those in poverty, and falling below a decent standard of living, will suffer the failings that come from intolerable destitution and insecurity - an incapacity to function, an inability to take risks and a tendency to drift into one or other social illnesses. From this perspective, it would seem that the living wage would not only benefit workers and their households, but also society(ies) at large.

[1] The Global Living Wage Coalition is comprised currently of Fairtrade International, Rainforest Alliance (RA), and Social Accountability International (SAI) in partnership with ISEAL Alliance and Richard and Martha Anker.

It is upheld that the living wage is a fair and just remuneration for the work performed by workers and has been included in the United Nations' Universal Declaration of Human Rights and also merits mention in the International Labour Organisation's (ILO) Constitution as an intrinsic aspect of social justice.

The consensus of the members of the GLWC on its definition is as follows:

> *"Remuneration received for a standard work week by a worker in a particular (time and) place sufficient to afford a decent standard of living for the worker and his or her family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing and other essential needs, including provision for unexpected events"*

Accordingly, Fairtrade International and GLWC aim to develop living wage benchmarks in many countries and promote one methodology as a critical step in enabling industries and companies to move towards paying a living wage. In this regard, they have endorsed the Anker methodology developed by two international specialists Richard and Martha Anker – henceforth referred to as the Anker methodology - for estimating living wages. Correspondingly, the present report employs the Anker methodology in determining the living wage for the rural areas where floriculture sector workers in Uganda live, with the process of its calculation explained later in this report.

2. LIVING WAGE ESTIMATE

Using the Anker methodology, this report estimates that the living wage of workers who live in rural areas near to floriculture sector farms in Uganda to be **UGX 652,311 (US $177) per month**. This remuneration is what the worker needs to receive monthly to be able to live a basic, but decent life. This estimate consists of **net living wage take home pay of UGX 555,786 (US $151)** plus the income taxes and statutory payroll deductions that would need to be paid on the living wage.

The rest of this report details the methodology and the process by which the estimate of the living wage was arrived at. It is an essentially a simple and transparent process designed to be accessible to the stakeholders in a way that it is clearly understood.

3. THE CONTEXT

The World Bank classifies Uganda as a low-income country. Although it has achieved considerable success in poverty reduction with population living below the national poverty line declining from 31.1% in 2006 to 19.7% in 2013, it is still lagging behind in several important non-monetary areas,

notably improved sanitation, access to electricity, education (completion and progression), and child malnutrition.[2]

According to the Uganda Bureau of Statistics (UBOS), 70% of the working population is employed in agriculture, which contributes 26% to the country's gross domestic product. However, agriculture's contribution to foreign trade is significant and 43% of export earnings are derived from agricultural products. Although there are efforts underway to enhance the production of value-added and manufactured goods for exports, Uganda is still a long way from achieving an adequate diversity in its economic base. At present, agricultural products contribute almost 80% of total exports and the major commodities that are exported include: coffee which is the leading export in the market, fish and fishery products, flowers, maize, tobacco, tea, hides and skins, cocoa beans, other livestock/dairy, sim sim (sesame), beans, and cotton.

Large-scale flower cultivation in Uganda seems to have started in the early 1990s, and the sector sells almost entirely to a global supply chain.[3] Over the years, floriculture has grown noticeably, with flower exports providing progressively increasing returns to the country's exchequer. Uganda's flowers are almost exclusively grown for the export markets, mainly to Europe, with over 90% of the production sent to the Netherlands. At present, Uganda is the fourth largest exporter of flowers in Africa and floriculture products constitute the third largest non-traditional export products after gold and fish. The sector brings in export revenues of at least $30 million annually.

By the end of the last decade, over twenty flower farms of note were functioning in the country but that figure has been reduced to thirteen at present. This has come about because of the downturn experienced in the sector with the export volumes and revenues declining significantly over the last five years or so. Many reasons are furnished for this decline in performance, ranging from a drop in sales due to a glut in production (particularly of roses), to increasing competition, to and a lack of institutional support.

The conditions that have made floriculture an appealing prospect for investors over the years are essentially conditioned by environmental factors and by institutional support. Where the former is concerned, it starts from the fertility of the soil to the reliability of water supply from the lake, rivers and swamps and to climatic factors where humidity is brought up and evaporation slowed. The temperatures around the Lake Victoria region, where most of the farms are located, are perfect for flower growing enabling large headed roses and a wider range of other cut flowers requiring cooler night temperatures to be cultivated. Low temperature helps in quantity of flowers harvested, number of petals per flower, stem length, flower colour, length of neck of rose, bullheads, blind shoots and vase life.

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[2] See World Bank, "Uganda Poverty Assessment 2016: Fact Sheet" https://www.worldbank.org/en/country/uganda/brief/uganda-poverty-assessment-2016-fact-sheet

[3] See AsokaInsight "Uganda's Floriculture Industry" (last update August 2019) https://asokoinsight.com/content/market-insights/uganda-floriculture-industry and Uganda Investment Authority "Floriculture Sector Profile" (last update 2009) https://www.ugandainvest.go.ug/uia/images/Download_Center/SECTOR_PROFILE/Floriculture_Sector_Profile.pdf

The government has also considered floriculture a high potential sector that does not need massive investment, though even then it is estimated that it would cost in excess of $1.5 million to set up a 6-hectare flower farm. The standard tax and non-tax incentives are available to the sector and the Government has also allowed flower farmers to import flower-farming inputs free of duty. There is also infrastructure support which links farms to transport outlets – principally Entebbe airport that provide access to markets abroad, mainly in Europe.

A body representing the producers, the Uganda Flower Exporters Association (UFEA) set-up in 1995, supports the enterprises by lobbying on their behalf with the government on salient concerns of policy affecting the sector and promotes – along with its members and government - strategic measures to be taken for attracting further investment to support the expansion of the sector. It also monitors compliance to local and international quality standards, to responsible production and enhancing the social and economic capacity of farm employees. At present, UFEA has 13 registered members, mainly located in the Entebbe-Kampala corridor, and in districts adjoining Kampala in the north, east and west. It is important to note there are no small-scale growers of flowers in Uganda because of high investment requirements, which often makes it difficult for small farmers to meet sanitary and phytosanitary standards required for exporting goods to Europe and the United States.

Map of Uganda showing location of flower farms (shaded green)

Farm ownership, as indicated in the UFEA brochure, consists of 9 local investors and 6 direct foreign investors. It further informs that over 10,000 people are employed (80% women) in the

flower farms, and the sector supports the livelihoods of over 40,000 Ugandans. It is these workers and their welfare, and the welfare of their households that are the focus of this report.

3.1 Employment in the Floriculture Sector

An array of skills is employed on flower farms, ranging from professionals to skilled technicians to low-skill workers (see pay scale data of workers in Section III/12 below). However, it is established that almost 80% of the workforce of the farms possess the most basic skills and are employed in rudimentary activities carried out in the greenhouses. As may be expected, the wages vary according to the skills. A general estimate derived from a pay scale structure provided by one farm suggests that, on average, the monthly wage of 77% of the workforce mentioned above is around UGX 223,106 ($61) per month, but the median value is much lower, at less than UGX 198,146 ($54) net of taxes and statutory deductions per month.[4] However, this compares favourably with the 2016/17 Uganda Household Survey data which puts the median monthly emolument for wage workers in the rural areas at UGX 120,000 ($32) per month and for 'elementary occupations' - with which most of the flower farm workers identify - at UGX 99,000 ($27) per month.

It is no wonder then that most workers we interviewed on the farms considered their employments in a positive vein. When asked on options for seeking alternative wage work, most of them responded that few such employments were to be found in the rural areas and expressed their disinclination to look for other work.

Employment in the flower farms is overseen by a Recognition Agreement reached between members of UFEA (i.e. the owners/management of the farms) and the Uganda Horticultural, Industrial, Service Providers and Allied Workers' Union (UHISPAWU) in 2010 and was later reaffirmed in 2017. It is a perfunctory agreement, which falls quite a bit short of a proper collective bargaining agreement, and essentially talks about the conduct of work and the need to establish arrangements for consultations and negotiations between accredited members of UFEA and the Union. Though it mentions salaries and wages, no amounts are specified. In negotiations carried out in 2015, it was agreed that Rose farms would increase wages by 6.5% for three years consecutively and the Cuttings farms by 12%. In our discussions with a representative of the UHISPAWU, we were informed that the Rose farms had not implemented the agreement citing increments that had already taken place. The 2015 negotiations also settled on UGX 90,000 per month as a minimum emolument, but a Union representative informed us that the farms were actually paying a much higher base wage.

Over 95% of the farms are located in the Kampala–Entebbe corridor and they generally recruit workers from the villages adjoining the farms, although a few workers have migrated from the hinterland districts of the country in search of wage employment. According to the farms' managements, the vast majority of the workers live fairly close to the farms and walk to their

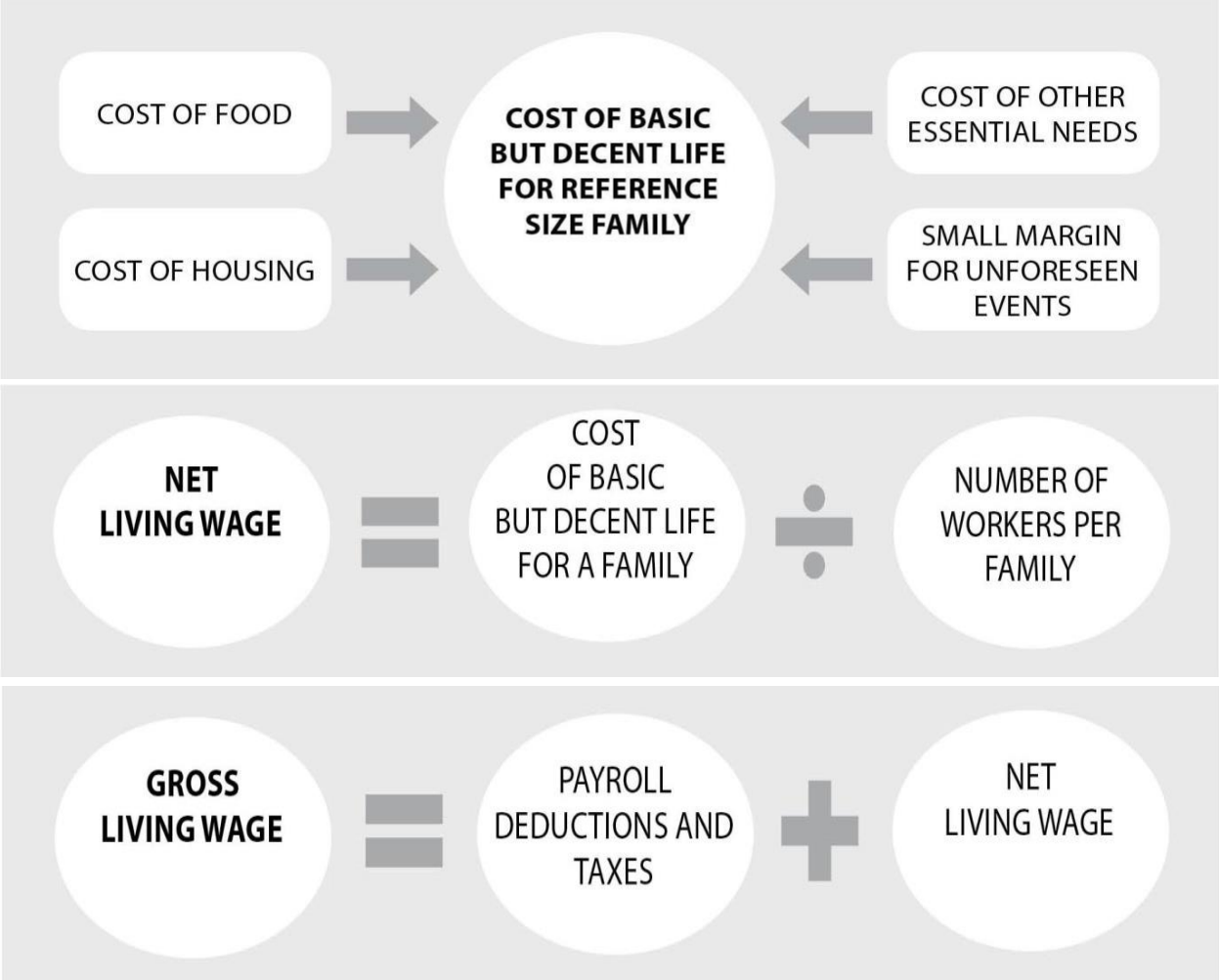
[4] In absence of a more comprehensive breakdown of pay scales, this is the value at 60%. In other words, the median wage lies between 55% to 60% of the workforce and that close to 60% of the workers earn less than the determined median wage.

jobs. However, the needs of the flower farms for workers are greater than can be procured from the close-lying farms and therefore, the farms also recruit from villages, which are nearby but not close enough to allow the workers to walk to work. In such cases, the farms' management usually busses in those who live at some distance. A few workers use their motorbike or bicycle to get to work for which a transport allowance – in some cases - is provided. In any event, we were informed that, the bussed-in workers constituted no more than 8% to 12% of the workforce.

4. CALCULATING A LIVING WAGE

The calculation of the living wage is based on the Anker methodology, and it encompasses four elements considered vital for a decent standard of living: (i) cost of a basic but nutritious diet; (ii) cost of a basic but adequate and healthy - according to specified standards - housing; (iii) costs of other essential items, such as procurement of health care, education, clothing, etc., which are referred to in this report as Non-Food and Non-Housing (NFNH) expenditures; and (iv) a marginal supplement as a buffer to allow workers and their families to tackle their vulnerability to contingencies.

The costs of food and housing are determined from primary data gathered during fieldwork. On the other hand, the ascertaining of NFNH costs is mainly based on secondary data; though three expenditure items (i.e. health, education and transport) are subjected to "post-checks" with the data collected during fieldwork to ensure they do not underestimate the costs for decent health care and children's education through secondary school, which we consider human rights. These costs are then aggregated to yield an estimate of the living expenses for a basic but decent living standard, a graphical representation of which is presented below.



4.1. Information sources for calculating the living wage for floriculture workers in rural Uganda

The process followed in the estimation of the living wage has required both deskwork and fieldwork that furnished the necessary information. The deskwork involved literature review and compilation of tables, as developed from analyses of various statistical data sets on Uganda, which include the FAOSTAT Statistics for 2011/12/13 (the latest available), the Demographic and Health Survey (DHS) 2016, the Uganda National Household Survey (UNHS) 2016/17, and the National Labour Force Survey (ULFS) 2017. The major intent of the analysis carried out was the following:

- Develop a preliminary Model Diet that is nutritious and that is consistent with human needs, local food preferences, local food prices, and development level. The Model Diet is then cross-checked later with actual information gleaned from field work yielding more precise information on food costs and food availability;
- Arrive at a reference family size to be supported by the living wage;

- Arrive at number of full-time equivalent workers per family expected to provide financial support;
- Establish local healthy housing standards; and
- Calculate the Non-Food & Non-Housing (NFNH) to Food expenditure ratio, obtained from secondary data on household expenditures, which is used in determining NFNH expenditure.

The fieldwork component, which was a mix of qualitative and quantitative exercise for information gathering, comprised the following:

- Discussions with members of the Secretariat of the Uganda Flower Exporters Association on the history of floriculture in Uganda, its present problems and future prospects;
- Visit to six flower farms and collection of salient information (e.g. the breakdown of the farm's workforce by employment categories; income and non-monetary benefits including bonuses and allowances; conditions of employment, i.e. contractual and casual; protection provided to workers against hazards; payment methods; in-kind benefits; social security deductions; collective bargaining agreements; workers' committees; etc.) through discussions with the management and key office holders in charge of human resources and finance as also visits to the 'greenhouses';
- Focus Group discussions with workers in the flower farms (involving 10 to 20 workers in each farm) on issues related to conditions of employment, income sufficiency for securing basic needs, health care seeking behaviour and the effectiveness of various health institutions in attending to needs, children's education and outlook for future development, dietary patterns and preferences, and alternative employment opportunities, their attractiveness and feasibility, among other;
- In depth interviews with 15 households, which also involved visits to their homes, on their housing and living conditions that included: being informed on ownership and rental agreements and monthly housing expenditure; determining the quality of construction of the workers' homes, i.e. materials used and structural integrity; the total area occupied by a particular family and the number of members of the household; measuring size of dwellings; measuring distance to latrines and assessment of facilities as per acceptable standards of sanitation; distance to water sources and the feasibility of consumption and storage; assessing food preparation facilities and their appropriateness; distance to markets frequented for food and other items; preferred dietary commodities and frequency of consumption of necessary, but expensive, products;
- Survey of 5 major markets in the Wakiso, Mpigi/Masaka and Mukono districts where the workers usually shopped for food. In each of these markets, more than 20 shops were randomly visited and information collected on prices of specific food items, which were then averaged to yield representative prices for specific food items included in the costing of our Model Diet to be used in the estimation of a living wage. Information on food prices was also collected from shops located in the vicinity of workers' residences;

- Discussions with a representative of the Uganda Horticultural, Industrial, Service Providers and Allied Workers' Union (UHISPAWU) on agreements with the members of the UFEA and their status; and
- Discussions with government officials, in particular with officers of the Ministry of Gender, Labour and Social Development on issues and problems of the horticulture sector and the support provided.

SECTION II. ESTIMATING HOUSEHOLD COSTS

5. ESTIMATING FOOD COSTS

5.1 Establishing standard for adequate food and nutrition

In constructing our living wage Model Diet in order to determine food costs, the guiding principles were that the model diet needed to be:

1. Nutritious (i.e. have sufficient calories as well as acceptable quantities of proteins, fats, carbohydrates, minerals and vitamins) to help ensure that workers and their families have enough to eat and be healthy. In effect, the model diet conforms to the World Health Organization's prescribed recommendations on the number of calories and macro nutrients: minimum of 10% of calories from proteins (with a reasonable proportion of proteins coming from "higher quality" sources such as legumes and animal-origin foods) (see WHO/FAO/UNU 2007); 15-30% of calories from fats; and 50-75% of calories from carbohydrates. The model diet also has to have at least 300 edible grams of fruits, vegetables, and legumes to help ensure a variety of vitamins and minerals. Quantities of sugar and oils are limited to 34 grams and 30 grams respectively as recommended by WHO.
2. Relatively low in cost for a nutritious and palatable diet. For this reason, our model diet includes less expensive types of cereals, beans, meats/fish, fruits and vegetables, etc. as well as limited amounts of animal-based products in order to keep down total food cost. A guiding principle here was that the model diet must be palatable and of acceptable quality, while at the same time being nutritious and relatively low in cost for such a diet. This approach mimics how cost conscious workers shop for food while maintaining nutritional standards.
3. Consistent with Uganda's level of development. For this reason, our model diet includes relatively low percentage of calories and proteins from animal-origin foods since these are expensive per calorie. At the same time, percent of calories from proteins conforms to minimum WHO requirements in keeping with the fact that Uganda is classified as least developed country.
4. Consistent with local food preferences, local food availability and local food costs. This ensures that the model diet, while meeting WHO nutritional standards does not deviate from the tastes, preferences, and food availability in Uganda.

The following methodology was employed in creating the model diet.

We first determined the number of calories required on average to adequately sustain a member of the household living in the rural areas.[5] The required number of calories per person was determined using Schofield equations that are widely used to estimate needs based on age, sex, average height and activity level (WHO/FAO 2003).[6] This was determined for our reference family size of 5 members (3 children, 1 adult male, and 1 adult female) for a rural area. [7] An assumption was made that the two adults (flower farm worker and spouse) have vigorous physical activity level and the 3 children have a moderate physical activity level. Based on these assumptions, it was established that the number of calories required per person is 2399 kilocalories. It should be pointed out that this figure is reasonable consistent with the 3000 calories per equivalent adult used to estimate the official food poverty line for Uganda as we consider that both adults have vigorous activity levels. [8]

Second, a preliminary 'model diet' was developed in a three-step process. In step 1, information was obtained from a Food and Agriculture Organization (FAO) statistical database on food supply. In the case of Uganda, information on purchased grams of different foodstuff covering the last three years available[9] was obtained and averaged over these three years. This information was then converted to "edible grams" – allowing for non-edible waste in items purchased, e.g. peels of fruits and vegetables, bones, etc. This diet was then adjusted so that it contained the required number of calories indicated above by adjusting the quantity of every food in the model diet by the ratio of number of calories required to number of calories in the FAO-based diet.

In step 2, the model diet was made nutritionally acceptable in terms of macronutrients (proteins, fats, carbohydrates), number of grams of vegetables and fruits, number of grams of sugar, and number of grams of oils.

In step 3, this model diet was adjusted so that it was relatively low-cost for such a diet (e.g. by possibly substituting beans for meats, or eggs for meat, or beef for fish, etc.). Throughout this process in steps 2 and 3, the model diet was constructed by keeping in mind the traditional and cultural proclivities of the population at large. These were established in the focus group

[5] Given that nearly all flower farms visited are located well away from urban centers and in the rural areas, and that most workers are recruited from the vicinity of the farms' location, as per the information provided by workers and farm managers, this was a logical guiding assumption.

[6] The values for average height of adult males and females employed in the Schofield equations were obtained from Wikipedia and World Population Review data. However, in the Ugandan case the information provided was only for adult females, which was 159.2 cms. The information on the average height of adult men was taken from what was given for Kenya, which was 169.6 cms. We had hoped to take the average from neighbouring countries of Kenya, Tanzania, Rwanda and the Democratic Republic of Congo, but here as well – excepting Kenya - there was no information on average height of adult males. Note that the number of calories required is not very sensitive to a small difference in adult male height.

[7] Our reference family size was determined based on data from the Uganda DHS and the Uganda National Housing Survey (UNHS). See section II/9 for a more detailed discussion on reference family size.

[8] The 2399 calories we use reflects calories per person per day including 3 children who consume fewer calories than adults.

[9] The last statistics available were for the period 2011 to 2013.

discussions with workers carried out and also in individual household interviews. Whether the responses are reflective of tastes or not may also be tempered by the availability of funds on hand; an increase in which would, in all likelihood, lead to an improvement in the nutritional profile of the workers and their families in the floriculture sector.[10]

5.2 Main food items included in the Model Diet

So, what did we learn from the taste preferences of the workers, as constrained by their current earnings? The following items figure prominently in their current diet.

Posho, essentially maize meal, is the most important cereal and the principal staple. It constitutes the bases of lunch and dinner of the workers. This is often taken with beans and/or a gravy/broth of some sort.

Rice is identified as the second most preferred cereal. However, the higher price of this cereal suggests that it is consumed perhaps, no more than twice a week at present – but would probably be consumed more if workers earned a living wage. Workers usually buy rice of lower quality.

Wheat flour is also important, but many workers particularly women workers, suggested that given the time needed for its preparation into bread, the use of wheat flour was not a preferred option, especially on workdays. Instead, many relied on buying prepared cereals, such as, ***chapattis*** and ***mandazis*** (local sweet doughnuts) from local sellers. Chapatti – more akin to the Indian paratha as it is fried - is relatively inexpensive (UGX 500 per piece) and mandazi even more so (UGX 200 per piece). Bread rolls (UGX 200-500 depending on size) are commonly purchased and are included in the model diet.

The other important staples consumed are: ***Cassava, sweet potato and potato.*** They are relatively cheap and are often consumed. Another staple of note is ***Matoke (Plantain)***. The preference for tubers and starchy vegetables indicates an overly lopsided starchy diet as well as a more expensive diet compared to a diet, which relies more on cereals such as posho.

Among legumes, lentils, beans and pulses the ***haricot beans*** - mainly dried but also fresh - predominates in local diets. They are an affordable source of protein and are often substituted for the expensive meats. ***Groundnuts,*** having a high fat and protein content, are also consumed widely in meals.

[10] A USAID report reflects that more than 30 percent of Ugandan population faces some level of chronic food insecurity and that the causes of this insecurity are related to various factors, such as poverty, high fertility, high food prices, lack of education, and the fact that a majority of Ugandans depend on agriculture (where earnings are low) as a main source of income (USAID 2017). As would be expected, such a state of affairs has had some deleterious impact on the population, in particular, on children under the age of five, a third of whom are stunted. The DHS (2016) report finds stunting mainly to children in households classified in the lowest income and wealth quintile and suggests that the incidence of stunting declines with improvement in the material conditions of households and to some extent, with the education level of mothers. Clearly, an upgrading in the nutritional profile of the country is warranted and should be supported.

Nakati is a leafy vegetable of overwhelming preferred choice. It originates from the 'solanum' family and also bears fruit. However, the leaves eaten as a leaf vegetable are actually more nutritious than the fruit.

Cabbage is another preferred green vegetable. On occasion, these green vegetables are supplemented by the consumption of ***green peppers (capsicum) and other vegetables.***

Onions and ***tomatoes*** are mainly used as a base in the preparation of dishes.

Among fruits, ***bananas (small variety), pineapples and watermelons*** are favored choices in that order. ***Passion fruit*** is also a very popular fruit but, given its relatively higher price, its consumption is directly related to income levels; not very pronounced among the general run of workers but often eaten by those who are in the technical and supervisory categories with relatively higher incomes.

Where the 'animal based' proteins, i.e. ***beef, chicken and fish,*** are concerned, they tend to be generally quite expensive and are rare additions to the meals. In purchasing these, the worker households employ cheaper options such as buying smaller fish and dried fish (Silver Fish), which resembles the Maldive Fish from southern South Asian region, as well as sometimes offal. However, workers did express a preference for beef and suggested that they bought beef right after receiving their paycheck. Some also mentioned that given the high price of beef, as a cost-effective measure, they bought sufficient quantity of beef by joining together with other households and then sharing this. It is clear that workers earning a living wage would buy more meats and fish than at present.

Eggs though desired as a quality food were not consumed much with workers citing high costs as the preventive factor. Again, it would be expected that workers earning a living wage would buy more eggs.

Milk, particularly for children in their growing phase has many beneficial effects. It aids in the physiological development and strengthens the bone structure. Thus, it was a bit surprising to note that the workers did not put much faith in its consumption, especially by children. We may surmise that this may be either due to ignorance of good nutritional practices and/or because of the lack of timely information from institutions implementing the Food and Nutrition Policy ensuring an optimal nutrition status - taking into account the reproductive and productive roles for the population through improved food security and nutrition.

Tea, without milk but with sugar, is widely consumed.

Sunflower oil is commonly used in the preparation of meals.

5.3 Determining food prices and estimation of food costs

Subsequently after having established food preferences of workers, we then embarked on collecting information on prices of the different foodstuff from local markets that the workers frequented for buying their comestibles. The workers and the management of the five farms visited, referred to five major markets in the area: Kauku, Mpigi/Masaka, Mukono, Gayaza and Kiwenda where the major shopping for food items was done.

In each of these markets, the fieldworker researchers visited multiple stalls and shops to solicit the required information on food prices. It should be pointed out that although the workers preferred shopping in these markets, they also bought from local vendors and small shops in the areas where they lived, especially the perishable items. Given also that none of the workers we visited or spoke to boasted a refrigerator, the perishables had to be procured often. We found that the prices did not vary much but the quality of food from these local hawkers was noticeably inferior to the ones obtained from the major markets.

Most of the food items, excepting cereals and grains, were sold either in numbers or in bunches. These were then weighed to convert the given quantity and price into a standard measure of

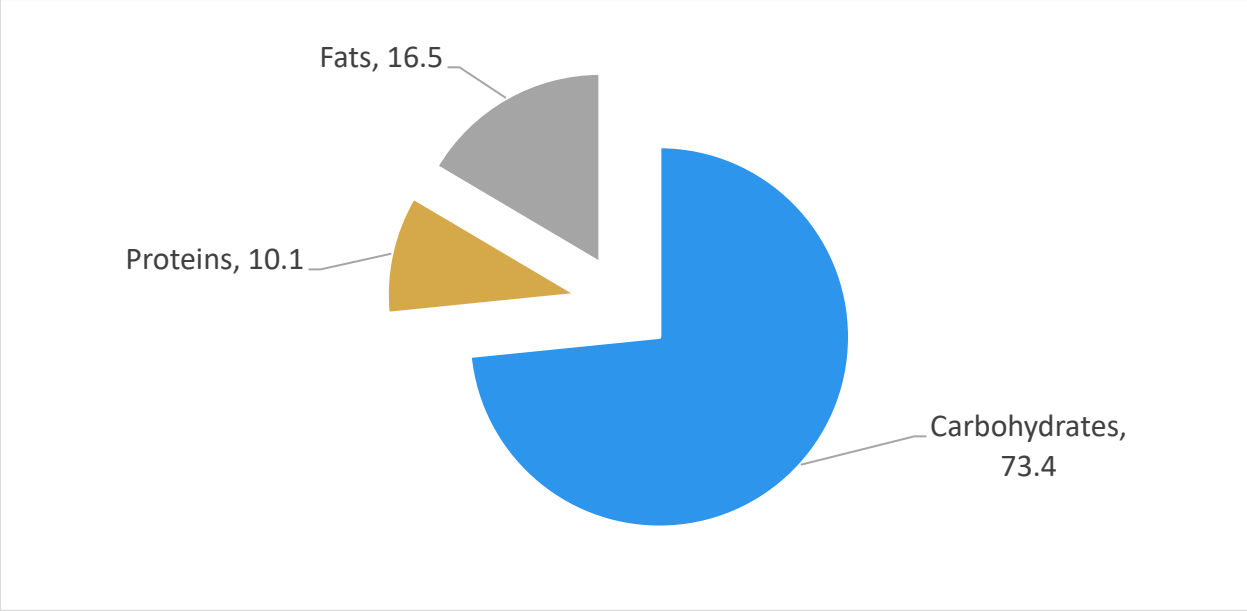
price per kilogram (see photographs below). This was done, for tubers, plantains, vegetables (tomatoes, peppers, onions, etc.), fruits, and eggs. Moreover, looking at the markets dispersed over an area covering 120 km by 60 km, the prices apart from one or two items were quite similar. In other words, we did not find major price variations between markets. Further, given the constancy of climate over the year, the workers indicated that there was hardly any seasonal variation in the prices over different seasons.

The pictures below, illustrate the conversion of quantities of different food items with given prices to standard measure of price per kilogram.

The prices collected from the large markets and local hawkers were then averaged for each food item to yield a specific price per kilo to be used in structuring of the model diet and estimating its cost. **We then chose food item(s) in each food group, that were relatively low in cost and widely available, to represent each food group in our model diet** (see Table 1).

It may be argued that the prices of food items could be lower if some non-perishable foodstuff was bought in bulk. However, three factors constrain such spending and acquisition. Firstly, at the level of monthly incomes earned by the majority of the workforce this is not feasible given the obvious insufficiency of funds. Secondly, the workers usually buy from small retailers, who do not – and cannot - provide discounts for bigger purchases. Third, bulk selling is usually practiced by large wholesalers that are normally not to be seen in most rural areas or sell in quantities, which are prohibitive for workers' households.

Figure 1: Percentage Distribution of Macronutrients in Model Diet



The Model Diet conforms to the WHO guidelines on nutrition with intake of macronutrients indicated in Figure 1.

The preliminary cost of the Model Diet comes to UGX 2,923 or USD 0.80 per person per day. To make this model diet more realistic and palatable, we added certain additional costs. We added 10% to account for needed additional variety so that workers could buy bigger quantities of expensive items sometimes, better quality sometimes, and more expensive foods sometimes. We added 3% to account for some wastage and spoilage, especially given that workers do not own refrigerators. We added 1% and for spices and condiments so that the model diet would be palatable. The addition of these ancillary costs brings **the total cost per person per day to UGX 3,333 (USD 0.91).** For a family of five, the total costs would be UGX 16,665 (USD 4.53) per day. **The monthly cost of food for a family of 5, for estimating the living wage, is then calculated to be UGX 506,616 (USD 138).**

Table 5.1: Model Diet and Food Costs

Food Items	Purchased Grams	Edible Grams	Cost per kilo	Cost	Comments
Maize Flour (Posho)	290	290	2,050	588	Most widely eaten staple and also the cheapest. Also, the most preferred.
Rice	21	21	2,900	61	Consumption of rice, once a week, is added for variety and preference
Bread	50	50	2,000	100	2 slices/1 bread roll per child and 1 slice per adult per day. Often

Food Items	Purchased Grams	Edible Grams	Cost per kilo	Cost	Comments
					bread intake is through Chapatti (savory fried tortilla) and/or Mandazi (sweet doughnut)
Cassava	179	150	1,493	267	Widely available and the least expensive tuber
Sweet Potato	104	75	1,692	176	Eaten extensively across households
Plantain	115	75	1,202	138	High preference, nutritious and low cost
Beans	56	56	3,225	181	Fibrous with a high protein content. Widely consumed.
Legume 2 (Groundnuts)	15	15	4,950	74	Often eaten as prepared supplement with meals
Beef	13	12	12,000	156	One serving per week.
Fish	12	12	17,321	208	Two serving per week. Dried silver fish eaten whole in stews or with spices.
Green Leafy Vegetable	58	46	1,612	93	Nakati and Cabbage are the cheapest and most widely consumed options
Green Pepper	57	46	757	43	Inexpensive vegetable
Vegetable 2 (Onions)	26	23	3,083	80	Onions and tomatoes basically used as base in the preparation of meals
Vegetable 3 (Tomatoes)	25	23	2,018	50	See above
Eggs	14	13	6,000	84	2 eggs a week
Milk	144	144	1,550	223	Fresh unpackaged milk. 1 cup for children per day
Fruit 1-Banana	72	46	2,000	144	Small variety of bananas are preferred and are fairly cheap. Often for variety, they may be substituted with pineapples and/or watermelon, which are also fairly inexpensive
Fruit 2-Watermelon	88	46	1,139	100	Inexpensive fruit
Cooking Oil	13	13	4,500	59	Sunflower oil is most popular and cheapest

Food Items	Purchased Grams	Edible Grams	Cost per kilo	Cost	Comments
Tea	1.2	1.2	6,660	8	Tea sold in bags of loose leaf. Each bag has strength of 30 grams. Tea is usually drunk without milk. 2 cups per adult per day
Sugar	30	30	3,000	90	Either purchased in plastic bag or bought unpackaged
Total				**2,923**	**US $0.80**
Grand Total (incl. 14% Miscellaneous costs)				**3,333**	**US $0.91**

Note: Price for cooking oil is per liter.
Price for tea is per a 30 grams bag.
Price of milk is per liter/Quantity provided in ml.
Miscellaneous costs consist of 1% for spices, sauces, condiments and salt; 3% for waste and food loss; and 10% for additional variety.

6. ESTIMATE OF HOUSING COSTS

The housing costs for the living wage are estimated in this section by determining: (i) the rental costs for local healthy housing; and (ii) the costs incurred for utilities (water, electricity and cooking fuel) that the tenant would have to pay normally. Where maintenance for the residential unit is concerned, it was assumed that the landlord(s) normally paid for the costs of upkeep and repairs. We estimated housing costs for our study area to be UGX 160,000 with UGX 135,000 for rent and UGX 58,000 for utilities.

6.1 Local healthy housing standard

Adequate housing was recognized as part of the right to an adequate standard of living in the 1948 Universal Declaration of Human Rights and in the 1966 International Covenant on Economic, Social and Cultural Rights. It is also recognized in the ILO Recommendation No. 115 Concerning Workers' Housing (1961), World Health Organization Principles of Healthy Housing (1989), and UN-Habitat (2009, 2013). Some salient aspects of standards covered in the different international instruments are presented in Table 6.1

To be able to estimate the cost of local healthy housing, our first step is to develop a basic local healthy housing standard.

However, it is understood that generalized standards cannot be of much help in establishing what would pass as a norm in diverse conditions – particularly the rural-urban divide - that are ubiquitous in developing countries. The standard established would intrinsically depend upon the level of development that conditions the habitability, acceptability and adequacy of housing - while at the same time meeting international minimum standards.

In estimating the living wage, it is to the habitability of housing to which we first direct our attention. In this regard, we submit that suitability and acceptability of housing should fulfill the following conditions:

Table 6.1 indicates minimum international housing standards according to international conventions recommendations. Table 6.2 indicates current housing conditions in rural and urban Uganda.

Table 6.1: Housing standards in international conventions and recommendations[a]

Standard	International Covenant on Economic, Social and Cultural Rights	ILO Recommendation No. 115 Concerning Workers' Housing	WHO healthy housing
Safe water[b]	✓	✓	✓
Sanitation/toilet & sewage disposal[b]	✓	✓	✓
Sufficient living space[b]	✓	Persons per room and/or floor area	Persons per room
Durable structure (protection against elements)[b]	✓	✓	✓
Good condition and state of repair	✓[e]	✓[f]	✓
Physical safety	✓		✓
Adequate ventilation		✓	✓
Adequate lighting	✓	✓	✓
Safe food storage		✓	✓
Washing facilities	✓	✓	✓
Separation from animals		✓	✓
Electricity			
No site hazards [b,c]	Drainage pollution	Earthquake	Many[d]
Refuse/solid waste disposal	✓	✓	✓
Emergency services	✓		✓
Protection from elements	✓[e]	✓[f]	✓

Notes:

[a] UN-Habitat urban slum housing definition is not included in this table, because it includes only five elements: 'inadequate access to safe water; inadequate access to sanitation and other infrastructure; poor structural quality of housing; overcrowding; insecure residential statuses in addition to security of tenure.

[b] Element included in UN-Habitat definition of urban slum housing.

[c] According to UN-Habitat the following locations should be considered as hazardous 'housing in geologically hazardous zones (landslide/earthquake and flood areas); housing on or under garbage mountains; housing around high-industrial pollution areas; housing around other unprotected high-risk zones (e.g. railroads, airports, energy transmission lines)' (UN-Habitat, 2003, p. 12).

[d] WHO indicates the following site hazards: earthquakes, hurricanes, wind, noise, pollution, floods, and landslides.

[e] Implied by 'protection from cold, damp, heat, rain, wind or other threats to health, structural hazards, and disease vectors' (International Covenant on Economic, Social, and Cultural Rights, 1966).

[f] Implied by 'protection against heat, cold, damp' (ILO Recommendation No. 155).

Sources: From Anker and Anker, 2017 based on International Covenant on Economic, Social and Cultural Rights (1966), ILO Recommendation No. 115 Concerning Workers' Housing (1961), WHO (1989), UN-Habitat (2003).

Table 6.2: Housing characteristics for rural and urban Uganda (% distribution of houses) and rural living wage housing standard that meets international standard and considers current housing conditions in rural Uganda

Characteristics	Urban %	Rural %	Acceptable Rural Living Wage Housing Standard
Structure			
Permanent (concrete/bricks/zinc)	NA	NA	Permanent
Semi-permanent (either wall or roof not permanent)	NA	NA	
Temporary (thatch roof & sundried bricks)	NA	NA	
Roof			
Corrugated iron	88.0	64.6	Corrugated iron or better. Thatch not acceptable.
Concrete/tile	NA	NA	
Thatch	10.1	35.1	
Other (specify)	2.0	0.3	
Floor			
Cement/tile	54.7 (70.1)	18.7 (24.6)	Cement or tile. Earth/dung not acceptable.
Earth/dung	34.6 (21.5)	79.1 (73.1)	
Wood	NA	NA	
Other (specify)	10.8 (8.4)	2.2 (2.3)	
Wall			
Cement/stone/brick	75.9 (81.4)	58.0 (60.8)	Cement/stone/brick. Mud, mud with stone, bamboo not acceptable.
Wood	NA	NA	
Mud with stone or sticks	17.0 (10.0)	38.0 (34.8)	
Iron sheet	NA	NA	
Bamboo	NA	NA	
Other (specify)	7.0 (8.6)	4.1 (4.4)	

Characteristics	Urban %	Rural %	Acceptable Rural Living Wage Housing Standard
Electricity	57.2	8.3	Electricity or solar desirable but not required.
Lighting source			
Electricity	57.2	8.3	Electricity or solar desirable but not required.
Paraffin/kerosene	11.3	33.8	
Solar/Dry cells	19.0	27.1	
Cooking fuel			
Wood	22.3	80.8	Not relevant for housing standard
Charcoal	66.4	15.5	
Kerosene			
LPG			
Electricity			
Straw/shrub/grass			
Other (Specify)	11.3	3.7	
Water source			
- Improved source	***92.3 (91.3)***	***74.9 (73.8)***	
Piped into dwelling or yard	(23.7)	(2.6)	Improved source
Public tap	(11.5)	(5.3)	
Borehole/tube well	(23.0)	(47.1)	
Protected well	(6.2)	(6.6)	
Rainwater	(1.4)	(1.2)	
- Unimproved source	***7.7 (8.5)***	***25.1 (26.0)***	
Unprotected well	(8.9)	(9.5)	
Unprotected spring/surface water	(4.7)	(10.9)	
Toilet facility			
Pit latrine with slab	(14.0)	(13.3)	Pit latrine with slab or VIP or flush toilet. Cannot be pit latrine without slab, open pit, or no facility
Pit latrine without slab/open pit	73.9	85.9	
VIP toilet	16.5	4.1	
Flush toilet	7.6	0.6	
No facility, bush	2.0	9.3	
Number of rooms			
1	56.6	40.6	Generally, 2 or less persons per room excluding kitchen and toilet and bath. But, could be one big room if at least 30 square meters.
2	23.1	31.5	
3+	20.3	27.9	

Characteristics	Urban %	Rural %	Acceptable Rural Living Wage Housing Standard
Average number of square meters per dwelling			
No information			At least 30 square meters of living space as per international norm.
Consumer durables			
Refrigerator	(16.6)	(1.8)	Not important for housing standard.
Motorbike or scooter	(12.3)	(10.5)	
Car	(9.6)	(2.0)	
Television	(44.3)	(7.4)	
Mobile phone	(89.9)	(68.5)	
Radio	(66.9)	(55.6)	
Number of windows			
	NA	NA	Sufficient for adequate lighting and ventilation – usually at least 1 window per room – but not strictly applied.
Ventilation			
	NA	NA	Generally, need a chimney or way of evacuating smoke if cooking is done indoors. Especially important when using wood or charcoal as in Uganda.
Condition of building			
	NA	NA	In good state of repair.
Environment			
	NA	NA	Not slum. No site hazard such as surface water, drainage, industrial pollution, flood zone.

Notes: NA indicates not applicable or not available.
Source: UNHS 2016/17 and DHS 2016 for percentage. Figures in parenthesis are from the DHS data.

The Anker methodology specification of standards is developed on standards highlighted in tables 6.1 and 6.2. The Anker methodology essentially focuses on three aspects of "habitability", i.e. provisions relating to protection from natural elements, hazards, and disease; access to basic services; and physical security. These are all elements that have been highlighted in the United Nations as essential for the achievement of 'Sustainable Development Goals' (SDGs), especially SDG Housing Target 11.1, which clearly emphasizes the necessity of adequate housing as a fundamental right and in fostering and enhancing development. More than 100 countries now recognize the right to adequate housing in their constitution and national legislation. Some countries have pursued policies geared to creating institutional and regulatory frameworks that facilitate the adequacy of housing. However, it is noted that many jurisdictions have problems in

implementing the directives because of lack of resources but are encouraged to take measures that support and protect improved housing. The Anker methodology is cognizant of these approaches and in their adherence to specified guidelines of other international standards that are critical in supporting the SDG housing objectives.

- The dwellings should be of good structural quality and durability. The walls, floors and roof should be made with acceptable durable materials - such as cement, concrete, bricks laid-over with concrete (for floors) and/or plaster (for walls) and, at the very least, reinforced corrugated iron sheets for roofs - characterizing solidity and sturdiness.
- There should be sufficient living space: For a family of 5, the dwelling should have at least 3 rooms (2 bedrooms and a living room), a total living space area approximating at least 30 square meters.
- The structure should be properly ventilated: To guard against unhealthy conditions spread of bacteria and humidity there should be proper aeration in the dwelling. Each room should have one or two windows or wall slits to allow for cross-ventilation.
- The dwelling should be serviced by 'improved' sanitation facilities: A self-contained bathroom cum flush toilet along with a laid-in sewage system is the preferred option. However, a pit-latrine with a concrete slab and septic tank is also acceptable, provided more than 8 households do not share it.
- The dwelling should have access to electrical energy: This is a basic service to be provided. Access to electricity-serviced housing in rural Uganda is a growing challenge and requires policy intervention.
- The dwelling should have a functioning kitchen: Food preparation facilities require space for cooking meals, storage for cooking fuel and a larder for storing foodstuffs. If not a stand-alone unit within the dwelling, it could be a shared one with proper ventilation outside the dwelling.
- The dwelling should be safe and environmentally friendly: Housing is not adequate if it does not guarantee physical safety and is located in unsafe areas where the well-being of the household is threatened or if it is located in polluted or dangerous areas that pose a health hazard and if it is cut-off from health-care services, schools and other social facilities

6.2 Observations on visits to worker and local rural housing

Most of the flower farm workers live in close proximity to the flower farms and walk to work. There are some who live at distances of 5 to 7 kilometers who are bussed in through services provided by the farms' managements. The research team visited the workers in the nearby and far-lying areas to assess the conditions of their housing.

One of the peculiarities of rented housing observed in the different rural areas and districts we visited was a "standardized" physical structure. All of the dwellings were constructed in the form of a room with concrete sturdy walls, properly cemented floors and a slanted ceiling - with a height of more than 2 meters at its lowest point and 4 meters at the back - of corrugated iron

sheets supported by thick wooden beams. Each room had a specified area of 9–10 square meters and all of them had a concrete protrusion in the font of the dwelling, resembling a small veranda space, which was often employed for cooking and washing of clothes. All rooms had a window in place in the front and slits in the walls in the front and back, which acted as vents. The expansion of space for a housing unit, as affirmed, was sideways of linearly adjacent similar room(s) and not in depth of the dwelling, which was not more than 3.5 to 4 meters at best.

Outside and Inside of a Housing Unit

However, the problems noted were not so much in the solidity of construction but more in overcrowding and in having or not having, contiguous facilities for washing, toilet and food preparation. A consideration of importance in this regard is the issue of social and economic differentiation of workers. The flower farms employ different types of workers, ranging from those performing simple chores of tending to flower beds, cutting and packing flowers to those undertaking progressively more skilled tasks, i.e. as electricians, irrigation specialists, pipe fitters and the like. Of course, the farms also employ managers, supervisors, accountants and administrators and the quality of housing varies as one moves up the hierarchy of farm's employees.

Commensurately, overcrowding is noted particularly for those in the general workers categories performing the most basic tasks. These workers constitute the major part of the workforce of the

farms[11] with their proportional representation being well in excess of 75 per cent of total farm employment. They are also paid the lowest wages. It is these workers who live with their families in cramped spaces. Often, there are 5 or more members sharing the constrained space of a single room of around 10 square meters. From Table 6.3 it would not be difficult to infer dwellings of poorer workers versus those of the relatively better-off supervisors and forepersons.

The toilet and washing facilities, which are usually located at some distance ranging between 10 to 25 meters from the dwellings, are shared between households. Each block of houses/rooms has its own facilities, which are constructed as a unit comprising two adjoining toilets and a bathing space. The toilets are basically pit latrines - covered with a solid concrete slab- built on a septic tank with a roof, while the bathing space with a concrete floor and a drain is open at the top. On average, 12 to 18 people share the toilet and bathing facilities, i.e. 6 to 9 per toilet. In terms of structural integrity, the facilities, in general, could be termed quite adequate.

Acceptable quality latrine (with doors)

Non-Acceptable quality latrine

Moving up the pay scale the "social" quality of housing shows a marked improvement. It was observed that workers, classified as supervisors, foremen and overseers had bigger residential

[11] The management of one farm provided us with a proforma of pay categories. There were 7 categories defined for Senior Staff (i.e. managers, accountants, team leaders, etc.) while there were 13 categories for Junior Staff (i.e. cutters and tenderers, technicians, supervisors, forepersons, quality controllers, etc.). Those in the last four categories of Junior Staff accounted for 77% of total workers employed.

spaces and their access to ancillary facilities was also more enhanced, through fewer houses to share toilets with and sometimes the presence of separate communal, or even separate, kitchens. The larger units often also had a small room for storage. Nevertheless, it would seem that even for the relatively better off, the sharing of toilets and washing facilities was the norm. Neither do they have sufficient living space.

The deficiency of adequate facilities for the preparation of meals is also a stark observation. All of the households prepared their food outside the dwelling on zhika stoves (portable ceramic stoves used widely in East Africa) fed in the main by charcoal and to a lesser extent by firewood. Even the households boasting an attached kitchen, the adequacy of the facility was compromised by serious lack of ventilation.

The areas where the residential units were located were also not well serviced infrastructurally; the quality of roads and thoroughfares could be described as poor at best. Furthermore, essential services provision, i.e. water and electricity, left a lot to be desired. In all the dwellings there was no facility of piped-in water, which had to be fetched from some distance and then stored in jerry cans. The time it takes to fetch water is important and the standard recommended by the WHO is that this should be less than 30 minutes round trip (including waiting times); any longer it is surmised would result in in water loss.[12] Additionally, the Spheres Project (Sphere 2004) suggests that in emergencies, the maximum distance from any household to a water point be 500 meters and the maximum waiting time to collect water be 15 minutes.[13] In the majority of cases, the guidelines of the Sphere standard were well met, but it is to be expected that there would be a few exceptions to the rule.

The homes of the flower farm workers, being in the rural areas, lay at some distance from the main electricity grid lines. Thus, for this reason, the provision of electricity was sporadic, with frequent daily stoppages, and without enough wattage to power home appliances. In the main, electric power has two main uses for workers' homes: aeration and light. However, electricity provision is an intrinsic concern in the well-being of households. Lack of electricity – and especially light - can impede personal development of children as it may prevent them from involvement in basic intellectual pursuits such as, reading and writing.

The situation, to say the least, is indicative of institutional neglect. Institutional support requires programmatic attention by embedding the issue of rural housing in local area development plans, particularly those pertaining to services provisions, land use, transportation and environmental sustainability to improve livability and accessibility. And although housing does figure in Ugandan public policy, the focus has been the urban environment rather than the rural areas. The extant situation in the latter is characterized by a lack of the most basic infrastructural facilities – such as water, electricity, sanitation and proper roads - around most of the workers' housing. This is

[12] See WHO "Technical Notes on Drinking-Water, Sanitation and Hygiene in Emergencies", Geneva, 2013.
[13] Ibid. The minimum level of standards are provided by the Spheres Charter, which was drawn up by a group of relief agencies in 2004. Although, the Charter focuses on emergencies, its guidelines may also be relevant for our purpose.

an issue, which requires immediate attention and some responsibility falls upon the employers to press the government – perhaps through UFEA - to take necessary action.

6.3 Rent for basic acceptable housing

A daunting challenge, which all low-income workers face, is being able to acquire adequate housing that they can afford. An inadequate income to afford living and housing can have telling effect, i.e. negative implications for the social, physiological, and physical development of workers and their families.

To determine the rent of adequate housing at our healthy housing standard, a three-step procedure was employed that was based upon basic information gathering through: (i) visits to workers' houses and interviews; (ii) interviews and focus group discussions with workers; and (iii) conversations with employers. In all, we visited 11 houses (see table 6.3).

For a single room dwelling of approximately 9-10 square meters, the rent was on average around 55,000 Ugandan Shillings (UGX) per month and for a double room (18-20 square meters) it was in the vicinity of UGX 100,000 per month, which is roughly twice the rent for a one-room unit. Unfortunately, the two units with three rooms sampled, were both self-owned and we could not obtain an assessment of rental figure from house visits and interviews. However, conversations with some contractors, focus group discussions with workers and consultations with management suggest that a rental for such would be in the range of UGX 140,000 to UGX 160,000 – which is roughly three times rent for one room. The fact that rent is roughly proportional to number of rooms makes sense because there are no amenities and so rent mainly represents living space.

This cost for three rooms is also suggested by our field survey. If we calculate the cost per square meter for each dwelling surveyed and multiply the determined average cost per square meter by 30 square meters, which is the living space standard required for decent housing, we end up with a rental estimate of UGX 159,213. This is similar to the upper amount deduced from disparate interviews indicated in the previous paragraph.

However, in the field survey we also found rooms available for a lower price, i.e. UGX 50,000, than the average of UGX 55,000. To be conservative if we use the lower UGX 50,000 amount, then the estimate for the housing rent of sufficient space – approximately 30 square meters or 3 rooms with a unit cost of UGX 50,000 - comes to UGX 150,000. But, noting that the possibility of getting this space is probably lower if 3 rooms are rented, we reduced the estimate by 10% to yield an estimated rent of UGX 135,000. We use this figure as the estimate for housing costs in determining the living wage. This is close to the lower end estimate of UGX 140,000 suggested by the contractors and from focus group discussions.

Admittedly, the cost for housing rent is higher than the rural average for Uganda of UGX 38,000 per room as established from the information provided in the Uganda National Panel Survey (UNPS) 2019. This suggests the determined estimated rent for housing of flower farms workers of UGX 135,000 is 16% higher than the national average for rural housing. This difference may be

explained by two observations. The first being that almost all the flower farms are located in the three districts of Wakiso, Masaka and Mukono that represent the more prosperous parts of the country situated close to the main urban centres. [14] We would expect that rent in this relative prosperous area to be relatively high. The second being the inability to establish the quality of housing, with respect to the average rent specified in the UNPS, whereas our estimate of the housing rent is based upon observed adequacy of housing hence, the higher figure. Nevertheless, it should be noted that adequate housing in vicinity of the flower farms is not available at reasonable prices, and single room units predominate. The standard of living of the farm workers and their families living in such small single room units without amenities leaves a lot to be desired with regard to decent standards.

[14] In the UNHS 2016/17, the Small Area Estimation Poverty headcount, showing the proportion of individuals estimated to be living in households with real private consumption per adult equivalent below the poverty line for their region, indicate that these three districts have the lowest poverty rates.

Table 6.3: Housing visited: Characteristics, size, rent, and cost per square meter of living space

HH No.	Acceptable LW Standard?	No. of Rms	Living space (sq. mts.)	No. HH members	Rent per month (UGX)	Rent /sq. mt.	Quality of Dwelling			Comments
							Roof	Walls	Floor	
1	No	1	10.24	4	70,000	6,836	Corrugated Iron	Cement	Cement	Problem of overcrowding
2	No	1	10.54	6	60,000	5,693	Corrugated Iron	Cement	Cement	Overcrowded. Roof leaks.
3	No	1	11.65	6	70,000	6,009	Corrugated Iron	Cement	Cement	Overcrowded
4	Yes	3	24.61	6	Owned	-	Corrugated Iron	Cement	Cement	Slight overcrowding but children in boarding school
5	No	2	21.15	4	100,000	4,728	Corrugated Iron	Cement	Cement	Overcrowded
6	No	3	24.84	5	Owned	-	Corrugated Iron	Cement	Cement	Slight insufficiency of space but number of rooms are adequate
7	No	1	9.06	7	40,000	4,415	Corrugated Iron	Cement	Packed mud	Insufficient living space and floor of packed mud
8	No	1	12.60	5	50,000	3,968	Corrugated Iron	Cement	Cement	Insufficient living space for family
9	No	1	11.78	4	70,000	5,942	Corrugated Iron	Cement	Cement	Overcrowded
10	No	1	13.32	4	80,000	6,006	Corrugated Iron	Cement	Mud	Overcrowded/Mud floor
11	No	1	14.40	1	60,000	4,167	Corrugated Iron	Cement	Cement	Insufficient living space for LW. Attached kitchen and storage space

Source: Authors' Field Survey 2019

6.4 Estimating costs of Utilities

Expenditure on utilities constitutes the second major aspect of housing costs. In this regard, three concerns are paramount: expenditure on cooking fuel, electricity and water.

Cooking fuel costs constitute the major expense for a necessary utility. The reliance is essentially on charcoal, which is more efficient than firewood. Besides cooking meals, charcoal is also utilized in boiling water to remove impurities and harmful bacteria to make it acceptable for drinking. From the interviews, it was determined that a 10 kg bag of charcoal normally suffices for around a month. A 10 kg bag normally costs between UGX 26,000 to UGX 30,000. The median cost for charcoal of the 11 houses visited was UGX 30,000. Adding firewood costs of around UGX 5,000 per month for a minimal value for the time required to collect firewood, brings fuel costs to UGX 35,000.

As mentioned above, the use of electricity is mainly for running fans – when needed - and light. However, in some houses, particularly those of higher paid workers, we noted the use of television and small refrigerators. The electricity costs are not very significant and this, it is surmised, may not be entirely due to the poverty that pervades - which of course can be a factor - but mainly due to the lack of provisioning. As most dwellings lie off the main grid, the supply of electricity is irregular, intermittent and unstable. As such, in many households, people use candles and kerosene lamps with associated – though minor costs. The lines drawn from the main power grids hardly qualify as an acceptable source of power and electricity provision in areas with farm workers' housing suffers from an institutional neglect. Nevertheless, to enable a sustained supply of electricity, we estimate a cost of UGX 15,000 per dwelling per month as reasonable.

The third major expense on utilities is for water. Water is required for drinking, cooking, and personal and domestic hygiene. The Sphere's Charter, which is the primary standard for a basic survival-level water requirement, recommends 20 liters per person per day to realize minimum essential levels for health and hygiene. It further recommends that the water source should be sufficiently close to home to enable use of minimum water requirement.

The cost for water from interviews with workers was quite varied; some households acquired water from sources for which they did not have to pay, or had to pay very minor amounts, while others incurred fairly significant costs. It would seem that the procurement of water differs between regions where the farms are located, as also the quality of water. Again, inferring from the larger round of discussions with the workers, an expenditure of UGX 5,000 per household per month would be a good measure and indicator of the cost of water security.

6.5 Summary of Housing Costs

Our estimate of the housing costs for flower farms' workers is UGX 193,000. The cost breakdown is presented in the table below.

Table 6.4: Estimated costs of housing (UGX)

Accommodation/Facilities	135,000
Cooking fuel	35,000
Electricity	15,000
Candles/Kerosene	3,000
Water	5,000
Total	**193,000**

The household expenditure on housing is noted to be 19% of the total living costs for a living wage. This is 3% higher than the percentage according to national household survey data. This makes sense, because UNHS is basically an ex-post affirmation of current spending on housing, whereas the housing costs for a living wage, which we estimated are for housing that meets minimum international standards.

Table 6.5: Estimates of costs of utilities of houses visited

HH No.	Major Power Source	Cost Of Utility /Month	Main Resource /Fuel For Cooking	Cost Of Cooking Fuel/Month	Water Source	Time From House To Water Source	Cost Of Water Per Month
1	Electricity & Candles	10,000	Charcoal	30,000*	Public tap/Well	7 mins.	?
2	Electricity	500 candles	Charcoal	15,000	Public tap/lake	3 mins.	27,000
3	Kerosene lamp	3,100	Charcoal	35,000	Well	-	0
4	Electricity & Solar panel	20,000	Charcoal /Firewood	35,000 15,000	Public tap	3 mins.	0
5	Electricity and Candles	10,000 & 500 candles	Charcoal	30,000	Well	40 mins.	0
6	Electricity and Candles	10,000	Charcoal /Firewood	30,000 10,000	Well	3 mins.	0
7	Electricity, Solar panel & Kerosene Lamp	8,000	Charcoal /Firewood	20,000 Free but takes time	Well	35 mins.	0
8	Electricity and Candles	300 candles	Charcoal /Kerosene	20,000	Well	40 mins.	0
9	Electricity and Candles	500 candles	Charcoal	35,000	Well	10 mins.	0
10	Electricity / Kerosene lamp	7,000 to 10,000/ 5,000	Charcoal	32,000	Public tap and well	5 mins.	18,500
11	Electricity and torches	3,000	Charcoal /Firewood	30,000	Public tap/ borehole	3 mins.	1,000

Source: Authors' Field Survey 2019.

* Cost of a 10 kg bag of charcoal = UGX 30,000, sufficient for one month.

7. NON-FOOD & NON-HOUSING COSTS

Non-food and non-housing (NFNH) items reflect basic household needs for clothing, health care, education, transport and general household items such as furnishings, entertainment, etc. These are recurrent needs, which a household needs to procure to be able to attain a decent standard of life. The NFNH costs for the estimate of a living wage are then calculated through a carefully detailed process as presented in the Anker methodology. This is done in three steps.

The starting point of the process is the Uganda National Household Survey (UNHS) conducted in 2016-17 by the Uganda Bureau of Statistics (UBOS). These secondary data are provided for both urban and rural settings. However, given the fact that almost all flower farm workers work and reside in the rural areas, we only consider the information for the rural context.

Secondly, according to the UNHS, the average percentage of expenditure of a household in the rural areas on food is 49.2% and on NFNH is 34.2%. We remove some unnecessary items to more accurately calculate the living wage. Thus, the 0.10% attributed to the purchase of tobacco (included in the UNHS under non-food and non-housing expenditure) is excluded, as this is not considered necessary for a decent life. The revised expenditure shares determined are presented in Table 7.1.

Table 7.1: Monthly expenditure shares for rural households in Uganda

Major expenditure group	Secondary data		Adjustments	
	Sub-major expenditure group	**% Exp. in secondary data**	**Adjustments explanation**	**% after adjustment**
FOOD				
	Food & non-alcoholic beverages	49.2	0.21 added for the food in meals away from home (Restaurants)	49.41
HOUSING		16.6		16.6
NON-FOOD AND NON-HOUSING (NFNH)				
Alcohol and tobacco	Alcohol	1.2	No adjustment	1.2
	Tobacco	0.1	Excluded as unnecessary	0
Clothing & footwear		2.3	No adjustment	2.3
Household contents and appliances		3.6	No adjustment	3.6
Healthcare		5.9	No adjustment	5.9
Education		6.4	No adjustment	6.4

Major expenditure group	Secondary data		Adjustments	
	Sub-major expenditure group	**% Exp. in secondary data**	**Adjustments explanation**	**% after adjustment**
Transport		7.2	Adjusted to account for higher cost of private vehicle ownership and operation*	5.9
Communication		2.5	No adjustment	2.5
Recreation & culture		1.1	No adjustment	1.1
Restaurants		0.3	Transfer 70% of this to food as around 70% of cost of meals away from home is for the food in them	0.09
Miscellaneous goods & services		3.6	No adjustment	3.6
TOTAL NFNH		**34.2**		**32.6**
NFNH/Food ratio		**0.70**		**0.66**

Source: Uganda National Household Survey 2016/17.

* For adjustment of transport costs, the guiding assumption was that 1/3 of transport expenditure of households at 40th percentile of household expenditure distribution is for ownership and operation of vehicles compared to 57.9% for all household expenditures for Uganda as a whole according to CPI expenditure weights. It was assumed that cost of private transport is twice as expensive as public passenger transport.

From the information presented in the table above, we determine the ratio of NFNH to Food costs to be 0.66. The ratio thus determined is fairly high for rural areas of a low-income country in part because it is based on average household expenditure, i.e. the mean household expenditure. It therefore, has to be adjusted to the median or to the households above a reasonable poverty line such as at the 40th percentile of the household expenditure distribution to better reflect minimum decent living standards in expenditures of households at a basic but decent living standard.

However, the information on household expenditure data by income decile and/or quintile are not available and thus, we rely on the Anker methodology's (Anker and Anker 2017) suggestion to revise the ratio downwards by 25% for the 40th percentile household compared to the mean. At the 40th percentile, the adjusted ratio is presented in the table below.

Table 7.2: Adjusting rural mean NFNH/Food ratio to value for 40th percentile of household consumption distribution

	NFNH (%)	Food (%)	NFNH/Food ratio
Rural mean (see Table 7.1)	32.6	49.41	0.66
Rural adjusted at 40th percentile			0.75x0.66 = 0.495

The resulting ratio is then multiplied by the costs of the Model Diet estimated earlier to provide us with an initial estimate for NFNH. **Accordingly, the preliminary NFNH costs are estimated to be UGX 242,295 ($66).**

7.1 Post checks on education and health care

Third, we carried out post checks with the intention of determining whether sufficient funds are included in the preliminary NFNH estimate, or whether additional funds are required, for necessary expenditures considered human rights in order to achieve a decent standard of living. Commensurate adjustments would then be made if necessary to the preliminary NFNH estimate to ensure that the secondary data provided in the UNHS does not underestimate the needed costs.

In this regard, we focus our attention on two fundamental human rights: health care and education. There are other items included in the NFNH – such as clothing and footwear, communications and recreation, furniture, household appliances - which are not submitted to post check adjustments. The underlying assumption being that these items of expenditure, though important in their own right, are not as crucial for a basic and decent life and therefore, we hold that the information on household expenditures on these items provided in the UNHS suggests a justifiable representation of costs at the 40th percentile of the household consumption distribution.

Thus, in carrying out the post checks on secondary data presented in the UNHS, the preliminary monthly costs for the two fundamental rights are calculated in Table 7.3.

Table 7.3: Health Care and Education amounts included in preliminary estimate of NFNH

Items	% of all household expenditures	% of NFNH expenditure	Amount (UGX/month) when NFNH costs are UGX 250,775
Health care	**5.7**	**5.7/32.6 = 17.5**	**42,402**
Education	**6.2**	**6.2/32.6 = 19.0**	**46,036**

In conducting the post-checks, we matched these costs against the actual information collected from households in the fieldwork to see if any adjustment was necessary. Note that 5.7% and 6.2% for these human rights are relatively high percentages for a country.

7.1.1 Health care post-check

Although in recent years there have been efforts undertaken by the Ministry of Health to increase the number of health facilities, there are still considerable disparities. These disparities are related to inherent differences between the urban and rural areas, by geographic location and the access to services by the rich and the poor in society. Indeed, it is noted that health facility coverage is greater in urban areas and there is less choice of health service provision in rural villages. The situation in the rural areas is poorer; there are few, if any, adequate private health facilities to be found here and there is, among the farm workers, a total reliance on public

hospitals and clinics that are located in urban centers for any procuration of necessary health care.

It is admitted that for flower farm workers this inequity in health facility distribution is to a great extent overcome by the health services provided by some flower farms. Most flower farms operate a health clinic though there is a great degree of variation in the quality, and extent, of services provided. Some operate with qualified medical practitioners, such as a fully-fledged doctor and a certified nurse, while some only provide basic drugs for ubiquitous ailments such as, headaches and stomach problems, and have an inadequately trained person(s) staffing the facility. The better functioning health clinics operated by certain farms are noted to be the principal providers of health care to the flower workers and seem to be the only fully-fledged health unit services catering to the farm workers in the close vicinity of their residences.

In three of the flower farms visited, it was established that the farms' health clinics provided treatment and emergency care including major and minor surgery that were not available in any government or private hospital or clinic within the area. Although, farm workers had free access to the services without limit on cost, the clinics also provided services to the surrounding community at subsidized prices. In addition, a worker could get referral service to other public hospitals in Kampala and/or Entebbe and get further treatment with costs covered by the farm. The farms providing such services also covered the families of the workers at the farms' clinics, which was confirmed in the focus group discussions with workers.

Employees, who work on the flower farms, as well as their spouse and children, have access to care, which includes health coverage at the designated social security hospital. From the focus group discussions and conversations with the farm management, it was concluded that the flower farm workers visited government hospitals (public provider) only for serious and chronic illnesses and emergencies that were referred. For illnesses that are not serious, the flower farm workers and other family members usually utilized the health care facilities provided by the farms.

Visits of flower farm workers to private providers are discussed below. From our interviews with workers, respondents informed us that where the farm management allowed workers to seek medical care from the private providers, the private providers charged an exorbitant amount for services, as a means of making money and this made referral to private health services extremely difficult and farms' managements were often quite reluctant to do so. However, the workers from certain farms, which do not provide good health treatment facilities or where such facilities operated at a sub-par level, did use private providers for treatment of illnesses *in extremis*.

It is important to note that work-related health issues are fully taken care of by some farm management even in public hospitals. In one flower farm, there is an arrangement with a medical insurance provider that their workers can be treated at any medical unit where the services can be accessed. The workers indicated that in case of emergencies, the farm vehicles could also be used to take the patient to the hospital. When someone was critically ill, an ambulance was usually called to take the patient to hospital at the farm's expense.

To get an idea of how much health care costs for families in the area in our fieldwork, we asked the flower workers about the frequency of visits (for the family) to the farm health clinic and to private/public health care providers in the last month and year. We also asked them about costs of different types of health care visits. We are interested in how much health care for families in the area costs regardless of whether or not they work on a flower farm, as we consider the provision of a flower farm clinic as an in kind benefit and so part of remuneration.

We did not get a clear picture on the number of visits to the various health care providers; the workers' responses ranging from a single visit to more than five visits per person per year, with the adults accessing care more than the children. It thus, proved difficult to come up with an operational standard on number of visits to health care facilities on which to base the estimation of health care costs.

In the absence of primary or secondary data on the number of visits to healthcare facilities, we employed the yardstick as suggested in the Anker methodology (Anker and Anker, 2017) of 3.5 visits per person per year (i.e. visit every 3-4 months); 2 to publicly administered hospitals and 1.5 to private institutions (private clinics and pharmacies).

The information forthcoming on the costs of visits from workers was considerably more obliging. Based on this information, we estimated the average cost per person per visit to a private clinic at UGX 35,000 with an additional UGX 15,000 for medicine. Thus, in terms of medical costs incurred per reference family, the expenditure is estimated at UGX 57,500 per person per year or UGX 23,958 per month for the reference family. The figure is less than the amount included for health care in the preliminary NFNH cost estimate of UGX 42,402. Therefore, no post check adjustment is needed for health care costs.

A caveat needs to be expressed for flower farm workers, since many flower farms have well-functioning clinics that are utilized extensively by their workers. Not only that but we found that some farms extend the clinical services to the adjoining communities for treatment of various illness, including HIV AIDS. Such an outreach is commendable. In this situation, it is appropriate to consider this as an in-kind benefit and partial payment of a living wage for flower farms where such services are up to required standards (see section 12 below).

Table 7.4: Estimated health care costs per year for family of 5

Type of provider	Cost per visit (1)	No. of visits per year per person (2)	Total cost per year for family (3) = (1) x (2)
Public provider			
Consultation fee	No cost	2	0
Medicine when provided			
Medicine purchased privately			
Laboratory test (every four years)			

Type of provider	Cost per visit (1)	No. of visits per year per person (2)	Total cost per year for family (3) = (1) x (2)
Private clinic/doctor			
Consultation	35,000	1	50,000
Lab test			
Medicine	15,000		
Pharmacy			
Medicine	15,000	0.5	7,500
TOTAL cost per person per year			**57,500**
TOTAL cost per family per month			**23,958**

7.1.2 Education costs post-check

The Government considers education a basic human right, as does the Anker methodology. Participating in education is widely viewed as part of the solution to reducing poverty. The education system in Uganda has a structure of 7 years of primary education, 6 years of secondary education (divided into 4 years of lower secondary and 2 years of upper secondary school), and 3 to 5 years of post-secondary education.

Uganda has enacted policies, which are bellwethers in sub-Saharan African countries for an affordable and adequate education system, at least in design. Primary education has been free since 1997 and, in 2007, Uganda became the first country in the region to introduce universal secondary education. This though applies only to the public schools; private institutions are not cost free where tuition is concerned and usually out of range of the poorer groups in society, particularly those living in the rural areas.

Although, the government is dedicated to providing equitable access to quality and affordable education to all Ugandans and the direction of policies has been to upgrade the human resources, there are problems. These are related to the quality of education, lack of trained personnel and insufficient resources to provide necessary equipment to the growing classroom population.[15]

In the context of education of the children of flower farm workers, we noted that though most costs of education are covered by the state, parents are still required to provide for the students' uniform, stationery, transport and meals. Given the circumstances, we estimated the supplemental expenses of a child's education through focus group discussions, personal interviews with the workers and the farms' management.

[15] In recognizing these problems, the government enacted an Education Sector Strategic Plan 2010-2015 (ESSP) aimed at addressing three critical concerns: (i) the failure of primary schools to provide literacy, numeracy, and basic life skills to all children; (ii) inadequate preparation in secondary schools for the workforce or tertiary education; and (iii) providing access to tertiary education to students from disadvantaged backgrounds.

There were differences noted between farms and these could be attributed to the interrelated factors of a farm's location and the geographical proximity of an educational facility. The differences across farms for expenditures relating to meals, two to three uniforms (one-off expense per year), and stationary were negligible. However, transport costs varied somewhat. All told based on these discussions and interviews, we estimate that a typical household spends around UGX 30,000 per child per term[16] for meals[17], approximately UGX 60,000 per child for uniforms for the school year, and UGX 15,000 per child for stationary articles for the three terms. An average cost of UGX 25,000 per child per term for transport is also typical. From this, it is determined that the monthly cost per child for education is around UGX 20,000 and so UGX 60,000 for 3 children.

Table 7.5: Average annual cost per student for public schooling

Type of expense	Primary and lower/upper Secondary	Classified under education in national expenditure statistics	
School fees	Free	Yes	
Uniforms	60,000	Yes	
School supplies	15,000	Yes	
Meals	90,000	Yes	
Transport	75,000	Yes	
Total (1)	240,000		
Type of expense	Primary	Secondary	Total
Number of years in each level (2)	6	6	
Total cost x number of years in each level (3) = (1) x (2)	1,440,000	1,440,000	1,440,000 + 1,440,000 = 2,880,000
Average cost per child per year (4) = (3)/18			2,880,000/18 = 160,000
Average cost for reference family per month (5) = (4) x number of children in reference family/12			160,000 x 3/12 = 40,000

The monthly expenditure estimated by our rapid post–check (UGX 40,000) is less than the preliminary amount included for education in our preliminary NFNH estimate (UGX 46,036), especially considering that school meals would reduce the costs of meals prepared at home. Therefore, the amount included for education in the preliminary NFNH estimate is sufficient, and so a post adjustment to NFNH for education is not required.

[16] The period of a single term is three months.
[17] School meals, according to the parents we spoke to, consisted mainly of Posho (maize meal) and beans.

8. PROVISIONS FOR UNEXPECTED EVENTS TO ENSURE SUSTAINABILITY

People living close to the margins are quite vulnerable to economic, natural or political shocks. A misfortune or disaster, which is never far away can plunge them into indigent situations from which it becomes difficult to extricate one-self. This may, for example, lead to a crippling indebtedness that would, in all likelihood, exercise an incapacitating effect on their livelihoods. Thus, to protect them from such vulnerabilities, funds in hand that would see them through the difficult times are also necessary to factor in, in the estimate of a living wage.

In this regard, the Anker methodology suggests adding 5 per cent to the estimated food, housing and non-food non-housing costs. The monthly figure thus obtained for buffer against unforeseen incidents and contingencies is UGX 47,109 ($13).

SECTION III. LIVING WAGE FOR WORKERS

9. FAMILY SIZE TO BE SUPPORTED BY LIVING WAGE

The Anker methodology places the family as the unit of analysis in estimating the living wage. The idea of a living wage is, of course, that it should support the worker and his/her immediate family (see Section 4). The concern here then is ascertaining a typical number of people within the nuclear family that need livelihood support.

In this regard, for rural Uganda, we use a family size of 5 members (2 adults and 3 children). The positing of this family size is derived from the information provided on average household size, child mortality rate and total fertility rate in the Uganda Demographic and Health Survey (DHS) 2016 and in the Uganda National Housing Survey 2016/17.

From the DHS and UNHS data, it was determined that the total fertility rate (TFR) for rural Uganda is 5.9 and 6.0 respectively. Over the years, fertility rates have been declining consistently as also the infant mortality rate, although at 64 deaths per thousand births it is still quite high. When we adjust the fertility rate by taking into account under-5 child mortality, the mortality-adjusted TFR is found to be around 5.5.

The average rural household size, according to the 2016 DHS is 5.13 and the 2016/17 UNHS places this at 4.9. When we recalculate average household size by excluding single person households, as they by definition would not include children, and those with 9 or more members, which would usually imply extended family structures, the adjusted average household size in the rural areas is 4.7 members.[18]

For our reference family size, we rounded up the figure of the adjusted average household size from 4.7 to 5. This was because according to focus group discussions and personal interviews, the overwhelming majority of participants indicated 3 or more children per family as the norm in the diverse locations of the flower farms. Furthermore, the high rural total fertility rate at around 6 births implies a much larger family size so that a reference family size of 5 is a conservative value.

10. NUMBER OF FULL-TIME EQUIVALENT WORKERS IN FAMILY PROVIDING SUPPORT

For a family living in rural Uganda, it is reasonable to expect that more than one member is gainfully employed and jointly supports the livelihoods through income earned. The

[18] The information is from the DHS, which gives a breakdown of households by number of members. Although the UNHS report has 9 plus members household as the largest reported household size, the figure obtained, i.e. 4.63, is fairly close to the one derived from the DHS.

methodology employed for determining of the number of full-time equivalent workers in the family is based on the recommendations provided in Anker and Anker (2017).[19]

We assume that the number of workers supporting the family ranges between one and two. The reason being that in many developing countries, there are adults who do not wish to work and others who are unable to find full-time work throughout the year and moreover, it is also an exceptional situation rather than a norm to find all workers within the family to be fully employed around the year.

The determination of the number of workers is based on secondary data taken from the most recent Labour Force Survey (ULFS), which in Uganda was conducted in 2016/17. From the information provided by the survey, we obtained rural labour force participation rates (LFPR), rural unemployment rates, and time-related underemployment rates and used the formula given below to determine the probability of a person in prime working age being a full-time worker.

Equation 1:

$$Probability\ of\ full-time\ equivalent\ work\ per\ person\ ages\ 31-64 = (LFPR\ for\ ages\ 31-64)\ \times\ (1.0-Unemployment\ rate\ for\ ages\ 31-64)\ \times\ (1.0-(Timerelated\ underemployment\ rate/2))$$

To help estimate the number of full-time workers in the reference family providing support, the 25-59 years age group is preferred as these are prime working ages with family responsibilities. However, in the Uganda, information on this age group is not available as the ULFS only provides information for the following age groups: 14–17 years, 18-30 years and 31-64 years. Consequently, we use the age cohort 31-64 years (as the closest available age group) to help determine the number of working members in the family.

The information on rural LFPR provided in the ULFS uses the definition of labour force adopted by the 19th Conference of Labour Statisticians in 2013, which excludes subsistence agriculture from the labour force. We, however, use the earlier definition that includes subsistence agriculture because it contributes considerable economic value. This explains why ULFS reports such a very low rural LFPR for ages 14-64 of 47.5%. When workers in subsistence agriculture are considered as part of the labour force, we get a LFPR of 85.8% for ages 14-64. This LFPR of 85.8% is too low for our purposes, however, because this LFPR is pulled down by the lower participation rates of younger adults (i.e. those in the 14-24 years group). Consequently, we decided to ***posit 90% as the appropriate LFPR to use***. This is also similar to LFPRs found in the rural areas of neighbouring Kenya and Tanzania according to ILO ILOSTAT.

Commensurately, we use the unemployment rate and the time-related underemployment rate for the 31-64 years group for rural areas. Again, the reported data from the ULFS is not appropriate without adjustment as it only provides information on these variables for 14-64 years age group and only for what it considers as employed persons that excludes persons in subsistence agriculture. However, as it is well known that the unemployment rates are higher

[19] See Anker and Anker 2017. pp. 247-257.

among the youth and part-time work rates are more common in the higher age groups and in subsistence agriculture. For these reasons, we decided to use the rural unemployment rate and the time-related underemployment rate for the 31-64 years age group reported by ILOSTAT (Table 10.1).

Table 10.1: Unemployment rate and time-related underemployment rate of 31-64 years old

Age cohort	Estimated rural unemployment rate	Estimated time-related underemployment rate
31 – 64 years	6.3	14.5

Source: Calculated from data in ILOSTAT for Uganda.

Inputting the derived information in Equation 1 above, we get the probability of full-time equivalent work for person in 31-64 years group as 0.78.

We next employ Equation 2, where we assume that one member of the family is employed full-time for the whole year such as on a flower farm. The assumption is used as the Anker methodology explains, "a living wage is concerned with a situation in which at least one adult worker in the reference family is working".[20]

Equation 2:

$$\begin{aligned} &Number\ of\ full-time\ equivalent\ workers\ per\ family \\ =\ &1.0\ +\ probability\ person\ is\ a\ fulltime\ worker \end{aligned}$$

Employing equation 2, **we get full-time equivalent workers per reference family as 1.78 members**.

11. GROSS LIVING WAGE, PAYROLL DEDUCTIONS, INCOME TAX, AND NET LIVING WAGE TAKE-HOME PAY

The net living wage, for a basic but decent existence for a family, is then estimated by dividing the household expenditures by the number of full-time equivalent workers. Thus, **the net living wage per worker in the flower farms is established at UGX 555,786 ($151)**. This should be understood as the necessary take-home pay for the worker and less than the gross wage necessary, which includes income taxes and other mandatory payroll deductions.

In Uganda, all wages are subject to a 5% deduction for social security (with the employer contributing 10%). On the estimated living wage, the 5% contribution amounts to UGX 27,789 ($8). There is an income tax rate of 10% for monthly taxable income (with social security payment and we assume value of in kind benefits as income tax exclusions) between UGX 235,000 ($64) and UGX 335,000 ($91); a 20% income tax rate for taxable income between UGX 335,000 ($91) and UGX 410,000 ($112) plus UGX 10,000; and an income tax rate of 30% for taxable income between UGX 410,00 ($112) and UGX 10,000,000 ($2,721) plus UGX 25,000. This means that UGX

[20] ibid p255.

68,736 ($18) would be paid in income tax and therefore a total of UGX 96,525 ($26) would be their contribution to the national exchequer that would need to be paid on our living wage.[21] Adding the social security contributions and income tax to the net living wage gives us a gross living wage of UGX 652,311 ($177). This means that workers in Uganda would need to pay almost 15% of their pay in payroll deductions and income tax. This is quite a high percentage for workers who would be earning less than US $200 per month.

[21] The income tax rates on employment income are obtained from the Uganda Revenue Authority *Taxation Handbook, 2015.* See p.31.

SECTION IV. ESTIMATING GAPS BETWEEN LIVING AND PREVAILING WAGES

12. PREVAILING WAGES IN THE FLORICULTURE SECTOR

The estimated living wage needs to be considered alongside the prevailing wages to ascertain the degree of divergence from the basic remuneration necessary for delivering a basic but decent standard of life for workers and their families. This would also identify the measures and policies, and areas of attention that need to be taken up by the employers and the government to progressively bridge the gap.

As explained in the introductory section, the flower farms employ a host of workers with varying skill levels. There are those who perform the most basic task of planting and tending to the flowers, quality control workers, packers, forepersons/supervisors, technicians (i.e. electricians, plumbers, carpenters, drivers, etc.) to administrative personnel and floriculture specialists. All farms that we visited employed a regular workforce - with very few seasonal and part-time workers - with proper written contracts. The conditions of employment specify a six-day week and a period of 8 hours per day.

The salaries of these different workers are determined by their skill aptitudes with a considerable variation of the monthly wage. This is illustrated in Table 12.1 showing a pay scale structure provided by one of the flower farms. Given the similarities in the structure of activities on the farms, we may reasonably assume that similar pay scales are reflective of other farms as well. If we use the pay scale provided as an example, we find that if we remove those workers whose wages are higher than the estimated living wage and include only those who fall below the threshold (91% of the farm's workforce) in the calculation of the average wage, the average wage is determined to be UGX 324,951. However, the majority of workers earns less than UGX 200,000 per month. Furthermore, it is striking that more than 80% of the farm's workforce earns less than the average wage. The median monthly cash wage is around UGX 198,000 and this quite large difference between the mean and the median indicates a highly asymmetrical distribution of wages.

There is a negotiated 'Recognition Agreement' between the flower farms –through the Uganda Flower Exporters Association - and the Uganda Horticultural, Industrial, Service Providers and Allied Workers' Union (UHISPAWU) to increase wages of workers after 5 years of service, nominally by 5% annually. It is, however, not clear to what extent the agreement is being adhered to although the farms did indicate that they were following the articles of the understanding. In our discussions, the representative of the Union did indicate that some of the farms were indeed observing the agreement, but also that some were not.

Table 12.1: An example of a flower farm's pay scale and workforce distribution

Grades	Percentage of workforce	Average monthly salary (UGX)
SENIOR MANAGEMENT	0.003	
SENIOR STAFF		
SS 1-7	0.49	
Technical Staff		
TS 3-7	1.41	
JUNIOR STAFF		
JS 1	1.3	1,207,195
JS 2	1.1	991,040
JS 3	2.2	871,178
JS 4	0.9	751,316
Workers earning less than a living wage (92.7%)		
JS 5	1.5	631,454
JS 6	2.1	511,592
JS 7	3.0	472,564
JS 8	2.2	399,264
JS 9	6.3	323,768
Lowest wages include 77.6% of workers		
JS 10 & 11	17.1	262,138
JS 12 & 13	60.5	184,073
Median Wage		198,146

Source: A flower farm

12.1 In-kind benefits as partial payment of living wage

Flower farm workers receive various in-kind benefits from their employer. The main in-kind benefits are food (breakfast and lunch), transport to and from work, and provision of health care for workers and their families. The employers to enable a smooth functioning of their businesses provide these benefits and so it is an issue whether they should be considered as partial payment of a living wage.

12.1.1 Provision of meals as an in-kind benefit

In all the flower farms visited, the provision of breakfast and lunch to the workers was seen to be the norm, though in some farms food was provided while in others a food allowance was given from which the workers could purchase food from independent vendors allowed to sell comestibles in the farm's premises. One farm provided food to the workers, which hardly varied in terms of its offering of Posho (maize meal) and beans, while in others we observed a good deal of diversity in the daily menu that included occasional serving of important proteins such as meat and fish. The breakfast, on the other hand, comprised the standard porridge with tea.

We can estimate the farms' expenditure on food provision to the workers from discussions with one farm that had a fairly diversified menu, on the costs per worker for the two daily meals. For breakfast, a cost of UGX 250 per worker was quoted while for lunch it varied from UGX 1,000 per head for a standard meal provided for 3 days a week to UGX 1,270 per head for a special meal for the other three days. From this information, we calculated the cost of this in-kind benefit to be around UGX 1,388 per worker per day (i.e. UGX 250 plus average of 1,000 and UGX 1,270). This amount is 53% of the cost of a breakfast and lunch prepared at home in our model diet, assuming that breakfast and lunch provide 20% and 40% of daily calorie needs. This figure of UGX 1,388 cost to flower farms for providing breakfast and lunch was also felt by the union's representative who to be on the low side as he felt that the replacement cost to the worker for a proper nutritious repast would be higher if procured independently and/or prepared at home. The low cost per person to farms may be due to (i) lower costs in the procuration and preparation of food in bulk and (ii) less nutritious nature of meals compared to our model diet. From this we conclude that the value of in-kind benefit for food for a worker to be UGX 32,000 monthly (i.e. around UGX 1,388 cost to farms per workday times 23 workdays per month considering that there are leave days, public holidays and sick days when workers do not receive meals).

It may be offered as an argument that the provision of a nutritious meal allows the workers to work more efficiently and this is of benefit to the employer. Nevertheless, the provision also allows workers to defray the monetary costs of procuring food items and cost of time spent in the preparation of meals. Moreover, at low-levels of subsistence it allows the worker and his family to not spend critical cash resources, which could potentially have their benefit as hedges against contingencies. It is therefore, justifiable to consider the amount of the in-kind benefit determined above be considered as partial payment of living wage.

12.1.2 Transport as an in-kind benefit

Most flower farms provide free transport to workers living at some distance from the farm, to and from their place of work, from designated pick-up points. Moreover, some farms also give an additional transport allowance, which varies from farm to farm.

Based on our discussions with workers and management, an overwhelming majority (90% or so) of the workers live close to the farms. Their main mode of commute is walking. However, it was noted that workers in some farms surveyed were also provided with a minor transport stipend.

We can estimate the value of this in-kind benefit for those workers who utilize the free transport services provided by the farm by looking at the market value of the commute by the worker, which would be around UGX 2,000 per day and for 26 days of the month, UGX 52,000. However, given that less than 5% of the workers avail of this service, it is not justifiable to include free transport as an in-kind benefit in the adjustment of the living wage for flower farm workers.

12.1.3 Health care as an in-kind benefit

In the section on the estimation of NFNH costs, when conducting the post-check for health care we pointed out that most farms provide free health services to the workers through clinical facilities located within the farms' premises. However, these facilities vary in terms of the quality of services provided. In theory, these clinics are only there to tend to work-related ailments but

some farms go beyond attending to just work-related injuries and illnesses and cover workers and their families for a host of extra-work health problems. Some even support the communities where the workers reside. Others do much less or nothing at all and therefore, it becomes difficult to consider an estimate of this in-kind benefit evenly across farms.

Under the circumstances, it could be recommended that all future audits evaluate the well-performing farms in this regard and consider some health care services as partial payment of a living wage (up to 5% of the living wage depending on costs per worker). For expositional purposes for the horticulture industry, we included UGX 20,000 (approximately around US $5) for determining the gap between prevailing wages in the horticulture industry and the living wage for the area.

12.2 Summary of 'in-kind' benefits

The inclusion of in-kind benefits as partial payment for a living wage is indeed, problematic because it differs across flower farms. From the above, it can be tacitly inferred that there are significant variations in the in-kind benefits provided to the workers across farms. Some farms provide fairly basic benefits while others go beyond. Three major in-kind benefits that lessen the workers' need for cash income, i.e. transport, meals and health services provision, have been discussed above. However, some farms also provide further support, both financially and as services, for schooling and day care (crèche).

It was determined that meals (breakfast and lunch) or allowance for meals, provided by the farms are common across all the flower farms surveyed and that there is justification for including these as partial payment of a living wage, whereas given the range of disbursement and differences in quality of other in-kind benefits need to be assessed through audits on a farm to farm basis. We concluded that the cost of meals to flower farms was around UGX 32,000 per worker per month and cost of health care services to flower farms was around UGX 20,000. Thus, we include UGX 52,000 ($14) in prevailing wages of flower farm workers.

13. LIVING WAGE IN CONTEXT: WAGE LADDER AND WAGE TRENDS

This section indicates how our estimated living wage compares with other important wage benchmarks, such as the national and World Bank's poverty line wage, the national minimum wage, the wage agreed upon in the Recognition Agreement between the farms and the union, and the prevailing wage of horticulture workers.

The national poverty line wage is determined by multiplying the given poverty line of UGX 1,243 per person per day by the living wage reference family size (i.e. 5) and the number of days in the month (i.e. 365/12 = 30.4) and then dividing by the determined number of full-time wage earners in the family (i.e. 1.78). This yields an amount of UGX 106,144.

The poverty line wage based on the World Bank poverty line is calculated in a similar manner as the national poverty line wage, but the $1.90 poverty line for low-income countries such as Uganda first has to be converted from PPP (purchasing power parity) equivalent by multiplying

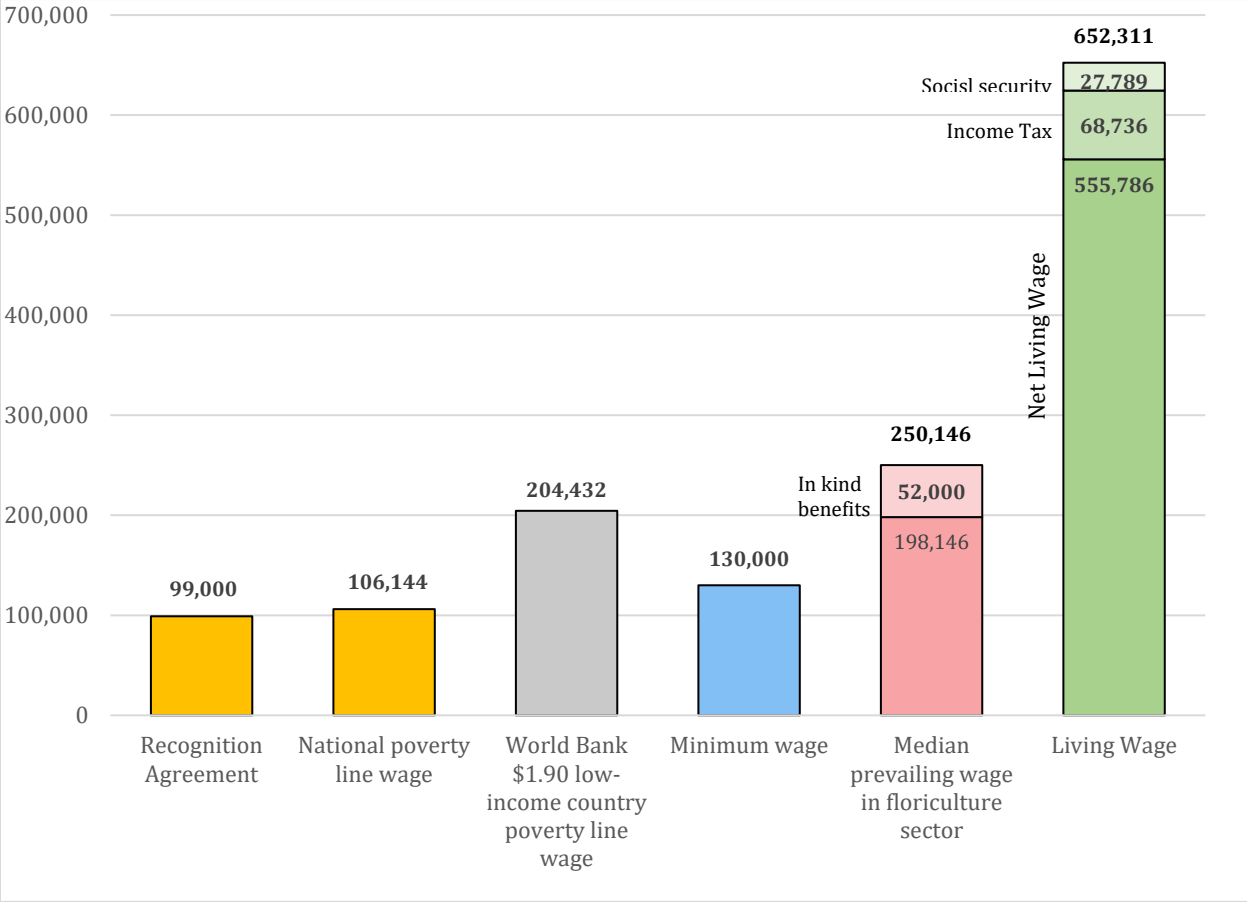
this by the conversion value provided in the World Bank International Comparison Programme Database.[22] This PPP value for Uganda is given as UGX 1,153.90, which was last updated in 2018. Thus, the World Bank poverty line wage is determined to be UGX 187,217 per month.

These comparisons are captured in Figure 12.1 that graphically compares our estimated living wage to other wage indicators. It shows that our net living wage is much higher than all of the benchmarks in figure 12.1. It is more than 2 times more than the determined median prevailing wage in the flower farms, nearly 3 times the World Bank's $1.90 per day poverty line wage, more than 4 times the minimum wage, and more than 5 times the national poverty line wage. Differences to our gross living wage (aka living wage), that also includes considerable mandatory payroll deductions and income tax that would be payable on a living wage, are even greater.

These differences are strikingly large - which highlights the point raised in the introduction of this study that our estimated living wage may be considered by some as being on the high side – and this is despite the conservative way in which we estimated a living wage for rural areas surrounding Uganda flower farms. There are explanations why a large difference is a reality. Firstly, the rural areas where most flower farms are located are more prosperous region(s) for Uganda, as they border on the major urban centres of the country. Consequently, it may be surmised that the prices of foodstuff, housing and non-food non-housing expenses would be higher here than for the rest of rural Uganda. This is also suggested by the data on household consumption expenditures and the mean per capita consumption expenditures, which are the highest for the Central regions.[23] Second, the Uganda diet relies heavily on roots and tubers such as cassava and potato as well as plantains, and this makes it a more expensive diet than one that relies more heavily on cereals, as is the case in many low-income countries. Third, opportunities to purchase foods in the area are limited and this increases food costs as we found, for example, that workers have no choice but to buy foods in small quantities that are more expensive per kilo. Fourth, workers earning a living wage would have to pay a surprisingly high 15% of this living wage in payroll taxes (4%) and income tax (around 11%).

[22] See : https://data.worldbank.org/indicator/PA.NUS.PPP?locations=UG
[23] See footnote 2.

Figure 13.1: Rural Uganda wage ladder (UGX per month), September, 2019



14. CONCLUSIONS

Conservative assumptions have been used in this report to estimate the living wage that would allow workers and their families to attain a basic decent standard of living in rural areas surrounding flower farms in Uganda. The model diet, healthy housing standard, and other expenses were determined using basic norms and least cost options supporting an adequate and decent level of existence based on fundamental principles of fairness and justice recommended in international guidelines.

The details of the living wage estimates are provided in Table 14.1 that gives a summary of the various relevant and critical aspects on which the estimation process is based. How the cost of each of these was estimated has been explained in the relevant sections of the paper. Thus, for example, the 'Model Diet' was estimated by including acceptable cheaper – and nutritious - food items, such as silver fish for proteins and nakati and cabbage for vegetables and cheaper cereals, tubers and pulses. Minor amounts of protein-rich foods such as eggs and meats and fish have been included to ensure that families get the desired nutrition and also to add necessary diversity in the daily diets. We were also sensitive to the idea of including food items that are generally

consumed by and palatable to the workers. Similarly, the estimation of the housing costs has been undertaken by taking a lead from the internationally specified guidelines to ensure that dwellings and associated necessities of life conform to a prescribed basic quality standard, taking into account the extant situation of housing in the rural areas and the provision of services and utilities.

The estimated net living wage take home pay per month is established at UGX 555,786 ($151). Our estimated gross living wage (aka living wage) per month is UGX 652,311 ($177). Note, however, that flower farms proving typical in kind benefits would need to pay less than this each month UGX 600,311 ($163).

How this living wage compares with the important benchmarks of remuneration and living standards was discussed in the preceding section. The net living wage is more than twice the determined median prevailing wage in the flower farms that includes the value of in kind benefits provided by typical flower farms. It is 3 times the World Bank's $1.90 per day poverty line wage for low-income countries, more than 4 times the minimum wage, and more than 5 times the national poverty line wage. Differences to our gross living wage (aka living wage), that also includes considerable mandatory payroll deductions and income tax that would be payable on a living wage, are even greater.

These differences are strikingly large - which highlights the point that our estimated living wage may be considered, by some, as being on the high side. This occurs despite the conservative assumptions we used in estimating a living wage for rural areas surrounding Uganda flower farms. There are explanations why a large difference is a reality. Firstly, the rural areas where most flower farms are located are prosperous region(s) for Uganda, as they border on the major urban centres of the country. Consequently, it may be surmised that the prices of foodstuff, housing and non-food non-housing expenses would be higher here than for the rest of rural Uganda. This is also suggested by the data on household consumption expenditures and the mean per capita consumption expenditures, which are the highest for the Central regions.[24] Second, the Uganda diet relies heavily on roots and tubers such as cassava and potato as well as plantains, and this makes it a more expensive diet than one that relies more heavily on cereals, as is the case in many low-income countries. Third, opportunities to purchase foods in the area are limited and this increases food costs as we found, for example, that workers have no choice but to buy foods in small quantities that are more expensive per kilo. Fourth, workers earning a living wage would have to pay a surprisingly high 15% of this living wage in payroll taxes (4%) and income tax (around 11%).

It is clear that the onus of bridging the wage gap to the living wage is a matter to be taken up by not just the flower farm employers but also by the actors in the entire value chain of flower cultivation, procurement and retail.

The government too, has a certain responsibility in this matter through the provision of necessary and adequate services. As a starter, the government could consider rationalizing the minimum

[24] See footnote 2.

wage based on the living wage assessment in this study. Another important area of state intervention could be an enhancement of social protection that conforms to minimum levels suggested in the ILO's Social Protection Floors guidelines.

Closing the gap to living wage is not something that can be achieved in a short period of time, but a concerted effort from all the stakeholders towards progressively realizing this goal is needed. We believe that any effort in this direction is better than no effort at all. Any effort – or efforts - that work toward creating good working conditions would be advantageous for employers, who can secure greater cooperation and efficiency, for workers and their representatives because this is required as a basic feature of well-being, and for governments which can obtain greater acceptance for economic and social policy formulation.

Table 14.1: Summary calculations of Living Wage

	Local currency (Ugandan Shillings)	USD ($)
PART I: FAMILY EXPENSES		
Food cost per month for reference family (1)	506,894	138
Food cost per person per day	3,333	0.91
Housing costs per month (2)	193,000	53
Rent per month for acceptable housing	135,000	37
Utility costs per month	58,000	15
Non-food non-housing (NFNH) costs per month taking into consideration post check adjustments (3)	242,295	66
Preliminary estimate of NFNH costs per month	242,295	66
Health care post-adjustment check	0	
Education post adjustment check	0	
Transport post-adjustment check	0	
Additional amount (5%) for sustainability and emergencies (4A)	47,109	13
TOTAL LIVING COSTS PER MONTH FOR BASIC BUT DECENT LIVING STANDARD FOR REFERENCE FAMILY SIZE (5) (5=1+2+3+4A)	**989,298**	**269**
PART II: LIVING WAGE PER MONTH		
NET LIVING WAGE PER MONTH (6) (6=5/#full-time workers)	**555,786**	**151**
Statutory deductions from pay (7)	96,525	26
Statutory payroll deductions (7A)	27,789	8
Income tax (7B)	68,736	19
GROSS LIVING WAGE PER MONTH (8) (8=6+7)	**652,311**	**177**
In kind benefits per month (9)	52,000	14
GROSS CASH LIVING WAGE PER MONTH (10) considering in kind benefits (10=8-9)	**600,311**	**163**

Table 14.2: Key values and assumptions

Date of study	August/September 2019
Exchange rate of Ugandan shilling to USD ($)	3,675.42
Number of full-time workers per couple	1.78
Number of full-time workdays per month	26
Number of hours work in normal week	48
Reference family size	5
Preliminary NFNH to Food ratio (at 40th percentile of household expenditure distribution)	.495

Table 14.3: List of Uganda Flower Exporters Association (UFEA) members 2018/2019

	Company	Products Exported	Area (in hectares)
1	Aurum Roses	Chelsea, Red Calypso, Valentino, Banjo, Soraya, Red Ribbon, Tropical Amazone	10
2	Fiduga	Chrysanthemum cuttings	23
	Dummen		
	Orange		
3	Jambo Roses	Akito, Sweet Akito, Aqua, Glossy, Tucan, Tropicale Amazone, Chelsea, Macidia, Marie Claire, Prestige, Jambo, Red Calypso, Valentino, Gold strike, Aloha, Marina	22.5
4	JP Cuttings	Hortensia and Vegetables	8.5
5	Mairye Estates	Chelsea, Frisco, Escimo, Sacha, Rapsberry King, Dream, Royal dream, Jupiter, Blushing Akito, Lambada, Valentino	19
		Tropical Amazone, Banjo, Gold strike,	10
6	Oasis Nurseries	Escimo, Lambada, Frisco, Poeme, Akito, Red calypso, Amefika, Valentino, Chelsea	8
7	Pearl Flowers	Frisco, Dream, Black Beauty, Safari, Chelseam, Red Calypso, Tropical Amazone, Jupiter, Inka, Akito, Blushing Akito	13
8	Rosebud Limited (I & II)	Meera, Valentino, Red calypso, Jumbo, Chelsea, Viva, Akito,	60
	Premier Roses	Lambada, Blushing akito, Raspberry king, Marie Claire, Poeme, Samoa	
9	Royal Van Zanten Ltd.	Chrysanthemums cuttings and potted Celosia, Bouvardia, Asters	25
10	Ugarose Flowers Limited	Red Calypso, Frisco, Jamila, Safari, Poeme, Lambada, Valentino, Dream, Viva, Rodeo	12

	Company	Products Exported	Area (in hectares)
11	Uganda Hortec	Dream, Sunbeam, Red Calypso, White Calypso, Frisco, Chelsea	9
12	Wagagai Ltd.	Pot plant cuttings - Impatiens, Poinsettia, Pelargonium, Osteospermum, Bedding plants, Chrysanthemum cuttings, Begonias	37
13	Xclusive Cuttings	Chrysanthemum Cuttings, Kalanchoe cuttings,	8.5
Total			**265.5**

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POSTSCRIPT – May 23, 2020

Impact of COVID-19 on economic activity and workers' wellbeing in Uganda

By: Azfar Khan and Faisal Buyinza

> *"The coronavirus has major consequences for the floricultural industry and for the Ugandan population. In Africa, people have nothing to fall back on." - Olav Boenders, CEO, Wagagai*[25]

As with the world at large, the onset of the COVID-19 pandemic has also had grave consequences for the fortunes and wellbeing of working populations in Africa. Many workers have lost their jobs and incomes to support themselves and their families. The floriculture sector in Uganda is no exception and the welfare of many of the workers is at the mercy and generous understanding of the companies that employ them. There are some farms that have paid workers their due stipends for April but for how long they can continue to do so is unclear. The country went into a "lockdown" in early April and given the restrictions that this placed on physical movement, some farms decided to quarantine a critical mass of workers within the farms to continue with the work. What this critical mass constitutes varies across farms. One major farm reported employing only one-quarter of their usual workforce.[26]

So, it comes as no surprise that the farms are operating at significantly lower capacities. The fortunes of the farms are largely determined by the demand for flowers and cuttings, which are in the main shipped to Europe. This demand has waned considerably in the aftermath of the imposed lockdowns in western European countries, particularly the Netherlands, which receives 90% of the output of the sector's operations in Uganda. Consequently, this adversely affects floriculture activities in Uganda. Indeed, we note that the rose growing farms – providing in a sense a luxury product - have felt the impact of the stunted demand disproportionately with exports declining by 80% to 90%.[27] The cuttings farms are faring relatively better because at the moment they are heading into a slack period, having already shipped pot plants and bedding plants. But here as well, chrysanthemums cuttings have been hit by a lower demand and some farms have planted poinsettias that they hope to ship in June and July. What the future holds will depend on how the situation in Europe changes.

[25] "In Africa, people have nothing to fall back on" (Interview with Olav Boenders, CEO, Wagagai) https://www.hortipoint.nl/floribusiness/in-africa-people-have-nothing-to-fall-back-on/
[26] "Lockdown affects Dutch growers in Uganda" https://www.agroberichtenbuitenland.nl/actueel/nieuws/2020/04/28/lockdown-treft-nederlandse-kwekers-in-uganda
[27] Ibid

It should be kept in mind, as mentioned in the Uganda rural living wage study focused on the horticulture industry, there was already a downturn in the sector and this had invited considerable structural change in the face of fierce competition. Many farms—particularly rose-growing farms—were struggling to stay afloat and had experienced considerable falling-off in their profit levels even before the pandemic hit. One farm that we visited was already diversifying operations by moving part of their output away from flowers and into the production of herbs. Such farms would have borne the brunt of measures undertaken to combat the pandemic. To what extent can they recover, if and when things return to a normalcy? Their recovery is crucial to employments and well-being of workers and their families.

There has been a partial lifting of the lockdown in Uganda since 5 May 2020 and from some reports, it is understood that agricultural activities are no longer affected by restrictions.[28] But given that the responses to the changing situation are determined by external demand for the products of the flower farms, which has been falling, it would seem premature to suggest that all flower farms' workers will be returning to their old employment levels. This seems a highly unlikely outcome, at least in the short run, and one should, in all likelihood, expect a downturn in the livelihoods of workers in the flower farms to some degree. To what extent and how quickly the demand for flowers and cuttings is likely to improve is, at the moment, pure conjecture.

Given the situation, sketching a scenario for future developments is indeed fraught with considerable uncertainty, and remedial options are not particularly forthcoming, when it comes to devising measures to protect workers from falling into a situation of egregious poverty, as few alternatives exist. The present state of affairs is further compounded by the fact that there is also no institutional protection for the flower farm workers "as workers receiving a monthly wage are excluded from government food support and cannot access their pension savings."[29]

Under the circumstances, a 'social dialogue' has been initiated between Uganda's Horticultural, Industrial, Service Providers and Allied Workers' Union (UHISPAWU) that represents the flower farms' workers and the managements of the flower farms to provide contingency support to the workers to avert destitution. A promising feature of this dialogue has been the cordial atmosphere of exchange of views, accommodating an understanding of each other's concerns. Critical to this is ensuring that workers do not lose their employments, but maintain their employment status in the event of any improvement in the situation. However, they are currently expected to take pay cuts and participate in work-sharing schemes, although some farms have taken unilateral measures to support workers through provision of food and small financial

[28] "BREAKING! Uganda partially lifts Coronavirus lockdown" https://www.pmldaily.com/news/2020/05/breaking-uganda-partially-lifts-coronavirus-lockdown.html

[29] "International Labour Day: Recognising the importance of collaboration between Union representatives and employers in Uganda" https://www.fairtrade.net/news/international-labour-day-recognizing-the-importance-of-collaboration-between-union-representatives-and-employers-in-uganda

payments.[30] They have also allowed free access to their clinics, at their own cost, to workers and their family members in need of health care. Certifiers, such as Fairtrade International, have allowed certified farms to use 100% of their premiums to alleviate the unfavorable situation of workers.[31]

The present situation, with the contraction in the earnings and profits of the flower farms, renders the objective of achieving a living wage improbable in the foreseeable future; at least, until there is an economic rebound and the state of affairs acquires some degree of normalcy. Even then, it would depend greatly on how the general 'rebound' will affect the flower farms. The employments in the farms will depend on how future demand for the products of the farms shapes up. An accretion in the new demand would put the sector back on the road to growth where realization of a living wage for workers could be possible to achieve, while low demand would spell further economic difficulties that may even suggest a diminution in employment levels let alone payment of a living wage. Restoration of the status quo of last year would signal a considerable improvement over the present situation.

Nevertheless, in this climate of depression and discouragement, the protection of workers and their families is imperative. It is not only what social justice demands but it also makes economic sense for the farms to have at their disposal a robust and productive workforce for when demand returns. In this regard, the social protection measures taken by farms should be lauded, but this is not an issue that should be in the purview of employers only. Social dialogue initiatives need to be taken very seriously, where a decent balance is achieved between the parties (i.e. the employers, workers and the government) for the economic health of the flower farms, for the livelihoods of the workers in the farms, and for the benefit of the national economy.

A crisis of this magnitude will have lasting impacts on the landscape of employment in Uganda. Even months from now, as a sense of 'normalcy' is regained and employment rates begin to bounce back, the aftershocks of the pandemic-related employment crisis will pose a significant threat to employment structures and to the working population in the country. Consideration must be given to what impact this unprecedented level of unemployment will have on the post-pandemic structure of the Ugandan labour market and workers' security. Attention must also be paid to these trends over the coming months and years, to ensure that workers who are out of job and those falling into precarious employment are not left behind. Greater effort than ever must be put into organizing workers in non-standard employment relationships. It will not be easy – but this does not make it any less important.

[30] ibid
[31] ibid