

# THE COVID-19 PANDEMIC: ECONOMIC EFFECTS AND GOVERNMENT MEASURES IN UGANDA

Nabukeera Madinah<sup>1</sup>

## Abstract

Coronavirus also known as COVID-19 started in Wuhan, China in December 2019 and it was pronounced as a pandemic in March 2020 by the World Health Organization (WHO). Although COVID-19 has slowly spread in Africa, but recent spreading is at a high rate. While the recovery rate has been high, Uganda has registered serious impacts on the economic and social front. This paper examined the effect of COVID-19 on employment in Uganda, established the effect of COVID-19 on public demand and prices of inputs in Uganda. It also proposed interventions and how the interventions can be financed. The article recommended that the government should come up with financial interventions which are geared towards improving public demand in the country. The government should come up with a budget to support people who are financially insecure since this may boost demand for public goods and services.

**Key words:** *Covid-19 pandemic, employment, public demand, prices of inputs, interventions and financing.*

## Introduction

World over the pandemic has impacted on many sectors. In Uganda the informal sector has been hit worst to the extent that over 7 million Ugandans require social protection and need economic bail out to trunk the effects of Covid-19 (Bukuluki et al. 2020, 1-2). The government needs to save the situation to ensure that its people remain afloat and do not starve as the economy comes to its knees due to the total lockdown in March 2020 where all businesses were stopped apart from health, industry, agriculture, media, electricity, water, cargo transportation within and outside the country and security to stop the spread of the deadly Covid-19 pandemic. The main affected groups in Ugandan economy are the people working in the private sector (800,000), the elderly (2 million above 60 years and older), low-level female employees (150,000) such as nurses whose family obligations have to be compromised because of their increased workload for they are not allowed to return home to take care of their children, they also faced a lack in Personal Protective Equipment (PPE) coupled with delayed payments of their salaries. In addition, self-employed rural persons working on-farm and off-farm activities (Kanaabi 2020, 1) were also affected by the lockdown. The dairy farmers and food producers felt the effect of the lockdown due to lowered prices because of excess in supply of milk and food and due to export disruptions experienced by exporters in the county. The pandemic exposed our dependence on global interconnectedness and the country experienced stock outs on PPEs, closure of some businesses

and job losses. This led to some Ugandans returning to their village homes since they had little left to sustain their families (Pillai 2020, 4).

The pandemic has influenced various economic factors such as halting the tourism sector, the macro level weakening of the currency and disrupted trade. GDP growth rates by March were revised from 6% to between 5.2% and 5.7%. Tourism in Uganda pre-Covid-19 was among the biggest revenue earner (7% of GDP now reduced to 4-6%). The sector employed to a tune of 500,000 people per year and has been grossly affected from a decline in revenues for tour guides, travel agents, local transportation, national parks, shopping, accommodation and local sightseeing including visa revenue for the government (Pillai 2020, 5), hence Covid-19 affected the entire value chain in tourism. Due to uncertainty in orders in terms of raw materials to Uganda to cater for labour intensive sectors like carpentry and manufacturing led to suspension of production hence leading to temporary shutdowns which reduced the number of shift workers required in the production process. If Covid-19 spreads and lockdowns continue, the economic impact is expected to be huge consequently 2.6 million Ugandan will enter into poverty (Pillai 2020, 5).

The Covid-19 has serious effects on general welfare and health of the people across the world and in Uganda it has far reaching effects on all sectors of the economy big, medium, and small without exclusion. A stake holders' meeting was chaired by the Minister for Gender, Labor and Social Development together with Central Organisation of Free Trade Unions (COFTU), National Organisation of Trade Unions (NOTU) and Federation of Uganda Employers (FUEs) to understand the effects of Covid-19 on employment, job security and mitigation actions that can be undertaken (Tumwebaze 2020, 1). The employers are equally affected like the employees, the effects are both positive and negative i.e., some sector like manufacturing are re-booming and has the possibility of exploiting opportunities. However, sectors like tourism, hotel industry, transport, media, agriculture, education, and exporters were the worst hit while sectors such as factories producing soap, face masks, sanitisers, personal protective equipment's (PPEs) and toilet tissue are booming. In addition, cash flow shortages caused by partial, total and incremental lockdown made it difficult for employers to meet employee salaries and wages hence cost-reduction in the form of pay cuts, layoffs and termination measures were undertaken (Tumwebaze 2020, 1). Retrenched employees faced trouble to meet basic needs, and the most affected are lower level employees and informal sector workers hence the situation call for patience and joint sympathy and empathy among the employers and employees since it is hoped to be a temporary situation. The need for employers and employees to find a win-win solution because the Covid-19 employment relations is more than a legal matter given its unprecedented nature.

Consequently, employees have been encouraged to work at home as much as possible to avoid congestion of work places in order to reduce the risks of infection and cut overhead costs (Tumwebaze 2020, 2). Some employees have been encouraged to take their annual leave, negotiate, and renegotiate wages before being retrenched. Employers were encouraged not to terminate employees because they will need them when the situation normalizes. Increase costs of terminal benefits or payment in lieu and compensation package have a human face. It is recommended that employers adhere to the law Section 58, 65 and 81 of the Employment Act, 2006 and Regulation 44 (a) and (b) Employment Regulation, 2011 (Tumwebaze 2020, 2). Employers are required to take care of basic needs of their employees like food to help them stay connected and employees should be given reassurance of goodwill during difficult times. Employees with running loans should take advantage of the Bank of Uganda's directive to reschedule loan payments without imposing penalties on borrowers. The Ministry for Gender Labour and Social Development gathered Information from institutions that had terminated employees' contracts to support statistics gathering for policy and planning. There is a need to develop a risk management plan after an assessment of the effects of Covid-19 on employment, labour and productivity has been made. There is also a need for amendment of the National Social Security Fund (NSSF) Act 2019 as a tool to address certain group of Ugandan contributors who are below 45 years but had saved money for at least 10 years, where they should be allowed the benefit from midterm access of their funds to support them during COVID-19 difficult times (Tumwebaze 2020, 2).

Coronavirus also known as COVID-19 started in Wuhan, China in December 2019 (WHO 2020b) and it was pronounced as a pandemic in March 2020 by the World Health Organization (WHO 2020a, 1). Although COVID-19 has slowly spread in Africa, but recently it has been spreading at a high rate (WHO 2020c). This pandemic has greatly affected the social and economic life of Ugandans in several ways including public demand, access to inputs in different sectors, and employment, among others. For instance, the business closure due to COVID-19 outbreak has affected a number of Ugandans who depend on it for survival bearing in mind that business environment employs a significant number of people in the private sector most importantly those in the informal sector.

The informal sector employs over 84.9% of Uganda's working population, of which 90% are youth (10-30 years) who could be the victims of the exponential spread of the Virus (UBOS 2017, 7). Additionally, the preventive measures put in place by the government to deter the spread of the virus such as closure of businesses, limited movements, and

stay home orders among others have also impacted negatively on the economic growth of the country. Therefore, this paper attempted to bring out evidence that underpins the economic and social effects of the COVID-19 pandemic in Uganda. While the Covid-19 cases are still low, the country has registered serious impacts on the economic and social fronts. This paper is structured in four parts; to examine the effect of COVID-19 on employment in Uganda, establish the effect of COVID-19 on public demand and prices of inputs in Uganda, proposed interventions and how the inventions can be financed and a conclusion with other mitigation measures.

## **Study purpose**

The purpose of the study was to examine the economic and social effects of the COVID-19 pandemic in Uganda.

## **Specific objectives**

- i. To examine the effect of COVID-19 on employment in Uganda.
- ii. To establish the effect of COVID-19 on public demand and prices of inputs in Uganda.

## **Research questions**

- i. What is the effect of COVID-19 on employment in Uganda?
- ii. What is the effect of COVID-19 on public demand and prices of inputs in Uganda?

## **Methodology**

The study used a cross-sectional descriptive survey designed to examine the economic and social effect of the COVID-19 pandemic in Uganda. The study used secondary data (Johnston 2017) which was obtained from the Economic Policy Research Centre (EPRC) (Lakuma et al. 2020: 1). The study employed mainly quantitative approaches where findings were presented in numeric form using graphs. The study was supplemented by literature review to propose interventions and how the inventions can be financed in Uganda (Flint et al. 2012, 15). The data on the study variables was obtained from the published report of the Economic Policy Research Centre (EPRC) on the website of Media Africa Portal. There was free access to this information via Media Africa Portal. This information was extracted from the published report using abstraction forms and later entered into excel where it was reanalyzed to answer the objectives of the study. The data employed was for a cross sectional survey conducted by EPRC in May 2020 on how COVID-19 pandemic impacted on Ugandan businesses from March to May 2020.

## **Findings**

The study presents findings on how the COVID-19 pandemic has affected the social and economic situation in Uganda. The study mainly focused on how COVID-19 pandemic has affected employment in different sectors, the prices of inputs and demand, and the performance of businesses in Uganda. The findings are presented below.

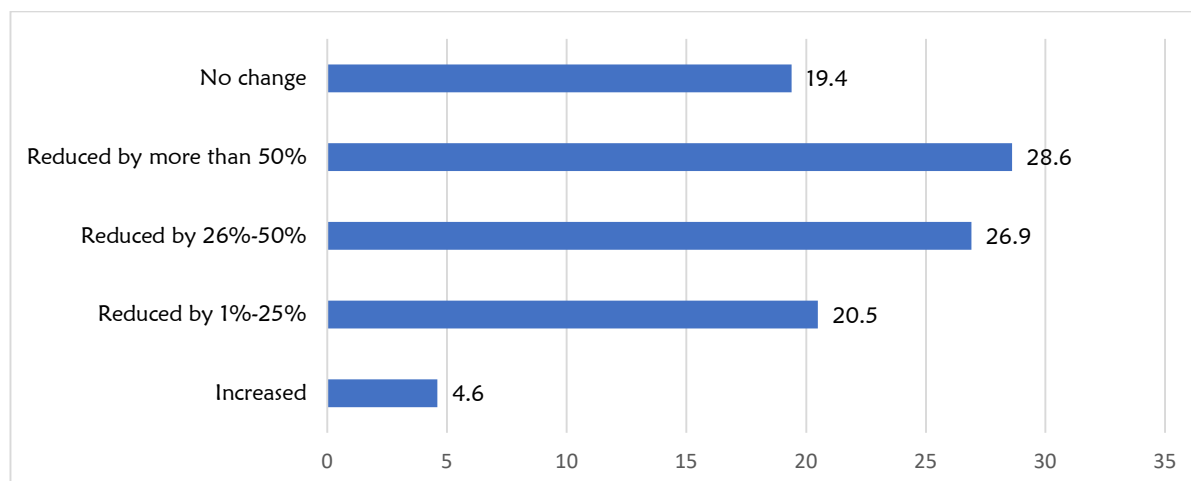
### **The Effect of COVID-19 on Employment in Uganda**

The outbreak of COVID-19 in Uganda resulted in the laying off of many workers in several sectors. This study examined the extent to which COVID-19 affected the level of employment in the services, manufacturing, and agricultural sectors in Uganda.

### **The Overall Effect of COVID-19 on Employment in Services, Manufacturing, and Agricultural Sector**

The study established how employment in services, manufacturing, and agricultural sector was affected by the outbreak of COVID-19 in Uganda. The findings are clearly presented in figure 1 below;

**Figure 1 Overall effect of COVID-19 on employment in service, manufacturing, and agricultural sector from March- May, 2020 (% change)**



Source: Economic Policy Research Centre (2020)

The findings in figure 1 reveal that the overall employment in the services, manufacturing, and agricultural sector predominantly reduced by more than 50% during COVID-19 outbreak. The findings may imply that due to reduction in supply versus the limited demand in COVID-19 situation, could be the reason why the above sectors laid off some of their workers. During the lockdown farm workers encountered a lot of challenges related to transportation because security personnel denied them access to the farms during the planting season. They were required to enforce the curfew measures based on the directives given by the president although the president gave the workers permission to travel.

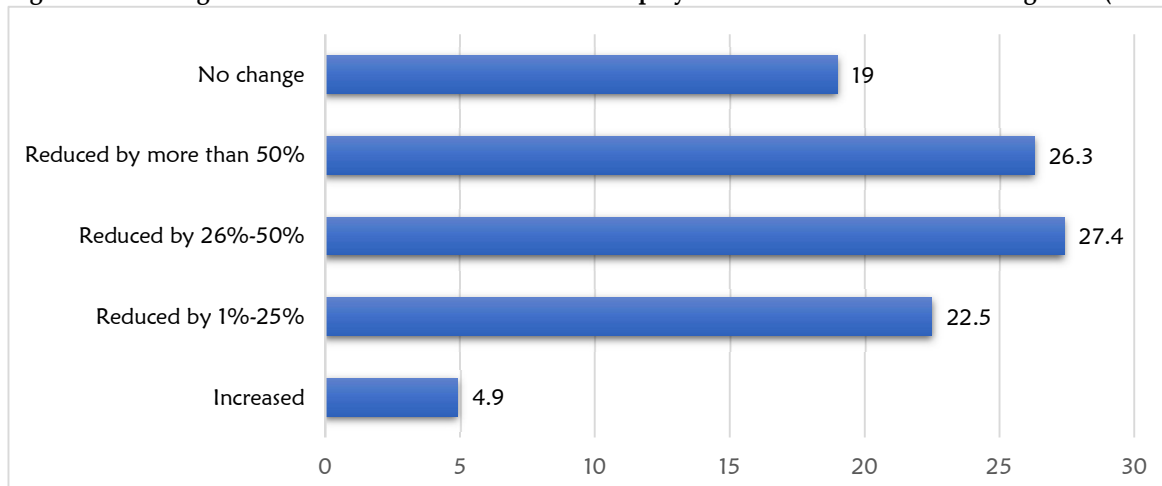
The limited operating time because of the curfew and prohibition of the use of public transport including motorcycles (*boda boda*) hindered the farmers from accessing agricultural input from Kampala city.

Due to the reduced prices of agriculture outputs during Covid-19 lockdown this results into less cash flows to the farmers hence it affected their ability to purchase agricultural inputs since majority of the farmers could not afford the prices. Hence, they had no choice but to reduce the number of workers on the farms. The fact that children are out of school, majority of the parents were encouraged to cut operational costs by not employing labourer's, rather they worked with their children in the farms.

Manufacturing sector faced a lot of uncertainty and therefore the owners could not risk ordering the raw materials needed for production and this inadvertently reduced production which later created redundancy at work hence layoffs.

### **Effect of COVID-19 on Employment in the Services Sector in Uganda**

The services sector in Uganda is comprised of Wholesale and Retail trade, Telecommunications, Hotels and Restaurants, Transport and Communications and Tourism sub sectors. During the outbreak of the pandemic, these subsectors were strongly hit especially tourism which led to a decline in employment in this sector. The study presents findings in figure 2 below on how employment in the services sector was affected;

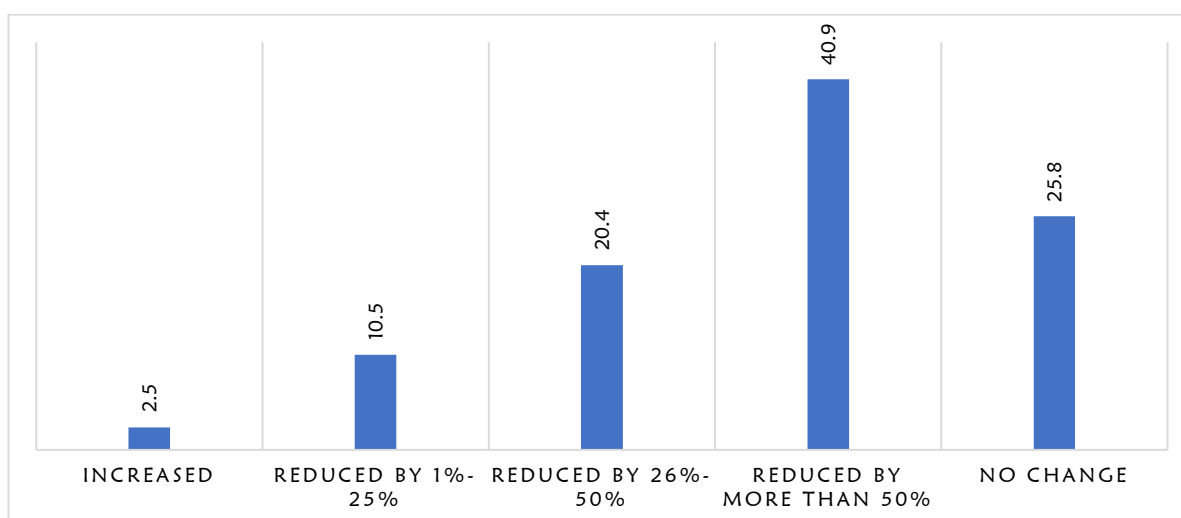
**Figure 2: Findings on the effect of COVID-19 on employment in services sector in Uganda (% change)**

Source: Economic Policy Research Centre (2020)

The outcomes from the study indicate that employment in the services sector was majorly reduced between 26% and 50% due to COVID-19 outbreak in Uganda. The reduction in employment maybe attributed to a decline in demand for services from subsectors like tourism since the airport was closed and no foreign tourists could come in. The fall in employment in services sector may also be because of closure of Hotels and Restaurants which consequently led to the laying off of many workers.

### Effect of COVID-19 on Employment in Manufacturing Sector in Uganda

The manufacturing sector in Uganda is mainly composed of manufacturing of construction materials and fast-moving consumer goods, agro-processing, food and beverages, and household products. The study presents the extent to which COVID-19 has affected employment in the manufacturing sector in Uganda:

**Figure 3: Findings on the effect of COVID-19 on employment in manufacturing sector in Uganda (% change)**

Source: Economic Policy Research Centre (2020)

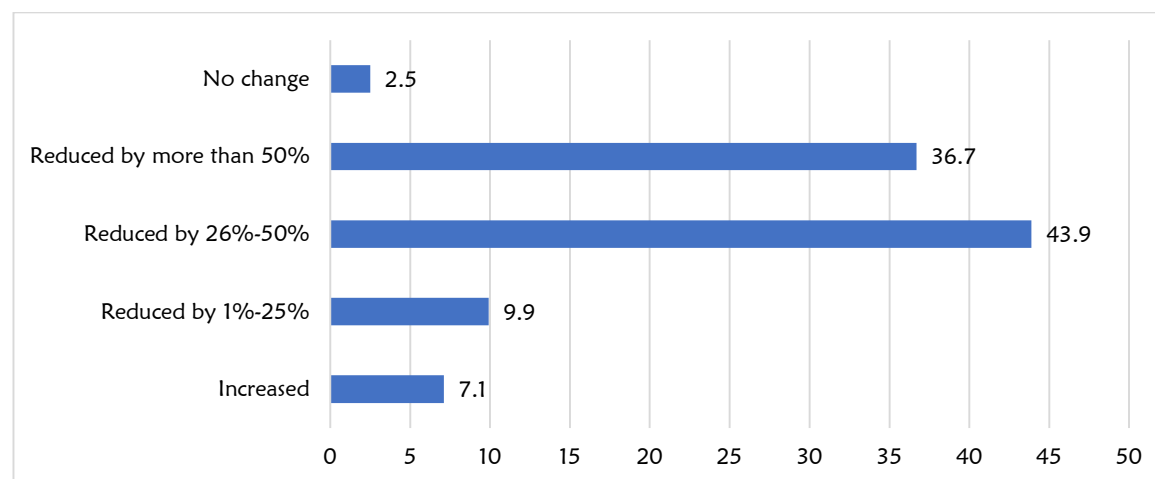
The study found that employment in the manufacturing sector declined mainly by more than 50% during the period of lockdown due to COVID-19 in Uganda. The decline in employment is because of reduction in demand from

the construction industry led to retrenchment of workers. It should be noted that Uganda imports majority of its raw materials therefore Covid-19 created a period of uncertainty for the investors to invest besides Ugandans have low purchasing power and majority are employed in the informal sector yet they were subjected to a lockdown and business was not moving like normal which also affected productivity.

### Effect of COVID-19 on Employment in Agricultural Sector in Uganda

The agricultural sector employs a fair number of the population in Uganda. For instance, it employs approximately 80 per cent of women in the sector and contributes significantly to the GDP of the country. The study examined the extent to which COVID-19 affected employment in the agricultural sector as shown in figure 4 below;

**Figure 4: Findings on the effect of COVID 19 on employment in agricultural sector in Uganda**



Source: Economic Policy Research Centre (2020)

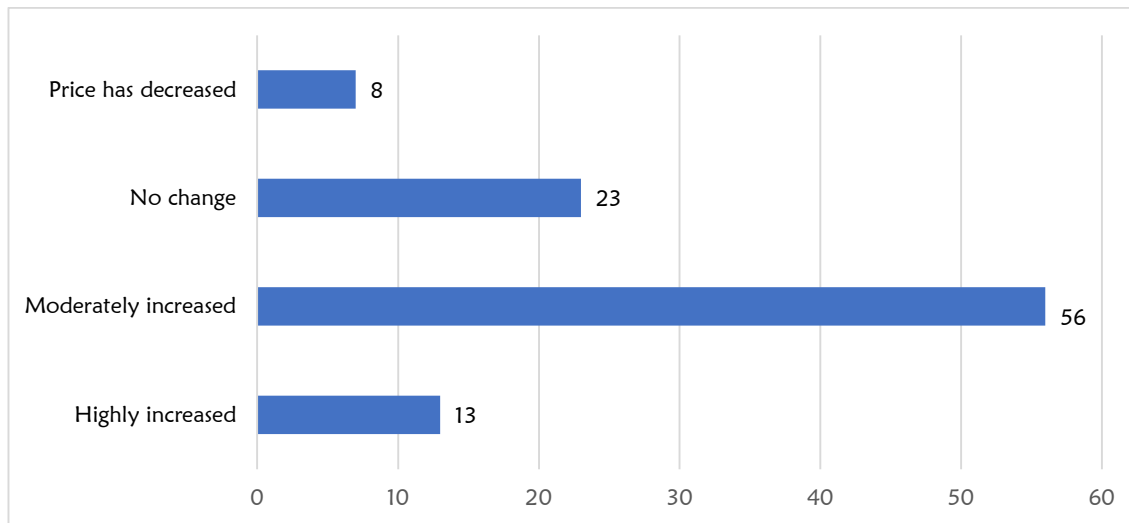
The study revealed that employment in the agricultural sector reduced substantially between 26% and 50% due to the outbreak of COVID 19 in Uganda. The employment in this sector was affected because of the decline in demand for agricultural products by restaurants and hotels which consequently resulted in laying-off of the workers. Covid-19 also disrupted the export sector of agricultural products to other nearby countries hence excess supply with low demand resulted in lower prices of the products.

### The Effect of COVID-19 on Public Demand and Prices of Inputs in Uganda

The study sought to establish how COVID-19 has affected public demand and prices of inputs in different sectors in Uganda. The study investigated how public demand from services, manufacturing, and agricultural sector was affected due to COVID-19. Similarly, the study investigated the extent to which COVID-19 has affected the prices of inputs in different sectors in Uganda.

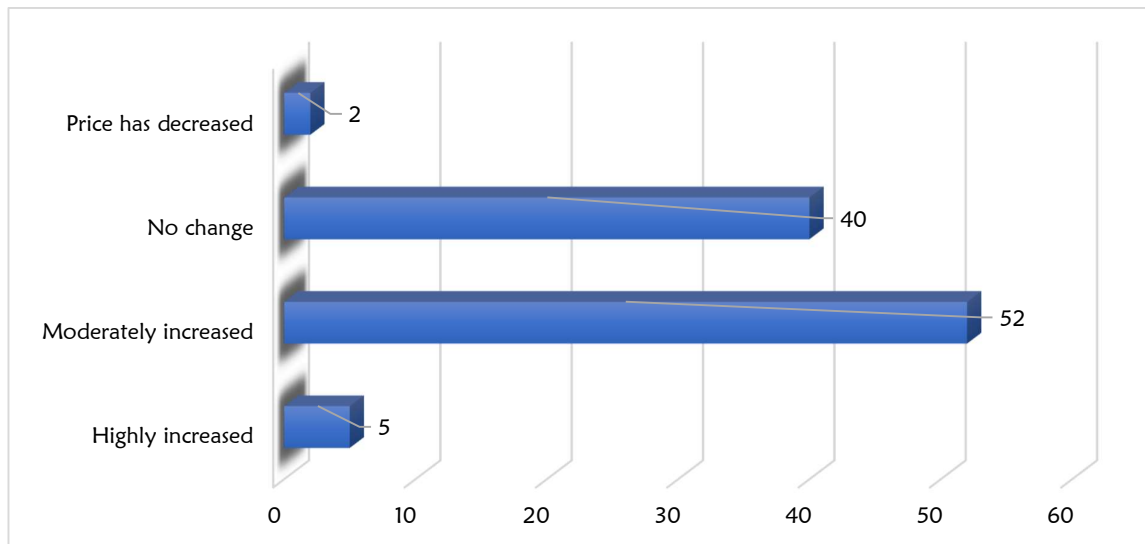
### Effect of COVID-19 on Prices of Inputs in Uganda

Due to the restrictions in movement because of COVID-19 outbreak in Uganda, prices of inputs in different sectors were affected in one way or the other. Thus, figures below show the variations in prices of inputs in services, manufacturing, and agricultural sector in Uganda;

**Figure 5: Findings on the effect of COVID-19 on prices of inputs in services sector in Uganda**

Source: Economic Policy Research Centre (2020)

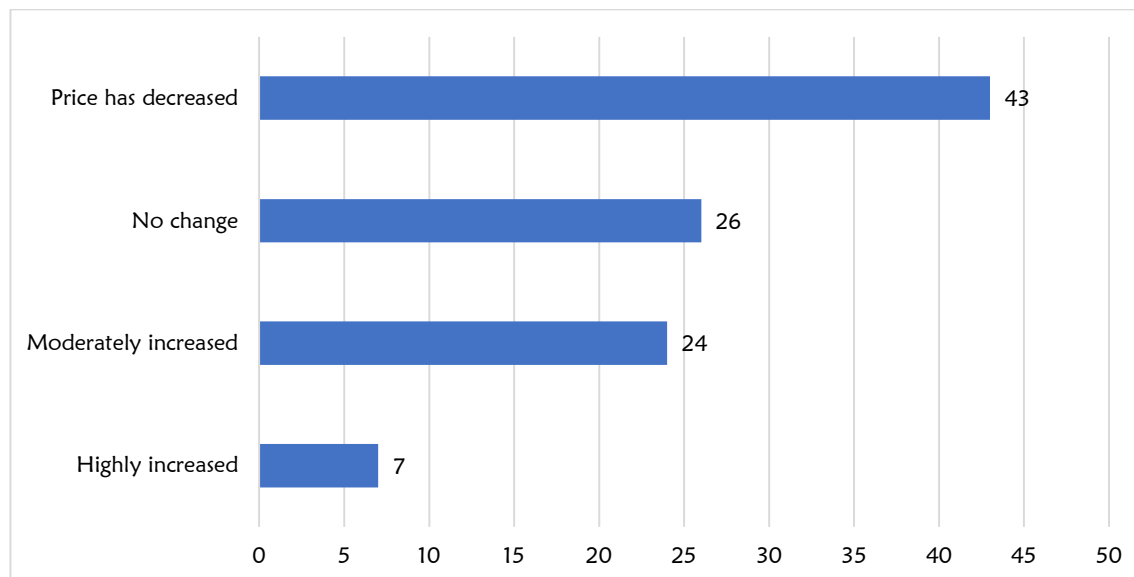
The results from the study show that the prices of inputs in services sector moderately increased due to the outbreak of the virus in Uganda. The moderate increase in prices of inputs was brought about by increasing cost of transportation due to the restricted movement order by the government. This led to income loss, job loss, bankruptcies and closures since the transport operators could not service bank loans. This inflated the cost of transport prices since only trucks and pickups could operate and this did not make business sense.

**Figure 6: Findings on the effect of COVID-19 on prices of inputs in manufacturing sector in Uganda**

Source: Economic Policy Research Centre (2020)

The results from the study revealed that prices of inputs in the manufacturing sector predominantly showed moderate increase due to the COVID-19. The increase in prices of inputs in the manufacturing sector was attributed to the rising cost of importing raw materials from foreign countries due to closure of airport and borders. While borders were partially open to allow in goods from foreign countries, but the uncertainty led to hoarding of goods which resulted in increased prices of the inputs besides the increase in the cost of transportation.

**Figure 7: Findings on the effect of COVID-19 on prices of inputs in agricultural sector in Uganda (% change)**



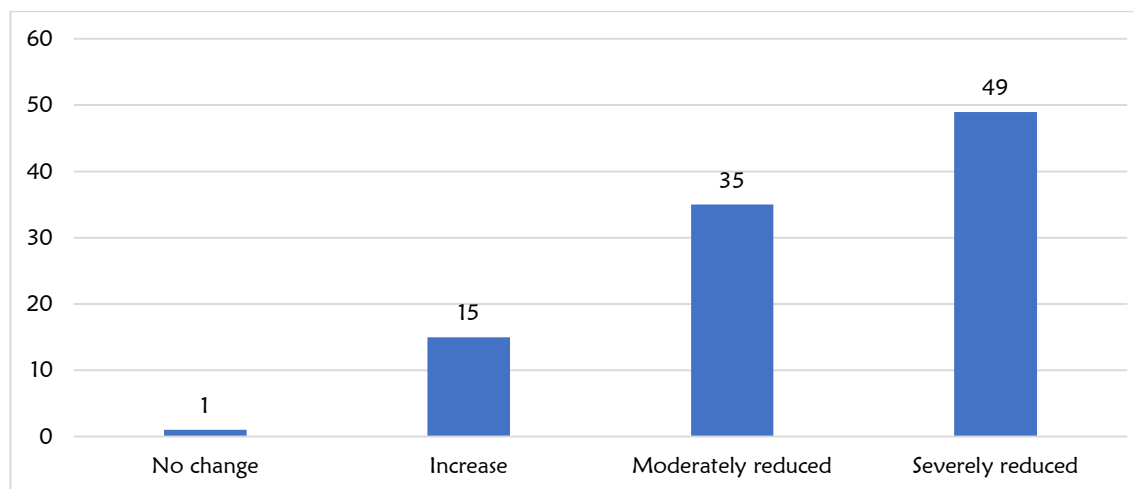
Source: Economic Policy Research Centre (2020)

It is evident from figure 7 above that prices of agricultural inputs substantially decreased due to COVID-19. The decline in prices can be attributed to the fall in the demand for agricultural commodities in the services sub sectors like hotels and restaurants which consequently led to the slowing down of agricultural activities.

### Effect of COVID-19 on Public Demand in Uganda

The outbreak of COVID-19 in Uganda led to many persons losing their jobs contributing to an increase in the unemployment rate and also an increase in the underemployed in the population which in turn reduced the demand for goods and services. The study ascertained the extent to which COVID-19 affected public demand in services, manufacturing, and agricultural sector in Uganda. The findings are presented in figures below;

**Figure 8: Findings on the effect of COVID-19 on public demand in services sector (% change)**

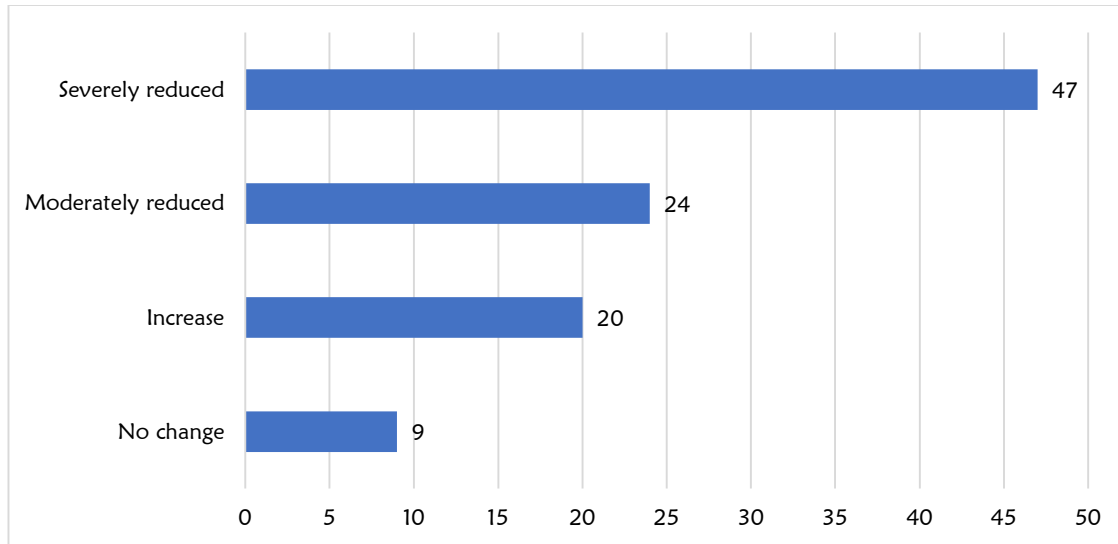


Source: Economic Policy Research Centre (2020)



The study found that public demand for goods and services in the services sector was severely reduced during the COVID-19 lockdown in Uganda. The decline was mainly due to the closure of subsectors like tourism, hotels, and restaurants. Additionally, there was dormant demand within the public due to lack of ability to pay because of diminishing incomes of people.

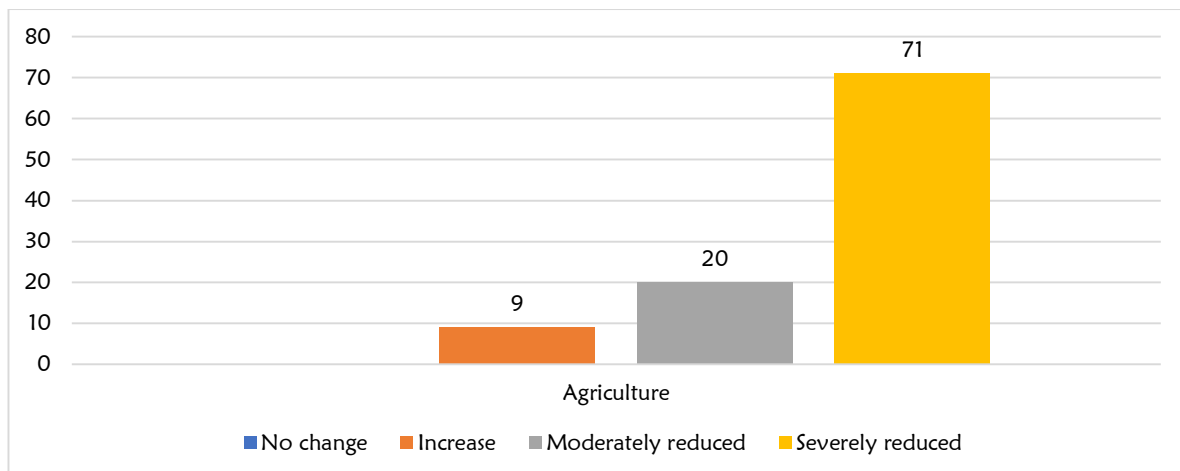
**Figure 9: Findings on the effect of COVID-19 on public demand in manufacturing sector (% change)**



Source: Economic Policy Research Centre (2020)

The public demand in the manufacturing sector recorded a significant decline during the COVID-19 lockdown in Uganda. The fall in the demand for the products in the manufacturing sector is related to a decline in demand from the construction industry since building activities were stopped during the lockdown due to the measures put in place such as instructing construction workers to sleep on site, closing hardware shops and the disruption in the supply of raw materials needed to boost the sector. The demand also declined because many of the hardware shops which deal in construction materials were closed during the lockdown which influenced the demand for products from the manufacturing firms.

**Figure 10: Findings on the effect of COVID-19 on public demand in agricultural sector (% change)**



Source: Economic Policy Research Centre (2020)

The study also found that public demand for agricultural products substantially reduced during the lockdown period of COVID-19 in Uganda. The fall in demand was attributed to the closure of restaurants and hotels during the lockdown. For instance, a tray of eggs reduced from UG shillings 12,000 to 7000 since the demand was low mainly from the hotels and restaurants and from the general population who focused on the essential food items only. Most of the households needed basic goods like maize flour, beans, and cassava flour among others because of decline in earnings of the population which also led to fall in demand for other commodities. Besides that, the demand for agricultural products declined due to problems faced by farmers related to transportation of agricultural products due to the lockdown. In addition to that there was also a slump in the export of agricultural products.

### **Proposed Interventions**

The 1.5 trillion shillings stimulus package proposed by the government should be injected into the economy to avoid the situation from getting out of hand. The informal sector that houses public transport, markets, vendors, and any other informal trade requires 800 billion shillings in support in the next four months period if the economy is to recover. The distribution could easily be done by engaging the informal sector association leadership for verification purposes i.e., Kampala Capital City Traders' Association KACITA, *boda boda* (motorbike) associations and market vendors' association (Kanaabi 2020, 2).

There is a need for 240 billion shillings (UNDP 2020) to support employees who became redundant and lost jobs because of the COVID-19 pandemic as a result of the lockdown (UNDP 2020). In addition, SMEs is a key employer in Uganda and therefore, there is need for a stimulus support of 150 billion shillings (UNDP 2020) to ensure that they keep a float a head of tough economic times through the Uganda Development Bank. However, priority should be given to private companies that are tax compliant although majority of the businesses are still operating informally and need to formalize.

There is also a need for 45 billion shillings (UNDP 2020) to support the front liners i.e., security guards, doctors, nurses and teachers for a period of about three months and there is also a need for a holistic approach to help the farmers in rural areas so that they are not badly hit.

### **How Can the Interventions/Stimulus Package be Financed?**

The International Monetary Fund (IMF) has a credit facility worth \$10 billion dollars for poor countries since its interest free with a grace period of 5 and half years before payment starts (IMF 2020). The government of Uganda acquired \$491 million (1.8 trillion shillings) to support the recovery of local businesses. The money is intended to recapitalize Uganda Development Bank (UDB) to fund SMEs obtain capital and inject cash to help the financial sector (UDB 2020).

The government entities need to save money from non-essential activities i.e., travel abroad, consumables, workshops and non-core activities need to be postponed enabling a diversion of funds to critical areas.

According to the auditor general report, focus was on clearing the local debt which stood at 2.2 trillion by the close of 2018-2019 financial year which under the present situation should be put on hold. This money intended to pay the debts should be given as loans to local businesses and suppliers which will support to stimulate the economy and deal with the effects of the lockdown in the country (GoU 2019a).

Debt payment moratorium, renegotiation of interest and debt restructuring is required to enable more funds to support social service expenditure and mitigate the effects of the pandemic since the interest worth 2.3 trillion annually could be repositioned to vital social services (GoU 2019b).

There is a need for continued elimination of cash-out fees for lower transactions and reducing bank to wallet charges. Mobile companies and banks were requested to remove the charges on mobile money charges for lower transactions to enable people to transact for survival since these increases cash at hand. Mobile telecommunication service providers should continue waiving off on-network lower-tier transaction fees.

The need to help people overcome the Covid-19 crisis and deal with the aftermath of the unintended shock, if not carefully managed will claim lives of Ugandans.

### **Other Measures that Government Can Take to Help Ugandans**

The population should be encouraged to go cashless for it will reduce the risk of catching the virus spread and the insurance companies should be encouraged to cover epidemics and pandemics. The Insurance Regulatory Authority in Uganda should negotiate with the insurers to cover the patients suffering from Covid-19, hence there is a need

support on the health expenditure bills to save lives. Through this coverage, they can sensitise the public and hence develop trust in their services.

The government should support its people to avoid pushing them into absolute poverty by addressing loan repayments, collateral seizures and adjust repayments to enable them to have cash flow not forgetting that 70% of Ugandan households indirectly or directly depend on agriculture hence there is an urgent need to ensure cash flow to buy agricultural inputs, work on agricultural produce prices and increase on their liquidity so that the farm cycle is not defeated (Pillai 2020).

A total end to income generation undertakings in the informal sector will deepen poverty levels hence economic stress and increased helplessness with risk of increased gender-based violence, child abuse and domestic violence. The government should provide food relief items and loans to this group of people. There is need to provide women SACCOs with skills in sewing, bicycle mechanics, basket weaving, safe water, and adult education programs. This will bring in income, reduce boredom, redundancy and empower rural women to earn a living and empower them to make their own decisions.

Another recommendation is to revise the 2020 financial budget to empower the informal schemes that create employment and reduce crime rates. The minister of finance read a budget in June 2020 and it was found that the ministry had budgeted for items such as workshops and travels abroad to attend conferences. The president observed that with Covid-19 and its related economic impact the 2020 financial budget needed revision to support the informal sector.

The design of the national policy response to vulnerable groups creates gender inequality right from the national fiscal stimulus packages for persons with disabilities (PWDs), marginalized communities with unequal power, youth, and women. The social protection programme has not been effective to PWDs since they depend on the third person and they were unable to access social services directly since they fall in the category that require special assistance such as (emotional, financial and social), the Ministry of Gender Labour and Social Development should rethink of the special social protection for PWDs and provide food relief items as well as loans to help them improve their wellbeing. Stimulus packages for the vulnerable groups such as persons with disabilities (PWDs), marginalized communities with unequal power, youth and women is needed to boost the economy again through recapitalization of small businesses who can employ them. There is a need to create opportunities for the vulnerable groups such as persons with disabilities (PWDs), marginalized communities with unequal power, youth and women and expose them to new markets, basic financial transactions, information inputs, basic new research on standards and quality like agriculture apps, and price shifts. The solutions should also address the service sector to help reduce the increased rates of unemployment for example among the refugees (Bukuluki et al. 2020) and other vulnerable groups to minimize the Covid-19 effects on these vulnerable groups livelihoods.

More investment is needed in internet connectivity and incentives should be given to encourage innovation and online business investments. There is need to revise the high internet rates, removing the Over the Top (OTT) tax will support the delivery of content via the internet which does not require users to subscribe. This tax has been referred to as regressive and makes it difficult for vulnerable groups to join the ICT sector. Businesses have resorted to digital tools and technologies therefore the need to remove the tax will enable Ugandans to access you-tube, Facebook, Twitter, WhatsApp and other social media tools to enable them to engage audiences to market their business and the government can also use the same mediums to sensitise the public on how to avoid Covid-19 to avert its wide-spread.

Invest in skilling and retooling the population, diversification in businesses to create sources of alternative income and aim at value addition. Establish other enterprises with productivity solutions to boost economic recovery. The economic shut down has worsened the levels of unemployment in Uganda because of Covid-19 pandemic lock down to avert the spread of the virus which will result in increased crime rates. The government should increase on the level of security in the country to reduce the risk of theft cases that are likely to occur.

Support the hand to mouth informal sector such as saloon operators, women who worked as tour operators, night clubs, leisure parks, recreation centers, hawkers, bars, hotels, market vendors, roadside sellers, of non-food items to help them recover the economic shock since majority lost their jobs and need to start all over again to look for means of livelihood since majority have spent their capital. The government should provide loans to enable them to continue their business since this sector employees 90% of the youth (UNDP 2020).

There is a need to reduce the high interest rates on loans by commercial banks. This will help low income earners access financial services and reduce exclusion and focus on growth for all. SMEs can recapitalize through cheap and affordable credit, interest free startup with friendly grace periods of up to 3-6 months. Government should further enforce public private partnership in financial inclusiveness. There is also a need for innovative financial tools to help

strengthen the Agro industrialization business by adding value to agricultural products in small and medium size enterprises.

Government need to strengthen negotiations with banks and landlords to accept reasonable payment plans for both parties (landlord and tenant) since this will reduce business nervousness, business closure and stress. Since private businesses' capacity has reduced which has led to a decline in their ability to repay loans as a result of risks related to Covid-19 and its consequent measures to contain the virus in the country, the 10<sup>th</sup> parliament has to pass Market Amendment Bill 2019 which cancels out the obsolete Market Act Cap 94, 1942, which will allow the public to occupy the market stalls and start business operations across the government built markets in the country. This will help boost the informal sector businesses in the country (Sekanjako 2020, 1).

### Other Mitigations Measures

The government need to ensure laws with hush penalties to be put in place to restrain price increases by traders in these difficult times. Appropriate social protection systems need to be put in place. There is a need to ensure proper data collection to enable appropriate interventions and policy implementation are carried out based on evidence.

There is a need for payment of pension arrears, and waivers on rent for tenants whose premises did not operate during lockdown. There is also a need for a joint private sector, government, and civil society task force to kick start the economy during and after the pandemic.

### Conclusions

The study found out that the outbreak of COVID-19 pandemic in Uganda led to reduction in employment in all the sectors in Uganda. The evidence indicated that the manufacturing sector was the most hit whereby employment reduced by more than 50% compared to services and agricultural sector which reduced between 26% and 50%. Thus, there is a need to ease on the lockdown in all districts in the country since it would stimulate public demand, hence contribute to a rise in employment.

The study also revealed that the prices of inputs for services and manufacturing sector moderately increased during the period of COVID-19 in Uganda. This is related to a rise in the cost of importing raw materials from foreign countries for manufacturing. However, the prices of agricultural inputs significantly reduced during the COVID-19 lockdown period.

The study also found out that Uganda recorded a severe decline in public demand for goods and services in services, manufacturing, and agricultural sector in Uganda. The fall in demand in services sector was due to the closure of subsectors like tourism, hotels, and restaurants. On the other side of manufacturing, the construction industry was not operating normally and hardware shops which deal in procuring construction materials were totally closed which affected demand. Thus, the article concludes that the government should provide some incentives to sectors like services, manufacturing and agriculture which were strongly impacted by the outbreak of the pandemic. The government should come up with comprehensive financial interventions which are geared towards improving public demand in the country. For instance, they should come up with a budget to support people who are financially insecure since this may boost demand for goods and services.

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## Endnote

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<sup>1</sup> Kyambogo University, Faculty of Arts and Social Sciences, Department of History and Political Science, E-mail: mnabukeera@kyu.ac.ug. Tel no: +256776360170