EXECUTIVE SUMMARY

LABOUR MARKET SURVEY 2026/27, QUARTER ONE (JULY–SEPTEMBER 2026)

Overview

Uganda's labour market in July–September 2026 shows a large workforce that is mostly at work, but much of it is informal, under-used or outside formal jobs. Of 28.6 million persons of working age (14–64 years), 55.5% were in the labour force, 48.9% were employed and 11.8% of the labour force was unemployed. Nearly half (44.5%) of the extended labour force was underutilised, and women and rural residents bore most of that slack.

The Quarterly Labour Market Survey (LMS) 2026/27 is UBOS's first quarterly series on both labour supply (households) and labour demand (formal establishments). Funded by the Government of Uganda with ILO technical support, it uses a rotational panel so that the same households and establishments can be tracked across quarters.

The household module covered 2,739 households in 242 enumeration areas across 15 sub-regions, with response rates of 98.7% (households) and 99.8% (individuals). The establishment module interviewed 1,496 of 2,232 located formal establishments drawn from the 2024/25 Business Register, a response rate of 67.0%.

Headline indicators

Women trail men on every participation and employment measure and face higher unemployment, especially among young people.

Indicator (persons 14–64 unless stated)	Male (%)	Female (%)	Total (%)	Number
Working-age population (share of total population)	56.0	59.2	57.7	28,573,540
Labour force participation rate	63.2	48.5	55.5	15,856,115
Employment-to-population ratio	56.6	42.0	48.9	13,981,043
Unemployment rate	10.4	13.4	11.8	1,875,071
Youth unemployment rate (18–30)	12.3	20.4	14.6	993,481
Long-term unemployment (share of unemployed)	42.7	54.6	48.9	881,793
Time-related underemployment			18.4	
Potential labour force rate	15.5	30.4	23.1	4,750,278
Composite labour underutilisation (LU4)	36.7	52.0	44.5	
Informal employment, excluding agriculture (15+)	83.9	90.4	86.9	
Employment in formal establishments (as at 30 June 2026)	64.0	36.0	100.0	2,577,103

Source: UBOS, Labour Market Survey 2026/27 Q1 Report (November 2026),

Employment in households

About 14.0 million Ugandans aged 14–64 were employed, an employment-to-population ratio of 48.9%. The ratio was higher for men (56.6%) than women (42.0%) and higher in urban (53.4%) than rural areas (46.2%). Labour force participation followed the same pattern: 63.2% for men against 48.5% for women, and 59.9% urban against 52.8% rural.

Most work is self-generated. Independent workers without employees made up 47.4% of the employed, employees 28.6%, dependent contractors 19.0% and contributing family workers 3.8%. Services was the largest sector (49.7%),

followed by agriculture, forestry and fishing, with industry the smallest (13.5%). Women were concentrated in services (56.4%), where 40.8% of them worked as service and sales workers.

Informality is the defining feature of the labour market. Some 84.0% of employed persons worked in the informal sector, and 91.7% held informal jobs when agriculture is included (87.0% excluding agriculture). Women were more likely than men to be in informal work on both measures. Education levels remain modest: 39.0% of the working-age population had only some primary education, and 6.9% had none.

Labour underutilisation

Unemployment alone understates the slack: 11.8% of the labour force was unemployed, but 44.5% of the extended labour force was underutilised once underemployment and the potential labour force are counted. Unemployment was higher in rural (12.5%) than urban areas (10.8%), and higher for women than men in both.

Joblessness is often prolonged. Almost half of the unemployed (48.9%) had been looking for work for a year or more, rising to 54.6% among women and 62.8% in the Eastern region. A further 18.4% of employed persons worked fewer hours than they wanted, from 28.0% among those with no education down to 10.5% among those who completed secondary school.

The potential labour force, people who want work but are not searching or not available, equalled 23.1% of the extended labour force. It was twice as high for women (30.4%) as for men (15.5%), and higher in rural (26.3%) than urban areas (17.9%). Combining unemployment with the potential labour force gives 32.2% nationally, peaking at 44.4% among rural women and lowest among urban men (21.0%).

Youth (18–30 years)

Young people face the sharpest version of the national picture: 14.6% of youth in the labour force were unemployed, and 47.4% were underutilised. Young women fared worst, with unemployment of 20.4% against 12.3% for young men, and underutilisation of 57.2% against 33.5%.

Youth participation (56.8%) and employment (48.5%) were close to the national averages, but with wide gender gaps: young men's employment ratio was 58.0% against 39.6% for young women. Unlike the overall population, youth unemployment was higher in urban areas (16.2%) than rural areas (13.6%). Rural youth instead faced more underemployment (22.0% against 14.1% urban) and higher underutilisation (50.2%), reaching 61.4% among rural young women.

One in three youth (34.7%) had some secondary education, a slightly better profile than the working-age population overall. About 4.0% had no formal education.

Employment in formal establishments

Formal establishments employed 2,577,103 people as at 30 June 2026, under a fifth of total household employment. Services dominated with 82.9% of these jobs, followed by industry (13.7%) and agriculture, forestry and fishing (3.4%).

Men held 64.0% of formal establishment jobs and outnumbered women in every sector. Women's share was highest in services (37.9%) and lowest in industry (26.3%). By occupation, professionals were the largest group (28.5%), followed by service and sales workers (19.4%) and elementary occupations (16.8%). Clerical support was the only occupation where women were the majority (53.6%).

Job security is mixed: just under half of employees (49.7%) were permanent, while 34.5% were on fixed-term contracts and 15.8% were casual. Employment was concentrated in establishments with 5–49 workers (49.8%) and 50–99 workers (44.4%).

Job creation, job loss, vacancies and turnover

Formal establishments created about four jobs for every one lost in April–June 2026, a net gain of 27,661 jobs. Services drove almost all of it, while industry shed more jobs than it created.

Sector	Jobs created	Jobs lost	Net jobs	Vacancies	Fill rate (%)	Employees who left
Services	34,518	5,912	+28,606	75,707	60.0	74,833
Industry	2,059	3,295	−1,237	6,789	75.9	30,413
Agriculture, forestry and fishing	1,459	1,168	+291	1,851	29.0	6,144
Total	**38,036**	**10,375**	**+27,661**	**84,347**	**60.6**	**111,390**

Business expansion accounted for 78.7% of new jobs, with government policy behind only 2.6%. Jobs were lost mainly through restructuring or downsizing (39.8%), reduced demand (23.1%) and cost-cutting (20.2%).

Turnover far exceeded net job creation: 111,390 employees left establishments in the quarter, over half (51.8%) by resignation and 21.1% through dismissal. Resignations were also the largest source of vacancies (33.8%). Of 84,347 vacancies, 39.4% went unfilled, and agriculture filled fewer than one in three.

Key messages and policy implications

The central policy message is that Uganda's labour challenge is less about the absence of work than about the quality and adequacy of work. With nearly nine in ten workers informal and almost half the extended labour force underutilised, headline unemployment of 11.8% is only part of the picture.

The gender gap is the most consistent finding across every indicator. Women participate less, are employed less, stay unemployed longer and make up most of the potential labour force; rural young women are the most underutilised group in the survey. Measures that address barriers to women's availability for work, such as care responsibilities, merit priority.

For young people, urban unemployment and rural underemployment call for different responses. Formal-sector demand is growing mainly in services, but high resignation rates and unfilled vacancies, especially in agriculture, point to skills and retention mismatches that employers and training institutions could address together.

As the first quarter of a panel series, these results establish a baseline. Their full value will come from tracking the same households and establishments over subsequent quarters.

Notes for interpretation

Household figures refer to July–September 2026, but establishment employment is as at 30 June 2026 and job flows refer to April–June 2026. Readers should not combine the two modules as if they cover the same period.

The report places LMS results beside the 2024 Census (for example, participation of 42.9% then against 55.5% now). Census and survey methods differ, so these gaps should not be read as change over time unless UBOS states they are comparable.

The establishment response rate (67.0%) is much lower than the household rate, so formal-sector estimates carry more uncertainty; sampling errors are in Annexes 2 and 3.