

**THE EFFECTS OF FISCAL POLICY ON EMPLOYMENT STABILITY IN UGANDA: A CASE
STUDY OF MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT
(MOFPED)**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS, IN PARTIAL
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**UGANDA CHRISTIAN
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DECLARATION

I, Mwebesa Nathan, hereby declare that this research report entitled, **“the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development (MOFPED),”** is my original work and that it has never been submitted in any institution for any award. I have read the regulations of the university with regard to plagiarism and here declare that I abided by all of them.

Signature:

Date:

MWEBESA NATHAN

M21B34/013



APPROVAL

This is to acknowledge that this research report by Mwebesa Nathan of Reg. No: M21B34/013 entitled, **“the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development (MOFPED),”** has been done under my supervision and is now ready for submission to the School of Business for examination with my approval.

Signature:

Date:

MR. ALEKO GODFREY



DEDICATION

With special regard, I wish to dedicate this piece of work to my parents father; Kazarwa Christopher and mother; Korugyendo Esther who have always been there to support me in my education. May the Almighty God richly bless you.



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I would like to thank the Almighty God for the gift of life and guiding me throughout my education; it has not been easy but it was possible.

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ABSTRACT

The study established the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development. It specifically focused on; examining the relationship between taxation and job creation in Uganda, finding out the relationship between public investments and unemployment in Uganda and examining the relationship between government spending and labor force participation in Uganda.

The study was carried out using a cross sectional survey research design where both quantitative and qualitative research approaches were also used. The data was collected using questionnaires and interviews during the data collection, both purposive and simple random sampling methods were used. A sample size of 44 respondents who are management and employees from MOFPED was also used in the study. The data was analysed using Chi-square statistics with the help of SPSS version 20.

From the study findings using chi-square statistics highlight the intricate interplay between taxation, public investments, government spending, and their impact on job creation and labor force participation in Uganda. While taxation is perceived as a deterrent to job creation, it was majorly revealed that there's optimism regarding the potential of tax policy reforms, especially in reducing payroll taxes, to positively influence employment. Therefore, it can majorly be concluded that taxation, public investment and government spending have a great impact on employment stability in Uganda.

Lastly, the study recommended a multi-pronged approach to improve Uganda's employment situation. This includes tax breaks for businesses to encourage job creation, along with increased government spending in key areas like education, healthcare, and technology.



CHAPTER ONE: INTRODUCTION

1.1 Introduction

This study was about “the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development (MOFPED).” This chapter presents the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and significant of the study.

1.2 Background of the study

Fiscal policy, a fundamental instrument of economic management, plays a pivotal role in shaping a nation’s economic landscape. Its impact is especially noticeable when it comes to developing nations, where the difficulties of maintaining employment stability, encouraging sustainable economic growth, and ensuring equal income distribution are of utmost importance (Bernanke, 2020). Economic superpowers like the United States, China, and European nations, as well as developing countries like those in Sub-Saharan Africa, have offered different perspectives on the impact of fiscal policy on employment stability, which has been a major issue for governments worldwide (Semmler et al., 2021).

Globally, nations like the United States have used fiscal policy instruments like taxes, expenditure, and public debt management to control economic turbulence and labor market dynamics (Symoom, 2018). To illustrate how fiscal policy and employment stability are intertwined, consider how the U.S. government frequently implements countercyclical policies during economic downturns to promote job creation and lower unemployment rates (Cuesta et al., 2021). China’s impressive economic expansion fueled by wise fiscal decisions and state-sponsored investments provides an intriguing case study (Kim et al., 2021). Through its manufacturing and trade activities, China has had a significant impact on the global labor markets and played a significant role in the creation of jobs both locally and abroad. The member nations of the Eurozone in Europe use a common fiscal framework, albeit their approaches to fiscal policy may differ. The experience of the Eurozone serves as a case study for how coordination of fiscal



policies might affect labor market dynamics in various economies (Pasichnyi, 2017).

In Africa, countries like Nigeria and South Africa exhibit unique fiscal challenges. Nigeria, the continent's largest economy, has a wealth of natural resources but also struggles with unstable revenue, which has a negative impact on employment stability (Thow et al., 2018). On the other hand, South Africa faces serious socioeconomic problems like high unemployment and income inequality, highlighting the significance of fiscal policy in resolving these problems. These African countries offer diverse perspectives on the contribution of fiscal policy to employment stability (Zungu et al., 2022).

In East Africa, Kenya and Tanzania present distinctive fiscal policy models. Kenya has served as a hub for regional commerce and has implemented a number of fiscal measures to increase employment, particularly in the unorganized sector (Gaspar et al., 2019). Tanzania has depended on focused fiscal policies to promote job opportunities and reduce underemployment as part of its efforts to industrialize and build its economy. It becomes clear that the effectiveness of fiscal policy in supporting employment stability is not one-size-fits-all but requires nuanced approaches catered to each country's particular circumstances as these close neighbors negotiate their individual fiscal trajectories (Maskaeva et al., 2019).

The current deterioration of the fiscal balances in several Sub-Saharan African nations—Uganda in particular—has made the future course of fiscal policy more unpredictable. Over time, this has gotten more and more attention from academic scholars and policy makers. According to Ahir, Bloom, and Furceri (2020), the amount of economic policy uncertainty at the moment is far higher than it has ever been. Since 2008, the average level of economic policy uncertainty has been roughly double that of the prior 23 years. This was made worse by the deteriorating economic policy, particularly after the corona virus disease outbreak in 2019 (COVID-19), which made matters worse for over three years (Ssebulime et al., 2022).

Furthermore, Uganda, nestled within East Africa, emerges as a fascinating case study within this diverse regional and global context. Due to its expanding population, Uganda experiences the same problems with youth unemployment and underemployment as



the rest of Africa (Mawejje & Odhiambo, 2023). Understanding the distinctive dynamics at play in this country is crucial for both internal policymaking and larger global conversations on fiscal policy's role in supporting employment stability as Uganda's economy changes and its fiscal policies adjust to address these concerns (Murungi et al., 2023). Therefore, the goal of this study was to clarify these processes and add to our understanding of Uganda's fiscal policy environment and how it affects the stability of the labor market there.

1.3 Problem statement

Fiscal policies should ideally function as effective tools for creating stable employment, encouraging economic growth, and ensuring fair income distribution. The reality in Uganda, however, stands in sharp contrast to this ideal (Cuesta et al., 2021). The nation struggles with the urgent problem of underemployment and informal employment, with a population growth rate of 3.2%, an overall unemployment rate of 4.28%, and a youth employment rate of 6.58% as of 2023 (Mawejje & Odhiambo, 2023). A significant section of the working-age population is left in unstable and low-paying occupations, which not only hinders their well-being but also inhibits the nation's overall economic success. This issue is further worsened by limited access to excellent education and vocational training (Murungi et al., 2023). Furthermore, over the last 10 years (2014-2023), the fiscal policies on taxation, public investments and government spending have not been favorable which explains the high levels of taxation and government spending coupled with low levels of public investments in Uganda (Mawejje & Odhiambo, 2023).

The likely causes of this problem are multifaceted. For instance, Uganda's budgetary policies have historically prioritized income generation, frequently ignoring measures to encourage job creation and improve labor market dynamics (Ssebulime et al., 2022). This disparity has caused a mismatch between the abilities of the labor force and the open positions, underutilizing human resources. This is likely to result into; high rates of unemployment rate, low levels of job creation rate, low levels of labor force participation, lower household incomes, higher rates of poverty, social unrest, crime, and a setback for the country's long-term development objectives (Zungu et al., 2022). Although the major stakeholders like the Ministry of Finance, Planning and Economic Development



have tried to look for measures to address this problem, not much has been achieved in terms of deliverables. Without addressing this problem, Uganda runs the risk of continuing a cycle of low-quality employment and unable to capitalize on its demographic dividend, which could impede the nation's social and economic advancement (Lustig, 2023). It is therefore against this background that the researcher sought to establish the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development (MOFPED).

1.4 Purpose of the study

The purpose of the study was to establish the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development (MOFPED).

1.5 Objectives of the study

The study was guided by the following objectives;

- i. To examine the relationship between taxation and job creation in Uganda.
- ii. To find out the relationship between public investments and unemployment in Uganda.
- iii. To examine the relationship between government spending and labor force participation in Uganda.

1.6 Research questions

The study sought to answer the following research questions;

- i. What is the relationship between taxation and job creation in Uganda?
- ii. What is the relationship between public investments and unemployment in Uganda?
- iii. What is the relationship between government spending and labor force participation in Uganda?



1.7 Hypothesis of the study

H₁: Taxation has a significant relationship with job creation in Uganda.

H₂: Public investments have a significant relationship with unemployment in Uganda.

H₃: Government spending has a significant relationship with labor force participation in Uganda.

1.8 Scope of the study

The scope of the study covered three dimensions that is; content, geographical and time and these were discussed in detail below.

1.8.1 Content scope

The study focused on establishing the effects of fiscal policy on employment stability in Uganda. It was limited to; examining the relationship between taxation and job creation in Uganda, finding out the relationship between public investments and unemployment in Uganda and examining the relationship between government spending and labor force participation in Uganda.

1.8.2 Geographical scope

This study was carried out in Ministry of Finance, Planning and Economic Development (MOFPED) located on Plot 2-8 Apollo Kaggwa Road. P.O Box 8147 Shimoni Rd 1, Kampala Uganda. MOFPED was chosen because it is the government institution tasked with the responsibility of developing and monitoring appropriate policies and strategies that guide annual and medium term expenditure.

1.8.3 Time scope

The study focused on the period from 2018 to 2023. This time period helped the researcher to determine the level of employment stability visa vie the available fiscal policies in the country for the past five years. This research also took a period of three months that is from March to May 2024 since it's the time stipulated by the institution for the researcher to have completed his study.



1.9 Significance of the study

This research holds significant importance for government officials and policymakers in Uganda. It will provide them with data-driven insights into the effectiveness of fiscal policies in addressing employment stability. By understanding how fiscal policies impact job creation and labor market dynamics, policymakers can make informed decisions that aim to reduce unemployment and underemployment, ultimately contributing to economic growth and social stability.

The study will directly benefit the MOFPED, shedding light on the role they play in the country's fiscal policy landscape and their potential influence on employment. MOFPED can use the findings to optimize their fiscal policies, aligning them with broader national objectives of employment stability, revenue generation, and economic development.

This research will also enrich the body of knowledge surrounding fiscal policy and employment stability in Uganda, and by extension, in other developing countries. Future researchers can build upon the findings and methodologies developed in this study to explore similar issues in other countries or conduct comparative analyses. This extends the study's relevance to a global context, allowing for cross-country policy insights.

Finally, the private sector stakeholders, including businesses and industries, will benefit from understanding the potential impacts of fiscal policy changes on their workforce and labor market conditions. They can adapt their strategies in response to anticipated policy changes, contributing to more agile and responsive business operations.

1.10 Conceptual framework

Independent variable

Dependent variable

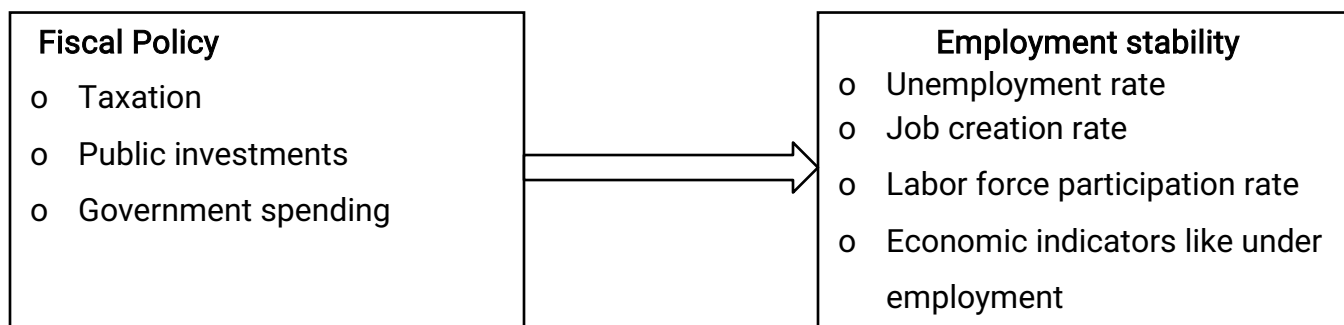


Figure 1.1: Conceptual Framework

Source: Adapted from Ssebulime et al. (2022) and modified by the researcher (2023)

The above conceptual framework shows the relationship between the independent variable (fiscal policy) and the dependent variable (employment stability). In this study, fiscal policy is measured using; taxation, public investments and government spending. On the other hand, employment stability is measured using; unemployment rate, job creation rate, labor force participation rate and economic indicators like under employment.

1.11 Operational Definitions and Terms

Taxation: This refers to the compulsory financial charges imposed by the government on individuals, businesses, or other entities to fund public expenditures and government operations.

Public investments: This involves government expenditures specifically directed towards the creation, development, or improvement of public assets and infrastructure.

Government spending: This refers to the total expenditures made by the government on goods, services, and public programs

Job creation: This refers to the process of generating new employment opportunities within the economy.

Unemployment: This refers to the condition in which individuals who are capable of working, actively seeking employment, and willing to work are unable to secure a job.

Under employment: This occurs when individuals are employed in positions that are below their skill levels, or they are working part-time when they desire full-time employment. It reflects a situation where workers are not fully utilizing their skills and qualifications in their current jobs.

Labor force: This refers to the individuals within a population who are either employed

or actively seeking employment. It includes both employed individuals and those who are unemployed but are available for and actively seeking work.

Fiscal policy: This refers to the use of government revenue and expenditure measures to influence and stabilize the economy.

Employment stability: This refers to the maintenance of a balanced and secure job market characterized by low levels of unemployment and underemployment. It implies a state where individuals have access to quality employment opportunities, contributing to overall economic resilience and well-being.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses and reviews related researches and literatures published by journals, previous dissertations, text books, and authors' articles related to the research topic and its variables so as to give an insight of the study hence a better understanding to the readers of the research work. It was reasonable to first review the more comprehensive literature on the effects of fiscal policy on employment stability.

2.2 Theoretical review

2.2.1 The Keynesian Economic Theory

The theory that applied to this research is the Keynesian Economic theory. The Keynesian Economic theory, developed by the British economist John Maynard Keynes during the 20th century, emerged in response to the economic challenges of the Great Depression (Jahan et al., 2014). The primary tenet of the idea is that stable employment and economic growth require government intervention through fiscal policy. Keynesian economics operates on several key assumptions. First of all, it presupposes that market economies can endure periods of underemployment and that economic crises can

happen when total demand is less than total output (Coddington, 2013). Second, it asserts that wages and prices are short-term sticky, which means they do not instantly adapt to shifts in supply and demand. Thirdly, according to the theory, the government can affect the economy by altering its fiscal policies, such as its spending and taxes levels. The final claim of Keynesian economics is that government intervention may successfully increase demand, boost employment levels, and lessen economic swings (Marshall & Rochon, 2019).

Therefore, in the context of this study on Uganda's fiscal policy and employment stability, Keynesian economics applies by emphasizing the role of fiscal policies, particularly government spending, in addressing unemployment and underemployment (Jahan et al., 2014). According to the theory, the government can improve aggregate demand by lowering taxes or increasing public investment to stabilize the labor market and provide new job possibilities. The study can evaluate if the government's fiscal policies are in keeping with these principles and whether they effectively mitigate unemployment and underemployment, in line with Keynesian expectations, by looking at the Ugandan example through a Keynesian lens (Eichner, 2023). In order to give light on the theory's application to Uganda's particular economic circumstances, the research can also examine the extent to which the Keynesian economics assumptions are true in the Ugandan context and identify potential obstacles or departures from these assumptions.

2.3 The relationship between taxation and job creation

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2.4 The relationship between public investments and unemployment

Gechert et al. (2016) conducted an extensive analysis of the impact of public investments on unemployment in European countries. Their research revealed that government spending, particularly on infrastructure and education, significantly and favorably affected unemployment rates. The potential of government spending to increase employment numbers, particularly during economic downturns, is highlighted by their findings. Blanchard and Leigh (2013) also studied the effects of fiscal policy, including public investments, on unemployment in advanced economies. They discovered that, depending on the economic environment, an increase in government investment of one percent could result in a 0.6 to 1.6 percentage point decrease in the unemployment rate. This study highlights how effective countercyclical governmental interventions may be in reducing unemployment.

Frondel and Schmidt (2006) investigated the impact of public infrastructure investments on employment in Germany. They discovered that employment, particularly in the construction industry, benefited significantly from investments in transportation

infrastructure. This demonstrates the potential for public infrastructure projects to generate jobs, particularly in regions where the investment would be made directly. Ozkan and Ozkan (2004) examined the effects of public expenditures on unemployment in Turkey. According to their analysis, government spending on infrastructure, healthcare, and education helped to lower unemployment rates. It shown that the kind and standard of government spending can have a favorable impact on the labor market.

Borck and Pflüger (2019) explored the role of public investment in regional employment disparities in Germany. According to their research, areas with greater public investment typically have lower unemployment rates. The study brought to light the possibility of government spending to lessen unemployment disparities by area. Comin and Mulani (2006) conducted research on the effects of public investment on unemployment in India. Their research showed that government spending, particularly on infrastructure projects, significantly lowered unemployment rates in both urban and rural areas. According to the findings, public investments may benefit employment in developing economies.

Bassanini and Duval (2006) analyzed the relationship between active labor market policies and public investments in reducing unemployment in OECD countries. They discovered that effective active labor market policies, along with government expenditures on infrastructure and education, might reduce unemployment. The study underlines the value of combating unemployment using a variety of means. Blanchard and Landier (2002) explored the effects of public investments and labor market policies in reducing long-term unemployment in European countries. According to their findings, public investments can aid in the transition of long-term jobless people back into the labor force when they are combined with efficient labor market reforms. This study emphasizes the significance of tackling unemployment holistically.

Gouveia & Rodrigues (2002) examined the impact of public investments in education and healthcare on unemployment in Brazil. According to the report, these investments significantly lowered unemployment rates, especially for the less qualified labor. According to this study, targeted public investments can aid in addressing the problems associated with structural unemployment. Imran et al. (2024) conducted research on



the effects of public investments on job creation in Latin American and Caribbean countries. Their findings showed that, when properly planned and managed, public investments in infrastructure might boost employment. The study emphasizes how crucial it is to choose and carry out projects well in order to maximize the positive effects of job creation.

Cuberes and Teignier (2018) studied the impact of public investments on unemployment in sub-Saharan Africa. They discovered that public interventions, particularly in industries like agriculture and education, might significantly lower unemployment in the area. The study emphasizes the possibility of focused public investments to alleviate the problems associated with unemployment in developing economies. Ardagna and Lusardi (2008) investigated the influence of public investments in education on youth unemployment in Italy. According to their findings, greater educational investments may result in lower rates of youth unemployment. In preparing the workforce for potential career prospects, this study underlines the need of public investments that are education-focused.

2.5 The relationship between government spending and labor force participation

Baily and Elliot (2003) explored the impact of government spending on labor force participation in the United States. They discovered that government initiatives like Social Security and disability insurance had an impact on people's choices about labor force participation, particularly among older workers. Their study emphasizes how certain government spending initiatives affect patterns of labor force participation. Bils and Klenow (2000) examined the effects of government spending on labor force participation and productivity. They discovered that government spending on infrastructure and R&D can improve economic growth by having a beneficial impact on labor force participation. Their study highlights the significance of the breakdown of government spending.



Gaspar et al. (2019) conducted a study on the impact of government healthcare spending on labor force participation in Canada. They discovered that public healthcare spending enhanced population health and raised labor force participation rates, especially for women. This study demonstrates how investments in healthcare have a secondary impact on government spending on labor force participation. Chandra, Holmes, and Skinner (2013) investigated the relationship between government healthcare spending and labor force participation of older Americans. Their findings suggested that Medicare spending had a favorable effect on labor force participation, demonstrating that easy access to healthcare can encourage older people to stay in the workforce. The interaction between government spending and labor market choices is highlighted by this study.

Ramey & Zubiary (2014) explored the effects of government spending on labor force participation among immigrants in the United States. They discovered that the availability of social welfare programs from the government affected the rates at which immigrants choose to join in the labor force. This study demonstrates how government funding can affect a population's involvement in the labor force. Papageorgiou et al. (2018) examined the impact of government spending on labor force participation and productivity in a global context. Their findings indicated that government spending on infrastructure, healthcare, and education can have a positive impact on economic growth and labor force participation. This study places special emphasis on how government spending policies can affect labor force dynamics on a global scale.

Helmefalk & Hultén (2017) conducted research on government investments in information and communication technology (ICT) and their effects on labor force participation and productivity. According to the study, government spending on ICT infrastructure raised labor force participation rates, particularly in nations that made significant investments in this field. This study demonstrates how government spending on technology affects the way the job market functions. Jahan et al. (2014) analyzed the impact of family and childcare policies, a form of government spending, on female labor force participation in European countries. According to their research, policies that support families, such as those that provide parental leave and child care



assistance had a significant impact on the rate at which women entered the labor field. This study emphasizes how social policies affect people's willingness to work.

Cameron & Lindqvist (2014) investigated the impact of government spending on education and labor force participation in Sweden. The study indicated that higher labor force participation, particularly among younger people, was connected with higher government investments in education. This study demonstrates the significance of government spending on education in influencing labor market dynamics. Meltzer and Richard (1981) conducted a seminal study on the effects of government spending on labor force participation in the United States. According to their findings, more government spending may lower labor force participation, especially among men in their prime working years, because higher taxes may deter workers from putting forth their best effort. The complicated link between government spending and labor force participation, including potential barriers, is shown by this study.

Symoom (2018) explored the impact of government spending on labor force participation in European countries. They discovered that government spending on social welfare programs was strongly associated with labor force participation, especially among women. This study emphasizes the function of social safety nets in encouraging participation in the labor force. de Almeida Valente (2020) investigated the effects of government spending on labor force participation in Italy. According to his research, government investment on active labor market policies, such as job training and placement programs, had a beneficial effect on labor force participation, especially among people who were having trouble finding work. This study underlines the importance of targeted government spending in encouraging labor force participation.

2.6 Research/ Literature Gap

According to the aforementioned literature review, although government expenditure has a positive effect on labor force participation in a variety of settings, little attention has been paid to how different types of government spending interact with one another. Without thoroughly examining any potential synergies or trade-offs between various types of government investment, most studies often focus on examining certain



categories of government spending (such as healthcare, education, and family programs) in isolation. A multidisciplinary and thorough approach that takes into account the cumulative effects and interactions between various government spending categories could offer a more nuanced understanding of how public expenditures collectively affect labor force participation, providing useful insights for decision-makers looking to develop comprehensive and successful social and economic policies.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used in conducting the research. It described how this study was conducted. It includes the study design, the study setting,



study population and the sample size. It also describes the sampling procedure definition of variables, research instruments, data analysis and management, ethical considerations, and the proposed limitations of the study.

3.2 Research Design

This study used a cross-sectional survey research design. The design was chosen because of being economical to conduct in terms of time (Bailey & Barley, 2020). It was also used because it helped the researcher to capture information based on data gathered for a specific point in time. More so, through the use of the cross-sectional research design, the research findings helped in removing assumptions and replaced them with actual data on the specific variables studied during the time period accounted for.

The research design also involved the use of quantitative and qualitative research approaches. In natural sciences and social sciences, quantitative research approach is the systematic empirical investigation of observable phenomena via statistical, mathematical or numerical data or computational techniques (Trochim et al., 2006). Quantitative research approach was used because it is more reliable and objective, it helped the researcher in use of statistics to generalize the findings, it also helped in reducing and restructuring complex problems to a limited number of variables, it also helped in testing theories/hypotheses and lastly, it helped in determining the relationship between the two variables. On the other hand, qualitative research approach was used because they help in providing details about human behavior, emotions and personality characteristics of the respondents plus details on the effects of fiscal policy on employment stability in Uganda.

3.3 Study area

This study was carried out in Ministry of Finance, Planning and Economic Development (MOFPED) located on Plot 2-8 Apollo Kaggwa Road. P.O Box 8147 Shimon Rd 1, Kampala Uganda. MOFPED was chosen because it is the government institution tasked



with the responsibility of developing and monitoring appropriate policies and strategies that guide annual and medium term expenditure.

3.4 Study population

The target population comprises of the management and employees of MOFPED who have knowledge on the topic. According to the HRM MOFPED (2023) the ministry has 50 staff from the different departments which include; Department of Treasury Services, Department of Public Sector Accounts, Department of Management Information Services, Department of Debt Management, Department of Debt Issuance, Department of Cash Policy Management and Department of Assets Management and these were included in the study as the target population.

3.5 Sample size determination

The sample size was determined by the sample calculation formula by Yamane, (1970) as follows;

$$n = \frac{N}{1+N(e)^2}$$

“n” is sample size, “N” is population, “e” is error (0.05) or level of confidence 95%

“N” (population) = 50 staff of MOFPED

$$n = \frac{50}{1+50(0.05)^2}$$

$$n = \frac{50}{1+50(0.0025)}$$

$$n = \frac{50}{1+(0.125)}$$

$$n = \frac{50}{1.125}$$

$$n = 44$$

Therefore the sample size comprised of 44 respondents from different department in MOFPED.

3.6 Sampling methods

The researcher used both purposive and simple random sampling methods. The heads of department in the MOFPED participated in the study as key informants. Purposive sampling was used to select the key informants. The reason why purposive sampling was used for this category of respondents was because of their active knowledge and strategic participation in fiscal policy formulation for better employment stability, these individuals also have special qualification and therefore these categories of respondents were expected to provide in-depth information about the relationship between fiscal policy and employment stability in Uganda.

The lower management employees in these departments were selected using simple random sampling given that these were big in number and using this method eased their selection and gave each person a chance to participate in the study. Simple random sampling was preferred because its procedure is unbiased and prevents bias in their work and makes research on large populations more practical.

3.7 Sources of data

While carrying out the research study, both primary and secondary data were used by the researcher.

3.7.1 Primary source

Primary data are important for all areas of research because they are accurate information about the results of an experiment or observation. Primary data from the field was obtained through personal interviews and self-administered questionnaires to selected respondents in order to get their opinions. Primary data helped the researcher in collecting information for the specific purposes of their study. The researcher collected the data himself, using questionnaires and interviews.



3.7.2 Secondary source

Secondary data refers to handling, collecting and possibly processing data by people other than the researcher in question. For the purposes of a historical research project, secondary sources are generally scholarly books and articles. This source was used to collect data from already written literature for example e-books, journals, published articles and periodicals. Documentary resources are classified in order to facilitate the data collection and textual analysis (Mubazi 2008).

Therefore, to address the objectives, data was collected from diverse sources. Information on taxation and job creation was sourced using survey questionnaires, interviews and from Uganda Revenue Authority reports, national budget documents, and economic indicators published by the Uganda Bureau of Statistics. Employment and job creation data were gathered using survey questionnaires, interviews and from labor market surveys, business reports, and employment statistics provided by government agencies. For the relationship between public investments and unemployment, data was obtained using survey questionnaires, interviews and from government budget reports, infrastructure development plans, and economic reports from institutions such as the Ministry of Finance, Planning and Economic Development.

3.8 Data collection instruments

Two types of data collection instruments were used in the study. These included questionnaires and interview guides which were briefly explained in the following subsection.

3.8.1 Questionnaires

The researcher used both closed-ended and open-ended questionnaires in the study. Closed-ended questions were used because they are easy and quick to answer and because they help in improved consistence of the responses. Open-ended questions were also used because they do not place any limits on the response which means that the survey respondents were able to tell the researcher anything they felt was relevant and anything they wanted the researcher to know. The questionnaires were

administered to the lower management employees in the departments of MOFPED.

3.8.2 Interview guide

According to Ahuja (2009), an interview is a two-person conversation initiated by the interviewer for the specific purpose of obtaining research-related information and focused on the content specified by the research objectives of description and explanation. The tool of data collection here was an interview guide which refers to a set of structured questions in which answers were recorded by the interviewer herself (Ahuja 2009). This tool was used to collect information that could not be directly observed and that was good for the research problem which only depends on documented data and respondents' opinions. Interviews were conducted in a quiet place without noise with the key informants who were the department heads of the 7 departments in MOFPED and then the purpose of the interview was explained followed by addressing the terms of confidentiality. The format of the interview which was an informal conversational interview was established where questions were asked and answers recorded by the interviewer.

3.9 Validity and reliability of the data collection instruments

The legitimacy and validity of data collection instruments that were used was cross checked before the results were processed. This assisted in establishing a reliable tool for collecting data. This was carried out using a questionnaire that was formulated using a sample of 5 respondents and interviews were carried out on the same 5 respondents. This process was helped by correction of mistakes and errors which occurred in the process of collecting data so as to produce significant results from the field.

3.10 Procedure of data collection

The researcher obtained an introductory letter from the School of Business at Uganda Christian University, after which he sought for permission from the different respondents in MOFPED to use as a case study. The researcher then approached



various respondents to administer interviews and distribute the questionnaire guides.

3.11 Data analysis

3.11.1 Quantitative data analysis

Data analysis was done with the aid of the package (SPSS) which besides being user friendly, is appropriate for handling the correlations between the variables plus regressions in the study. All variables were assigned with names and coded for computer entry. Secondly all the responses were coded to facilitate computer data input. Thirdly, after data entry was completed, negatively worded scales were recorded and assigned with new values. Fourthly, in order to get composite scores for items on a scale, target variables were computed. Fifthly, data was screened in order to minimize data entry errors. Quantitative data was analyzed using descriptive statistics and Pearson Correlation to examine the relationship between the independent and the dependent variable in the study.

3.11.2 Analysis of qualitative data

This involved content analysis. Thus, qualitative data was edited and reorganized into meaningful phrases. In other words, a thematic approach was used to analyze qualitative data where themes, categories and patterns were identified. The recurrent themes, which emerged in relation to each guiding question from the interviews, were presented in the results, with selected direct quotations from participants presented as illustrations.

3.12 Measureable outcomes

To investigate the relationship between taxation and job creation in Uganda, quantitative data was employed, utilizing key indicators such as the corporate tax rate, individual income tax rates, and other relevant tax policies. Employment data was collected, including the overall employment rate, sector-specific employment figures,



and data on job creation initiatives. Statistical analyses, such as regression models, were applied to assess the correlation between tax policies and job creation metrics.

Similarly, to explore the relationship between public investments and unemployment, quantitative data was gathered, incorporating information on government spending in sectors like infrastructure, education, and healthcare. Unemployment data, including overall unemployment rates and sector-specific unemployment figures, were analyzed using statistical techniques to identify patterns and relationships.

For the examination of the relationship between government spending and labor force participation, quantitative data was collected on government expenditures across various sectors, particularly in areas impacting the labor force, such as education and social services. Labor force participation rates, encompassing data on individuals actively seeking employment, was analyzed statistically to discern any correlations with government spending policies. The quantitative approach ensures a rigorous analysis of these relationships, providing empirical evidence to inform policy decisions and interventions aimed at enhancing job creation, reducing unemployment, and promoting labor force participation in Uganda.

3.13 Ethical considerations

According to Nsubuga & Katamba (2013) ethical issues include setting clearances from the ethical body and consent of the respondent. It refers to the moral justification of the investigation or intervention; as regards the minimal about disregard, safety and psychological wellbeing of the person and or community. The researcher exhibited a high level of ethical behaviour in the course of implementing the study; confidentiality where the information got from the field was only used for academic purposes. There was also anonymity of the respondents exhibited so that they could get the freedom to express themselves. More so, informed consent was obtained from all respondents before including them in the study.

3.14 Limitations and delimitations of the study

Some respondents were not willing to provide information because of being suspicious



of where the information would be taken. This was solved through obtaining and presenting an introductory letter from the university.

The researcher was limited by funds that were needed to facilitate the research such as motivating the respondents, printing fees and even daily transport to the organization to collect data. However the researcher used self-initiatives and strategies to mobilize financial assistance from family.

Some people delayed to bring back the questionnaires which affected the researchers target time planned to analyze his study. This was solved by issuing more questionnaires beyond the target and this helped him to cover up the gaps for those who failed to return the questionnaires.



CHAPTER FOUR: DATA PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter comprises of a presentation of results and their interpretation. The presentation in this chapter shows the results according to the objectives of the study. The chapter begins with the demographic characteristics of the respondents such as age, gender and educational level among others which was all presented using tables.

4.2 Demographic characteristics of respondents

4.2.1 Age of the respondents

The figure below summarizes the gender of the responds that are staff of MOFPED and the data in the figure is interpreted below.

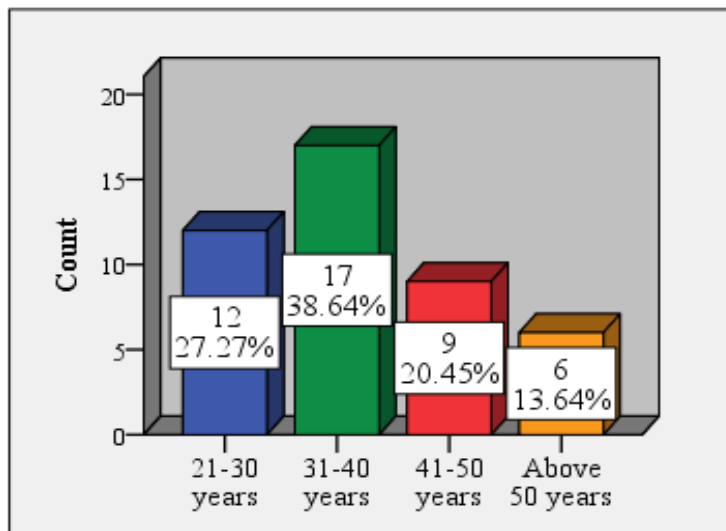


Figure 4.2: Age of respondents

Source:*Primary data*

Findings in the figure above show that the vast majority of the respondents fell between the age group of 31-40 years represented by 38.6%, followed by the respondents who fell between the age group of 21-30 years represented by 27.3%, followed by those between 41-50 years represented by 20.5% whereas 13.6% of the respondents were above 50 years. This therefore implies that there was no age discrimination since information was gotten from people with different age groups.

4.2.2 Gender of the respondents

The figure below summarizes the gender of the respondents that are staff of MOFPED and the data in the figure was interpreted below.

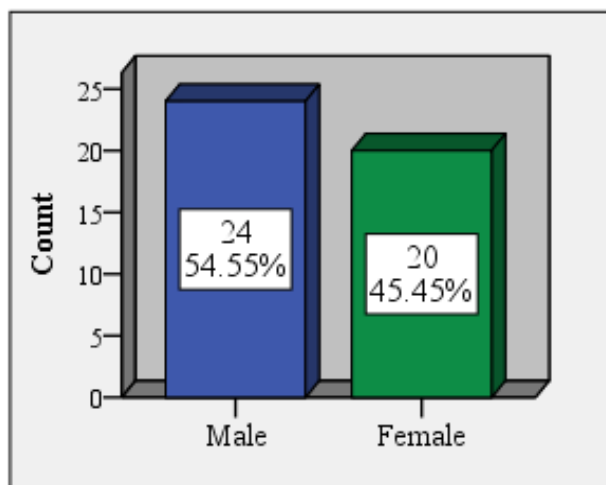


Figure 4.3: Gender of respondents

Source:*Primary data*

Findings in the figure above show that the majority of the questionnaires were filled by

males represented by 54.5% and the rest were females represented by 45.5% and therefore, there were more male respondents than female respondents in this survey. However, the inclusion of both male and female in the survey was to get a balance view of responses from different people in the ministry.

4.2.3 Education level of the respondents

The figure below summarizes the education level of the respondents that are staff of MOFPED and the data in the figure was interpreted below.

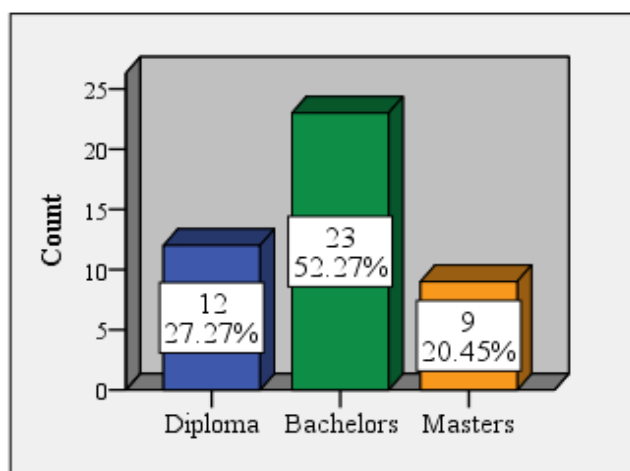


Figure 4.4: Level of education of respondents

Source: *Primary data*

Findings in the figure above revealed that majority of the respondents who are employed by the Ministry of Finance, Planning and Economic Development have

attained bachelors degrees represented by 52.3%, followed by those who have at least attained diplomas represented by 27.3% whereas 20.4% of the respondents hold masters degrees. This implies that respondents were qualified enough to understand and respond to questionnaires with ease since all of them have attained high qualifications with ease.

4.2.4 Department respondents belong to

The table below summarizes the departments the respondents who are staff of MOFPED belong to and the data in the table was interpreted below.

Table 4.1: Departments respondents belong to

	Frequency	Percent	Cumulative Percent
Department of Treasury Services	13	29.5	29.5
Department of Public Sector Accounts	10	22.7	52.2
Department of MIS	5	11.4	63.6
Department of Debt Management	9	20.5	84.1
Others	7	15.9	100.0
Total	44	100.0	

Source: *Primary data*

Findings in the figure above revealed that majority of respondents represented by 29.5% are from the Department of Treasury Services, followed by those who are from the

Department of Public Sector Accounts represented by 22.7%, followed by those who are from the Department of Debt Management represented by 20.5%, followed by those who are from other departments like the Department of Debt Issuance, Department of Cash Policy Management and Department of Assets Management represented by 15.9%, whereas those from the Department of Management Information Services constituted 11.4% of the total population. This implies that all employees from different departments and at different levels in MOFPED were involved in the study and this helped to gather information and different views of people about the topic in particular.

4.2.5 Period spent working in MOFPED

The figure below summarizes the period respondents who are staff of MOFPED have spent working there and the data in the figure was interpreted below.

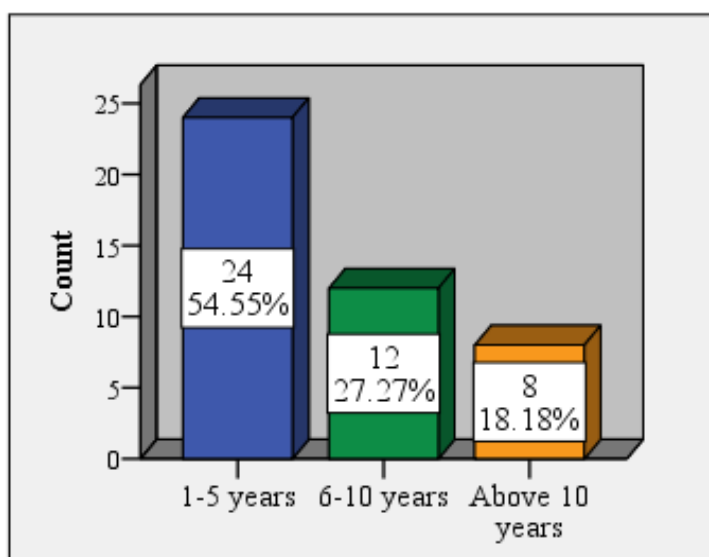


Figure 4.5: Period spent working in MOFPED

Source: *Primary data*

Findings from the figure above show that majority of respondents represented by 54.5% have spent between 1-5 years working in the Ministry of Finance, Planning and Economic Development, followed by those who have spent 6-10 years working in the Ministry of Finance, Planning and Economic Development represented by 27.3% while those who have spent above 10 years working with the Ministry of Finance, Planning and Economic Development represented the minority 18.2% of the total population. The findings imply that the respondents have the necessary and efficient knowledge about the topic under study since majority of the respondents have spent reasonable time working with the Ministry of Finance, Planning and Economic Development.

4.3 The relationship between taxation and job creation in Uganda

Table 4.2: Descriptive analysis on taxation and job creation in Uganda

Variable	Frequency (N=44)	Percentage (%)
In your opinion, to what extent does the current level of taxation in Uganda encourage businesses to create new jobs?		
Strongly discourages job creation	19	43.2
Somewhat discourages job creation	13	29.5
Has no significant impact	2	4.5
Somewhat encourages job creation	8	18.2
Strongly encourages job creation	2	4.5
Have you observed any changes in business hiring practices (increase/decrease) after recent tax policy changes in Uganda?		
Significant decrease in hiring	10	22.7
Slight decrease in hiring	20	45.5
No change	7	15.9

Slight increase in hiring	4	9.1
Significant increase in hiring	3	6.8
How often do you encounter businesses expressing concerns about the impact of taxation on their ability to create new jobs?		
Very frequently	24	54.5
Frequently	12	27.3
Occasionally	8	18.2
In your view, which type of tax reform would be most beneficial for stimulating job creation in Uganda? (Choose one)		
Reduction in corporate income tax	13	29.5
Reduction in payroll taxes	23	52.3
Streamlining and simplifying the tax system	3	6.8
Offering tax breaks for businesses creating new jobs	5	11.4
How confident are you that changes in tax policy can have a positive impact on job creation in Uganda?		
Not confident at all	12	27.3
Somewhat not confident	3	6.8
Neutral	1	2.3
Somewhat confident	13	29.5
Very confident	15	34.1
In your experience, do tax incentives for businesses creating jobs in specific sectors (e.g., agriculture, tourism) seem effective in boosting employment in Uganda?		
Not effective at all	16	36.4
Not very effective	20	45.4
Somewhat effective	8	18.2
Based on your observations, which industries in Uganda seem most sensitive to changes in tax policy in terms of their hiring practices? (Choose up to two)		
Agriculture	16	36.4
Manufacturing	13	29.5
Technology	10	22.7
Services	3	6.8
Construction	2	4.5

Source: Primary data

In table 4.2 above, concerning the extent of taxation impact on job creation, the respondents reveal that a significant portion of respondents represented by 43.2%

believe that the current level of taxation in Uganda strongly discourages job creation. This sentiment is echoed by 29.5% of respondents who feel that taxation somewhat discourages job creation. However, only a small percentage 22.7% perceives taxation to somewhat or strongly encourage job creation. This indicates a prevalent perception among respondents that taxation poses a hindrance to job creation efforts in Uganda.

Concerning changes in business hiring practices, the respondents revealed that recent tax policy changes in Uganda have led to a decrease in business hiring practices. A majority of respondents represented by 68.2% reported either a slight or significant decrease in hiring, while only a small percentage 15.9% observed no change and 15.9% also observed a slight or significant increase in hiring after recent tax policy changes in Uganda. This indicates that businesses may be responding negatively to recent tax policy changes, potentially due to increased tax burdens or uncertainties regarding the business environment.

Furthermore, concerning frequency of concerns about taxation impact: A substantial majority of respondents represented by 81.8% reported encountering businesses expressing concerns about the impact of taxation on their ability to create new jobs, with more than half 54.5% indicating encountering these concerns very frequently, whereas 18.2% of the respondents noted that they occasionally encounter these concerns. This highlights the significance of taxation as a pressing issue for businesses in Uganda and underscores the need for attention to tax policy reforms aimed at fostering job creation.

More so, concerning preferred tax reforms for job creation, the respondents overwhelmingly favored reduction in payroll taxes 52.3% as the most beneficial tax reform for stimulating job creation in Uganda, followed by reduction in corporate income tax 29.5%. This indicates a strong preference among respondents for tax reforms that directly alleviate the tax burden on businesses, particularly regarding labor costs, which may enhance their capacity to create new jobs.

In addition, concerning confidence in tax policy impact on job creation, the respondents expressed a relatively high level of confidence among respondents regarding the



potential positive impact of changes in tax policy on job creation in Uganda. Over half of the respondents 63.6% expressed confidence of (somewhat confident or very confident) in the efficacy of tax policy changes to positively influence job creation. This indicates a general belief among respondents in the potential of tax policy reforms to address employment challenges in the country.

Last but not least, concerning the effectiveness of tax incentives for specific sectors, the respondents reveal a mixed perception regarding the effectiveness of tax incentives for businesses creating jobs in specific sectors. A substantial proportion of respondents 81.8% indicated that tax incentives for specific sectors are either not effective or not very effective in boosting employment in Uganda, whereas 18.2% noted that these tax incentives are somewhat effective. This suggests a need for a reevaluation of the effectiveness and targeting of tax incentives to ensure their alignment with job creation objectives.

Finally, concerning the sensitivity of industries to tax policy changes, agriculture emerges as the industry most sensitive to changes in tax policy in terms of hiring practices, with 36.4% of respondents identifying it as such. Manufacturing follows closely, with 29.5% of respondents perceiving it as sensitive to tax policy changes. This highlights the importance of considering industry-specific dynamics and challenges in designing tax policies aimed at promoting job creation in Uganda.

Table 4.3: Bivariate analysis on taxation and job creation in Uganda

Variable	Job creation in Uganda		Chi-square	P-value (at 95% confidence level)
	Yes n=20	No n=24		
The extent of taxation impact on job creation				
Strongly discourages job creation	19	0	40.277	0.000*
Somewhat discourages job creation	1	12		
Has no significant impact	0	2		
Somewhat encourages job creation	0	8		

Strongly encourages job creation	0	2		
Changes in business hiring practices				
Significant decrease in hiring	10	0	23.833	0.000*
Slight decrease in hiring	10	10		
No change	0	7		
Slight increase in hiring	0	4		
Significant increase in hiring	0	3		
Frequency of concerns about taxation impact				
Very frequently	20	4	30.556	0.000*
Frequently	0	12		
Occasionally	0	8		
Preferred tax reforms for job creation				
Reduction in corporate income tax	13	0	24.359	0.000*
Reduction in payroll taxes	7	16		
Streamlining and simplifying the tax system	0	3		
Offering tax breaks for businesses creating new jobs	0	5		
Confidence in tax policy impact on job creation				
Not confident at all	12	0	32.831	0.000*
Somewhat not confident	3	0		
Neutral	1	0		
Somewhat confident	4	9		
Very confident	0	15		
Effectiveness of tax incentives for specific sectors				
Not effective at all	0	8	31.093	0.000*
Not very effective	4	16		
Somewhat effective	16	0		
Sensitivity of industries to tax policy changes				
Agriculture	16	0	30.742	0.000*
Manufacturing	4	9		
Technology	0	10		
Services	0	3		
Construction	0	2		

Source: Primary data

The bivariate analysis presented in table 4.3 above assesses the relationship between taxation and job creation in Uganda using chi-square statistics and corresponding p-values. The chi-square test evaluates whether there is a significant association between two categorical variables—in this case, different aspects of taxation and job creation.



The p-value indicates the probability of observing the observed results, or more extreme results, if there were no actual association between the variables.

According to table 3 above, there is a highly significant association between the extent of taxation impact on job creation and actual job creation in Uganda (Pearson Chi-Square = 40.277a; $p = 0.000 < 0.05$). There is also a highly significant association between respondents' reported changes in business hiring practices and their perception of taxation's impact on job creation (Pearson Chi-Square = 23.833a; $p = 0.000 < 0.05$). Furthermore, there is a highly significant association between the frequency of concerns expressed about taxation's impact on job creation and the actual occurrence of job creation activities (Pearson Chi-Square = 30.556a; $p = 0.000 < 0.05$). More so, there is a highly significant association between respondents' preferred tax reforms for job creation and the actual occurrence of job creation activities (Pearson Chi-Square = 24.359a; $p = 0.000 < 0.05$).

In addition, there is a highly significant association between respondents' confidence levels in tax policy impact on job creation and the actual occurrence of job creation activities (Pearson Chi-Square = 32.831a; $p = 0.000 < 0.05$). Last but not least, there is a highly significant association between respondents' perceptions of the effectiveness of tax incentives for specific sectors and the actual occurrence of job creation activities (Pearson Chi-Square = 31.093a; $p = 0.000 < 0.05$). Lastly, there is a highly significant association between respondents' perceptions of industries' sensitivity to tax policy changes and the actual occurrence of job creation activities (Pearson Chi-Square = 30.742a; $p = 0.000 < 0.05$). Overall, the bivariate analysis underscores the intricate relationship between taxation and job creation dynamics in Uganda, highlighting the importance of strategic tax reforms in fostering a conducive environment for employment generation and economic growth.

The findings from the above chi-square statistics are in line with the literature by Mintz (2018) who conducted a comprehensive study that analyzed the impact of business taxation on job creation. His study, which was limited to Canada, discovered that cutting corporate income taxes increased business investment and employment. Corporate tax rates that were lower encouraged businesses to grow, engage in new endeavors, and



hire more people. Their findings are consistent with the notion that tax policy can directly affect employment creation by fostering business expansion.

Furthermore, the findings from the above chi-square statistics relate with the literature by Mihaljek & Klau (2008) who examined the effects of payroll taxes on employment in a cross-country analysis. They discovered that increased payroll taxes frequently resulted in greater labor expenses for businesses, which in turn inhibited job growth. This study supports the notion that taxes on labor have a direct impact on employment opportunities. The study found that employment rates are typically higher in nations with lower payroll taxes, such as several Scandinavian countries.

Finally, the findings from the above chi-square statistics correspond with the literature by Lockwood (2018) explored the role of property taxes on job creation in the context of local government policies. He discovered that places with high property taxes may see a decline in economic activity, which has an impact on employment generation. This demonstrates how community employment can be directly impacted by municipal taxation.

However, the findings deviate from the literature by Barkume & Larrimore (2019) who investigated the effects of the Earned Income Tax Credit (EITC) on labor market participation in the United States. They discovered that the EITC, which functions as a form of income tax for those with low incomes, improved employment and decreased poverty rates. Their study highlights the value of targeted tax policies in encouraging the creation of jobs for particular demographics.

4.4 The relationship between public investments and unemployment in Uganda

Table 4.4: Descriptive analysis on public investments and unemployment in Uganda

Variable	Frequency	Percentage (%)
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	(N=44)	
In your opinion, how effective are current public investments in Uganda in reducing unemployment?		
Somewhat effective	15	34.1
Not very effective	25	56.8
Not effective at all	4	9.1
Have you observed any changes in unemployment rates (increase/decrease) following recent public investment projects in Uganda?		
Slight decrease in unemployment	14	31.8
No change	19	43.2
Slight increase in unemployment	11	25.0
To what extent do you believe public investments in infrastructure development (roads, bridges, etc.) contribute to job creation in Uganda?		
To a large extent	18	40.9
To some extent	21	47.7
To a little extent	5	11.4
In your view, which areas should be prioritized for public investment in Uganda to have the most significant impact on reducing unemployment?		
Education and training	18	40.9
Infrastructure development	16	36.4
Technological innovation	10	22.7
How confident are you that increased public investment can lead to a sustainable decrease in unemployment in Uganda?		
Somewhat not confident	14	31.8
Neutral	2	4.5
Somewhat confident	22	50.0
Very confident	6	13.6
In your experience, are there any challenges associated with effectively targeting public investments to create jobs in Uganda?		
Difficulty in identifying sectors with high job creation potential	3	6.8
Bureaucracy and inefficiencies in implementing investment projects	13	29.5
Lack of skilled labor to fill jobs created by public investments	5	11.4
Corruption and misuse of funds allocated for	23	52.3

public investments		
How important is public investment in social programs (e.g., unemployment benefits, job training) in reducing unemployment in Uganda?		
Very important	20	45.5
Somewhat important	14	31.8
Neutral	10	22.7

Source: *Primary data*

In table 4.4 above, concerning the effectiveness of current public investments in reducing unemployment, the study findings revealed that a majority of respondents 56.8% perceive current public investments in Uganda as not very effective in reducing unemployment. This indicates a prevailing skepticism among respondents regarding the efficacy of existing public investment strategies in addressing unemployment challenges in the country. Only a minority of respondents represented by 34.1% consider these investments somewhat effective in reducing unemployment, while a small proportion 9.1% believe they are not effective at all.

Concerning changes in unemployment rates following public investment projects, the study findings indicate that recent public investment projects in Uganda have had mixed effects on unemployment rates. While a sizable portion of respondents 31.8% observed a slight decrease in unemployment following these projects, an equal percentage 25.0% reported a slight increase in unemployment. Additionally, nearly half of the respondents 43.2% noted no change in unemployment rates. This suggests a varied impact of public investments on unemployment, with some projects potentially yielding positive outcomes while others may not be as effective.

Furthermore, contribution of infrastructure development to job creation, a significant majority of respondents represented by 47.7% believe that public investments contributes to infrastructure development to some extent, 40.9% of respondents perceive these investments to contribute to a large extent, while 11.4% consider them to contribute to a little extent. This underscores the perceived importance of infrastructure development as a means of stimulating employment opportunities in the country.

More so, concerning areas prioritized for public investment to reduce unemployment,

the respondents identified education and training represented by 40.9% as the top priority areas for public investment to have the most significant impact on reducing unemployment in Uganda, closely followed by infrastructure development represented by 36.4% and then technological innovation represented by 22.7%. This highlights the perceived importance of investing in human capital and skill development, as well as physical infrastructure, as key strategies for addressing unemployment challenges in the country.

In addition, concerning confidence in public investment to reduce unemployment, the study findings indicate a moderate level of confidence among respondents regarding the potential of increased public investment to lead to a sustainable decrease in unemployment in Uganda. Half of the respondents 50.0% expressed confidence (somewhat confident or very confident) in the efficacy of increased public investment in reducing unemployment, while a notable proportion 31.8% remained somewhat not confident.

Last but not least, concerning the challenges associated with effectively targeting public investments, the respondents identified several challenges associated with effectively targeting public investments to create jobs in Uganda, with corruption and misuse of funds allocated for public investments 52.3% being the most prevalent challenge cited. Bureaucracy and inefficiencies in implementing investment projects 29.5% and lack of skilled labor to fill jobs created by public investments 11.4% were also identified as significant challenges.

Lastly, concerning the importance of public investment in social programs, the study findings revealed a widespread recognition of the importance of public investment in social programs in reducing unemployment in Uganda, with a majority of respondents represented by 77.3% indicating that such investments are either very important or somewhat important. This underscores the perceived role of social programs, such as unemployment benefits and job training initiatives, in mitigating unemployment and fostering socio-economic development in the country.



Table 4.5: Bivariate analysis on public investments and unemployment in Uganda

Variable	Unemployment in Uganda		Chi-square	P-value (at 95% confidence level)
	Yes n=20	No n=24		
Effectiveness of current public investments in reducing unemployment				
Somewhat effective	15	0	27.867	0.000*
Not very effective	5	20		
Not effective at all	0	4		
Changes in unemployment rates following public investment projects				
Slight decrease in unemployment	14	0	27.442	0.000*
No change	6	13		
Slight increase in unemployment	0	11		
Contribution of infrastructure development to job creation				
To a large extent	18	0	36.702	0.000*
To some extent	2	19		
To a little extent	0	5		
Areas prioritized for public investment to reduce unemployment				
Education and training	18	0	36.942	0.000*
Infrastructure development	2	14		
Technological innovation	0	10		
Confidence in public investment to reduce unemployment				
Somewhat not confident	14	0	30.800	0.000*
Neutral	2	0		
Somewhat confident	4	18		
Very confident	0	6		
Challenges associated with effectively targeting public investments				
Difficulty in identifying sectors with high job creation potential	3	0	40.773	0.000*
Bureaucracy and inefficiencies in implementing investment projects	13	0		
Lack of skilled labor to fill jobs created by	4	1		

public investments				
Corruption and misuse of funds allocated for public investments	0	23		
Importance of public investment in social programs				
Very important	20	0	44.000	0.000*
Somewhat important	0	14		
Neutral	0	10		

Source: *Primary data*

The bivariate analysis presented in table 4.5 above assesses the relationship between public investments and unemployment in Uganda using chi-square statistics and corresponding p-values. The chi-square test evaluates whether there is a significant association between two categorical variables—in this case, different aspects of public investments and unemployment. The p-value indicates the probability of observing the observed results, or more extreme results, if there were no actual association between the variables.

According to table 5 above, there is a highly significant association between respondents' perceptions of the effectiveness of current public investments in reducing unemployment and the actual occurrence of unemployment (Pearson Chi-Square = 27.867a; $p = 0.000 < 0.05$). There is also a highly significant association between reported changes in unemployment rates following public investment projects and the actual occurrence of unemployment (Pearson Chi-Square = 27.442a; $p = 0.000 < 0.05$). Furthermore, there is a highly significant association between respondents' perceptions of the contribution of infrastructure development to job creation and the actual occurrence of job creation (Pearson Chi-Square = 36.702a; $p = 0.000 < 0.05$). More so, there is a highly significant association between respondents' preferences for areas prioritized for public investment to reduce unemployment and the actual occurrence of unemployment (Pearson Chi-Square = 36.942a; $p = 0.000 < 0.05$).

In addition, there is a highly significant association between respondents' confidence levels in public investment to reduce unemployment and the actual occurrence of unemployment (Pearson Chi-Square = 30.800a; $p = 0.000 < 0.05$). Last but not least, there is a highly significant association between reported challenges associated with



effectively targeting public investments and the actual occurrence of unemployment (Pearson Chi-Square = 40.773a; $p = 0.000 < 0.05$). Lastly, there is a highly significant association between respondents' perceptions of the importance of public investment in social programs and the actual occurrence of unemployment (Pearson Chi-Square = 44.000a; $p = 0.000 < 0.05$). Overall, the bivariate analysis underscores the intricate relationship between public investments and unemployment in Uganda, highlighting the pivotal role of investment strategies in shaping labor market outcomes.

The findings from the above chi-square statistics are in line with the literature by Gechert et al. (2014) who conducted an extensive analysis of the impact of public investments on unemployment in European countries. Their research revealed that government spending, particularly on infrastructure and education, significantly and favorably affected unemployment rates. The potential of government spending to increase employment numbers, particularly during economic downturns, is highlighted by their findings.

Furthermore, the findings from the above chi-square statistics relate with the literature by Borck & Pflüger (2014) who explored the role of public investment in regional employment disparities in Germany. According to their research, areas with greater public investment typically have lower unemployment rates. The study brought to light the possibility of government spending to lessen unemployment disparities by area. Comin and Mulani (2006) also conducted research on the effects of public investment on unemployment in India. Their research showed that government spending, particularly on infrastructure projects, significantly lowered unemployment rates in both urban and rural areas. According to the findings, public investments may benefit employment in developing economies.

Finally, the findings from the above chi-square statistics correspond with the literature by Cuberes & Teignier (2018) studied the impact of public investments on unemployment in sub-Saharan Africa. They discovered that public interventions, particularly in industries like agriculture and education, might significantly lower unemployment in the area. The study emphasizes the possibility of focused public investments to alleviate the problems associated with unemployment in developing



economies.

4.5 The relationship between government spending and labor force participation in Uganda

Table 4.6: Descriptive analysis on government spending and labor force participation in Uganda

Variable	Frequency (N=44)	Percentage (%)
In your opinion, how does the level of government spending in Uganda affect people's willingness to participate in the labor force?		
Increased spending significantly encourages participation	13	29.5
Increased spending somewhat encourages participation	12	27.3
Increased spending somewhat discourages participation	19	43.2
Have you observed any changes in labor force participation rates (increase/decrease) following recent changes in government spending in Uganda?		
Slight increase in participation	7	15.9
No change	20	45.5
Slight decrease in participation	17	38.6
To what extent do you believe government spending on social programs influences labor force participation in Uganda?		
To a large extent	24	54.5
To some extent	12	27.3
To a little extent	8	18.2
In your view, how can government spending be used more effectively to encourage greater labor force		

participation in Uganda?		
Providing skills training programs targeted at labor market needs	23	52.3
Increasing the minimum wage	13	29.5
Reducing barriers to work for specific groups (e.g., single mothers, people with disabilities)	3	6.8
Implementing policies that promote work-life balance	5	11.4
How confident are you that adjustments in government spending can have a positive impact on labor force participation in Uganda?		
Somewhat not confident	13	29.5
Neutral	4	9.1
Somewhat confident	15	34.1
Very confident	12	27.3
Are there any concerns you have about the potential impact of government spending on labor force participation in Uganda?		
Dis-incentivizes work effort due to availability of social benefits	4	9.1
Leads to inflation and reduces purchasing power	13	29.5
Creates inefficiencies and misuse of public funds	17	38.6
Contributes to a growing national debt	10	22.7
In your opinion, how important is it to strike a balance between government spending on social programs and incentives for work participation in Uganda?		
Very important	25	56.8
Somewhat important	11	25.0
Neutral	8	18.2

Source: *Primary data*

In table 4.6 above, concerning the impact of government spending on labor force participation, the study findings indicate a mixed perception regarding the impact of government spending on labor force participation in Uganda. While a significant portion of respondents represented by 56.8% believe that increased government spending on social programs significantly or somewhat encourages participation in the labor force, a substantial proportion 43.2% perceive that increased spending somewhat discourages participation. This suggests a distinct understanding among respondents of the relationship between government spending and labor force participation, with divergent views on its effectiveness in incentivizing workforce participation.



Concerning changes in labor force participation rates following government spending changes, the study findings revealed varied changes in labor force participation rates following recent changes in government spending in Uganda. While a considerable proportion of respondents 38.6% observed a slight decrease in participation, a significant percentage 45.5% noted no change. Conversely, a smaller portion of respondents 15.9% reported a slight increase in participation. This indicates a lack of consensus among respondents regarding the direct impact of government spending changes on labor force participation rates, suggesting the presence of multiple factors influencing participation dynamics.

Furthermore, concerning the influence of government spending on social programs on labor force participation, the findings highlight a widespread belief among respondents regarding the significant influence of government spending on social programs on labor force participation in Uganda. A majority of respondents represented by 81.8% perceive that government spending on social programs influences labor force participation to a large or some extent. This underscores the perceived importance of social programs in shaping labor force dynamics and promoting greater workforce participation in the country.

More so, concerning the effective utilization of government spending to encourage labor force participation, the respondents overwhelmingly advocate for the provision of skills training programs targeted at labor market needs represented by 52.3% as the most effective way to utilize government spending to encourage greater labor force participation in Uganda. This suggests recognition among respondents of the importance of skill development initiatives in enhancing employability and facilitating greater participation in the labor market.

In addition, concerning confidence in government spending impact on labor force participation, the study findings indicated a moderate level of confidence among respondents regarding the potential of adjustments in government spending to have a positive impact on labor force participation in Uganda. While a notable proportion of respondents represented by 61.4% express confidence (somewhat confident or very confident) in the efficacy of government spending adjustments, a significant percentage

represented by 29.5% remained somewhat not confident, indicating some skepticism about the effectiveness of such measures.

Last but not least, looking at concerns about potential impact of government spending on labor force participation, the respondents identified various concerns about the potential impact of government spending on labor force participation in Uganda. The most prevalent concerns include the creation of inefficiencies and misuse of public funds represented by 38.6%, followed by concerns about inflation and reduced purchasing power represented by 29.5%, followed by concerns about its contribution to a growing national debt represented by 22.7% and lastly concerns about its disincentivization of work effort due to availability of social benefits. This underscores the need for careful consideration of the potential drawbacks and unintended consequences of government spending initiatives on labor force dynamics.

Lastly, concerning the importance of balancing government spending on social programs and incentives for work participation, the study findings highlight the perceived importance of striking a balance between government spending on social programs and incentives for work participation in Uganda. A significant majority of respondents represented by 81.8% consider it very important or somewhat important to strike this balance, indicating a recognition of the need for policies that simultaneously support social welfare objectives while incentivizing workforce participation and economic productivity.

Table 4.7: Bivariate analysis on government spending and labor force participation in Uganda

Variable	Labor force participation in Uganda		Chi-square	P-value (at 95% confidence level)
	Yes n=20	No n=24		
Impact of government spending on labor force participation				
Increased spending significantly encourages participation	13	0	32.236	0.000*
Increased spending somewhat encourages participation	7	5		

Increased spending somewhat discourages participation	0	19		
Changes in labor force participation rates following government spending changes				
Slight increase in participation	7	0	25.648	0.000*
No change	13	7		
Slight decrease in participation	0	17		
Influence of government spending on social programs on labor force participation				
To a large extent	20	4	30.556	0.000*
To some extent	0	12		
To a little extent	0	8		
Effective utilization of government spending to encourage labor force participation				
Providing skills training programs targeted at labor market needs	20	3	33.478	0.000*
Increasing the minimum wage	0	13		
Reducing barriers to work for specific groups (e.g., single mothers, people with disabilities)	0	3		
Implementing policies that promote work-life balance	0	5		
Confidence in government spending impact on labor force participation				
Somewhat not confident	13	0	34.320	0.000*
Neutral	4	0		
Somewhat confident	3	12		
Very confident	0	12		
Concerns about potential impact of government spending on labor force participation				
Dis-incentivizes work effort due to availability of social benefits	4	0	34.035	0.000*
Leads to inflation and reduces purchasing power	13	0		
Creates inefficiencies and misuse of public funds	3	14		
Contributes to a growing national debt	0	10		
Importance of balancing government spending on social programs and incentives for work participation				
Very important	20	5	27.867	0.000*
Somewhat important	0	11		
Neutral	0	8		

Source: *Primary data*

The bivariate analysis presented in table 4.7 above assesses the relationship between government spending and labor force participation in Uganda using chi-square statistics and corresponding p-values. The chi-square test evaluates whether there are a significant association between two categorical variables—in this case, different aspects of government spending and labor force participation. The p-value indicates the probability of observing the observed results, or more extreme results, if there were no actual association between the variables.

According to table 4.7 above, there is a highly significant association between respondents' perceptions of the impact of government spending on labor force participation and the actual occurrence of labor force participation (Pearson Chi-Square = 32.236a; $p = 0.000 < 0.05$). There is also a highly significant association between reported changes in labor force participation rates following government spending changes and the actual occurrence of labor force participation (Pearson Chi-Square = 25.648a; $p = 0.000 < 0.05$). Furthermore, there is a highly significant association between respondents' perceptions of the influence of government spending on social programs on labor force participation and the actual occurrence of labor force participation (Pearson Chi-Square = 30.556a; $p = 0.000 < 0.05$). More so, there is a highly significant association between reported effective utilization of government spending to encourage labor force participation and the actual occurrence of labor force participation (Pearson Chi-Square = 33.478a; $p = 0.000 < 0.05$).

In addition, there is a highly significant association between respondents' confidence levels in government spending impact on labor force participation and the actual occurrence of labor force participation (Pearson Chi-Square = 34.320a; $p = 0.000 < 0.05$). Last but not least, there is a highly significant association between reported concerns about the potential impact of government spending on labor force participation and the actual occurrence of labor force participation (Pearson Chi-Square = 34.035a; $p = 0.000 < 0.05$). Lastly, there is a highly significant association between respondents' perceptions of the importance of balancing government spending on social programs and incentives for work participation and the actual occurrence of labor force



participation (Pearson Chi-Square = 27.867a; $p = 0.000 < 0.05$). Overall, the bivariate analysis underscores a strong association between government spending dynamics and labor force participation in Uganda. The findings highlight the critical role of effective fiscal policies in shaping workforce dynamics, with perceptions of government spending's impact closely aligned with actual labor force participation rates.

The findings from the above chi-square statistics are in line with the literature by Baily & Elliot (2013) who explored the impact of government spending on labor force participation in the United States. They discovered that government initiatives like Social Security and disability insurance had an impact on people's choices about labor force participation, particularly among older workers. Their study emphasizes how certain government spending initiatives affect patterns of labor force participation.

Furthermore, the findings from the above chi-square statistics relate with the literature by Hall & Papageorgiou (2018) who examined the impact of government spending on labor force participation and productivity in a global context. Their findings indicated that government spending on infrastructure, healthcare, and education can have a positive impact on economic growth and labor force participation. This study places special emphasis on how government spending policies can affect labor force dynamics on a global scale.

Finally, the findings from the above chi-square statistics correspond with the literature by Kok et al. (2018) who analyzed the impact of family and childcare policies, a form of government spending, on female labor force participation in European countries. According to their research, policies that support families, such as those that provide parental leave and child care assistance had a significant impact on the rate at which women entered the labor field. This study emphasizes how social policies affect people's willingness to work.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents discussions of results that were presented in chapter four. It also



relates these results to similar studies which were carried out elsewhere as revealed by different scholars. This chapter also provides recommendations and conclusions basing on findings of the study and suggests areas for further research.

5.2 Summary of findings

The study findings reveal several critical insights into the relationship between taxation and job creation in Uganda. Overall, respondents perceive the current level of taxation as a significant deterrent to job creation, with a majority expressing concerns about its impact on businesses' ability to create new jobs. Recent tax policy changes are associated with a notable decrease in business hiring practices, indicating potential adverse effects on employment. Despite these challenges, respondents exhibit confidence in the potential of tax policy reforms to positively influence job creation, particularly through reductions in payroll taxes. However, there are mixed perceptions regarding the effectiveness of tax incentives for specific sectors, suggesting a need for targeted and well-designed policies. Industries such as agriculture and manufacturing are identified as particularly sensitive to tax policy changes in terms of their hiring practices. These findings underscore the importance of strategic tax reforms tailored to stimulate job creation and foster a conducive business environment in Uganda.

Furthermore, the study findings on the relationship between public investments and unemployment in Uganda reveal several significant insights. Firstly, there is widespread skepticism among respondents regarding the effectiveness of current public investments in reducing unemployment, with a majority perceiving them as not very effective. Despite this, respondents recognize the importance of infrastructure development and prioritize investments in education and training as key strategies for reducing unemployment. However, challenges such as bureaucracy, lack of skilled labor, and corruption pose significant obstacles to effectively targeting public investments. Nevertheless, there is a high level of confidence among respondents in the potential of increased public investment to decrease unemployment, especially when directed towards social programs. The bivariate analysis confirms these perceptions, demonstrating strong associations between various aspects of public investments and actual unemployment rates. Overall, these findings underscore the critical role of



strategic and efficient investment strategies in addressing unemployment challenges and fostering socio-economic development in Uganda.

Finally, the study findings on the relationship between government spending and labor force participation in Uganda reveal nuanced perceptions among respondents. While there is a mixed view on the impact of increased government spending on labor force participation, with a significant portion perceiving it as somewhat discouraging, there is a widespread belief in the influence of government spending on social programs in encouraging workforce participation. Respondents overwhelmingly advocate for the effective utilization of government spending through targeted skills training programs to enhance labor force participation. Despite some concerns about potential drawbacks such as inflation and inefficiencies, there is a strong consensus on the importance of balancing government spending on social programs with incentives for work participation. The bivariate analysis confirms these perceptions, emphasizing the significant association between various aspects of government spending and actual labor force participation rates. Overall, these findings underscore the pivotal role of fiscal policies in shaping labor market dynamics and highlight the need for strategic interventions to foster greater workforce participation in Uganda.

5.3 Conclusions

The study aimed at establishing the effects of fiscal policy on employment stability in Uganda: a case study of Ministry of Finance, Planning and Economic Development (MOFPED). In conclusion, the study findings highlight the intricate interplay between taxation, public investments, government spending, and their impact on job creation and labor force participation in Uganda. While taxation is perceived as a deterrent to job creation, there's optimism regarding the potential of tax policy reforms, especially in reducing payroll taxes, to positively influence employment. Similarly, public investments are viewed skeptically in their current form, yet there's recognition of their importance, particularly in infrastructure and education, for tackling unemployment. Effective targeting and management of investments are crucial amidst challenges like bureaucracy and corruption. Moreover, government spending on social programs emerges as a significant driver of labor force participation, necessitating a balance with



incentives for work. Overall, the findings underscore the need for strategic fiscal policies tailored to stimulate job creation and enhance workforce participation, ultimately fostering socio-economic development in Uganda.

5.4 Recommendations

Basing on the study findings, the following recommendations were highlighted;

The study recommends that the Ministry of Finance, Planning and Economic Development (MOFPED) in Uganda capitalize on the positive perceptions of tax incentives highlighted in the findings. To enhance employment stability, MOFPED should consider refining existing tax policies or introducing new ones that further encourage businesses to create jobs. This strategic approach to fiscal policy can contribute significantly to fostering a stable and robust employment environment in Uganda.

The study also recommends that MOFPED directs attention towards key sectors, such as education, healthcare, technology, and innovation, aligning public investments with the identified factors positively influencing unemployment rates. By ensuring targeted and effective spending in these areas, MOFPED can contribute significantly to job creation and overall employment stability. This involves formulating and implementing policies that prioritize infrastructure projects and emerging industries, fostering a dynamic and employment-friendly economy.

Furthermore, the study recommends that MOFPED focuses on bolstering job training programs and skills development initiatives through increased government spending. Adequate funding in these areas is crucial for enhancing labor force participation, especially among vulnerable populations and the youth, thereby fostering sustained employment stability in Uganda. MOFPED should consider allocating resources strategically to ensure the effectiveness of these programs, aligning them with the identified factors that positively influence the overall labor force participation rate.

Additionally, the study recommends that MOFPED enhances collaboration with relevant stakeholders, including businesses, educational institutions, and industry experts. By



fostering partnerships, MOFPED can ensure that fiscal policies are responsive to the evolving needs of the labor market and industry demands. Engaging in regular consultations and feedback mechanisms will enable the ministry to make informed decisions, aligning fiscal strategies with the ever-changing dynamics of the employment landscape.

Moreover, the study recommends that MOFPED adopts a proactive and adaptive approach to fiscal policy formulation. Given the positive correlation between government spending and labor force participation, it is crucial for MOFPED to continually assess the effectiveness of its spending initiatives. Regular evaluations, performance monitoring, and feedback mechanisms should be integrated to ensure that resources are allocated efficiently and that the intended impact on employment stability is realized.

Finally, the study recommends that MOFPED takes a comprehensive and dynamic approach to fiscal policy, incorporating the identified factors influencing employment stability in Uganda. By refining tax incentives, directing targeted public investments, and strategically increasing spending on skills development, job training, and education, MOFPED can play a pivotal role in fostering a stable and thriving employment environment in the country.

5.5 Area for further research

The study makes several suggestions for further researcher on areas which emerged during the study and require further research. The study recommends that a detailed examination of the specific mechanisms through which tax incentives impact job creation in Uganda, considering industry variations should be conducted. Additionally, a deeper investigation into the effectiveness of public investments in key sectors, such as healthcare and technology, on reducing unemployment rates could provide valuable insights. Further research might explore the nuances of government spending on job training programs and skills development, examining the factors that contribute to their success or limitations. Finally, a longitudinal study tracking the implementation and outcomes of recommended fiscal policy adjustments by MOFPED could offer a



comprehensive understanding of their sustained impact on employment stability over time.

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APPENDICES

Appendix 1: Questionnaire

For staff of the Ministry of Finance, Planning and Economic Development

Dear sir/madam

My name is Nathan Mwebesa; I am a student of BSES at Uganda Christian University. I am conducting a study on “the effects of fiscal policy on employment stability in Uganda: a case of Ministry of Finance, Planning and Economic Development (MOFPED).” You have been specifically selected to participate in this study and the information collected shall be purely for academic purpose and treated with the highest level of confidentiality. The success of this study shall greatly depend on your response. Your cooperation shall highly be appreciated.

Section A. Bio Data

Please tick the most appropriate answer

1. Age

a) 21-30 years ☐

b) 31 -40 years ☐

c) 41-50 years ☐

d) Above 50 years ☐

2. Gender

a) Male ☐

b) Female ☐

3. Education level



- a) Certificate ☐ b) Diploma ☐
c) Degree ☐ d) Masters ☐
e) Others specify:.....

4. Department you belong to in the Ministry

- a) Department of Treasury Services ☐
b) Department of Public Sector Account ☐
c) Department of MIS ☐
d) Department of Debt Management ☐
e) Others specify:.....

5. Period spent working in the Ministry

- a) Less than 1 year ☐ b) 1-5 years ☐
c) 6-10 years ☐ d) Above 10 years ☐

Objective one: To examine the relationship between taxation and job creation in Uganda

6. In your opinion, to what extent does the current level of taxation in Uganda encourage businesses to create new jobs?

- a) Strongly discourages job creation ()
b) Somewhat discourages job creation ()
c) Has no significant impact ()
d) Somewhat encourages job creation ()



- e) Strongly encourages job creation ()
7. Have you observed any changes in business hiring practices (increase/decrease) after recent tax policy changes in Uganda?
- a) Significant decrease in hiring ()
- b) Slight decrease in hiring ()
- c) No change ()
- d) Slight increase in hiring ()
- e) Significant increase in hiring ()
8. How often do you encounter businesses expressing concerns about the impact of taxation on their ability to create new jobs?
- a) Very frequently ()
- b) Frequently ()
- c) Occasionally ()
- d) Rarely ()
- e) Never ()
9. In your view, which type of tax reform would be most beneficial for stimulating job creation in Uganda? (Choose one)
- a) Reduction in corporate income tax ()
- b) Reduction in payroll taxes ()
- c) Streamlining and simplifying the tax system ()
- d) Offering tax breaks for businesses creating new jobs ()
- e) Other (please specify):



10. How confident are you that changes in tax policy can have a positive impact on job creation in Uganda?

- a) Not confident at all ()
- b) Somewhat not confident ()
- c) Neutral ()
- d) Somewhat confident ()
- e) Very confident ()

11. In your experience, do tax incentives for businesses creating jobs in specific sectors (e.g., agriculture, tourism) seem effective in boosting employment in Uganda?

- a) Very effective ()
- b) Somewhat effective ()
- c) Not very effective ()
- d) Not effective at all ()
- e) Unsure ()

12. Based on your observations, which industries in Uganda seem most sensitive to changes in tax policy in terms of their hiring practices? (Choose up to two)

- a) Manufacturing ()
- b) Services ()
- c) Agriculture ()
- d) Technology ()
- e) Construction ()
- f) Other (please specify):



Objective two: To find out the relationship between public investments and unemployment in Uganda

8. In your opinion, how effective are current public investments in Uganda in reducing unemployment?
- a) Very effective ()
 - b) Somewhat effective ()
 - c) Not very effective ()
 - d) Not effective at all ()
 - e) Unsure ()
9. Have you observed any changes in unemployment rates (increase/decrease) following recent public investment projects in Uganda?
- a) Significant decrease in unemployment ()
 - b) Slight decrease in unemployment ()
 - c) No change ()
 - d) Slight increase in unemployment ()
 - e) Significant increase in unemployment ()
10. To what extent do you believe public investments in infrastructure development (roads, bridges, etc.) contribute to job creation in Uganda?
- a) To a very large extent ()
 - b) To a large extent ()
 - c) To some extent ()
 - d) To a little extent ()



e) Not at all ()

11. In your view, which areas should be prioritized for public investment in Uganda to have the most significant impact on reducing unemployment? (Choose up to two)

a) Education and training ()

b) Healthcare ()

c) Infrastructure development ()

d) Technological innovation ()

e) Environmental sustainability projects ()

f) Other (please specify):

12. How confident are you that increased public investment can lead to a sustainable decrease in unemployment in Uganda?

a) Not confident at all ()

b) Somewhat not confident ()

c) Neutral ()

d) Somewhat confident ()

e) Very confident ()

13. In your experience, are there any challenges associated with effectively targeting public investments to create jobs in Uganda? (Choose all that apply)

a) Difficulty in identifying sectors with high job creation potential ()

b) Bureaucracy and inefficiencies in implementing investment projects ()

c) Lack of skilled labor to fill jobs created by public investments ()

d) Corruption and misuse of funds allocated for public investments ()



e) Other (please specify):

14. How important is public investment in social programs (e.g., unemployment benefits, job training) in reducing unemployment in Uganda?

- a) Very important ()
- b) Somewhat important ()
- c) Neutral ()
- d) Not very important ()
- e) Not important at all ()

Objective three: To examine the relationship between government spending and labor force participation in Uganda

15. In your opinion, how does the level of government spending in Uganda affect people's willingness to participate in the labor force?

- a) Increased spending significantly encourages participation ()
- b) Increased spending somewhat encourages participation ()
- c) Spending level has no significant impact ()
- d) Increased spending somewhat discourages participation ()
- e) Increased spending significantly discourages participation ()

16. Have you observed any changes in labor force participation rates (increase/decrease) following recent changes in government spending in Uganda?

- a) Significant increase in participation ()
- b) Slight increase in participation ()
- c) No change ()



- d) Slight decrease in participation ()
- e) Significant decrease in participation ()

17. To what extent do you believe government spending on social programs (e.g., education, healthcare) influences labor force participation in Uganda?

- a) To a very large extent ()
- b) To a large extent ()
- c) To some extent ()
- d) To a little extent ()
- e) Not at all ()

18. In your view, how can government spending be used more effectively to encourage greater labor force participation in Uganda? (Choose up to two)

- a) Investing in early childhood education and childcare ()
- b) Providing skills training programs targeted at labor market needs ()
- c) Increasing the minimum wage ()
- d) Reducing barriers to work for specific groups (e.g., single mothers, people with disabilities) ()
- e) Implementing policies that promote work-life balance ()
- f) Other (please specify): _____

19. How confident are you that adjustments in government spending can have a positive impact on labor force participation in Uganda?

- a) Not confident at all ()
- b) Somewhat not confident ()



- c) Neutral ()
- d) Somewhat confident ()
- e) Very confident ()

20. Are there any concerns you have about the potential impact of government spending on labor force participation in Uganda? (Choose all that apply)

- a) Disincentivizes work effort due to availability of social benefits ()
- b) Leads to inflation and reduces purchasing power ()
- c) Creates inefficiencies and misuse of public funds ()
- d) Contributes to a growing national debt ()
- e) Other (please specify): _____

21. In your opinion, how important is it to strike a balance between government spending on social programs and incentives for work participation in Uganda?

- a) Very important ()
- b) Somewhat important ()
- c) Neutral ()
- d) Not very important ()
- e) Not important at all ()

Thank you for your cooperation

