Trade Order Enforcement, Informality, and Women's Economic Agency in Uganda

Examining the Unintended Economic Consequences of Enforcement Practices on Women in the Informal Economy.

Authored by Daphne Naudho, Action for Liberty and Economic Development, Joyce Mary Takali, Malkia Africa Network

Executive Summary

- **The Problem:** Women comprise the vast majority of Uganda's informal urban economy, particularly in small-scale retail and street vending. Current trade order enforcement mechanisms, characterized by abrupt evictions, asset confiscations, and rigid zoning regulations, disproportionately undermine women's financial survival, disrupt household welfare, and deepen economic vulnerability.
- **Core Finding:** Punitive enforcement practices treat informality purely as a public order issue rather than an economic reality. Because women systematically balance trade with heavy caregiving responsibilities and face steep structural barriers to formalization (such as high compliance costs and inaccessible formal commercial real estate), spatial displacement effectively strips them of their primary sources of income.
- **Top 4 Policy Actions:** Mandate Gender-Responsive Operational Guidance; map underutilized municipal land to deploy low-cost, modular trading kiosks; establish institutionalized Trader Representation Mechanisms requiring a minimum 40% female composition; and launch Incentive-Based Formalization Paths featuring "starter licenses" bundled with business support vouchers.
- **Expected Outcomes:** Stabilization of low-income household consumption, minimized livelihood displacement, increased voluntary transition into the formal tax base, and enhanced public order achieved through cooperation rather than coercion.

> **Immediate Policy Request:**
> *Approve and finance a 12-month pilot program across three distinct urban centers (Kampala, Entebbe,*

> *and Jinja) to implement gender-responsive enforcement protocols, deploy 600 modular kiosks (200 per city), and evaluate outcomes over an 18-month cycle.*

1. Introduction

Uganda’s informal economy is a principal engine of macroeconomic survival, employing approximately 89.2% of the national workforce (UBOS, 2025). Within this landscape, informal retail, street vending, and open-air market trading serve as the primary entry points for women seeking economic self-determination. For these micro-entrepreneurs, barriers to formal sector entry—including prohibitive capital requirements, complex bureaucratic licensing, and systemic gender disparities in land ownership—remain restrictively high.

Concurrently, urban authorities face escalating systemic pressures. Rapid urbanization has intensified challenges related to public space congestion, municipal sanitation, pedestrian safety, and lost tax revenue from unregulated commercial activities. In response, local governments have intensified "trade order enforcement" campaigns to clear public thoroughfares and channel commercial actors into gazetted municipal markets.

The central policy friction is that maintaining urban order using current punitive models creates severe, unintended economic shocks for women traders. When a roadside vendor’s inventory is confiscated or her point of sale is summarily eliminated, the financial shock propagates instantly to her dependents. This brief provides a framework to transition Uganda’s urban management from a model of punitive clearance to one of incentivized, gender-responsive integration.

2. Research Overview and Context

A. Institutional Framework of Trade Order Enforcement

Trade order enforcement encompasses the regulatory and physical measures deployed by state actors to govern commercial space usage. Currently, enforcement centers on clearing vendors from pavements, road reserves, drainage channels, and non-gazetted open areas.

While statutory mandates charge these authorities with maintaining public safety and zoning compliance, parliamentary debates and civil society evaluations show that current execution patterns lack standardized, socio-economic risk screening. Guideline execution falls heavily on local governments and municipal bodies under national guidance from the line ministries.

B. The Dynamics of Gendered Informality

Data from the Uganda Bureau of Statistics (UBOS) 2025 Labour Market Survey highlights the structural reality of the Ugandan workforce:

Metric	Informal Sector Value	Formal Sector Value
Total Employment	~7.35 Million Workers	~2.37 Million Workers
Share of Total Workforce	89.2%	10.8%
Gender Distribution	54.8% Female / 45.2% Male	38.5% Female / 61.5% Male
Primary Women's Sub-sectors	Street vending, fresh produce, food processing, cross-border petty trade	Administrative, corporate retail, education, public service

Women are disproportionately represented in the informal sector because it provides the temporal and spatial flexibility required to balance unpaid care work with income generation. Revenue generated from these micro-enterprises directly funds non-discretionary household expenditures such as nutrition, school fees, and healthcare.

C. Data Gaps and Triangulation Strategy

The current policy design is limited by a lack of granular, longitudinal data tracking the precise financial trajectories of informal traders' post-displacement. To build a defensible, evidence-based regulatory framework, the Ministry of Local Government must bridge these gaps through a coordinated data triangulation architecture using national datasets, operational metrics (KCCA logs), and targeted primary field data.

Proposed Action: Execute a 3-month rapid evidence assessment in targeted pilot zones (Kampala, Entebbe, Jinja) using mixed methods to capture sex-disaggregated daily earnings metrics, eviction frequencies, asset loss values, and subsequent household welfare changes.

3. Key Findings and Policy Analysis

3.1 Disproportionate Income Deprivation via Relocation

For informal traders, business viability depends heavily on consumer foot traffic's convenient routes. Punitive clearance operations that abruptly relocate street vendors to peripheral or poorly integrated municipal markets typically result in a 50% to 80% reduction in daily gross revenues. Because women operate with minimal cash reserves and lack access to formal lines of credit, they cannot absorb these prolonged income deficits, which often leads to the liquidation of their core working capital.

3.2 Spatial Realities of the Care Economy

Women face distinct structural constraints that dictate their commercial geographies. A centralized municipal market stall, while legally compliant, often fails to accommodate caregivers who require spatial proximity to transport hubs or residential areas to manage childcare and domestic obligations. Forcing women into rigid, inflexible spatial frameworks without accounting for these care dependencies causes many to drop out of active economic participation entirely.

3.3 The Failure of Enforcement-Only Regimes

Informality is fundamentally a structural response to institutional barriers, including high costs of regulatory compliance, complex licensing processes, and a shortage of affordable commercial space. Purely punitive enforcement does not eliminate the structural drivers of informality; it merely displaces vulnerable economic actors, leading to cyclical re-entry into public spaces, increased evasion costs, and a breakdown of trust between citizens and local governance institutions.

4. Re-Framing Policy Objectives and Measurable Outcomes

Urban order and women's economic survival should not be pursued as mutually exclusive goals. Policy interventions must be designed to satisfy three concurrent objectives: (i) Maintain Urban Order & Public Safety; (ii) Protect Women's Livelihoods & Agency; and (iii) Increase Voluntary Formalization.

Performance Accountability Matrix

Policy Objective	Key Performance Indicator (KPI)	Baseline (Current)	Short-Term Target (6-12M)	Data Source

Livelihood Protection	% Reduction in unannounced forced evictions	0% (Standard practice)	≥50% reduction in pilots	Municipal Registries
Spatial Reintegration	% of displaced traders reallocated within 14 days	Less than 15%	≥40% reallocation rate	Market Databases
Economic Resilience	Change in average daily net income of relocated women	Estimated -60% post-displacemen t	Maintenance of baseline (±10%)	Post-relocation Surveys
Regulatory Transition	% Increase in formal registration among women traders	Under 5% annually	≥25% increase in cohorts	One-Stop Registries
Systemic Accountability	Beneficiary satisfaction & safety score (1–10 scale)	Not measured	Minimum score of 6.5/10	NGO Scorecards

5. Operationalizing Recommendations

5.1 Institutionalizing Gender-Responsive Enforcement

- **Mandatory Impact Screening:** Local government authorities must complete a sex-disaggregated Socio-Economic Impact Assessment before executing any large-scale trade order normalization campaign in a commercial zone.
- **Vulnerability Frameworks:** Statutory administrative codes must be amended to establish explicit non-eviction protections and alternative, extended relocation timelines for highly vulnerable groups, including pregnant women, single primary caregivers, and elderly traders.

5.2 Expanding Strategic, Low-Cost Trading Spaces

- **Modular Infrastructure Deployment:** Municipal engineering departments must map underutilized public land and transit corridors to install low-cost, secure, and weatherproof modular trading kiosks. The pilot phase requires the deployment of 200 units per target city.
- **Tiered Pro-Poor Fee Structures:** Local government financial frameworks must replace flat market levies with a progressive, tiered fee system. Ultra-poor women vendors and street-level transitions

will receive a 100% fee exemption for the first 6 months, followed by a graduated, subsidized rate scale tied to verified revenues.

5.3 Establishing Inclusive Engagement and Notice Protocols

- **Mandated Representation:** Municipalities must legally restructure Market Management Committees to include formal, elected informal-trader representatives, with an explicit statutory requirement that at least 40% of these representatives are women.
- **Statutory Notice Requirements:** All planned trade order updates must be preceded by a mandatory 90-day formal consultation window accompanied by local public notices broadcast in relevant local languages via radio and market public address systems.

5.4 Designing Incentive-Based Formalization Paths

- **The 'Starter License' Framework:** Local authorities will introduce an integrated, single-window "Starter License" for informal micro-enterprises. This registration features a nominal entry fee, is valid for 12 months, and automatically includes a Business Support Voucher that grants access to financial literacy training, micro-credit matching programs, and government-backed savings schemes.
- **Decentralized Mobile Registration:** To eliminate administrative friction, municipalities will deploy Mobile Registration Units directly into informal market spaces, reducing the time required to formalize to under 15 minutes.

5.5 Legal Literacy and Municipal Aid Clinics

- **Rights Awareness Campaigns:** Partner with civil society organizations to launch targeted local-language information campaigns clarifying market bye-laws, tax structures, and traders' rights.
- **Legal Aid Infrastructure:** Establish weekly Municipal Legal Aid Clinics within public markets to help women traders navigate business registration, resolve lease disputes, and report administrative harassment or extortion.

6. Implementation Architecture and Institutional Roles

Successful execution requires an integrated approach across multiple layers of governance. The matrix below defines the division of labour and operational timelines for each stakeholder:

Institutional Layer	Immediate Action (Months 1–3)	Medium-Term Action (Months 4–12)

National Level: **Ministry of Local Government (MoLG)**	Draft and issue the Ministerial Circular on Gender-Responsive Enforcement; approve pilot budget lines.	Conduct quarterly performance reviews; draft the finalized Model Municipal Ordinance for nationwide replication.
Local Government: **KCCA & Target Municipalities**	Complete spatial mapping of underutilized public land; establish the joint Market Management Committees.	Deploy 200 modular kiosks per city; roll out the Starter License framework; open weekly legal aid clinics.
Statistical Level: **UBOS & Academic Partners**	Deploy field teams to execute the 3-month Rapid Evidence Assessment.	Deliver the 6-month midline evaluation report; process administrative enforcement logs.
Civil Society & Oversight: **Trader Associations & NGOs**	Elect female trader representatives to planning boards; co-design local language info campaigns.	Administer Citizen Scorecards; provide legal representation at market clinics; run business literacy programs.
International Level: **Development Partners**	Disburse capital funds for pilot infrastructure; review and align international best practices.	Conduct independent mid-term and end-line evaluations; support international peer-learning visits.

7. Budgeting and Financing Model

The operationalization of this framework requires shifting municipal resources from reactive policing to proactive infrastructure investment. The table below outlines the estimated budget requirements for a single urban center pilot:

Cost Center	Operational Description	Funding Source Options

Infrastructure	Procurement and installation of secure, weatherproof, modular steel trading kiosks (200 / city)	Central Gov Capital Budget / Development Partner Grants
Site Dev.	Land clearing, basic grading, safety lighting installation, and sanitation link-ups	Municipal Development Revenues (USMID/Local Revenues)
Administration	Procurement of mobile devices and setting up One-Stop-Shop Registration Units	MoLG Operational Budget
Capacity	Human rights and gender-responsive de-escalation training for enforcement personnel (~150 staff)	Development Partner Technical Assistance
M&E / Data	Financing the baseline survey, rapid midlines, and independent endline evaluation	UBOS Allocated Research Grants / External Financing
Legal / Outreach	Subsidizing weekly legal aid clinics and producing local radio/print information materials	Civil Society Co-financing / Municipal Budgets

Sustainable Revenue Generation Model: To ensure fiscal sustainability beyond the initial pilot phase, the program will transition into a self-sustaining revenue loop via graduated kiosk fees (collected after the initial 6-month exemption), starter license fees that provide predictable municipal revenue collections, and public-private partnerships (PPPs) allowing financial institutions to purchase advertising space or co-finance infrastructure.

8. Risk Assessment and Mitigation Framework

Identified Risk Event	Risk Level	Measurable Trigger Indicator	Enforceable Mitigation Action

Spatial Rejection / Low Footfall: Traders abandon kiosks and return to unauthorized sites.	High	Kiosk vacancy rates exceed 25% within 60 days of allocation.	Mandatory Footfall Mapping: Driven by customer traffic data, not just real estate availability. Provide transitional subsidies or marketing to draw foot traffic.
Institutional Corruption: Officials continue to make arbitrary asset seizures or demand bribes.	Medium	Continued reports of unscheduled evictions or extortion spikes in the grievance log.	Public Enforcement Logs: Mandate all code violations and official warnings be logged digitally. Empower an independent municipal ombudsman for civil sanctions.
Elite Capture of Kiosks: Intermediaries lease kiosks and sublet to poor women at inflated prices.	High	Discrepancies between the registered name on the lease and the actual operator during checks.	Biometric / ID Verification: Tie leases directly to National Identification Numbers (NIN) and cross-reference with association rolls. Ban subleasing strictly.
Displacement Vulnerability: Enforcement creates severe, temporary income shortfalls.	Medium	Spikes in local micro-enterprise liquidations or child school drop-outs.	Social Protection Referrals: Integrate municipal registration with national safety nets (e.g., SAGE, GROW) to route emergency grants or soft loans.

9. Monitoring, Evaluation, and Learning (MEL)

To support evidence-based scale-up decisions, the pilot program will follow a strict, independent evaluation cycle: (1) Baseline Evaluation within 60 days of launch; (2) Quarterly KPI Dashboard Reporting submitted by municipal enforcement offices; (3) Midline Review at Month 6 to adjust location placements or subsidies; and (4) Independent Endline Evaluation at Months 12–18 to assess performance against final Scale-Up Decision Criteria.

10. Legal and Regulatory Adjustments

Implementing these recommendations requires updating existing local by-laws and national frameworks to provide clear legal backing for transitional arrangements. This includes reviewing municipal bye-laws to permit temporary, multi-use trading zones, issuing a Ministerial Circular on Gender Impact

Assessments, and fast-tracking a Model Municipal Ordinance for local councils to legitimize arrangements.

11. Communication and Stakeholder Buy-In

A Local Stakeholder Compact will be signed between municipalities, trader associations, and civil society groups before launch to ensure joint commitment. This will be accompanied by a comprehensive public communications strategy emphasizing the dual goals of urban management: supporting local livelihoods while organizing public spaces.

12. Equity and Inclusion Specifics

To ensure the program reaches those who face the steepest economic barriers, all interventions will follow strict equity priorities, targeting ultra-poor women, single mothers, and elderly vendors via community-vetted registers. Additionally, municipal market engineering must prioritize inclusive design features, such as sanitary facilities, safety lighting, and child-care considerations.

13. Scale-Up Decision Criteria

The transition from a pilot program to a national framework will depend on achieving specific performance benchmarks during the evaluation cycle: (i) reduced evictions by ≥40% vs baseline metrics; (ii) maintained or increased average income for relocated women; and (iii) achieved ≥25% voluntary formalization among pilot participants. If these are met alongside positive beneficiary satisfaction metrics (≥6.5/10), a phased national rollout will follow.

14. Conclusion and Immediate Actions (First 90 Days)

Trade order enforcement serves important public policy objectives, but its execution must recognize the structural realities of Uganda's workforce, where informal trade is a vital economic lifeline for women. Transitioning from punitive displacement to an inclusive, incentive-driven integration framework allows Uganda to build more orderly, resilient, and equitable cities.

Immediate Action Plan (First 90 Days):

1. **Days 1–30 (Issue National Policy Guidance):** The Ministry of Local Government issues a binding Ministerial Circular mandating that all local government authorities incorporate socio-economic and gender impact screenings into their urban trade management plans.

2. **Days 31–60 (Commission the Rapid Assessment):** Authorize and fund UBOS, in partnership with local municipal councils, to launch a 3-month rapid field assessment to collect sex-disaggregated baseline data in Kampala, Entebbe, and Jinja.
3. **Days 61–90 (Approve the Pilot Budget Allocations):** Review and approve the 12-month pilot budget request to secure the procurement of modular kiosks, deploy mobile registration units, and establish oversight structures in the target cities.

Annex: KPI Definitions and Budget Assumptions

Forced Eviction: Any spatial clearance or removal of informal traders from a public trading site by municipal authorities conducted without a prior 90-day notice period or an official alternative relocation option.

Starter License: A temporary micro-business registration pathway that waives standard corporate compliance requirements, designed to provide informal traders with an accessible transition into the formal municipal regulatory framework.

Core Budgetary and Costing Assumptions: Kiosk costs are calculated based on locally fabricated, durable, and weather-resistant steel frame structures measuring approximately 2m x 2m. Personnel training costs assume a standard 3-day curriculum focused on gender-responsive de-escalation strategies. Revenue projections assume a conservative 85% long-term occupancy and fee collection rate across deployed kiosk clusters following the expiration of the initial 6-month pro-poor subsidy window.

References:

Gumisiriza, P. (2020). Street vending in Kampala: From corruption to crisis. *African Studies Quarterly*, *20*(1), 73–94. https://asq.africa.ufl.edu/wp-content/uploads/sites/168/V20i1a5.pdf

Guloba, M. (2019). *Rural women entrepreneurship in Uganda: A synthesis report on policies, evidence, and stakeholders*. Economic Policy Research Centre (EPRC). INCLUDE Knowledge Platform. https://includeplatform.net/wp-content/uploads/2019/07/RURAL-WOMEN-ENTREPRENEURSHIP-IN-UGANDA-1.pdf

International Monetary Fund. (2005). Uganda: Poverty reduction strategy paper. *IMF Staff Country Reports*, *05*(141), 1–280. https://doi.org/10.5089/9781451838770.002

Lindell, I., Ampaire, C., & Byerley, A. (2019). Governing urban informality: Re-working spaces and subjects in Kampala, Uganda. *International Development Planning Review*, *41*(1), 63–84. https://doi.org/10.3828/idpr.2019.4

Nakibuuka, M. (2015). *The vulnerable livelihoods of street vendors in Uganda: A case of Kampala Central Division* (Master's thesis). Erasmus University Rotterdam: International Institute of Social Studies. https://thesis.eur.nl/pub/32987/MNakibuuka_MA_2014_15_SPD.pdf

Vieitez-Cerdeño, S., Manzanera-Ruiz, R., & Namasembe, O. M. M. M. (2023). Ugandan women's approaches to doing business and becoming entrepreneurs. *Third World Quarterly*, *44*(7), 1435–1454. https://doi.org/10.1080/01436597.2023.2189580