

**DETERMINANTS OF LABOUR FORCE EARNINGS IN
UGANDA'S MANUFACTURING SECTOR**

*'AN EXTENDED MINCERIAN ANALYSIS OF KAKIRA SUGAR WORKS
(1985) LTD'*

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Abstract

This study investigates the determinants of labour force earnings in Uganda's manufacturing sector using Kakira Sugar Works as a case study. It applies the well known Mincerian framework but in an extended form. Using Ordinary Least Squares method of econometric estimation, it presents evidence regarding the significance of education and experience in determining an individual's productivity, as measured by the monthly wage rate.

The data was collected by a structured questionnaire on sampled workers. The results indicate that education and labour market experience still are important determinants of labour force earning. Moreover, those with post secondary education further stand to earn more than their counterparts with lower levels of education. This implies that efforts to avail training opportunities for the country's potential labour force are needed if incomes of sections of the society are to be improved. Investments in vocational and higher institutions of learning remain crucial for individual's earnings.

It is important to note that the findings of this study ought to be interpreted with caution, given some limitations. First, the sample consists of only wage earners. Thus, all results should be interpreted as conditional on having a wage earning job, and extrapolations to other economic activities should be avoided like self employment. Second, following the standard Mincerian framework, education and experience are taken as given.