Industrial linkages and employment opportunities in the Cotton value chain

Introduction

Cotton is a priority commodity with high employment creation potential given the available opportunities within the sector and its linkage with several other sectors. About 2.5 million people are employed either directly or indirectly by the cotton sub-sector in Uganda. These have grown by 16 percent between 2014 and 2019.

Where are the jobs?

Figure 1 illustrates through the cotton value chain process the number of jobs currently being occupied and the share of participation of women.

Table 1  Figure 1: Number of workers per segment of the cotton value chain

Source: PIMA Report, 2020 (forthcoming)
Opportunities for further employment creation

1. Forward and backward linkages

   Backward linkages
   - Starch from cassava used as a stiffener
   - Cloth dye for designing clothes
   - Buttons made out of animal bones, horns and hooves
   - Synthetic fibre for blending with cotton

   Forward linkages
   - Livestock industry (animal feeds)
   - Medical industry (cotton wool, masks)
   - Hotel industry (bedsheet, towels)
   - Paper and pulp industry (Particle boards)
   - Fish industry (fishing nets)
   - Cooking and confectionery (edible oil)

2. Other linkages

   - Manufacture of diapers, sweaters, scarfs whose demand is created by environmental and demographic factors.
   - Emerging demand for Personal Protective Equipment like masks.
   - Market opportunities created by trade relations such as AfCFTA, East African Community (EAC).

Conclusion

   - Fewer people are employed as you move up the cotton value chain.
   - Women dominate the lower nodes of the value chain due to low skill requirements.
   - Nonetheless, the cotton industry possesses enormous employment creation opportunities which can be leveraged on.

ENDNOTES

1. Values are sourced from Cotton Development Organisation (CDO)