Trade order crackdown bound to leave hundredth jobless

The ongoing trade order crackdown, on the face of it, appears well intended – to bring about orderly trading in the cities and municipalities. Understandably, many people, especially traders in the formal sector, are applauding the move as long overdue.

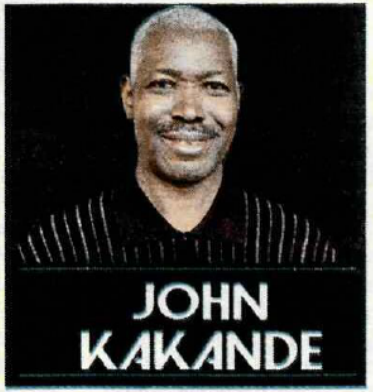
Therefore, I am aware that what I am going to say may not be the popular view. Nonetheless, I will say it without fear or favour since I am not on a vote-hunting expedition.

While the public attention has been on the street vendors in Kampala's central business district, the crackdown is much broader and extends to the entire country. On March 10, the local government ministry permanent secretary, Ben Kumamanya, directed all the chief administrative officers and town clerks of the cities and municipalities to enforce trade order in their respective areas.

In the memo titled; "Restoration of Trade order in local governments," which was copied to a number of ministers, district chairpersons, mayors, resident city commissioners, and resident district commissioners, among others, Kumamanya invoked the Trade (Licensing) Act Cap 101 that requires any person selling goods and services to be in possession of a licence and to operate only in designated areas.

Kumamanya stated in part: "Over the years, there has been an influx of people into the urban areas in search of employment. Since these people may not be qualified for any formal employment and have no sufficient capital for formal business, many of them got involved in illegal street vending and hawking for lack of sufficient alternatives. These also stay in slums and create unplanned settlements.

"Local governments continue to experience mushrooming unplanned developments which are getting out of control. Almost all public spaces are being taken up as trade premises, thereby inhibiting mobility in the towns; trading is now taking place along the streets, pavements, walkways, verandahs, backstreets and corridor pavements."



Urban authorities including Makindye-Ssabagabo municipal council (where I reside), have now aggressively embarked on removing all roadside kiosks, makeshift stalls, ungazetted markets, chapatti booths, roasted chicken and pork joints, fruits, matooke and charcoal sellers, among others. In effect, with a stroke of a pen, hundreds of people have been rendered jobless, denied a decent means of earning a living. Is the intention of the trade order crackdown to make people jobless? Isn't it obvious that this decision, though it may be well intentioned, is bound to cause a social and economic crisis particularly in the urban areas?

The law the permanent secretary invoked was first enacted in December 1969 and has been revised a number of times, the last amendment having taken place in 2017. The core of the law was never to ban hawking. It was actually to restrict foreigners from engaging in trading in the country. This must have been in line with president Milton Obote's 'Move to the Left' policy that involved mass nationalisation of foreign-owned companies. The spirit of the law, I guess, was to impose restrictions on trading generally and give the government more control on trade. Thus, the law gives powers to the minister to designate an area as a "trading area" or "trading centre" for the purpose of trade.

The 2017 amendment to the law was meant to waive these restrictions for the citizens of the East African Community to freely engage in trading within Uganda. Intriguingly, the core of the law now appears to have been completely abandoned and instead the law is being invoked to exclude a section of citizens from engaging in bona fide trade.

Note also that the law is being enforced selectively. The law requires a minister to designate an area as a "trading area" or a "trading centre". Which part of Kampala city is by law a "trading area"? If the minister hasn't for decades designated any part of the city a "trading area", doesn't this mean all the traders in Kampala and other urban areas are trading in "ungazetted areas" and therefore, just like the street vendors, they are operating illegally? I beg to be educated on this.

The Government needs to review the trade order crackdown, it is bound to cause more harm than good to hundreds of vulnerable families and the economy. These informal traders, many of them single mothers, being chastised are managing a big portfolio of the national economy. Sooner or later the impact of this crackdown will be felt by the taxman and national treasury, no doubt.

The writer is a journalist