



AMERICAN UNIVERSITY OF BEIRUT

RETHINKING RURAL DEVELOPMENT FROM A  
SMALLHOLDERS' PERSPECTIVE: HOW HAS THE  
COMMERCIALIZATION OF SUGAR IMPACTED ON RURAL  
LIVELIHOODS IN HOIMA, UGANDA?

by

IBRAHIM BAHATI

A thesis  
submitted in partial fulfillment of the requirements  
for the degree of Master of Science  
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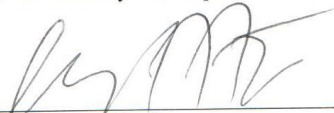
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## AN ABSTRACT OF THE THESIS OF

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Title: Rethinking Rural Development from a Smallholder's Perspective: How has the Commercialization of Sugar impacted on Rural Livelihoods in Hoima, Uganda?

Over the years, the Ugandan government has continually promoted agricultural commercialization as a means to become a middle-income economy by 2020. In 2012, the current president himself made a remark that if all the 40 million acres of arable land was put to full potential, everyone will be richer. Sugar commercial agribusiness in a form of contract farming has been praised as one of the topmost ways to achieve that. Analyzing it from a historical and contemporary perspective, this research examines how the neoliberal state sponsored capitalism has ensued the surgency of large and medium sugar corporations unto Uganda's countryside.

The findings presented in this study seek to illuminate how social relations have been remade through sugar contract farming agribusiness and what impact (in form of change) it has had on rural livelihoods in terms of socio-economic, labour and land relations. The center space for this research took place in Kijayo, Kiswaza and other neighbouring villages of Muziranduru like Kikuuba, all found in Kizirafumbi sub-county, in a newly formed district of Kikuube, which was originally part of Hoima district. Generally, this research tries to show that although sugar contract farming business in Hoima region might provide employment, ready sugar markets and increase (some) rural outgrowers incomes; it is powered by an agro-extractivist industry that purely thrives on exploiting the social, labour, land and ecological relations to gain bigger profits.

Drawing from the critical development studies, this research is based upon a qualitative research methodology which aims at bringing up neglected voices of outgrowers and internally displaced people of Kijayo while examining their experiences and or challenges resulting from their integration within the circuits of sugar commercialization.

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# CHAPTER I

## INTRODUCTION

### **A. Background and problem statement.**

Sugar, a word emanating from ‘Sakkara’ or ‘Saccharum’ is said to be ‘traced back to the Sanskrit word Karkara or Carkara, meaning gravel’ (Bakker, 1999, p. 1). “The first known human cultivation of sugarcane was in New Guinea at least 6,000years ago, where it was chewed for its sweetness and used as animal fodder” (Richardson, 2015, p. 12). In 1510BC, Emperor Darius of then Persia who invaded India would come to find sugarcane, ‘the reed which gives honey without bees.’<sup>1</sup> It is in India that ‘crude form of sugar was first produced,’ exported to ‘North Africa and into Spain and Portugal’ through the Muslim conquests and later by the Spanish colonialists to Latin America (see Bakker, 1999, p. 1). Today, sugar consumption has been associated “with social change since the industrial revolution and consequences for poor health, environmental damage and negative social impacts continue to raise questions about future demand for sugar” (Dubb et al., 2017, p. 449).

Based on a historical and contemporary relations remade in the name of sugar, this research seeks to examine how the process of agricultural commercialization has ensued exploitative sugar agribusiness in Uganda’s countryside of Bunyoro subregion.

Sugar commercialization, a practice or process which has ensued from what Martiniello (2017) calls ‘bitter sugarification’ in Uganda and Africa in general, has been a complex process. Scholars like Richardson (2015) explain that sugar has been a tendentially protected commodity because where it is largely produced, states had a big role in sugar production. In colonial times,

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<sup>1</sup> How is Sugar Made -the History. Retrieved from: <http://www.sucrose.com/lhist.html>

sugar was bilaterally in Africa-Caribbean treaties and states saw a big opportunity to gain profits. This partly explains why sugar has been always heavily protected and for other reasons, an uncontrolled spiral in sugar prices could lead to political instability since it is now used by majority of the population-even the poor- as a basic commodity. Certain scholars argue that cane or sugar beets as crop is not bad but its human actions of shaping its relations around profit that has made the case of sugar as it is today (Macinnis, 2002). So how did the crop of the royals (Macinnis, 2002; Mintz, 1985, p. 85) turn out to be an industrial product for everyone? As we have come to realize, sugar starts being used in the industrial revolution as a calorie booster in the extractive value of labour to live till the next day (ibid). Today, the case against sugar is that it is almost in everything as either a preservative, addictive, sweetener and much more which has had more consequences [consciously or unconsciously) to human health than ever before (Taubes, 2016).

Generally, agricultural commercialization debates in cases like large scale sugar production, ‘does not represent a newness: its early traces were minutely recorded in colonial archives especially in relation to the colonial government’s attempt to facilitate the establishment of white settlers’ large-scale plantations and estates, and/or impose the cultivation of tropical cash-crops that suited European markets along African (prevalently) subsistence-oriented smallholders” (Martiniello, 2017, p. 1). Coming to specifically Uganda, changes in the Uganda’s agrarian colonial structure entailed three different processes of extraction which are: “cheap raw material production, cheap labour production and cheap cattle production” (Mamdani, 1987, p. 192). Kasozi (1994) denotes that “Uganda was developed to produce primary products, especially cash crops like cotton, coffee, sugar, rubber and tea, and, in turn, to import manufactured products. Any attempt at Ugandan industrialization, which would to competition with the mother country [England], was discouraged” (p. 34). However, what could be imagined to have changed today

envisages new forms of social production and capital relations which encompasses “contract farming, outgrower schemes and other forms of [institutionalized and organized] contract production that fosters links between agribusiness and farmers, and integrate them in the global commodity chains” (Martiniello, 2017, p. 2). But this still leaves large the question of sugar commercialization in Uganda, of why and what has boosted its process.

The first narrative to answer the above comes from the prominent discourse as promoted by current regime as one of its pioneering success where the president himself boasts that since 1986, Uganda has produced from “500 metric tonnes” to “480,000 metric-tonnes” in 2017; a move to that not only has resurrected Uganda from “island of modernity but has greatly expanded it.”<sup>2</sup> The other reason is partly related onto how the ideological and practical concept of neoliberalism has ensued agricultural commercialization in the Ugandan state ushering in new politics of transforming the country (and the countryside alike) into a commercial agricultural enterprise. With the structural adjustment programmes into place in 1987 enforced by new neoliberal institutions, the World Bank and IMF ideologically hoped that Uganda’s economic and political restructuring would ‘eradicate state’s involvement in land and agricultural markets by devaluing currency, abolishing fixed prices, removing fertilizer subsidies, reducing export crops taxes, and disbanding cooperatives and parastatals in order to allow for private initiative and competitive trading in rural areas (Martiniello, 2019, p. 560). This practically spiked the process of social differentiation within rural farmers between the rich farmers who could afford fertilizers versus the poor who became vulnerable to the underplays of uncontrolled market system. From such lens, comes the assertions of current president himself who says that only “three players in agriculture have done well: the plantation owners (mostly in sugar, tea and coffee); the big scale owners and

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<sup>2</sup> Museveni, Y.K. (2018, September 10). Yoweri Museveni warns against foreign interference in Uganda. *Daily Nation*. Retrieved from: <https://bit.ly/2GyrlrB>

the medium scale farmers” (Martiniello, 2015, p. 514). Museveni also argued that “if the 40 million acres of land of Uganda are suitable for arable farming are put to their full potential, there will be a revolution in this country...everybody will be richer” (as cited in Martiniello, 2017, p. 4).

As seen, such statements intend to promote a certain ideology. They can be traced back in modernization period where normative silence on the contributions of smallholder farmers categorized as backward, static and living on subsistence production (Lipton 1981; Hardin 1968; see also in Vandergeest, 1988) was ignored nor seen as critical for a country’s development. It somehow nuances the legitimate discourse that small-scale farming or peasant agriculture is [to be] “blamed for its low levels of agricultural productivity and lack of integration within markets” hence a call for ‘agricultural commercialization’ (Martiniello, 2015, p. 513) to expand market opportunities. Here, whole development project is “conceived in conditional terms as relative *progress* in per capita *economic growth* and in structural terms as *industrialization* and *modernization*” (Parpart & Veltmeyer, 2011, p. 4). Other critics of agricultural commercialization see it take form of contract farming whereby it becomes “an institutional stratagem to expand and legitimize production by corporations through indirect possession of land” (Adams et al., 2019, p. 1437). In other words, contract farming “turns smallholder farmers into quasi-employees in their own land” while in other cases due to corporate support, “contract farming hides a new form of land grabbing’ often done in much slower process than direct land grabbing due to smallholders inability to control inputs as output profits continue to get lowered making farmers who need quick cash to start selling off their land bit by bit in a process called ‘slow grabbing’ (ibid).

This study’s main purpose is to examine how the process of commercialization of smallholder agriculture through sugar agribusiness is or has actually impacted on rural livelihoods in Hoima sub-region revolving around a case study done in the villages of Kijayo (A & B),

Kiswaza and greater Kizirafumbi. Originally Kizirafumbi and Muziranduru were part on greater Hoima and are now carved into a new district called Kikuube district and by the time of this study, the district had been almost half a month old. It is therefore imperative this study will maintain the usage of the first (Hoima) for the case of this research and not the later due to its earlier association to it.

It is important to note that since Uganda is a neoliberal economy or state, this research situates itself in understanding how [agricultural] neoliberalism as political and economic ideology has created agro-extractivism and social differentiation due to commercialized sugar production (Martiniello, 2017). Commercialization which is a key term here refers to “the process of managing or running something principally for financial gain.”<sup>3</sup> In why terms, it “is the process by which a new product or service is introduced into the general market” via the phases “mass production and adoption”<sup>4</sup> of a product. Historically, ‘commercialization was generally defined as production for the market’ (Vandergeest, 1988, p. 10) which means that with agricultural commercialization, there is ideally a contestation that subsistence rural farmers (usually called peasants) might be transformed into commercial farmers (ibid).

Livelihoods, ‘a means of securing the necessities of life’<sup>5</sup> has been described by Sustainable livelihoods experts like Chamber and Conway (1992, p. 6) “as comprising of: capabilities, assets and activities for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base” (Scoones, 2015, p. 6). However, it is also worth noting that “livelihoods in any setting are immensely complex and have multiple dimensions. Rural livelihoods *[in*

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<sup>3</sup> Oxford Online Dictionaries. Retrieved from: <https://bit.ly/2CmWDNX>

<sup>4</sup> University of Pittsburg Innovation Institute, “Why Commercialize?” Retrieved from: <https://bit.ly/2ED5BZT>

<sup>5</sup> See Google Search of the meaning of Livelihood

*particular*] of course go beyond agriculture and farming to a range of off-farm activities, including rural employment” (emphasis mine, Scoones, 2015, p. 11).

The case against Hoima Sugar Limited is iconized from two positions. The first lies in its current historical existence that deals specifically with land grabs within Kijayo for which this research, aims to prove how the narrative of its existence engaged both an indirect and direct process of land grabs to establish the sugar estate. The second position stems from how it uses the modality of other outgrower schemes in a form of sugar contract farming to continue access other neighboring smallholders’ land and beyond. This is not however to dismiss the fact that some smallholders’ have not benefited from this in this contractual venture, it is rather to understand smallholders’ themselves understand the contractual agreements signed, how they are incorporated within the sugar agribusiness given their different levels and classes, and who is benefiting more or losing out of these commercial projects. It is in here that we ask; how have rural livelihoods shifted due to the existence of Hoima Sugar Limited and how has that altered the socio-economic and labour relations for both the outgrowers and internally displaced people of Kijayo? What has been the cost and the benefits of establishing a sugar factory in those villages and what does that inform us about contract sugar agribusiness as the advocated model of inclusive development?

## **B. Justification of the Study**

There is a trendy justification for contract farming through commercial agriculture as creating a win-win situation in terms of integrating smallholder farmers in the circular economy where the latter provides easy access to ready market for the former hence reducing poverty and thus, rural development (Martiniello & Azambuja, 2019). Sugar agribusiness in the Ugandan case is one of them and sugarcane as a cash crop has been viably used as an advocacy means by the Ugandan



neoliberal state to tap into the countryside in its poverty eradication campaigns. This research undertakes a study to gain insight from a local perspective in allusion with Adams et al (2018) question, ‘who gains from contract farming?’ and Richardson’s (2015), ‘how the social relations remade through sugar?’ Martiniello and Azambuja (2019) reminds us that when it comes to contract farming, less evidence of its success has been provided and so are the dynamics that happen within social reproduction of capital and labour at the micro level such as within households. Also, sugar contract farming is interchangeably used or aligned to outgrower schemes who are involved in sugar production and by this new order, is ‘the result of a reorganization of the production process,’ an alternative to large-scale land acquisitions (Adams et al., 2019, p. 1435).

Contracting farming, through use of outgrower schemes allows sugar agribusiness to engage with issues at the heart of rural development such as the access to land question, food security, rural poverty and many others in a seemingly depoliticized manner. Outgrower schemes leads to changes in property relationship (Adams et al., 2019) which in this case is land and labour relations. Sugar commercialization as enforced by the Ugandan state and enacted by sugar companies such as Hoima Sugar Limited reinforce or prove “the fact that capitalist relations of property, production, and circulation first developed in the countryside”, what Ellen Meiksins Wood (2000) terms as “the agrarian origins of capitalism” (Martiniello, 2019, p. 552). In the political economy of agrarian change, both Bernstein (2010) and van der Ploeg et al (2012) challenge us to reconsider asking key pertinent questions at the heart of rural development processes and their would-be outcomes. These include questions such as: who owns what? Who does what? Who gets what? And, what is done with the surpluses? (Van der Ploeg et al., 2012, p. 143), what social relations and groups are recreated out of participating in such productive process?

(Martiniello, 2019, p. 552). This research study aims to validate that actors engaged in contract farming ‘often have specific interests and act to secure contract farming models that increase their agency and enable them to exert political and economic leverage’ (Adams et al., 2019, p. 1436) which in this case is Hoima Sugar Limited. Contract farming may thus “either improve smallholders’ access to markets or extend exploitative relationships” (ibid) or in any case, both.

As far as the researcher is aware, this is going to be the first kind of study that will be done about sugar commercialization in the Bunyoro sub-region of Hoima (Uganda) in the acclaimed villages in Muziranduru and Kizirafumbi sub-county, looking specifically both at the historical and current existence and expansion of Hoima Sugar Limited which officially was opened up in 2016 by the Ugandan president, Yoweri Kaguta Museveni. At the heart of this research lies the land question in form of land grabbing while seeking answers to see if state sanctioned or supported investments such as the case of Hoima Sugar Limited is likely to bring any rural development prospects or worsen the existent rural marginalities. This study also tries to incorporate both the reasons and opportunities for continued boom of sugar from participants in their local villages while also trying to tease out their current struggles in terms of socioeconomic relations created by the company and how they mobilize labour and social economic pressures being faced since the introduction of the sugar company within the studied area. This study also allows us to understand how process of capital accumulation begin and finally concentrate in the countryside of Hoima given that this is sugarcane agribusiness is still a new venture established within the researched areas. In addition, given that this study falls into understanding the political economy of agrarian change, there is a hope that it will mostly inculcate a bottom-up approach where discursive voices from the marginal communities or smallholders’ will be highly included as the premise for the enrichment of this research.

### **C. Research Objectives**

Generally, the main objective of this research is to examine how the commercialization of sugar has impacted on rural livelihoods in Hoima, Uganda. This study specifically aimed at:

1. To examine how sugar commercialization under the process of sugar contract farming is impacting on rural smallholder outgrowers in Hoima, Uganda.
2. To explore how the provision of labour is determined under sugar production in Hoima, Uganda
3. To examine what kind of agrarian change sugar contract farming has generated in terms of land, and other socio-economic relations.

### **D. Significance of the Study**

This study aims at giving a clear analysis on how sugar commercialization has changed the social relations in Hoima Uganda affecting rural livelihoods in dynamic ways. Via the lens of contract farming, sugar outgrowers in rural Hoima operate in the dynamic transformation of agricultural peasants to petty commodity producers (Bernstein, 2010) for the commercial sugar complex estate. Research which has been done on sugar relations in Uganda detail the accumulation by dispossession of rural farmers to establish a sugar estate (Martiniello, 2015; 2019) and equivalently, increase in hunger and poverty (Martiniello, 2015; Kafuko 2005). The study examines how the process of sugar commercialization in Hoima came into being and what opportunities it has presented to the local livelihoods. It envisages a participant informant approach as the situated knowers of knowledge (Harding, 1991), with a hope to understand the complexities of mushrooming sugar industry in the region and what current struggles local farmers are grappling with.

### **E. Limitations of the Study**

The limitations to this study are mainly two. First, this is quite a politicized topic which involves rural people's displacement by sugar companies powered by the current political regime' both as interventionist perpetrator and alleviator of local conflicts. Choosing commercialization and livelihoods thus could be said to be a neutral space to navigate rural farmer's challenges without getting into direct political debates though this could not be fully guaranteed especially with the internally displaced people of Kijayo. Secondly, is the case study research method. It is subject to researcher's bias, hard to generalize given the small number of studied subjects and difficult to conduct with massive documentation due data analysis (see Yin, 1984, p. 21). Sugar commercialization is a difficult topic to research when it involves doing a field work in a distant place where the researcher had never been, and which includes people that have been displaced. At most, the researcher experienced fieldwork trauma seeing local people of Kijayo, fellow Ugandans that spoke his native language explaining their process of displacement and current struggles which includes loss of property, lives, cases of bad health and malnutrition of children and yet struggling to keep objective. The researcher decided to take a three (3) daybreak in the midst of the research process before resuming the research process again.

### **F. Organization of the Study:**

This research study is comprised of five chapters. Chapter one gives the introduction and definitive terms to understand more about sugar commercialization both as topic and a subject of study in perspective to Uganda. It includes subtopics such as the justification and the significance of the study and the limitations that arose out the study or research process. The second chapter gives the

literature review of the study portraying the historical, global and local perspective about sugar commercialization in a form of contract farming, and the arguments for or against it. The third chapter entails the research methodology used which is purely a qualitative case study approach because of the need to bring up marginal voices of smallholder outgrowers incorporated in sugar contract growing. The fourth chapter basically gives the results and discussion of the aforementioned. It looks at themes such as: forms of labour mobilization by different labour contractors on behalf of the sugar company or the sugar company itself, the reasons for the continuous boom of sugar cash crop growing in the region, the nature of the crop, the land grab question with the case of Kijayo, to mention but a few. This chapter details down in actual discussion about the experiences of cane outgrowers, internally displaced people of Kijayo and hired or contracted labourers of Hoima Sugar Limited while posing to ask what challenges or opportunities that the very existence of Hoima Sugar Limited has posed in terms of rural development. The last chapter (chapter 5) is conclusion which sums up the researcher's own ideas and generalizations about this study and possible recommendations to be explored further, possibly by anyone interested in this research topic.

## CHAPTER II

### LITERATURE REVIEW

*“What we should be doing is ‘commemorating’ that event -somberly and with empathy for those ancestors of ours who were reduced to miserable existence on the cane fields. And that does NOT mean lavish functions and expensive five-course dinners for the select few. It is about constructing memorials for future generations to contemplate, and to obtain an understanding of ‘where they are coming from.’” (Hassim 2010 as cited in Stiebel, 2016, p. 11).*

**- If we can commemorate sugar today, what memorial service should we give it in the historical present?**

#### **A. Historicizing the commercialization of Sugar from a global to a Ugandan local perspective.**

The history of sugar continues to affect the present. One may wonder, why has there been a continuous boom in the commercialization of sugar? Part of this answer lies in historical analysis of sugarcane enterprise as one that has had massive demographic forces in the world history (Mintz, 1985). Mintz argues that, “because of it, literally millions of enslaved Africans reached the New World....Sugar brought a dozen different ethnic groups in staggering succession to Hawaii, and sugar still moves people about the Caribbean” (Mintz, 1985, p. 71). Another reason is that sugar in our past to contemporary societies, has also been blamed for causing diverse human related diseases such as “obesity” (Paarlberg, 2010, p. 87), tooth decay and other illnesses (Richardson, 2015, p. 7; Taubes, 2016). Presented with the good and the bad side of sugar, countries have not vowed to stop producing the product. Today, Brazil remains the world’s largest producer of Sugar (producing 38.9m<sup>6</sup> metric tonnes) followed by India (33m), EU (21m tonnes),

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<sup>6</sup> Walton, J. “Top 5 countries that produce most sugar.” Retrieved from: <https://www.investopedia.com/articles/investing/101615/5-countries-produce-most-sugar.asp>

Thailand (15m tonnes) and China (10m tonnes). The World Sugar production was 170.77m<sup>7</sup> metric tonnes in 2016/17 in the world sugar market and Brazil accounts for the 52% of the world sugar market. The Global Sugar Consumption<sup>8</sup> is 177.59m metric tonnes as of 2018/2019 when compared to 174.12m metric tonnes in 2017/18. Also, it is to be noted that 80% of this sugar comes from tropical and subtropical climate regions. In southern Africa, South Africa, Malawi, Tanzania are among the other leading producers and it has been reported within East Africa, “Tanzania, Uganda, Rwanda and Kenya together consume more than 1.5m tonnes of sugar per annum” (Africa Research Bulletin, 2012)<sup>9</sup>.

Coming down to Uganda, sugarcane enterprises encompasses “contract farming, outgrower schemes and other forms of [institutionalized and organized] contract production that fosters links between agribusiness and farmers, and integrate them in the global commodity chains” (Kasozi 1994: 34). The commercialization of sugar in Uganda has been hailed by the current regime as one of its pioneering successes where the president himself boasts to turn Uganda into an agribusiness modernity.<sup>10</sup> In terms of sugar prices, Uganda has not had it quite easy within the last 10 years due to increased spike in sugar prices. For example, “In April (2007), sugar dealers increased the price of a kilogramme of sugar from about Shs2,500 to as high as Shs8,000”<sup>11</sup> Among the list of sugar manufacturers in Uganda, there includes the “Large scale manufactures” (such as the likes of

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<sup>7</sup> Alves, B. “Sugar production in Brazil 2009/2017/2018.” Retrieved from:

<https://www.statista.com/statistics/249677/production-of-sugar-in-brazil/>

<sup>8</sup> Shahbandeh, M. “Sugar consumption worldwide 20019/10-2019/20.” Retrieved from:

<https://www.statista.com/statistics/249681/total-consumption-of-sugar-worldwide/>

<sup>9</sup> Africa Research Bulletin. “Sugar, East Africa: The common external tariff is blamed for shortages.” Accessed May 30, 2019 via: <https://onlinelibrary.wiley.com/doi/epdf/10.1111/j.1467-6346.2012.04325.x>

<sup>10</sup> Museveni, Y. K. (2018, September 10). Yoweri Museveni warns against foreign interference in Uganda. *Daily Nation*. Retrieved from: <https://www.nation.co.ke/news/africa/Yoweri-Museveni-address-to-Uganda/1066-4751894-hng1mmz/index.html>

<sup>11</sup> Mugerwa, Y. (2017. November 28). Uganda: Government to cut Sugar Prices. *Daily Monitor*, Retrieved from: <https://www.monitor.co.ug/News/National/Government-sugar-prices-Kenya/688334-4205300-wof859/index.html>

Kakira and Kinyara Sugar Works which are regional and operate countrywide) and “Small sugar manufactures”<sup>12</sup> (operate in districts). It is around the small sugar manufacturers that we find the likes of Amuru Sugar Works Limited in Amuru District and Hoima Sugar Limited which this research centralizes on. Also, it is important to note that ‘sugar production is frequently subsidized in major sugar-producing countries, leading to overproduction and dumping of cheap sugar onto the world market’ (Sulle, 2017).

Throughout this study, the researcher argues that it is the constant demand for sugar that has pioneered the continuous agricultural commercialization of sugarcane production from a local scale to a global level. Sugar plantations which were introduced as a colonial enterprise have now become state sponsored projects that beholds the Ugandan neoliberal state. Following Brazil’s history, we learn that ‘sugar plantations were the basis of settlement by the Portuguese of Northeastern Brazil,’ a crop that has come to be renowned as “Brazil’s White Gold” (DeWitt, 1989, p. 31, 33). In many occasions, sugarcane extractivism has promoted “legacies of monoculture agriculture [that] include[s] a highly stratified society controlled by a small group of elites, concentrated land ownership, and great inequities in income distribution” (ibid).

### ***1. Sugarcane farming and the question of rural livelihoods in Eastern and southern Africa.***

The sugar commercialization project follows a neoliberal trend that this will automatically lead to an increase in household incomes while those in objection see cash crop agriculture as undermining food and livelihoods security particularly for smallholder farmers (Mwavu, 2017). For instance in Kenya, ‘sugarcane farmers are facing a serious problem as they need to invest into inputs and fertilizers but have to wait a year before harvesting benefits and in addition the factory

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<sup>12</sup> List of Sugar Manufacturers in Uganda. Retrieved from <https://www.revolv.com/page/List-of-sugar-manufacturers-in-Uganda>



is delaying with payments resulting often in negative returns.”<sup>13</sup> And since most of the farmers are smallholders, this has increased situational cases of poverty and food insecurity in the area. Farmers are thus left to turn to the option of either sugar or maize for sustenance. And even if they were to substitute maize production, small-scale farmers have minimal options of either selling their produce for lower amounts in times of plenty or hoarding it for higher prices in times of scarcity which in either way has a form of pressure on a rural farmer. The substitution of land for commercialized agriculture has exacerbated the lack of land allocated for food making rural farmers prone to hunger, poverty and ecological effects on the environment. This brings to ask how does sugar extractivism under commercial agriculture impact on rural livelihoods?

Part of the answer comes from the fact the sugar enterprise directs “the livelihood strategies of the growing number of small-scale producers engaged in sugar production as outgrowers, together with labour that supports both estate and outgrower production” (Dubb et al., 2017, p. 465) what it is today. For instance, in Southern Africa, the forms of labour that exist in outgrower farms are ‘often migrant, seasonal, poorly paid, and with bad health and safety and employment conditions. Some tasks, such as burning and cutting cane, or working near the furnaces in the mills, can be highly dangerous and result in significant negative health impacts” (p. 466). Also, increased casualisation of the workforce has resulted into weak forms of farmer mobilization or unions where the changing labour regimes expose farmers to ‘external contractors and outgrowers, who are not subject to the same corporate requirements in the labour standards’ (Dubb et al., 2017). As a result, we can witness ‘a differentiation between more marketized, industrialized approaches, with intensified mechanization and labour specialization, and more conventional, paternalistic,

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<sup>13</sup> Tanelsauna (2015, June 23). Sugarcane or Maize? A challenge for Kenyan farmers. *Wordpress*. Retrieved from <https://foodforthoughtmondo.wordpress.com/2015/06/22/sugarcane-or-maize-a-challenge-for-kenyan-farmers/>

‘domestic government’ arrangements in outsourced, outgrower areas, where resident labour, sometimes in old compounds, is employed.” (Dubb et al., 2019, p. 466-467).

The livelihood question under sugarcane production raises the absurdity of how farmers integrate or are integrated within the practice of sugar contract farming with dreams of aiming to widen the bridge between poor and medium outgrowers into large-scale rich farmers servicing the survival of the sugar mill. Sulle argues that “outgrowing is seen as part of a generation of inclusive business models that combine the advantages of large-scale farming with opportunities of smallholder farmers, and are often promoted as an alternative to the more conventional business approach, which is often associated with ‘land grabbing’ in Africa.” (2017, p. 519). This is also partly dissected from an argument that contract farming might provide opportunities for local farmers in terms of access to market though it does not clearly examine the nature of relationships that might disproportionately disfavor them in terms of production costs and market risks. For instance, ‘outgrowing needs to be studied on a case-by-case basis,’ while focusing on ‘the impacts of class dynamics and social differentiation on outgrowers. This is because the terms of inclusion of outgrowers in large-scale agriculture such as sugar-growing schemes are uneven, and are affected by a range of factors” (Sulle, 2017, p. 519).

In addition, behind the contract farming business model lies an assumption that there will be a win-win situation for smallholder farmers involved and the business sector as well. Just like in southern Africa, Uganda’s sugar cane production can similarly be interpreted as “both commercial and ‘developmental’: much of this growth has taken place in the poorest countries of the region, driven by commercial investments..., but supported by governments and donors as a means of bringing employment and skills needed by a modern agricultural and industrial sector” (Dubb et al., 2017, p. 448). This opens up the need to investigate the Ugandan government’s role

in promotion of commercial agriculture in facilitating sugarcane production “‘land deals’ and how it ‘emphasizes the diverse processes of land acquisition, financing and investment involved’” (Dubb et al, 2017, p. 448).

In case[s] where local communities access and use falls into customary arrangements, smallholders are likely to be disposed of their rights since they don’t have land titles per say to prove that it is their land in the first place. For instance, the affected communities at Kijayo, Muziranduru sub-county in Buhaguzi county in Hoima district [who] claim this was their ancestral land,... now live in an internally displaced peoples camp.”<sup>14</sup> The Asian investor, Bharat Dobaria who had “leased 1,7000 hectares of land at Kasonga village”, “was given land after being cleared by the Uganda Investment Authority” creating rows amongst local officials saying that the transaction was not “done in a transparent way.”<sup>15</sup> Later in the research findings, this study brings in detailed conception the people’s case in Kijayo to explain how the coming of Hoima Sugar Limited began their total/final process of being internally displaced today in their acclaimed ancestral or owned land.

## ***2. The debates in support and or against sugar commercialization in Uganda.***

The debates in support or against sugar commercialization are centered on the question of ‘global politics of sugar’, in which Richardson assesses that, “the existing studies fall into one of the two camps” (2015, p. 3). One falls into “poverty-inducing effects of sugar and tends to frame it as an issue of international trade” while the other “camp of sugar studies is concerned with its adverse health effects” (ibid, p. 3-7). These studies delineate sugar “from the issues of production, which limits our understanding of what is happening at the farm level and poses questions about the

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<sup>14</sup> NTV Uganda (2017, Sept. 6). Land Probe: Hoima Sugar Factory on the spot over evictions. Retrieved from: <https://www.youtube.com/watch?v=RLFj6lCacxA>

<sup>15</sup> Kayizi, F. (2007, April 24). Sugar Projects Splits Hoima Chiefs. *New Vision*. Retrieved from <https://bit.ly/2GsrUTO>

supply of sugar” (Richardson, 2015, p. 8). Out of these however, have emerged two groups in opposition, one arguing for and the other, against sugar commercialization. Those who argue for commercialized sugar production or in general agricultural commercialization claim that it will bring a win-win inclusive rural development by uplifting smallholder farmers and linking them to the market. Those in opposition come from the chain of Marxist critical agrarian change on how the sugar enterprise has further disadvantaged smallholder farmers and communities it operates by creating more social differentiations in terms of class, land, labour and property relations (see Martiniello, 2017; Patel, 2013; Shiva, 1991; Altieri, p. 2002).

What is clear though is that since it was introduced, sugarcane production has gone from traditional sugar plantation dominated by the landscape to capital intensive plantation that used more efficient refining processes that replaced the former about 1870 (DeWitt, 1989). This led to the consolidation of landholdings, displacement of very many smallholder farmers and ‘increasing the number of landless rural workers’ (DeWitt, 1989, p. 34). In countries like Malawi, ‘the state is virtually the only route [to sugar commercialization] through which successful and sustained accumulation is possible, so having links to government contracts, investments and schemes is essential.’ (Chinsinga, 2017, p. 502). These act as gatekeepers working within the bureaucratic structure where ‘regime alliances between the state and businesses are formed, with only minor variations’ (ibid, p. 503). Also, the profitability of sugar enterprise can be appropriated by its continuous ability to constantly maintain cheap labour supply, inputs such as fertilizers, seed cane varieties (among others) and water intensity through either gaining rain fed areas or practicing irrigation infrastructure (Dubb, 2017).

### ***3. The Missing debates on the sugar question in Uganda***

The history of sugar in Uganda's historical process continues to shape the country's political economy. In Uganda, recent times have witnessed the central government "encouraging farmers to invest in commercial agricultural enterprises as one of the efforts of poverty alleviation and wealth creation. In areas close to sugarcane-processing industries in Uganda..., sugarcane cultivation has been highly preferred relative to other more traditional crops ...as well as plantation forests, as it is perceived to be more profitable and economically valuable" (Mwavu et al., 2018, p. 2). The Missing gaps within the literature as far as sugar commercialization in Uganda is concerned is that not so much has been detailed on how the sugar economy benefits in local farmers except in popularized revenue terms. Much of it includes several continuous debates around that; 'although commercial sugarcane cultivation improves household incomes and road infrastructure in areas where it is practiced in Uganda, it is taking up most of the land previously used for subsistence agriculture, leaving only a few patches of home gardens.' (Mwavu et al., 2016, p. 192). It is in the local news that we see success stories of the elite neo-farmers from the sugar industry such as 'Byensi earns shs4bn from Sugarcanes'<sup>16</sup> or the bad picture of sugarcane industry on the livelihoods such as in the case of Hoima where people have been evicted out of their lands.

In cases where sugarcane research has been done extensively, it has been mainly on land grabs and understanding of existing labour regimes within the sugar enterprise (Martiniello, 2017; Martiniello, 2017; Dubb et al., 2017). Less literature has been captured from the marginal voices of small-scale sugar outgrowers [specifically in Uganda] and what they make sense of the

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<sup>16</sup> Bbosa, D. (2017, Nov. 19). Byensi earns shs4bn from Sugarcanes. *Daily Monitor*. Retrieved from <https://www.monitor.co.ug/Magazines/Farming/Sugarcane-gives-Byensi-sweet-taste-of-success--/689860-4192684-gi8ssw/index.html>

opportunities versus the challenges in terms of participating, negotiating and/or resisting the sugar projects within their communities.

## **B. Sugarcane agribusiness through contract farming: what a process?**

The reason why contract farming is not likely to generate win-win situations in Hoima is that there exists what Adam's et al (2019) see as the 'lack of bargaining power to co-define the rules of the game and request transparency in the deal'. Contract farming at best works on the assumption that farmers will be turned into entrepreneurs engaged in some sort of 'commercial capitalism' (Bernstein, 2010, p. 34) where labour (among the landless farmers) and land (by the middle and wealthy farmers) will be put under a certain potential of profitization. Contract farming as seen in the village of Kiswaza, Kikuuba and other parts of Muziranduru who practice sugarcane growing, depict a sort of 'primitive accumulation' (Bernstein, 2010, p. 27). This is partly because these villages are growing under erroneous socio-economic and cultural transition that capitalizes on private property, industrialization and an emergent landless labour- some migratory and other as a category of dispossessed peasant farmers. Contract farming is advocated for by its propagators both in theory and real world from a neoliberal concept that it allows merging of resources or modes of production between larger corporations with smallholder farmers (who usually have only land) to accelerate and benefit from agricultural commercialization (see Martiniello, 2017; Bernstein, 2010; Van der Ploeg et al., 2012 & 2013). Ideally under this merger, lies an argument that sugar agribusiness companies will bring new advanced technology in terms of machinery and seeds which the rural and smallholders lack. This has not gone without bringing in new debates about what is feasible and what is right about the transformations on peasant agriculture. Those from a modernization theorist thinking see it as a move to create a productive agricultural bourgeoisie (Bernstein 2010) of a consumerist food sub-cultures (Lang & Heasman, 2004) while

those from a critical development scholarship and or critical agrarian studies argue that such technologies provided often lack compatibility with peasants needs and indigenous knowledge (Chambers, 1994; Thompson & Scoones, 1994), contrary to ecological aspects of peasants agriculture (Altieri 2001) nor the role played by women in it (FAO, 2011). Otherwise, any social transformations that happen in the countryside risk creating a social differentiation characterized of very new unequal class dynamics among peasants alongside dependency (Bernstein, 2010; Martiniello, 2019; Adams et al., 2019) modalities of access, utilization and redistribution of resources.

### ***1. The social relations of sugar production in Uganda:***

The terrain of sugarcane production in Uganda has gone through several processes of change from the colonial to post independence, current Uganda's neoliberal state. Among those processes includes the development of sugarcane contract farming which began with the 'liberalisation of marketing of the produce' that 'left the cooperative societies in complete disarray due to lack of competitiveness. This left the farmers vulnerable and experiencing continued problems of individually contracting with entrepreneurs' (Mugerwa & Lemma, 2011).<sup>17</sup> It is one of the reasons that explains why farmers cooperatives gradually failed. With smallholder farmers produce market left disintegrated, 'this opened for the mushrooming of numerous farmer groups of different typologies in different models of production and contract farming.' (ibid).

In Busoga region -one of the poorest yet mega sugar industry producing regions in the country, local farmers are seen be crossing from sugarcane planting to coffee growing. This comes from

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<sup>17</sup> Kisamba-Mugerwa, W. & Lemma, T. A. (2011, January 4). Developing Contract farming systems in Uganda. *World Agriculture*, Retrieved from <http://www.world-agriculture.net/article/developing-contract-farming-systems-in-uganda>

their argument that ‘growing coffee would allow them to intercrop their gardens so as to be able to plant food for domestic consumption.’<sup>18</sup> It follows a pattern that coffee allows one to grow other food crops like beans, bananas, vegetables on the same piece of land. This coalesces with what smallholder farmers tend to maximize resources within the minimal resources possible. No wonder, some experts on sugar see it as a ‘process of increased, modernized production which serves to consolidate and increase social inequalities’ (DeWitt, 1989, p. 34). It rekindles the argument that part of commercial sugar farming lies in contract farming used by ‘agribusiness companies to produce exports of high-value crops’ (Sulle, 2017, p. 518). However, the types of contract farming practiced in Africa today have largely been shaped by the private sector. For instance, “Tanzania’s implementation of structural adjustment programmes in the 1980s and 1990s led to the privatisation of the formerly state-owned sugar cane estates and mills between 1998 and 2001” (ibid). Part shape of what sugar contract farming has taken in Uganda is the outgrower farming with the hope of largely incorporating smallholder farmers with the easy access to market from the sugar industry.

The politics of sugar in outgrowers romanticizes the idea that ‘sugar cane cultivation expansion projects is expected to improve the country’s foreign exchange through export earnings and help alleviate rural poverty by increasing smallholder farmers’ incomes through the expansion of the outgrower production scheme...” (Chinsinga, 2017, p. 503). More than often, these sugar cultivation projects do not clearly detail ‘where the land of sugar cane would come from and how it would be acquired.’ (ibid). This therefore leaves us with more questions than answers on “what is the political economy of sugar in...telling us about the broader relationships between the state,

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<sup>18</sup> Walukumba, A. (2013, May 22). Sugarcane Farmers Turn to Coffee Growing: Retrieved from <https://ugandaradionetwork.com/story/sugarcane-farmers-turn-to-coffee-growing>



ruling groups, international capital and [a country's] smallholders"? (ibid). In scenarios where the government acts as a broker, maintainer and enforcer of sugar investment deals, this has consolidated the power of the privileged few to easily access, control and carryout over extraction in local communities less or hardly any minimal checks.

## ***2. The nature of Sugarcane Production and the ecological question.***

Before sugarcane became a product, it was a plant. Levins' denotes that sugarcane by nature is a "renewable resource only in the limited sense that the crop can be replanted or grow back. The underground parts sprout, giving a ratoon crop for a few years without replanting. But the soil is not by itself renewable; it requires replenishment by slow geological processes, by fertilization, or by alternative ecologically sound soil management programs." (2006, p. 125). Sugar has become a diversified product that can be found in anything that is consumed today and production of biofuels such as ethanol.

The sugar enterprise exists today because of it continues to get access to land water which is crucial for its survival (Dubb, 2017). In fact, 'the acquisition of land and the construction of extensive and expansive water infrastructure in irrigate schemes was central to the establishment of sugar estates, particularly post 1945, to do this required massive state backing, and financial and political support" (ibid, p. 457). The nature of the crop to attestation of some farmers is that "Sugarcanes are greedy plants that eat all the nutrients so it is advisable you intercrop with leguminous crops such as beans and ground nuts to act as fertilizers."<sup>19</sup> Sugarcane as a plant is highly perishable once harvested and value is realized once it has been turned into sugar commodity. These two have a close hierarchical relationship in that the sugar field is invariably subordinated to the nearest

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<sup>19</sup> Bbosa, D. (2017, Nov. 19). Byensi earns shs4bn from Sugarcanes. *Daily Monitor*. Retrieved from <https://www.monitor.co.ug/Magazines/Farming/Sugarcane-gives-Byensi-sweet-taste-of-success--/689860-4192684-gi8ssw/index.html>

factory (Dubb, 2017). This hierarchy unveils in “twofold: First, *structural monopsony* means sugar cane cultivators are usually able to sell only to a single (nearest) sugar miller without incurring excessive transport costs and loss of cane quality. Second, sugar mills are capital intensive, and their profitability highly contingent on maximizing throughput of high-quality cane.” (Dubb, 2017, p. 474). This means that wanting to maximize profits, sugarcane production goes through some form of agri-business extraction which envisages farmers selling cheap cane and paid less to avoid losses accruing from the perishable nature of the product itself.

The other controversy on the agroecological question of sugar also comes from the fact that as countries industrialize, ‘the use of agricultural biofuels to provide alternatives to fossil fuels is no less controversial. The high demand of sugar cane for water, often a more scarce resource for agriculture in southern Africa than land, raises questions about whether other crops should take priority in the allocation of investment for the irrigation that supports nearly all sugar cane production in the region” (Dubb et al., 2017, p. 449). The sugar enterprise more than often borrows the capitalist’s language of ignoring externalities on the environment where ‘context of soil erosion, depletion and compaction’ as affecting productivity are often mentioned and less on the economics of recycling cane residues, cleaning up river wastes and setting up irrigation reservoirs (Levins, 2006, p. 128). This brings us to how sugarcane effects rural livelihoods differently.

### **C. Contextualizing Sugar agribusiness in Uganda**

#### ***1. Situating sugar politics within Uganda into below- the rural.***

The history of sugar in Uganda dates back as early 1920. According to the National Sugar Policy developed by the Ministry of Tourism, Trade and Industry in 2010, indicates that ‘over the last 10 years, the industry has been expanding production by nearly 20% per annum culminating into

production of 287,387 tonnes of sugar in 2009' (2010, p. ii). Similarly, there were calls for the expansion of this subsector with a note of clarification from government as an interventionist program on 'poverty eradication and prosperity for all Ugandans' since 'much of the cane supply for this expansion shall come from the out-grower farmers who are currently supplying about 50% of the total cane requirement of the major sugar factories' (ibid). The policy defines sugar as 'strategic and nutritive commodity to many countries in the world', a food commodity that can be 'consumed daily at different rates regardless' of one's age, standard or class and 'provides over 20000 and 50000 direct employments' to Ugandans (National Sugar Policy, 2010, p. 1). The sugar policy was developed stemming from the fact that Uganda lacked one or the one that existed dated back in colonial times such as the Sugar (Control) Act of 1938<sup>20</sup> was inefficient. Also, certain issues needed to be addressed. These included mostly cane outgrowers complaints such as "low prices, un-favourable payment terms by established factories, uncoordinated logistical sequencing of cane lorries to factories, refusal by sugar firms to buy burnt sugarcane, high percentage (5%) deductions on cane delivered weight as unclean products, information sharing, sharing of revenues accruing from by-products, and uncoordinated closure of factories for annual maintenance. Outgrowers assert that most of the issues mentioned above have resulted into diversion of cane to other crushers like jaggeries, yet this is the main concern from the millers" (ibid, p. 1-2).

As sugar prices surged in '2017 from Ushs3500 (\$0.9) to Ush8500 (\$2) in May 2017', 'the Uganda Sugar Manufacturers association blamed the government's failure to zone the location of sugar factories for shortages, which made sugar too expensive for many households.'<sup>21</sup> By then, 'Kenya

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<sup>20</sup> Sugar (Control) Act 1938, Chapter number 34. Retrieved from <https://ulii.org/ug/legislation/consolidated-act/34>

<sup>21</sup> Asiimwe, D. (2018, May 5). The Politics around Sugar Prices in Uganda and the big three producers. *Daily Monitor*. Retrieved from <https://www.theeastafrikan.co.ke/business/The-politics-around-sugar-prices-in-Uganda/2560-4546774-37hfyk/index.html>

had imported 130, 000 tonnes, causing oversupply in the market’ (ibid). Due to the East African community agreements, countries which have shortages may seek a waiver to allow in sugar duty free from any neighboring country. As it appears, ‘Uganda is the only EAC country with domestic surplus, of just over 100, 000 tonnes, while Kenya [in 2017] produced 327,000 tonnes of sugar versus a demand of 870,000 tonnes. Tanzania and Rwanda on the other hand had shortages of 200,000 tonnes and 70,000 tonnes respectively.’<sup>22</sup> Also due to the conflict in DRC and South Sudan, most East African countries are relying more on Ugandan market which has caused (according to the East African Business Council), a ‘glut in the market’ (ibid). This had resulted into monopolistic tendencies of sugar mills/factories dictating the terms of cane and sugar prices at their own will. It was not until 2010 that the ‘Ministry of Trade, Industries and Cooperatives banned jaggery cane crushers’ only to end up being turned into ‘morphed small factories, which are competing for the same cane, as the big plants’ (ibid). Surprisingly, even big sugar factories such as Kakira had also been active participants in the jaggery mills scandal.

It is also important to note that the current regime is the one which was responsible for implementing the so called ‘economic reforms since 1987 geared at restoring economic growth and development’<sup>23</sup> Since then the agricultural contribution to the country’s GDP has reduced from ‘64.1 percent in 1985 to 41.0 percent in 2001’ (ibid). Today, agriculture is said to ‘contribute to about 25% of the GDP’ by 2015<sup>24</sup>. In 2018, World Bank released a report that ‘agriculture’s contribution to GDP is falling’<sup>25</sup>. That is, ‘Uganda loses between 4 and 12 percent of GDP due to

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<sup>22</sup> ibid (see footnote 22)

<sup>23</sup> Uganda. FAO database. Retrieved from <http://www.fao.org/3/y4632e/y4632e0x.htm>

<sup>24</sup> Deloitte (2016, June). Uganda Economic Outlook 2016: The Story Behind the Numbers. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/ug/Documents/tax/Economic%20Outlook%202016%20UG.pdf>

<sup>25</sup> Oketch, M. L. (2018, June 22). Agriculture Contribution to GDP falling-WB. *Daily Monitor*. Retrieved from <https://www.monitor.co.ug/Business/Markets/Agriculture-contribution-GDP-falling---WB-/688606-4624640-w9kksp/index.html>

inefficiencies in the agricultural sector’ caused by ‘uncontrolled soil erosion that largely affect mechanisation’ (ibid). This made the Uganda Bureau of Statistics (UBOS) to pronounce agricultures contribution to GDP as dropping from “21 percent in the 2017/18 financial year compared to 21.5 percent in 2016/17” (ibid). The World Bank concludes that to raise agriculture - the ‘green gold’- ‘agricultural growth and commercialization can only happen if there is increased private sector participation and financing’ while ‘small farmers...need to aggregate into associations and producer organizations to engage more effectively with both input and output markets.’

Mostly a talk about smallholder contribution to agriculture goes missing or less, without mention except with enhanced calls that they need to integrate into the greater structure of agricultural input and output markets. This is itself denies the fact that most smallholder agriculture lies in the informal sector which is not tracked in national books of accounts and second, there is ‘minimal domestic support to the agricultural sector.’ Third; the agricultural commercialization project has disowned the fact that most ‘agricultural output primarily comes from about 3 million smallholder subsistence farmers who own an average farmland area of 2.5 ha.’<sup>26</sup> These economic reforms surmounted to the fact that Uganda ended up selling all its ‘public enterprises’, and 2001, only 40 had been left out of 148 with speculations of being completely by 2004 (ibid). It also blurs the fact that there exists ‘special protection exists for local sugar and textile industries.’<sup>27</sup>

## ***2. The Case of Kijayo and Hoima region as setting of study.***

Kijayo is key in understanding how the social relations of sugar have been created in Hoima region. It is located in Muntume parish, Muziranduru village, Kiziranfumbi subcounty, Buhaguzi county,

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<sup>26</sup> Uganda. FAO database. Retrieved from <http://www.fao.org/3/y4632e/y4632e0x.htm>

<sup>27</sup> ibid

Hoima district. It is located in 5 to 10 minutes' drive from the helm seat of Hoima Sugar Limited and across the valleys, you can see a hazy tall chimney appearing from the sugar forests. Hoima Sugar Limited is said to produce a capacity of '1,500 metric tonnes daily', 'had signed up 450 out-growers at May 2016, with that number expected to grow to 2000 by 2017.'<sup>28</sup> By the time of this study, the outgrowers number is said to have increased to around 1800, according to the outgrowers manager (Key Informant interview, Homecite-Kiswaza, 14/08/2019). Sugar Hoima Ltd is a recent sugar mill of which its official opening launch happened in May 2016 by the country's president himself boasting of 'job creation'. Kijayo and neighbouring villages like Kiswaza and Kikuuba where this study was based present an interesting opportunity to see how smallholder outgrowers have been incorporated within the sugar agribusiness enterprise while also analyzing how far the Uganda National Sugar Policy has been of an impact in solving their concerns.

Since the policy was enacted in 2010 and the company was set up in 2016, this research poses a perfect fit to see how one of the youngest sugar manufacturers has incorporated in the policy ideals versus being contested as a political ideological enterprise for rural development by the Ugandan state. On the other hand, we can also note that the Hoima region countryside is facing two types of displacement, one brought by oil and other by sugar like in the case of Kijayo. And unlike oil, the social relations between outgrowers and sugar factories are quite significant in the survival of the sugar production since some still hold the modes of production, mobilize for their own labour and the mill is contractually dependent on them for sustainability mechanisms.

Also, the geographical position of the Hoima gives it a perfect fit for tropical cash crops like sugar and tea to thrive there. Kizirafumbi sub-county has many river tributaries that feed into Lake

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<sup>28</sup> Hoima Sugar Limited. Retrieved from <https://www.revolvy.com/page/Hoima-Sugar-Limited>

Kyoga and borders other nature reserves such as Hoima Nature Reserve and is bordered to Murchison Falls National Park and further to Lake Albert. With such a favourable climate, ease of access to water and local labour, it explains why a company like Hoima Sugar Limited would be interested in such a place.

Lastly, with the passing of the sugar legislation, there were concerns that Busoga, one of the regions with the vast sugar booming industry looms among the ‘top three poorest subregions within the country’ (ibid). This was counteracted by other sugar proponents who dismissed the idea arguing that as there continues a more rise of sugar industries, communities could make more reasonable incomes through commercial cane growing. It however raises the analogy of wanting test if the same scenarios are happening in Kijayo and what does it mean for this topic, on rural development. The aim of this study was thus to seek answers on how rural communities are impacted by the introduction of commercial sugar production of which questions like poverty reduction looms at large.

#### **D. Theoretical Perspective/framework about Sugar**

From a theoretical perspective, this research uses agricultural commercialization in its theoretical grounding to portray how the Ugandan countryside has been transformed into a commercialized space where agro-extractivism reigns high. Another part lies in understanding how this change has been generated, who are different actors and who are the winners and the losers. The rising of sugar in a historical and contemporary Uganda have been very much so due to state sponsored ideology on alleviating poverty especially after 1986. For instance, there have been cases where the central government has continuously encouraged ‘farmers to invest in commercial agricultural enterprises as one of the efforts of poverty alleviation and wealth creation’ (Mwavu et al., 2018,

p. 2), sugar being one of them. In cases of Kijayo, there are actually eyewitness accounts disputing that the state aided in forcefully displacing the local people to clear up land for a recent sugar manufacturers company, Hoima sugar Limited. Much of this commercial sugar promotion ideology uses a political-economically charged language of influence with an assumption that there will be a win-win situation for sugar outgrowers involved in terms of employment and ready sugar markets hence rural development. In this context, sugar is seen as ‘both commercial and developmental’ (Dubb et al., 2017), a perfect match that the countryside needs if it is to be transformed. The current president has been seen on some occasions calling on smallholders to transform into their subsistence agriculture into some sort of agribusiness enterprises if they are to join his expansive ‘island of modernity’<sup>29</sup>.

The context of sugar commercialization in Uganda is therefore both, historically a colonial one, and in contemporary times, a neoliberal state fashioned ideology supporting the political economics of a surviving regime. Sugar commercialization as rooted in support of the neoliberal Ugandan economy, has now come to be praised as one of the most lucrative agrobusiness industries that contributes a lot of Uganda’s national income. Historically, sugarcane was one of those that cash crops that was introduced as a primary product which was necessarily aimed at feeding for the larger colonial enterprise of European markets. It followed the ‘colonial government’s attempt to facilitate the establishment of white settlers’ large-scale plantations and estates, and/or impose the cultivation of tropical cash-crops that suited European markets along African (prevalently subsistence-oriented smallholders’ (Martiniello, 2017, p. 1). As a crop, sugarcane is a tropical crop

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<sup>29</sup> Museveni, Y.K. (2018, September 10). Yoweri Museveni warns against foreign interference in Uganda. *Daily Nation*. Retrieved from: <https://www.nation.co.ke/news/africa/Yoweri-Museveni-address-to-Uganda/1066-4751894-hng1mmz/index.html>



that survives on massive use and consumption of water and availability of sunlight making Uganda a perfect fit for the commercialization of this crop.

Generally, the school of agricultural commercialization is rooted from modernization theorist or liberalism thinking where agricultural modernization in the third world envisages a process for economic rationalization (Vandergeest, 1988). Vandergeest sees agricultural commercialization as built on the sphere of wanting to dismantle the theory of peasant culture which includes among other things, 'lack of innovativeness, fatalism, limited view of the world, limited aspiration', among others (1988, p. 9). This is also because peasants have evolved over centuries using according to the post war modernization school where this theory emerged from, unproductive poor methods of farming, perceived as static, archaic, poor and less civilized (Hardin, 1968; Lipton 1977; Vandergeest, 1988. See also: Chambers, 1983; Harris, 1982; among others). As reconstruction was taking place after world war II in Europe, so was the concern of decolonization in the third world countries. Post-world war modernist scholars came up with books aiming to address the Third world problem. These included *Getting Agriculture Moving* by Arthur T. Mosher (1966a) and *Transforming Traditional Agriculture* by Theodore W. Schultz (1964) of which their core argument was that 'the key for breaking down and modernizing traditional peasant culture was commercialization (Vandergeest, 1988, p. 8-9). Agricultural commercialization was in a way for the third world economies to achieve or catch up unto the same path of the western Rostow's stages of economic growth (ibid). With agricultural commercialization, there lies a conception that turning the peasant household into an extensive large-scale commercial enterprise who produces mainly for the industrial urban market. Nevertheless, the reality is that with commercialized agriculture, 'the extension service will mainly concentrate on the resourceful big farmers. With favorable environmental conditions and higher socio-economic status' and 'the number of farmers

is to be reduced and the since of the farmland should be increased' (Mahaliyanaarachchi & Bandara, 2006, p. 13).

The theory of agricultural commercialization has thus been criticized for two reasons. First, it assumes that peasant agriculture is always in static traditional unproductive continuum (Harris, 1982; Chambers, 1983; Martiniello, 2017) and second; for attaining a political or normative assumption that peasant agriculture needed to be modernized through the use of modern factors of production, with the prediction that such a change would increase farmer income and the well-being of the society as a whole, sending it down the path of modernity (Vandergeest, 1988, p. 12). Other critics have come to define peasants 'farming styles as portraying a continuous resistance and autonomy based on market definitions and financial capital overtime (Milone et al., 2015) and that questions related to peasantry is as well related to questions of their citizenship (Rahnema, 2010). As a theory or practical school of thought, this has been taken on by new neoliberal institutions such as the World Bank and IMF with aims, finances and policy papers indicating how they can transform the third world. With constant calls of increasing poverty globally and more so in sub-Saharan Africa, agriculture commercialization and the creation of MLAR (market-led agrarian reform; Lahiff et al., 2007) is seen as way out for the local people. However, the main aim such market oriented agrarian reforms is to basically create or retain policies that aim at securing and formalizing private property rights (Lahiff et al., 2007, p. 1417) which sometimes comes at disregard of historical and current traditional land rights for smallholder farmers. Ironically, initiatives such as MLAR continue to be propagated by the states and new neoliberal institutions as pathway for empowering poor people even though it continues to manifest in new patterns of class and gender exclusion. In fact initiatives such as MLAR also exhibit two assumptions, one: 'that land is solely an economic resource and' second, 'that markets are

institutions in which participants are equal” (Lahiff, 2007, p. 1419) which is very unrealistic even in the peasantry world. But what should be noted is that agricultural commercialization comes in different forms given different societies (Mahaliyannarachchi & Bandara, 2006) forcing the peasant society and their small farm focus (which are central to rural development) to continue evolving overtime (Ellis & Biggs, 2001), sometimes in harsh resistance.

It is out of the shortcomings of the agricultural commercialization that the study supplements it with another theoretical understanding of adverse incorporation. While with agricultural commercialization, we see a top-down ideology of transforming peasant societies in Uganda by the state. In such dynamics, there is a potential risk of missing out to capture the power dynamics of how rural farmers are incorporated into the sugar enterprise. Through adverse incorporation, we ask, how are the relationships between companies, out-growers and rural farmers like and who owns, controls and uses what. The theory of adverse incorporation helps to “capture the ways in which localized livelihoods strategies are enabled and constrained by economic, social and political relations over both time and space, in that they operate over lengthy periods and within cycles, and at multiple spatial levels, from local to global. These relations are driven by inequalities of power” (Hickey & du Toit, 2007, p. 4).

Both agricultural commercialization and adverse incorporation are central to the topic of political economy of agrarian change which this study is focused on while trying to ‘investigate the social relations and dynamics of production and reproduction, property and power in agrarian formations and their processes of change, both historical and contemporary’ (Bernstein, 2010, p. Vii). Through the above theories, we can employ Bernstein’s (2010) four key questions of political economy on sugar. These include: “who owns what? (in terms of property ownership and how land is turned into commodity-private property), who does what? (social division of labour), who

gets what? ('fruits of labour' or distribution of income) and what do they do with it? (Social relations of consumption, reproduction and accumulation) (Bernstein, 2010, p. 22). However, Bernstein should have added: where does it end? (the profits or surplus value). Relatively, neoliberalism and adverse incorporation are key to analyzing how social differentiation among farmers is caused to asking, "whose livelihoods" and "where are livelihoods being carved out?" (Scoones, 2015, p. 12).

Lastly, advocates of sugar agribusiness contract farming continue refute the fact that "peasant agriculture seems to go beyond its own limits through a transition process that has led to a paradigm shift moving away from the modernization and creating new opportunities and alternatives in terms of practices, products and markets. These alternatives are now representing the base for new autonomy and competitiveness of rural areas in an increasingly globalized world" (Milone et al., 2015, p. 2). The fact is that peasants or smallholders have for long been ignored in modern development theories and even when they were or are supported, they are still perceived from an urban elite bias (Lipton, 1983) that sees as "conservative actors destined to disappear" (Milone et al., 2015, p. 10). Sugar agribusiness as rooted in agricultural commercialization is deeply an ideological offshoot and an applicability of modernization theories in today's rural worlds which its only way was to hail and create food empires as the alternative to technocratization (ibid). The continuous boom of sugar production and substitution of food crops for cane growing which risks rural communities to be trapped in food insecurity, land dispossession and widened income inequalities or socioeconomic classes is a manifestation of big sugar has emerged as food empire of its own.

## CHAPTER III

### METHODOLOGY

#### **A. Research Approach**

The study of sugar commercialization and the impact it has had on rural smallholders' livelihoods in Hoima region cannot be simply understood using just numbers and figures. It goes beyond that. This research aimed to bring in rural sugar farmers perspectives and how/what they make sense of sugarcane commercial agriculture, their modality of participation-daily struggles, challenges and gains, and the what of their would-be alternatives. For this particular purpose, it is why the study adopted a purely qualitative research methodology to give a clear picture on subjective truths on what type of social relations have been [re]made through sugar. It also follows the pattern that the process of change and impact on smallholder livelihoods cannot be easily replicated into generalizations as easily as in quantitative research if the study's overall aim was to understand their subjective past and current/daily experiences. Also, unlike quantitative research, the study undertook a qualitative research study because it is 'a flexible research method' that helps to 'attain an overall understanding of the "quality" of the matter through in-depth, detailed, and long-term observation and experience gained through interaction with the subjects' in their 'natural setting' (Xuehong, 2002, p. 47).

Under this qualitative study, a case study method was purposely adopted. This is because case studies inculcate 'an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident, and in which multiple sources of evidence are used (Yin, 1984, p. 23). Another reason this study adopted a case study comes from the fact that case use "multiple sources of evidence, in a

converging manner, deductive strategies, whereby research starts with theorizing, pattern-matching as a common strategy for data analysis ...[and] the use of replication logic, rather than aggregating data, when comparing the results from multiple sites or cases” (Yin, 1994, p. 285). Case studies also give a certain ‘level of flexibility that is not readily offered by other qualitative approaches such as grounded theory or phenomenology. Case studies are designed to suit the case and research question and published case studies demonstrate wide variety in study design’ (Hyett et al., 2014, p. 1)

Case studies are so naturalistic and in-depth, very much that they allowed the use multiple use of data gathering techniques such as actual fieldwork where the research carried out focus group discussions and key informant interviews, had chance to listen to life histories from local participants, engaged in participant observation, attend sugar outgrowers pay day events and collecting ethnographic literature on sugar malpractices in the case of Kijayo village. With such kind of techniques, any information that was collected was in away ‘dialogic’ and with group discussions, canvassed the power of “interactionism,” in a sense that it allowed the “access to both actual and existentially meaningful and relevant interactional experiences” (Berg, 2004, p. 115-116). Local farmer’s experiences as related to late payment issues, bribery in the sugar production industry, lack of awareness about the contract signed, among others reflected the relevancy of this interactional shared experiences.

## **B. Methods and Data Collection Process.**

### ***1. Data Collection tools.***

This study involved carrying out of in-depth interviews to “provide a means for a sort of *bracketing* (Husserl, 1913; 1962, p. 86) of discussion topics...for close and careful inspection” (ibid). The

participants recruited for the study were local outgrowers from Muziranduru, Kiswaza, Kikuuba and greater Kizirafumbi with the exception of people from Kijayo I (A) and II (B) who live in internally displaced camps enclosed within the sugar estate due to dispossession. Throughout this study, unstructured interviews were used to allow the researcher a room of flexibility, building rapport, becoming a “friend and a confidant who shows interest, understanding and sympathy in life of a person with whom a conversation occurs” (Burgess, 1984, p. 85) especially in Kijayo where people expressed discontent of their area becoming a minefield of extracting information without any action or feedback to ever be received in return.

This study involved actual fieldwork to Kijayo, Kiswaza and Kizirafumbi to ascertain or ‘what is common and what is particular about the case’ (Hyett et al., 2014, p. 3) of sugar commercialization in the region. Before the study was conducted, an official research committee had to assess that involved a ‘careful and in-depth consideration of the nature of the case, historical background, physical setting, and other institutional and political contextual factor’ (Stake, 1998 as cited in *ibid*) on debates of sugar in Uganda and researchers security as central to it. By carving the research under thematic area of sugar commercialization, opportunities and challenges, the study appealed to possess a neutral ground where Hoima Sugar Limited and those affected could all participate with presumed biases from the formulated questions. The formulated questions here included nature of the crop, mobilization of labour, benefits and challenges from participation in sugarcane growing, and the question of environmental effects and access and utilization of land. The study also had to go through the Institutional Review Board (IRB) process at the American University of Beirut (AUB) to quality that it posed no risk to any participants, the institution and the researcher before it was carried out.

Also, this study incorporated the use of **Events analysis**; both historical, current and anticipated to generate more meaning on the topic. Neither all events were routine, special or untoward except for Tuesday and Friday afternoon till late evening which were pay dates for sugar outgrowers. Routine events usually ‘have in mind situations that regularly occur’, special events ‘are defined as situations that are fortuitous, but nevertheless anticipated; while untoward events are defined as emergency situations’ (Burgess, 1982, p. 118). Certainly, outgrowers meetings that aimed at expressing grievances on events such as payday could be said to be both routine and special events while other field visits than originally agreed with participants in other spaces of operation could be said to be emergency situations. This study also involved usage of other available literature such as newspapers, online news videos and blog posts that aimed at directly exposing how sugar agribusiness in Hoima has taken process and what impacts are likely to have been created within the region.

## ***2. Choosing the participants of this study.***

The participants recruited for this study included both an array of rural sugarcane outgrowers (small, medium and large scale) who are involved in commercialized sugar production and the existing workers/leaders within the sugar industry in order to understand how social differentiated they were. A non-probability sampling technique of snowball and purposive, were used to recruit the participants of this study. Given the complexity of this study, snowball samples were helpful in getting as many participants as possible while purposive was uniquely used for engaging key selected informants at deeper level to gain a deeper understanding characteristically on the topic of sugar contract farming. Key informants from snowball samples were not only reflected as providing ‘detailed data on a particular research setting, but also provided the researcher with



introductions to other informants and to other situations. In short, key informants can act as gatekeepers in any study and facilitate access for the researcher' (Burgess, 1982, p. 117).

*Participants who took part in this study were chosen basing on the following key characteristics:*

- a) All participants were local dwellers of Kiswaza, Kijayo, Kikuuba, or other parts found in Muziranduru and Kizirafumbi subcounty within Hoima district,
- b) Either belonged to a household that is involved in commercial sugar production in the aforementioned villages or,
- c) Active participants in form of sugar business or labour provision within Kijayo village/Hoima district,
- d) And or have had influential contact, relations and impact from sugar industry [such as local leaders, managers and such].

The research study sought to galvanize equal representations between both male, female and the youth participants and what roles they play. However, it would come to be discovered later as discussed in the research findings that sugar is a highly gendered crop (Adams et al., 2019). For this particular case, purposive (also referred to as judgmental or selective) sampling was used to counteract such dynamics. This involved aspects where 'informants [were] selected by the virtue of their status (age, sex, occupation) or previous experience, qualities which endow them with special knowledge that the ethnographer values' (Bergess, 1982, p. 123). This was mainly done to reach female headed households/outgrowers who are very few among the majority male outgrowers in Kiswaza and greater Kizirafumbi. As part of a qualitative study, this research was very interactive since 'it involves the analysis of 'natural' behaviour' (Burgess, 1982, p. 115) or opportunistic sampling where the researcher utilized any situation (in terms of events, activities and observation) that could aid in gathering information for this study. Under certain

circumstances, interviews were done between the passengers in a car or a boda-boda (motorcycle) and the researcher through a normal conversation. At other times, the researcher would simply join a group of outgrowers discussing the challenges they face in sugarcane production as just a participant observer without introductions given beforehand for the study since this was already an active self-organized event taking place.

Overall, the researcher managed to interview and or carry out a participant observation study on 75 respondents (see Figure 2 in research findings). These included sugar outgrowers from Kiswaza and Muziranduru, sugar factory workers (whether officially hired or contracted), local leaders and the people of Kijayo. Throughout this study, *commercialization* has been taken to as *independent variable* while *livelihoods*, is a *dependent variable*. This is because commercialization has many processes or practices of engineering change within this scientific social research when compared to livelihoods which is affect by the former and can be appropriately be measured in regards to its affect.

### **C. Data analysis procedures.**

The collected data for this study was analyzed by the researcher following its qualitative nature through selective categorizations of themes/key words and sub-topics. The key themes under the study are (but not limited to): livelihood, commercialization, rural development, labour provision, gender relations and others. The interview questions asked mainly entailed to understand the nature of sugarcane as a crop and its process of production, the challenges farmers face and the socioeconomic and power dynamics that exist between the farmers, sourced labour and Hoima Sugar Limited. Stemming from the theory of agricultural commercialization, local outgrowers have been turned into petty commodity sugar producers for sustenance of the industry while at the

same time, there is an increase in more accumulation of land by the sugar factory and large scale sugar producers. Behind the theory of agricultural commercialization, there is a realization of accumulation by dispossession which explains the conflicting arguments on how the factory came to be established in the first place. Also, by looking at how local outgrowers are involved into the whole spectrum of sugar production, this study ascertains the different levels of preferential treatment based on social differentiation according to farmers classes and social status.

This research therefore includes those theoretical pinning's to give a general and yet specific understanding of sugar commercialization in Hoima varies both in impact and practice given people's shared experiences. It infers the fact that by understanding who, why and what influences the 'principal actor', the researcher grapples a better understanding of individual behaviour in the 'hierarchy of mediations' and how that differs or fits their actions with a certain 'broader class context' (Onselen, 1993, p. 498). And as Onselen advises, this study aimed at affirming that "oral history in itself is not enough, it must be supplemented by "documentary evidence"- no matter how small- in the "processes of contextualization and verification" (1993, p. 505). Through fieldwork activity, taking of pictures and accessing documents related to contract relations and court cases in the case of Kijayo makes it a deal breaker to contextualize the social relations of sugar from a local people's informed perspective, backed by their own struggles and calibrations.

This study overall, is rooted in the political economy of agrarian change hence data analysis procedures overall aim to give resonance and bring up marginalized local people's voices and how they related or relate specifically to this topic. The fieldwork study centrally included visiting outgrowers sugarcane plantations, talking to labourers who work in the industry and those who were contracted, talking to factory managers and the internally displaced people of Kijayo to get their life stories as affected by Hoima Sugar Limited. This explains the variance in social relations

between the outgrowers and the factory who see their involvement to have brought them somewhat a better means of livelihood compared to the Kijayo people who were evicted.

#### **D. Background of the study area.**

##### *1. The Area of Study (Location).*

*Photographic view of Hoima sugar Limited*



*Figure 1 shows the Ariel view of Hoima Sugar Limited (Estate) covered by Sugar green fields*

This study took place in Kiswaza and Muziranduru villages, Kizirafumbi subcounty in Kikuube, a new district which has been recently cut off from Hoima district through the government district decentralization plans. All these places are categorized to be part of the Bunyoro- subregion. Generally, it takes any passenger 30 to 45 minutes to drive from Hoima town in Taxi to reach Kizirafumbi, and 20 to 30 minutes on a motorcycle (boda-boda) to reach Kiswaza and Muziranduru villages. Kiswaza is the main town centre near Hoima Sugar Limited and near the Agriculture department office which is a 5-8-minutes' drive. The Agriculture department office quite far from the factory and is similarly a 10-minutes' drive to reach there and generally takes other more 20 minutes from the sugar factory to reach Kijayo.

Kiswaza and mainly Kijayo are so key for this research because they have previously attracted local media, legal and political attention on the activities of sugar industry in the region. While Kijayo represents the historical insurgence of Hoima Sugar Limited and its current evil side of existence, Kiswaza on the other hand portrays the modernization aspect to it through village urbanization. In Kijayo village for example, it was reported in *The Observer* that "In 2013, Hoima Sugar Limited evicted about 4,000 locals from 1,300 acres...to pave way for the sugar plantation" thus triggering 'at least 398 households' to file a case at the High Court in Hoima 'seeking compensation and payment for malicious damages to property during eviction.'<sup>30</sup> Kiswaza village on the other hand is the home seat of Hoima Sugar Limited. The intersection between the two is that one is a posed as commercial village city brought up the existence of sugar production with increasing workers flourishing in the region, filled with loads of tracks of sugar and rising dust over the area, local shops, bars and food joints while Kijayo as eternally acute poor place, caught

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<sup>30</sup> Twaha, A. (2017, September 8). Hoima Sugar firm forced 398 households to refugee camps. *The Observer*. Retrieved from: <https://www.observer.ug/news/headlines/54843-hoima-sugar-firm-forced-398-households-to-refugee-camps.html>

in an island of sugar forests with men, women and young children living in internally displaced camps<sup>31</sup>. Kiswaza in this regard has become a commercial life force of all neighboring villages.

## **2. *What is the history of Hoima Sugar Limited?***

Hoima Sugar Limited, also known as ‘Hoima Sugar’ was formally established in 2016, and produces ‘light brown sugar’<sup>32</sup>, ‘with production capacity of 1,500 metric tonnes daily. The factory had signed up 450 out-growers as at May 2016, with that number expected to grow to 2,000 by 2017.’<sup>33</sup> Hoima Sugar Ltd is a ‘medium-sized sugar manufacturer’ owed by ‘Rai Holdings’ who happen to be ‘family-owned group that has 70 percent shareholding in Kinyara Sugar Works in neighboring Masindi District and also owns West Kenya Sugar Limited, and Sukari industries both in Kenya’ (ibid). Hoima Sugar Ltd was launched by the president in May 2016, using it as a platform to attack those who opposed his government for making avenues of ‘job creation.’<sup>34</sup> The president boasted it to that ‘his government has created an enabling environment to attract such investors who have not only boosted the economy but also provided employment to Ugandans’ (ibid), a palatable switch from ‘domestic farming’ to ‘time for modern farming.’<sup>35</sup> Hoima Sugar Limited by the time it opened in 2016, it is reported according to field reports to have had a minimum of 4000 acres of land but actual reports of its industry land today is unknown since its exponentially increasing through buying more land from the local people. This only sugar industry

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<sup>31</sup> NTV Panorama (2018, August 30). The Plight of Kijayo’s Displaced People. Retrieved from: <http://www.ntv.co.ug/shows/panorama/NTV-PANORAMA--The-plight-of-Kijayo-s-displaced-people/4542622-4730208-cglvvkz/index.html>

<sup>32</sup> Hoima Sugar Ltd. Retrieved from: <http://www.ugandaexports.go.ug/en/business/hoima-sugar-ltd/>

<sup>33</sup> Hoima Sugar Ltd. Retrieved from: <https://www.revolvy.com/page/Hoima-Sugar-Limited>

<sup>34</sup> Kivabulaya, F. (2016, May 2). President Museveni Launces New Hoima Sugar Factory. Retrieved from: <https://ugandaradionetwork.com/story/president-museveni-launches-new-hoima-sugar-factory>

<sup>35</sup> The State House of Uganda. (2016, May 2). President calls for adoption of commercial agriculture. Retrieved from: <http://www.statehouse.go.ug/media/news/2016/05/02/president-calls-adoption-commercial-agriculture>

in the area also seats in a sparsely populated area where it is surrounded by valleys and large plantations of sugar with a sugar estate built near the factory for factory workers.

### ***3. Agro-ecological characteristics***

Hoima is generally a greener countryside with green hills, swampy lowlands, springs of water and greater sparsely populated land filled with forest vegetation cover and green fields of sugar and other staple crops such as maize by the time this study was conducted. In this region, land is accessed through customary and familial land arrangement and there is a majority of local people who also have private land through local arrangements. Hoima Sugar Limited is set on customary land that it arguably bought from Prince Kimera through a lease for 40 years although in accordance to this study, some of the land independently belonged to the local people. Hoima Sugar Limited exists in a purely agrarian society where local food systems such as traditional technologies, farmers markets and traditional sourcing of labour is still very existent. Hoima Sugar Limited presents the second commercial phenomenology besides what ‘there has been a scramble of land since the discovery of oil and gas’<sup>36</sup> in the region. The land where the sugar factory seats is a ‘contested nine square miles’ [and more] that originally belonged to ‘Bunyoro Prince Herbert Kimera Rwakisaza’ (ibid). The history of accumulating the sugar cane industrial land is dated to have begun in 2011 with clearing of all land and using forced evictions that is said to have started as far as 2012 which left the local families of Kijayo I and II with no land to grow food for their daily sustenance. The other rural farmers who are engaged in cane cash crop production are outgrowers in Kiswaza and other villages in Muziranduru subcounty who have land and are basically contracted to plant and sell sugarcane only to Hoima Sugar Limited. The bigger question

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<sup>36</sup> Jjingo, F. (2018, August 27). Bunyoro’s displaced in throes of despair. *Daily Monitor*. Retrieved from: <https://www.monitor.co.ug/SpecialReports/Bunyoro-s-displaced-in-throes-of-despair/688342-4729836-yqe8h1/index.htm>

that looms large on the agroecological question are mainly two. First, how have farmers changed their agricultural practices and behaviors since the introduction of cane growing? And second, what has been ecological impact (both on the environment and humans) ensuing from commercial sugar cane agriculture as practiced by both the industry and outgrowers? (discussed more on ‘the sugar and the question of agroecology’ in the next chapter).

#### **E. Ethical and political considerations in data analysis.**

This study was well aware from the start this is a very politically sensitive topic since it involved the agency of the state (such use the police) to establish the very existence of Hoima Sugar Limited. But also given that this research is deeply rooted in the Political Economy of Agrarian change, the researcher intended to follow Bush’s (2018) advice that fieldwork should start from the farmers experiences in: “understanding what they produce, where and how”, and other dynamics revolving around their lives such as market structures and social differentiation (p.2; see also Glavanis, 1990, p. 20). The study therefore recognizes the political dynamics with consideration to issues of individual and participants security and other power dynamics (class, social status) existent within the Kiswaza and Muziranduru and how that might impact this research in terms of access the right kind of information needed and through what means. And although this study is purely for academic purposes as it was clearly articulated by the researcher before any commencement of any interview, the study itself is quite political and the question of sugar politics within Hoima region cannot be ignored. As highlighted by one academic well-wisher from Uganda, the researcher was cautioned to beware of the aftermath for if the research findings were to implicate any institutions of power as complicit in using their political nature to alter social relations through



drastic measures. For this reason, participants anonymity will take precedence in this research and no names will be provided for any participated who participated in this study.

For this study, it is also worth to note that the commonly spoken language in Kiswaza, Muziranduru, Kizirafumbi and greater Kikuube/Hoima is Runyoro-Rutoro. This is all cluster under Runyakitara and classified as a sister language to Runyankole-Rukiga which majority of the people who come from the South Western part of Uganda speak. The researcher was able to carry out this research due to the understanding and ability to hold a conversation of these vernacular languages as an 'insider' when compared to an outsider who would need a translator.

## CHAPTER IV:

### RESEARCH FINDINGS AND FURTHER DISCUSSION.

This chapter entails the research findings in regards to the process of how commercialization of sugar has impacted rural livelihoods in Hoima, Uganda. Its main core aim is to bring personal marginalized accounts of sugar outgrowers and other rural people who have been affected by the very presence of Hoima Sugar Limited. The first subsection begins with the case study of Kijayo (I and II) village which gives the historical background of how Hoima Sugar Limited came into existence and the political dynamics attached to its very own existence. Here, the study will also look into the ecological impact on the sugar industry in the surrounding environment. Other subsections that follow explores the current social relations between Hoima Sugar Limited and rural outgrowers, implications created in terms of social differentiation and other agrarian challenges such as food insecurity and labour relations among the outgrowers.

#### **A. The socioeconomic and political demographics of the research participants**

With the exception of Kijayo where people have been displaced, the villages in Kiswaza, Kikuuba and other parts of Muziranduru, and Kizirafumbi sub-county look very much alike in terms of social structure, living and environmental conditions. At least every homestead has a fruit tree of either an avocado, mango or jackfruit or both or all of them. As you drive off from Kizirafumbi town centre, off Hoima Road, deep into Kiswaza centre, the place is covered in busy reed vegetation cover and with huge plantations of sugarcane alongside gardens of maize and recently harvested beans. The whole of Kizirafumbi and Muziranduru resemble a purely agrarian societies with social relationships resembling those that exist in most Ugandan rural agrarian communities where most livelihoods are attached to familial relations when compared to capital and profit

oriented societies. For example, as realized by the researcher, it is common to stop and pick up a community member on the road on any means of transport, most times for free. Farmers still lend and borrow each other tools used in agricultural production such as hoes, machetes, and sometimes sharing of seeds. Even when there exists patterns of contracted labour, it is in the most part negotiated still within the neotraditional agrarian relations where both the farmer and the hired laborer calculate part of advance payment in terms of food sustenance and provision for one's household rather than for monetary enterprise purposes such as setting up a business. However, this should not blur us to think that rural people and rural outgrowers as presented in this study are homogenous. There are different social variations in the rural as well in terms of class difference (poor, labourers, landlords, rich, businesspeople, among others), education, age, and others.

***Socio economic demographics of participants (n=75)***

<b>Variable</b>	<b>Description</b>	<b>Estimated value</b>
Gender	Number of female participants	56
	Number of male participants	19
Age	Average age of respondents from Kijayo and all outgrowers	40-46
	Median age range of labour providers in the factory	28-30
Educational attainment/level	Number of respondents with postsecondary higher education.	15
	Number of participants with secondary education	0
	Number of participants with primary education	60
Nature of participants	Internally displaced by the sugar factory	35
	Company employees (directly employed or contracted)	13
	Outgrowers and local farmers	27
Household size	Respondents average household size	5

*Figure 2 shows the socioeconomic demographics of total number of participants (n=75)*

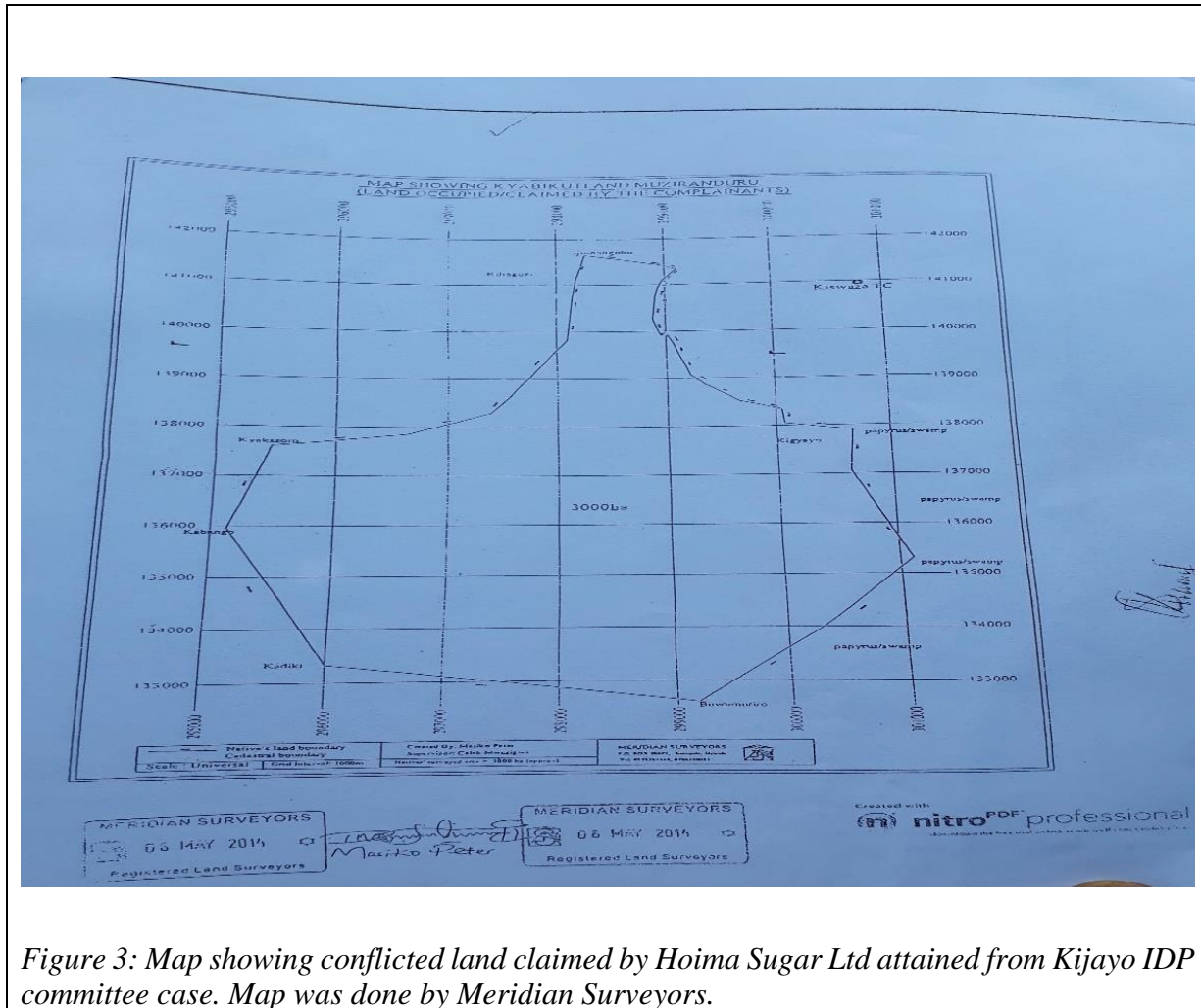
This study in overall incorporated a participant observation and or interviews with 75 respondents. This included mainly focus group discussions and face to face in-depth interviews with people of Kijayo and sugar outgrowers, factory employees and sometimes complemented by a participant observation among factory labourers and outgrowers in certain conversations. Of seventy-five (75) participants, thirty-five (35) people were from Kijayo I & II. Of these, included fourteen (14) women (some with children) while the rest of were men (21). The factory employees interviewed for this study were thirteen of which one (1) was female and the rest (12) were men. Among these included supervisors, office workers, contractors (were only 2 males) and others who are engaged in manual provision of labour in the sugar fields or within the sugar estate. The rest of the twenty-seven (27) participants were sugar outgrowers who have entered into direct contract with Hoima Sugar Limited to produce sugarcane for the company. Among these 27 participants, only four (4) women participated and the rest were men. The accounts revolving around the low participation of women is because sugar is highly a gendered crop (see Adams et al.2019 on gendered dynamics of sugar in Malawi) and women's access to resources such as land is limited through patriarchal lineage through their husbands or those whom their husband died.

The overall median age range of the majority outgrowers was 40 to 46 years while for those who worked for the sugar company was 28 to 30 years. The participants in Kijayo included a mixture of youth in their late twenties, women and men in their forties while few old people in their sixties.

With the exception of few factory workers who are in management positions that have post-secondary education (diploma or degree), most participants completed primary education especially the outgrowers and the manual labourers within the factory. In fact, it is only 2 male outgrowers (one is aged 46 and another is 27) who had a bachelor's degree in commerce and education (diploma) respectively, that could hold a conversation in English. Among the people of

Kijayo, some few youths and the leaders of the camp were educated and had a post-secondary education.

### B. The Case of Kijayo: Internally Displaced by Hoima Sugar Limited



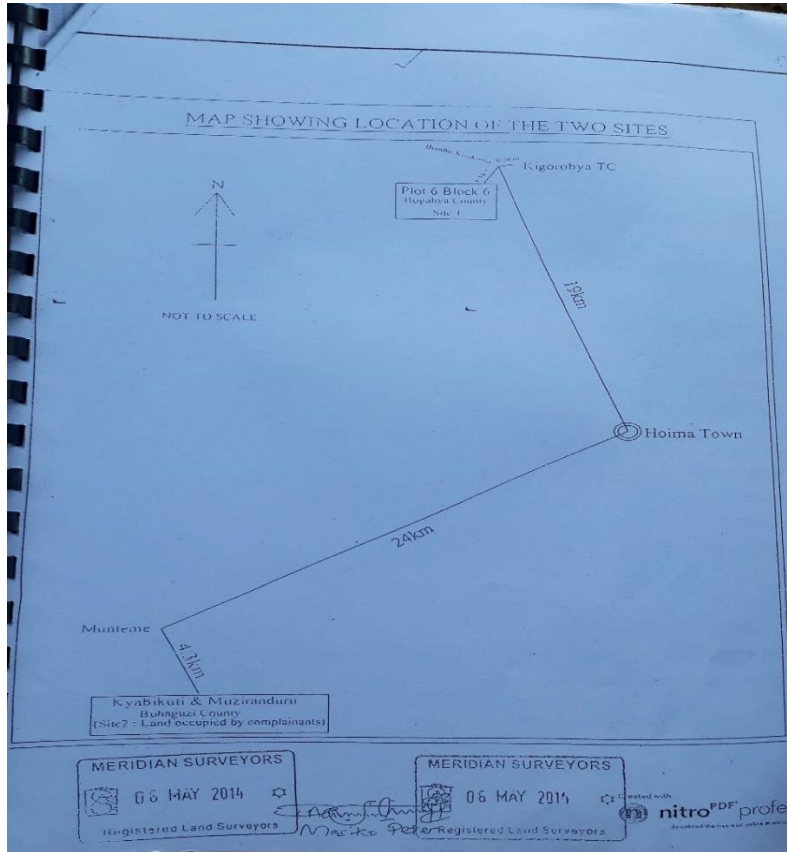
The case study of Kijayo (see map of conflicted land above) in this research shows both the historical and contemporary linked erroneous change that takes place in the countryside due agricultural commercialization through the introduction of sugar commercial extensive growing as a cash crops that survive on accumulation of large scale land for the creation of the sugar estate.

Initially, this research was fore centered on Kijayo as informed by the researcher's primary knowledge on the activity of displacement by Hoima Sugar Limited as reported in the Ugandan local news channels such as The Daily Monitor, The Observer, NTV and others. Through extensive desktop study, the researcher later learnt the scale of sugar estates is not limited to Kijayo (I & II), found in Munteme Parish, but stretches to other villages of Muziranduru, Kikuuba, Kiswaza and greater Kizirafumbi subcounty. However, the case study about Kijayo provides a historical analysis into how Hoima Sugar Limited came into existence, the process of acquiring land and politics of survival it has been playing in lieu with combating the existing struggles from the people of Kijayo.

As reported both from the focus group and key informant discussion with the people leaders of Kijayo internally displaced people's camp, it is 2001 when Prince Herbert Rwakisaza Kimera claimed that the people of Kijayo were settling in his land and came chasing them to go to Kadichi. By then 48 people (influential people of Kijayo) were sentenced to court in abstenture, a judgement passed without their notice and a court order given for their vacation. Among these are the Chairman and vice chairman of Kijayo who are central to this research. These people combined organized a community meeting with the local elders and leaders who wrote a witness statement that was forwarded to the local council authorities (normally called LC's) from Level I (LCI) to level III (LCIII) and to the Resident District Commissioners (RDC) and the Chief Magistrate, by that time. These sent an official communication ordering Prince Kimera to return the land and property confiscated to the rural owners and people returned to their land. This all happened in 2002.

In 2007, Prince Kimera associates came back again anew with new intimidations including local mass media propaganda on local radio channels in Hoima, aired with threats for the people of

Kijayo to get out of Block 6 Plot 6 land (see figure below) which the later leased out land to Hoima Sugar Limited.



*Figure 4: The conflicted land which Hoima Sugar Ltd currently occupies in allegedly supposed to be in Kigoorobya instead of Kijayo according to the surveyed land as shown above.*

Asking how much in length/width was the land, this disputed land was estimated to be about 1300 acres<sup>37</sup>. In 2007- 2009, Prince Kimera with the support of the Ugandan local police, came burning houses, uprooting crops and battering local people being displaced in Kijayo. 2007 to 2009 is when the first and actual of the process of displacement starts to take place in Kijayo. In 2012, this led to the local leaders of Kijayo to process a new case in the High Court of Masindi. Learning that he

<sup>37</sup> Albertine Watchdog (2019, March 29). The 500 households evicted by Hoima Sugar Limited are Helpless. Retrieved from: <https://www.albertinewatchdog.org/2019/03/29/the-500-households-evicted-by-hoima-sugar-company-limited-are-helpless/>

is in trouble, Prince Kimera sold out the land to Hoima Sugar Limited through a leasehold system (see witness files). In the same year of later 2012, Hoima Sugar Limited came with heavy machinery such as bulldozers and tractors uprooting all food plantations for the local people such as bananas, coffee, cocoa, maize and anything that people had in their homesteads. It is said that these were completely destroyed. By 2013, forceful eviction had fully taken place and as of September 2018, it was already marked that 4633 people had been evicted. The lease holder agreement was officially signed in March 2014 (see photos below)

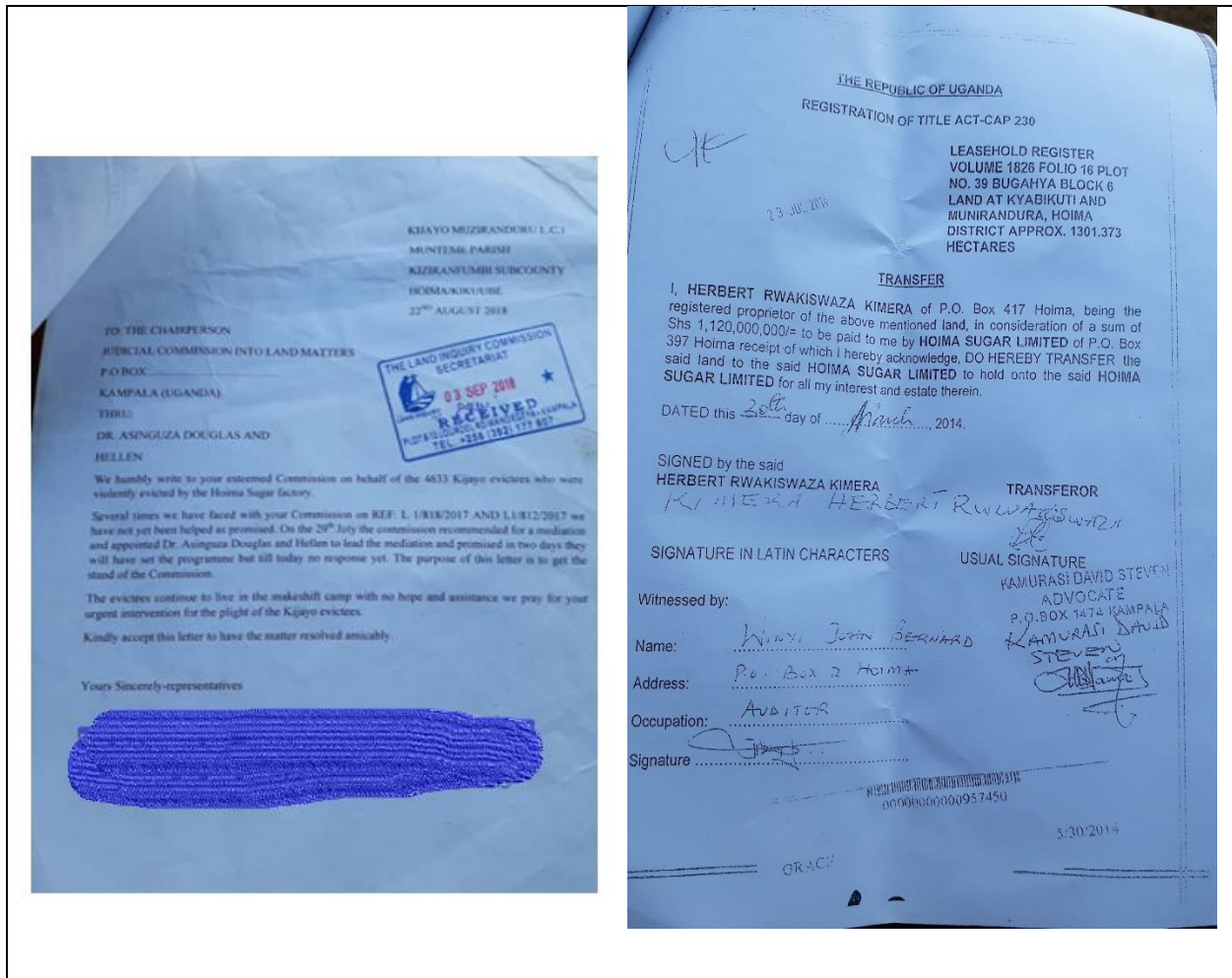


Figure 5: Graph I (on the left) is a letter of complaint to the Uganda Land Commission for denied help while graph II is the lease of the victims land by Prince Kimera to Hoima Sugar Ltd.



As informed by the participants of Kijayo, this led to a local court issuing an interim order requesting both parties (both the complainant people of Kijayo and the plaintiff- Hoima Sugar Limited) in 2014 to restrain and halt the conflict and not encroach on the violated crime seen to allow proceedings to take place. That is: ‘where the destruction had taken place was not be encroached by both parties and where Hoima Sugar Limited had not reached in terms of encroachment, it was ordered to stop’ (Key Interviews, Kijayo camp, 09/08/2019). Meanwhile as they were waiting for the court order to take effect, they processed a transition report [for the case of malicious damage] using agricultural experts and surveyors of their damaged property which amounted to 82,147,863,860shillings in claims for compensation for 394 evicted families. However there were warnings of other families targeted for eviction in other villages of Kyabataka, Ikoba 11, Buhumuro, Kadic and Kyakasoro villages (see picture below)

During the eviction process, Hoima Sugar Ltd managed to destroy our property such as agricultural products, houses, households, animals and birds and all these make a value in shillings of eighty two billions one hundred forty seven million eight hundred sixty three thousand and eight hundred sixty shillings only (82,147,863,860-) which contain in the valuation report and this valuation was made for the 394 families who were evicted and however, many other families are on target to be evicted and these include the villages of Kyabataka, Ikoba 11, Buhumuro, Kadic and Kyakasoro villages.

At the camp here, we have got a number of problems such as lack of food, shelter, education and medical care. It's now 2 years since we joined this make shift camp whereby we do not have food for our families but surviving and living on God's Mercy. Since we no longer have sources of income, education to our children has become difficult because there is nowhere to study from. Makeshifts are made of banana fibers and other grasses which are not permanent during rain, it rains on us. When it's sunny, they catch fire and the little we have is burnt. When it comes to sickness and diseases, some die others survive by God's mercy because no access to medical services.

Honourable, life here at the camp is not the best for your people/ Ugandans to stay in. *My Lord, Most of our are so called Hoima Sugar Limited, compensation and our family pay ment to our people. Despite all these problems and challenges, we still believe that we can attain justice through you. So here, we take this opportunity to thank you for the grate work you a doing to help us.*

Our humble questions are here below:

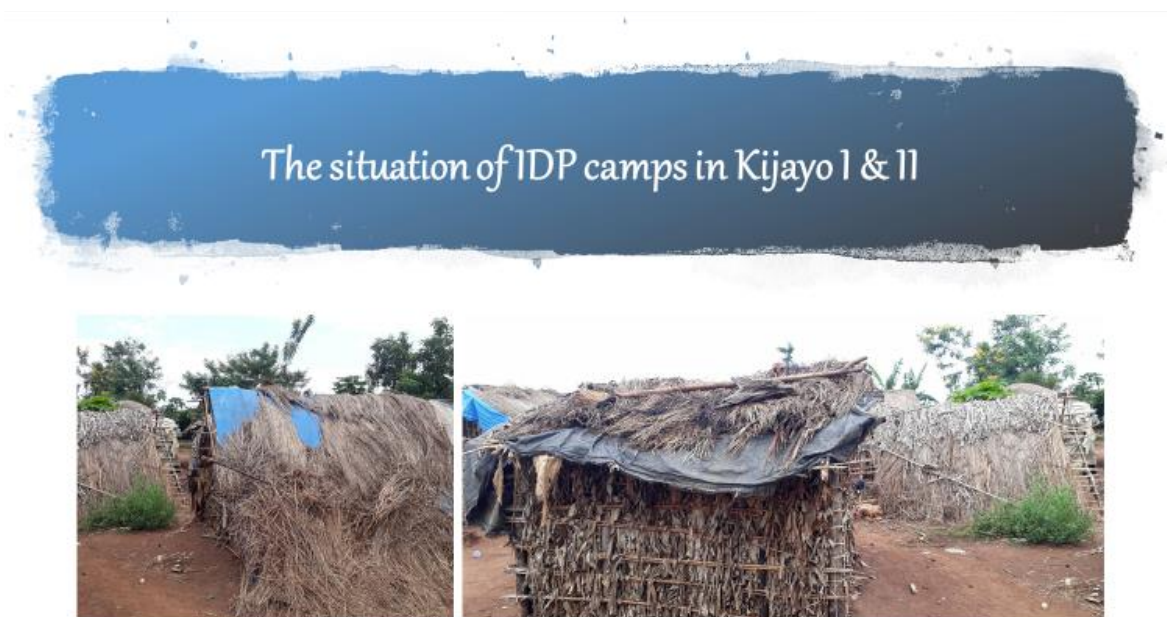
1. Someone who respects the law and order and that who does not respect them, who of the two does the Government want? Why always supporting wrong doers?
2. What order did Hoima Sugar Ltd use to evict us and from where? Which Court?
3. Which government department / Ministry is responsible for implementing the Court orders? If it is police why did it fail to implement the available Court orders.
4. Is it that Hoima police was/is mandated to evict people from their Lands? Or to protect people and their property?
5. We know that wrong doers are always punished. Why not Hoima Sugar Ltd? Is it above the Law?
6. We want to know the role of the RDC, RPC, DPC, DISO in Hoima District? They were served with all court orders. Why are people suffering today yet these offices are there for the public?
7. Should we say that Kijayo people are not Ugandans? Why are they treated s rebels?

From case files:  
 estimated compensation  
 asked by the  
 complainant in the case  
 of malicious damage  
 (15/08/2019)

Figure 6: more on case of malicious damage- compensation charges?

Nevertheless, following the court order in 2014, kijayo dwellers continued to be chased step by step by Hoima Sugar Limited. According to the Chairman of the Kijayo case, “they did not respect the law, instead they violated it. they continued chasing us step by step till 2015 where they completely chased without a court order. This led to the process of going into a camp. Today we have two (2) internally displacement camps (IDPs). It is some local dwellers and the Church who help and gave us where to build” (Key Interview, 09/08/2019). By then, Hoima Sugar Limited had established itself as a powerful entity engrossed in land disputes with the people of Kijayo and it officially opened in 2016 by the Ugandan president himself boasting of its capability to create jobs and bringing development in the region (ibid)

***1. Why is Kijayo fundamental for this research?***



*Figure 7: Pictures showing the Internally Displaced People's camps in Kijayo A.*

The study about Kijayo in this research lays a historical foundation into the existence of Hoima Sugar Limited and the role played by the state in ensuring the enforcement of sugarcane agribusiness in Hoima countryside that has massive impacts on rural farmers. The case of Kijayo itself helps to see the reality of what happens sugar agribusiness in the name of development venture is allowed to displace rural people through land dispossession.

The first question that this study asked was, what led to total displacement in Kijayo? According to one participant, “the removal of the personal or self-sustenance and financial aid. That is, dismantling our economic support systems crippled us to become financially incapable of supporting ourselves. We were only helped by NGOs to win the court and received no other help from somewhere’ (Key Interviews, Kijayo camp, 09/08/2019). The NGOs which were talked about here include ACTED<sup>38</sup>, NAVODA<sup>39</sup>, Transparency International, and NAPE<sup>40</sup> Uganda. These helped in facilitating of transport for the Kijayo case representatives and payment of lawyers. This was not a livelihood support program.

Also, the case of Kijayo Versus Hoima Sugar Limited as petitioned in court under file 0038/12 has been ongoing as alias stated since 2012 till to date. The participants reported that since 2016, they have never received any judgement after that. This accrues to the fact that there were concerns of bribery which has led to the case to be never resolved. The participants reported that; “the government starts from LCI, and that’s where we started reporting. However there came a problem of bribery among the local government officials up to the district level, even up to the parliamentarians. Our MP was bribed too” (ibid).

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<sup>38</sup> Agency for Technical Cooperation and Development (in full).

<sup>39</sup> Navigators of Development Association (NAVODA in full)

<sup>40</sup> National Association of Professional Environmentalists (in full).

In addition, the case for malicious damage (for the local people's property that were destroyed, see figure 4 above) is now in hearing stages in court since mediation failed to be reached with Hoima Sugar Limited and Prince Kimera family advocates. The council for Kijayo case reported that they went into the Uganda Commission of Inquiry into land matters and won the case. This claim can be supported by the news video which informed this research as was seen by the researcher on NTV on 6<sup>th</sup> September 2017<sup>41</sup>. The participants report that the accused allowed to "give us a compensation but never went into practice. We were given mediators and an MP to oversee the process, but nothing came out of it. We also went to the State House to oversee the ruling, but we were told to go back and wait for the promised judgement in our homes." (Key Interviews, Kijayo camp, 09/08/2019). By the time this research was conducted, the rural people of Kijayo were still waiting for the judgement to be passed. In fact, they expressed their disillusionment of whether the judgement to this case will ever be passed. They reported that "the Chief Magistrate came here on 06<sup>th</sup> May 2019, but we now hear that he wants to go for retirement, yet he has not conferred the ruling. Hopefully soon, we expect him to read it (ibid)."

Overall, the people of Kijayo expressed their dissatisfaction about the current legal and political system of Uganda and local communities as well. They foresee Hoima Sugar Limited as a powerful entity which by all the means, has uncontrolled capacity to keep the people of Kijayo sidelined to the very margins they fighting hard to escape by use of bribery (from the local and parliamentary officials) and enacting force (via its estate workers or the police). In reiteration, the conversations out of Kijayo internally displaced people's camp center around the acceleration of the state's failure to protect them from impacts land dispossession by the sugar industry. They assert that:

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<sup>41</sup> NTV Uganda (2017, September 6). Land probe: Hoima sugar factory on the spot over evictions. Retrieved from <https://www.youtube.com/watch?v=RLFj6JCacxA>

*“As Ugandans, we are suffering in our own country. Our people were killed, our women were raped. We cannot be compared to the refugees who have a better life than us. We are not even helped. We don’t have land for digging, they segregate us when we seek medical care at the local hospital and our children don’t even have good education- so that’s our pain and suffering”* (Community meeting, 07/08/2019).

The participants of Kijayo also expressed that the current NRM regime of President Museveni (himself) accuses them of hating ‘development’ as evidently coined during his speech in the opening of the sugar factory in 2016. The participants expressed that “we love development, all of us, but how did it come? Development came to those who didn’t have land [sugar investors]. Those of who us who had land were displaced.” (Focus group Interview, 07/08/2019). Hoima Sugar Limited is symbolical of Indian investors ease access to local land. People express that “there is no development at all” and the development as propagated by the coming of the sugar industry “didn’t come in a good way. What we gained is chasing us from our land” (FGD Interview, 07/08/2019).

Also, in a focus group discussion with Kijayo community members, they denoted that the president proclaims unrealistic national campaign that ‘we should plant many crops but where [?].’ In accordance to one-woman participant in her early 60’s: ‘the government of Museveni is the cause of our hunger’ (FGD interview, Kijayo camp, 07/08/2019). As witnessed by the researcher for this study, the people of Kijayo also live under absolute conditions of below than a half a dollar a day. The participants articulated that “we lost 4 years fighting against displacement by Hoima Sugar Limited and now we have spent 4 years in a camp, for us there is no development at all” as one youth participant aged 30 put it. The life situation in internally displaced camps of Kijayo is the last piece of survival for the very few the few people that continue to live there. Participants experience reflect an unending pre and post traumatic displacement continual effect where people

daily experiences in search of food and living around the sugar estate is filled with complex risks and vulnerabilities of daring their lives. Here are some of their witness accounts:

*a) situation of living in a camp:*

“In case of rain, my wife and I have to stand for the whole night since the rain is dripping in our grass thatched camps. We try to cover the kids with two or three basins which are also not enough. Last time it rained, my wife and I stood with the kids from 4:00am till early morning. I don’t sleep well enough. Yet, I have to wake up early, go searching for food and by the time I come back, I am already worn out” – A male participant in FGD interview, Kijayo camp, 09/08/2019.

*b) women risking their lives walking long distances in search of food:*

“We have to walk for 3 hours or so to that mountain (points to a fading mountain) in search for food. If you bring six (6) fingers of cassava pieces, a lot is eaten while it is still raw. By the time I go for cooking, it is almost done”- A female participant, FGD interview, Kijayo camp, 09/08/2019.

*c) Internally displaced people of Kijayo comparing themselves to be worse off than refugees:*

“For the refugees in Kyangwali, they get medicine, food, a tent, saucepans, and are provided with household utensils. In that camp, they are provided with food and everything. They are being given an education and even have a medical center. For us here, as Ugandans, we have never seen anything from this government. At one time, we got 11 Yellow T-shirts from the NRM government. We are refugees in our own country. The people in Kyangwali are treated nicely than us.”- FGD, Kijayo, 9/08/2019.

All the above examples paint a picture on how hard life is difficult for the people of Kijayo. Kijayo dwellers are the most food insecure and because of land dispossession, they have lost the right to produce their own food. Women risk walking for far places in search of food which does not even

guarantee total sustenance for their households. And while many participants were engaged in doing self-comparisons with refugees, many see the existence of sugar agroextractivism in their villages as political perpetration of ensuring more loss of land, increase in poverty and lives.

## ***2. Domination by violence and the impact it has had on Kijayo's internally displaced people***

The history of sugar is well known to predated with predatory colonialism and establishing the sugar estates with large chunks of land with labourers in it (Mintz, 1985). The existence of Hoima Sugar Limited does not seem to march afar from this legacy. Apart from what rural farmers register as being dispossessed from their home and farmlands, the practice of dispossession and its aftermath goes further than just people losing their own land. One of the things uncovered in this story is that there was use of physical and sexual violence during the time of dispossession (2012-2015) that can be analyzed both in general and gendered spheres.

Physical violence was general because rural farmers were engaged in a form of resistance and protests to protect their land and property against Prince Kimera's alleged claim/theft of their ancestral land, then leasing it to Hoima Sugar Limited machinery (who used Tractors and graders to uproot crops, graves yards, everything) and their use of Ugandan police (shot, killed and bruised people of Kijayo). However the local people attributed their failed resistance to the fact that "one with a walking stick and a machete cannot fight with the one who has a gun" (Interview, 7/08/2019). By Hoima Sugar Limited having the backup of the state through the Ugandan police, the use of violence took another legitimated step in the form of 'authorized investment' (Key Interview, 17/08/2019). That is, 'no body wishes to hand off their land fully. Some pressure was put on people by the government. It is authorized investment because the government told them to put the investment there. The authorized investment challenge is that it drove people out of their land,' -according to a 41-year-old male key informant factory worker (Interview, 17/08/2019).

Domination in the rural countryside of Uganda has often appeared in many forms of agricultural commercialization and neoliberal practices in the name of opening up local markets for the local people (Martiniello, 2019) but where such fails, there has been use of direct deployment of force like in the case of Kijayo. The use of violence as a weapon for domination and engineering change usually among rural farmers of Kijayo is responsible for a dwindling village, once featured with flourishing gardens, livestock, iron-sheet houses to an enclosed space in a sugar estate living in muddy and grass thatched huts in internally displaced camps in active memory of their lost loved ones, their land and barely without any livelihood basic needs.

However, it is important to that the type of violence which was used targeted differently men and women during land evictions within Kijayo. While many men revealed that they were physically beaten, bruised and lost their colleagues to external and internal injuries, the stories of Kijayo women as witnessed by both men and women gives a different story. All the thirty-two (32) participants in the community meeting (women, men, and youth) asserted that ‘since the evictions started, sexual abuse and sexual harassment has rapidly increased for our women and girls. With us men, we were badly beaten and bruised but for our women, they were raped. Being raped provided a slim chance not to be beaten’- (a 40-year-old man, Kijayo camp, Focus Group Discussions, 09/08/2019). This statement does not conclusively mean that women did not face any physically abused under any circumstances. On the contrary, women participants registered factory workers chasing them with tractors and weeding graders as they pass in the sugar fields in the way to search for food; and their husbands (or men in the interviews) were wary of their women going alone in the sugar fields because ‘they will not come back’ alive. It is important to note that since the people of Kijayo are enclosed in the sugar, the only way they can get other distant villages is using the sugar feeder roads which are risky and making them prone to losing their lives. The



elders in the community think that factory drivers engage in drug abuse to maintain the daily labour provision needed with the factory and some members in the focus group speculated to have heard that “the Indian promised them [drivers] that whomsoever leaves a person from Kijayo dead, they will be highly rewarded. It seems that that is their way of development. If it happens, they can shift them over to Masindi where they have other factory.” (Interviews, Kijayo camp, 09/08/2019).

It is also true that cases of death have happened where Kijayo people have been knocked or driven over as they pass over the sugar fields. In such cases, Hoima Sugar Limited contributes whatever it sees fit for the ‘funeral/burial arrangements/services but when we talk of serious compensation, an entire thing has to go to court” (Interviews, 17/08/2019) which more than often it doesn’t. The reason such cases are not taken into court is because people can barely hold a funeral meaning they have no absolute means to take a legal charge and secondly, because of bribery, the local-national legal system is seen by the local as compromised for them to get any fair judgement. Other participants also highlighted that the death of their community members happens because the factory involves some form or practice of human sacrifice. In a focus discussion with (five) 5 participants, they all claimed and gave up to (five) 5 names of their lost loved ones who were run over in nearby sugar fields that, ‘by the time [X] was knocked down, there was no blood coming out. You could not see any blood where he died. You just take your wood [corpse] to bury it. But since there is no burial place, we have to wait two to three (2-3) days seeing your dead person not knowing where to bury them” (Key Interviews, Kijayo camp, 9/08/2019).

The focus of this section in particular was to tease out and clarify the type[s] of domination used against the people of Kijayo, syndicated through the means of violence, one that has recreated the rural strata and altered its structure in disadvantageous ways. In retrospect, by using of law enforcement agency (police) in forcefully evicting local people, portrays the allowance of Hoima

Sugar Limited to legitimately use any criterions of violence (both visible or invisible) within its power and existence and without checks and balances because of its prior informed awareness to the center of power- the Ugandan government. Under this dominance lies the invisibility effect that life in Kijayo camps has been completely altered and hardly can young people (teens and youths) be seen in the area. The chairman of the camps denoted that “not a girl of 13 years can be seen in a camp. They have all gone for early marriage and sometimes they are misused, abused and dumped off by factory workers. They end up coming up here with a starving child who will likely die due to lack of food. Life in this camp, there is very poor or no education and poor shelter” (Key Interview 9/08/2019). Through such responses, this study helps bridge out Manda et al. (2018) concerns that “in critical agrarian studies, the connection between large-scale agricultural investments (LaSAIs) and outgrower schemes is strong, but evidence on which model produces improved livelihood outcomes remain relatively weak. Relatively little research is available on the livelihood implications and outcomes of different models of agricultural commercialisation” (p.119). In such life stories about sugar commercialization in Uganda, we can finally understand why and whose livelihoods in the rural are being carved out and where, amidst the ‘institutional and political processes that influence outcomes’ (Scoones, 2015, p. 12).

### **C. The Reality of Sugar under Contract Farming.**

#### ***1. Reasons for the sugar boom in Hoima, Uganda.***

According to participants interviewed for this research, the sugar boom in Hoima region has apparently been purposely due to easy access of land and favourable climate especially by the sugar industry. For instance, one factory employee put it:

*“The climate is favourable here, we can plant all year around. The soil is also very good and there is no need for irrigation and farmers have redundant land which can be turned into commercial sugarcane production. But I also think that the existence of the factory itself has also influenced the rise of sugar in this place.”* (Key Interview, Kiswaza, 05/08/2019).

For most outgrowers who participated in this study, they also foresaw favorable climate, good fertile virgin soils, ready markets from the sugar factory and desire to get lump some money after cane harvest as the reasons for the sugar boom in their villages. The sugar factory sees and prizes sugar as a pathway for helping to create job opportunities for outgrowers in Hoima by providing ready accessible market for their cane and outgrower extension services although these are met with certain costs charged on the outgrowers after total harvest.

Elaborating more on the lump sum money affect as another reason for the boom, outgrowers claimed that “it is very hard for rural farmers to get such an amount in one single food crop harvest. For this reason, it has been good because some wants who wants to build a house is able to when they get that lump sum amount at once” (Key Interview, 15/08/2019). The lump sum money from the cane has created a ‘bandwagon effect’ among rural outgrowers within these villages where there is an inward competition, to become like their fellow’s smallholders’ in terms of advanced livelihoods. All participants reported that seeing their fellow outgrowers get money and do some livelihood advancement for themselves [building a house, buying a cow or more land], encouraged them to participate in sugar contract farming (Key Interviews, Kiswaza, 13/08/2019).

## ***2. The Nature of sugarcane as a cash crop***

Sugar is a massively tropical crop that survives on massive water consumption and thrives best in high water populated density areas with good climate conditions such as enough sun and rainfall,

and good soils. The villages of Kiswaza, Kikuuba, neighbouring Kijayo and other parts of Muziranduru and Kizirafumbi comprise all the above characteristics.

The company provides a variety of canes to outgrowers upon expression of interest, request and after signing contractual agreements to enter into sugar agribusiness. This is done considering that surveying by the sugar company has been carried out, bulldozers have been sent to plough the land, lines for cane planting been dug and now is the time for the factory to plant the cane.

It should be made clear in this study that outgrowers do not have the choice or opinion to which particular breed of cane is given or planted on their behalf by the factory. This is because:

- i) after contractual agreements, it is expected of outgrowers to allow the sugar company (Hoima Sugar Limited) to use their land as it sees fit for the better of cane production that will generate profits and minimize losses on behalf of both the outgrower and the miller.
- ii) Second, most farmers are ignorant, and nor do they have the technical capacity and the expertise about sugarcane breeding and growing on a large scale for agribusiness purposes.

All the outgrowers interviewed for this research reported that it is the factory that provides the seeds (Interviews, 05/08/2019-17/08/2019). However, they are certain breeds that outgrowers have highlighted to be their best and high yield variety cane crop they prefer. N14 is the best of them which they argue it grows well in water areas and brings best yield results during the rainy season (Interviews, 06/08/2019). One field supervisor who has a diploma in crop production and management categorizes N14 to be the best variety so far, they have in the company because of its better tonnage output when compared to the rest and for being highly tolerant to harsh weather conditions such as drought. The other breed they have is C0945 which has an ordinary color like

normal domesticated sugarcane but is somehow small, hard and light brown (Key Interview, Homecite-Kiswaza, 06/08/2019).

What has been interesting for this research is that all the participants attested that the booming practice of cane farming within Bunyoro sub-region, thrives on virgin lands, with no irrigation is being used nor use of pesticides except very few minor cases such as termites. (Interview 05/08.2019-17/08/2019). This has provided economies of scale to between both Hoima Sugar Limited and the outgrowers to easily enter into a contractual agreement where the company foresees a business venture to tap into this new virgin land, and where both parties especially outgrowers escape the financial paralysis of other additional costs such as water costs for irrigation, pesticides and other inputs like fertilizers. It also somehow explains why contractual agreements between Hoima Sugar Limited and the outgrowers are less complex. In accordance to one cane field supervisor, all what outgrowers need is their land and proof of land title, the local chairman's signature into the contract book and the contract will be sealed (Key Interviews I & II, 04/08/2019). However, it is when it comes with the social relations between the outgrowers and the sugar company that agricultural complexities under contract farming start to emerge (see following sections).

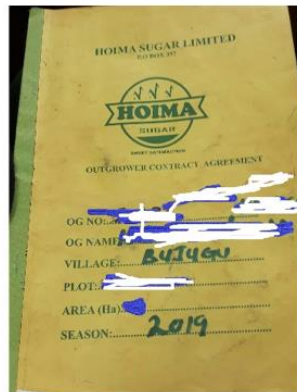
### ***3. Hoima Sugar Limited and Incorporation of rural Outgrowers through contract farming***

With sugarcane contract farming in Hoima region, has come a process of commoditization and development of capitalism in the rural countryside (Harris, 1982). In Harris argument, it is this process of linking up rural household producers with capitalist production in various production chains that is perhaps the most dominant process of change in contemporary agrarian societies (1982, p. 22). The need to commodify rural agricultural production in terms of sugar agribusiness has spurred a social differentiation between the creation of agrarian bourgeoisie from a larger class

of agricultural smallholders or labourers who are caught in contractual relations with the sugar company. Under this section, few key questions come up such as: is the process and nature of contracting farming in place and who benefit or loses from what, how or why? What is the process of labour mobilization and labour relations existent and what does that inform us? What are the opportunities and challenges faced by outgrowers under this contract farming and what has been their copying mechanism? Let's begin with the due process of signing the contract and examining the nature the contract itself.

#### 4. *Signing the Contract Yellow Book*

The Yellow  
covered  
Contract Book



*Figure 8: Hoima Sugar Ltd contract book*

Rural farmers who wish to enter into any contractual agreement must sign a yellow covered book of which it includes the outgrowers given identification number, their name, village, plot, surveyed area for cane plantation (in hectares) and the season. Farmers must have atleast two to three acres of land to enter into such contractual agreement and a proper land title. The yellow cover paged contractual book has the obligations and rights of a miller as well the outgrowers. One of the problems that the contract manifests is the use of English which is not widely spoken by the

majority of outgrowers whom their local language is Runyoro-Rutoro. It also uses symbolical masculine representation where usage of words such as ‘his land’ and ‘his sole discretion’ (the miller) are used. The contract signed obligates the farmers to get engaged in commercial enterprise with the miller and often times, there shows lack of flexibility for outgrowers to take individual decisions without the miller ever getting involved. For instance, in Article 4: termination of the contract, it is written that: “should either party wish to terminate the contract in respect of the land, or a particular field, they may do so after the sugarcane is harvested: provided that a minimum of three months’ notice has been given, and that within such period of notice, the farmer shall repay in full any loans or advances received by him from the miller or for which the miller may have stood as guarantor” (Article 4, 4:1 of the contract). Although this research found out that there were as of current outgrowers in debt (the miller is in its starting phase and many rural people are starting to join in), the section of ‘termination of the contract’ (just like other sections) promotes the exoneration of Hoima Sugar Limited from any loss to be incurred at the minimal cost by shifting the greater blame unto the outgrowers for likeable circumstances.

The contractual agreement is quite levelled in a plain field where both the miller and rural sugar outgrower have unequal power relations. For instance, for ‘if the contract is terminated for whatever reason, the miller may eradicate the crop to prevent the spread of cane pests, diseases, by the use of cultivation or herbicide or any other method and deduct the cost of the eradication operation from the balance of any money owed to the farmer by the miller’ (Article 4, subsection 4:7). Also, in the case an outgrowers cane being damaged by fire, pests or disease, the contract gives as choice to the miller ‘not to be bound’ to buy such cane (Article 5, subsection 5:7) or ‘at the farmers expense’ remove any unwanted cane at the buying station (see clause 5.9). In addition, the miller has absolute right per the contract to enter the contracted outgrowers land and ‘carry out

all and any such agricultural operations on the land with the intention of ensuring the production of sufficient sugarcane' but with costs borne by the miller deferred to the outgrower (see article clause 5:10) and not to sell any cane to any other third party other than the miller (see Article 6, subsections 6:3 and 6:4)). Certainly, such kind of restrictions in sugarcane contract farming, reminds us research done in Malawi where cases occur, has erupted 'lack of negotiation and flexibility' that has led to 'unequal power relations among contractual actors often disadvantageous for the smallholders' (Adams et al., 2019, p. 1436).

##### ***5. Finding out outgrowers role in sugar agribusiness decision making process***

There is an assumption that with contract farming, comes more smallholders' autonomy to take part in local agricultural decision-making processes since they assume some sort of power and are agents in same production chain. Contract farming has been seen as way to bridge the gap of gender anomalies that exist in agriculture by bringing up or as a women's empowerment arena (see Rocca 2016). This study tried to delve deeper into how and to what extent are local outgrowers involved in sugarcane production process by Hoima Sugar Limited both at a community and sub-units of production level. What collectively emerges from all the outgrowers is that there are no communal meetings which have been ever held by the sugar company to discuss their grievances as it usually happens in traditional community meetings. One community leader reported that "what happens is that an outgrower talks with the supervisor and where the chairman is needed to sign, he signs. The cane is usually on a loan and after the harvest, the farmer is expected to pay back" (Key Interview, 15/08/2019).

Factory employees see communal meetings as bureaucratic while the outgrowers visualize this as sidelining, a way for the factory to unconsciously delimit them from mobilizing and asking pertinent questions collectively that are funneled through their individual supervisors (Ibid). Most



outgrowers expressed concerns that there is lack of care and ease of communication between the factory higher authorities and the outgrowers. With an increasing number of outgrowers, outgrower's service are also becoming hard to access especially for the poor ones. This is also a common story among many women who might have to spend the whole Tuesday and Friday afternoon and evenings waiting in the que to ask for a loan from the 'Indian'<sup>42</sup> bosses. One female outgrower from Kikuuba A put it this way;

*“We are many outgrowers now which creates lot of queuing and yet the service is very limited. If they could do per village service days, say those who come from Kabwoya, Kizirafumbi, and others, to come on this day and this day, this would ease the situation. But all of us are going there on the same day and usually end up without money, and yet we spend more money to going there”* (Key Interview, Kikuuba A, 13/08/2019).



*Figure 9: Outgrowers lining up the Outgrowers' office at Homecite- Kiswaza*

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<sup>42</sup> The use of the word Indian is as reflected not in terms of racial slurs but in power dynamics and social differentiation denoting the presence of Indian investment capital at play.

Another male outgrower that the researcher met in third day of fieldwork was also complaining that the ‘factory does not give them enough service and the care is also very untimely. This is because the supervisors allocated don’t have enough time to manage the big estates of sugar fields and then prioritize outgrowers concerns’ (Key Interview, 05/08/2019). Others were complaining that their personal needs are not heard or taken into consideration especially by the big authorities within the sugar factory.

The assumption that contract farming leads to incorporation of farmers is overrated since the type of relations that are formed transmute into commercial relations. At most, Hoima Sugar Limited is concerned with the increase in the capacity of sugar produced and if it is meeting its daily target needs with expectations of producing 1500 tonnes per day despite constantly falling between 700 to 800 tonnes a day -according to one factory Manager (Key Informant Interview, Kiswaza, 14/08/2019). In the manager’s argument, the overall capacity produced by outgrowers and the factory is still not enough hence are either looking for more outgrowers to join or more land to add to the sugar estate as they the miller expands (ibid). In terms of signing the contract which is the initial process for outgrowers to get engaged into cane, the manager reported that ‘we offer monitoring’ and in case of signing a contract, the outgrowers, ‘everything, understand’ (Interview 14/08/2019). This is quite contrary to what most outgrowers were saying mostly when it came to the interest charged on loans which many argue that there is lack of general understanding about the concept of loans itself. Many outgrowers complained being surcharged a certain percentage of interest from their accounted loans in ways they have no idea nor understood it. Hoima Sugar Limited in its original contract lacks to explain how the accrued interests are overall surcharged by Kenyan Commercial Bank (KCB). In another case, Hoima Sugar Limited acts as the actual lender of loans (on behalf of KCB) withholding the fact that interests charged rotate on commercial

loan banking system that makes outgrowers being susceptible to high interest rates charges. In here, the factory engages in commercial monetization whereby it masks the absence of KCB as a commercial bank yet in cases of outgrowers failure to pay, assumes the right to property which in this case is land, the only medium used to enter into contractual agreement.

The whole problem with contract farming according to one 46 aged male participant, ‘is unto whom it is done and who is involved.’ That is, ‘most people are not educated, the terms favor the sugar company and people are still weak [in mobilization and financially] to challenge them’ (Key Interview, 06/08/2019). Other participants for this study like women were open to admit that although signing a contract is for free (no money is asked) and only involves getting the chairman’s stamp as verification, the company does not often tell them what it is they are signing (Interviews 13/08/2019).

#### **6. *Opportunities and benefits presented by the existence of Hoima Sugar Ltd.***

Sugar contract farming through outgrower schemes has been argued to be ‘the most inclusive institutional organizational arrangement with fewer implications on local institutions’ and conclusively, ‘leads to mutual gains, such as risk sharing, increased income, and reduced transaction costs to parties’ (Adams et al., 2019, p. 1437). Out of such arguments, this is why it is becoming increasingly popular as both a development and business model approach, one that has been overtime advanced by new neoliberal institutions such as the World Bank and others. This section recounts that not all experiences by cane outgrowers have been all bad. Some participants asserted that the very existence of sugar industry has provided opportunities for the local people that has led to change in their socioeconomic livelihoods, for the better. The term better livelihoods is used as conceptual measure for their *development* as reiterated for this research. Asking the question, what does development mean to them (?), all participants accrued it to aspects that lead

to an improvement in individual and familial livelihoods rather than accumulation in capital relations as often presented when capitalist transformations happen in the agrarian societies (Bernstein 2010). Asking the chairman of Muziranduru to ‘what rural people consider as development?’ he saw it in light of: ‘building a better house with iron sheets, buying a boda-boda [motorcycle] that can be used for transport purposes, buying more land, goats or having livestock, and some prefer to go into small scale business like a shop due to the presence of the factory’ (Interview, 15/08/2019). However, the chairman warned that land value has increased due to the coming and existence of the sugar factory (ibid). In another dimension, outgrowers also attest to the fact that due to the presence of sugar factory, sugarcane growing as a cash crop still ranks as the best source of income, which has improved people’s standards of living in terms of income and assured markets for their produced cane (Interview, 06/08/2019).

Also, factory employees (both in higher management and those work in the cane fields) attested the existence of the sugar factory has transformed the rural life for the better. Due to its continued existence, they see sugar factory to have brought: infrastructure development through construction of feeder roads, establishing new classrooms and a toilet for Kiswaza Primary school, provision of loans and outgrower extension services (like bush clearing, planting, providing seeds, weeding, harvesting, among others). The factory is also prized for convincing KCB to open up banking services in the Kiswaza village, -the only said to be only bank in new Kikuube district (Interview, 05/08/2019, also see figure below). These banking services and an ATM machine are located in at the factory’s outgrowers offices (called Home cite). This is a place where rural cane outgrowers congregate every Tuesday and Friday from 2:00pm to 7:00pm to update their payment status information, seek loans and other cash related services. Oh the otherhand, some outgrowers reflected some of the challenges they face such as poverty has made it liable for the very

continuous existence of the factory itself. That is, ‘since they don’t have the necessary means or tools for sugarcane growing/production, it is where the factory comes in to offer help but on credit’ (Interview, 05/08/2019). Factory employees argue that this has led to ‘rural urbanization’, a comparison to mean that the rural is now similarly emulating the characteristics of the urban.



*Figure 10: KCB- The Bank Hoima Sugar Ltd uses for all its outgrower monetary related issues*

## **D. Labour relations**

### ***1. Within the factory and under what working conditions?***

There are two different kinds of labour relations in terms of labour provision that exists within the sugar factory. One kind is directly employed by the factory while the other majority is greatly contracted. The contracted labour according to the Human Resource office goes beyond 1000 workers while the direct employees are close to 400 workers (Key Interview, Hoima Sugar Ltd, 14/08/2019). The modality of labour recruitment of by the factory according to the Human

resource office goes through different ways. In most cases, when there is a vacant position, the head of the department sends a memo of which the Human Resource office runs an internal call for job advertisement (direct sourcing). In other instances, sourcing recommendations from sister company Kinyara Sugar or through contractors, is used. It is in cases of seeking higher qualified positions that the office prefers to run an external advert either on local radio or local newspapers. In such instances, it explains why the chain link of employment that exists operates under the pretext of one's connections inside the miller. This study discovered that some of the employees got a job inside the factory because they have a friend, relative or parent working there and for manual labourers, they usually come from sister company Kinyara Sugar works are either referrals or migrant labour (Interview, 15/08/2019). This research proved familial relations to exist in a parent securing a job for their child in the company and also by use of friendship kin connections. As one company worker put it, "they don't base on papers here but on experience. for example, we have a foreman who has 10 years' experience and has a certificate' (30-year-old male worker, Key Interview, Kiswaza, 14/08/2019). In some other instances, according to one supervisor from Ogam contractors asserted that since "many people come looking for a job, all you need to have is a national ID. There are no such background checks except one's strength" and in other instances 'when the company is directly recruiting, it uses contractors for its labour. If your boss recommends you, you go to the company' (Key Interview, Kiswaza, 15/08/2019). This study was able to ascertain on the same date (15/08/2019) where opposite the factory, under the trees, one could observe the young men, some in their teens and early twenties lining up to get food which is served from around midday till evening around 6:00pm by contracted women cooks who bring the ready food in big saucepans at this station. The food which was being served (usually) is beans

and posho (mingled maize flour) and the longer times for such lunch hours is due lunch shifts for such massive labour the factory assumes under contract labour provision.

The differences that exist between contracted labour and factory labour lies within differentials in payment, exercise of work hours, and job security exercised at a workplace. Whereas factory workers interviewed argue that their pay is timely, the contracted workers vary in argument. The factory workers get a salary range of '350,000shs to 400,000shs and can go up to 800000shs depending on the salary grade. For the contracted labor, pay is 6000shs per day totaling up to 180,000shs per month, depending also how they negotiate with their contractors' (Key Interviews, Hoima Sugar Ltd, 14/08/2019). Although some direct employees attested that their working conditions could be said to be improving for the better, the extraction of surplus labour is maintained under the arm of contract farming where too much labour exploitation occurs within the overall sugar production works. This is summed by one participant who reported that:

*'by the time we started, we were not given transport but now it is being provided. We used to work in so muddy places but now it has improved, they have built new structures. The pay is also moderate when compared to my previous job. My monthly gross pay is 450,000shs but with allowances, I get around 550,000shs. This includes medication and others.'*- (Key Interview IV, 14/08/2019).

Generally from the above statement, we still realize that employee's basic workers' rights and workplace security, are still lacking. For instance, one electrician reported that there is lack of safety issues where he is provided with an oval and helmet only and no gloves yet he is expected to fix electricity issues (Interview, 14/08/2019). Some other participants in the study reported that although those who are directly employed by the factory get only daily transport service as the only free benefit being provided, the factory does not cater for accommodation benefits nor does the company have a hospital (ibid). Accommodation costs have spiked in Kiswaza due to the presence of the factory and a simple single room rent can as reported by factory workers to be

around 55000shs for a month for a room that has electricity and usually 35000shs to 40000shs per month on boys' quarters. A common thread that runs along both contracted labour and those who are directly employed by HSL is that in case of falling sick, that falls under personal costs. All participants (whether as working for the factory or contracted) agreed that the medical coverage that is provided is only 'when a worker incurs a physical injury or accident in the boundaries of the workplace, there the company is obliged to treat them' (male workers, Interviews, 14/08/2019).

Narrowing it down to the contracted labour, this study interviewed mostly workers from Ogam and Sons Engineering Company since they are the majority and largest contracted labour of more than 200 people within the factory. The owner is a Kenyan contractor that goes by the name of Ogam Steven and the company is managed according to the casual cane labourers, by his relatives, commonly known as the 'Ogams' (Interview, 14/08/2019). This study failed to secure an interview with him because of his busy schedules, split between managing the sugar company and managing his personal property. Ogam is said to own night bar in Kiswaza centre where local dwellers and factory workers can enjoy the mini-city night life in a local village center after a hard days work.

Other contractors that exist include Ongom Mike Contractors who is said to have an average of 100 workers and is a Langi, and DASS Engineering Company with an average of 50 workers with the owner said to be 'Baganda' (Interview, 14/08/2019). The reason ethnic markers come along as a form of social labour differentiation is not to argue that provision of certain types of labour within the cane fields ethnically aroused (although it is a great factor) but rather to allow us to understand how labour is organized, recruited and trace its origin. More than often, these contracted companies operate as family entities relying on familial and kinship relations with labour often organized on similarities in tribal, language and regional connections. And so, can be said as well of the sugar company itself of canvassing less skilled cheap Indian labour, got from India to come and work as



supervisors and close confidants of the factory, reflective of protecting the Indian capital investment. This migration of Indian labour continues today and is also colonially historical, started by Lord Salisbury in 1875, secretary of Indian state then, ‘making arrangements with the government of Ugandan Protectorate where emigration of Indians was encouraged to serve the imperial designs of Britain’ (Kumar, 2006-07, p. 936). On the other hand, these contracted companies also operate independently for the company meaning they solicit and provide daily labour for the miller hence exonerating Hoima Sugar Limited to be directly involved in daily workers grievances nor risk being sent to court. Among the outstanding challenge and grievance that workers complain about includes late payment of salaries. One company worker, a male in his 30’s reiterated that with Ogam workers;

*‘The payment of salary is not regular. They sometimes don’t even have specific days. For the company, every 5<sup>th</sup> of every month, we get paid compared to those who work under contractors. Their payment is less and they also have specific groups where most people earn an average of 150,000shs per month’* (Key Interview IV, 14/08/2019).

To confirm this statement, one of the supervisors from Ogam contractors, with a wry sorrowful face said that, “the payment is not usually in time. Last month it was around the 23<sup>rd</sup> (July 2019). By the time they get their money, people [workers] were already mad, very pissed and didn’t want to work” (Key Interview V, 14/08/2019). What is also interesting is that only is the salary low in accordance with the increasing high standards of living conditions of Kiswaza, an iconized as a mushrooming city in the village but also strategies such as money advances availed by the contractors to the workers keep them in work bondage of less or no savings and constant expenditure. This could be one of containing the available cheap labour although it is reported that many workers leave the company much as there are many that come in due to youth unemployment and no background checks except a national Identity card or one’s proof of citizenship (ibid). In

one interview, the researcher, the participant and the guest in the participants house had this conversation about salary advance:

**The researcher:** *How do you workers get advance, what is the process like?*

**The participant:** *You go to your boss and he deducts from your monthly salary*

**The researcher:** *Do many workers go for it?*

**The Participant:** *Yes, I think all of them*

**The researcher:** *Say you have a problem and you want more money than your monthly salary from your boss, can you get it?*

**The participant:** *it might depend but it's very, very hard*

**The witness:** *Just so you know, the boss cannot give you an advance that allows him to demand you, it's always the reverse...*

**The participant** (joining in agreement): *...yes, you rather get from other people at least. By the time we are paid, most people already have debts and the money simply goes to clearing all those debts. (Interview V, 14/08/2019).*

Compared to contractors, miller also has its own advance days for its direct employees which is 20<sup>th</sup> of every month and actual payment is the 5<sup>th</sup> of every month. The direct employees here means workers who passed through the probation test of 2 years as unofficially unregistered workers and are then undersigned for a contract for another 2 years [regarding they have proven their worth] and then, registered with NSSF by the company. For company employees, if you earn less than 300,000shs, a worker gets an advance of 60,000shs and if you earn more than 300,000shs, you are given an advance of 100,000shs. All advances are a MUST (Interview IV, 14/08/2019). However, similar situations were found between both factory and contracted workers that given workers living conditions, they usually in need of money and advances are a way to cope with enormous expenditures they incur on a daily cost.

The differentiation amongst Ogam contracted labour is particularly split between those who work in a factory in a regular shift between 8:00am to 5:00pm and others who may work irregular hours. For instance, “for those who are offloading, they may be caught there and have to wait till offloading is done” but “there is no overtime salary” (Interview V, 14/08/2019) given in

considerate to those overworked hours. Also, the contracted labour works seven days a week, work under pressure, for 12 hours or more. One participant who works in the factory gave an account that his peers “go from 7:00am and return at 8:00pm and do not have a specific time for work, and work from Monday to Monday. They don’t even have time to wash their clothes. If you miss, you miss on your salary” (Interview IV, 14/08/2019). But this happens to this category of labour because “most of them are illiterates and have not gone to school. The men do hard work and the ladies go sweeping” (ibid).

Other contractors that the researcher had a chance to interview for this study includes Oscar and Sons (Ltd), from Kampala, employees 50 workers who are contracted as cleaners for the company. His contract was ending at the end of August, 2019 with speculations of renewal, by the time of this study. According to owner of this contractual firm, he asserted that they face a problem of ‘late payment’ too, ‘which brings problems between the workers and him, as a contractor.’ (Key interview II, 15/08/2019). The cleaners who work in the factory are paid 6000shs- 10,000shs according to their pay grade. Other interviews to understand the functionality of labour in the sugar industry includes random interviews with cane cutters whom the researcher had a chance to meet in the cane fields of which, two young men with machetes, eating sugarcane, seated near the cane feeder roads resting while others were loading and cutting more cane, informed us for this interview that they are labour migrants from Kinyara Sugar works and have spent 5 years into the cutting cane business. These cane cutters reported that their payment [for cane cutters] was prompt and was paid on a daily of which to cut or load the cane lorries, they are paid 10000shs per day but recounted that given one’s manpower and energy, some people make more money than that (random interviews with cane cutters, 15/08/2019).

## ***2. Between cane laborer's and outgrowers: negotiating the terms of labour provision***

As seen above, there exists an enormous late and irregular payment by the sugar factory which is not only in contracted labour but also on how sugarcane outgrower loans are passed on to smallholders. Majority of the respondents in this study expressed anxiety of contracting manual labour for their cane field activities such as weeding when they don't have the money to directly pay as that potentially is increasingly leading to social conflict between the labourers and outgrowers. From the observed conversations with outgrowers and interviews done for this research, many expressed an increase in social tension between outgrowers and the labour they hire to do the weeding. For instance, telling his fellow outgrowers, one male respondent complained that his colleague came over five (5) times to the outgrowers office to secure the loan to pay for the contracted labour for cane weeding and has not been ignored. When he went back home without his money, they both got into a terrible fight (Participant observation, 06/08/2019).

It is also imperative to discuss how both the female and male outgrowers hire labour and different negotiation tactics women use as a coping mechanism under this section. Though this study did not categorically find the self-exploitation of labour that happens within peasant families when agrarian traditional societies turn into capitalistic ventures (Bernstein 2012), there was some trace of it of where few male respondents expressed using family labour (wives and children) to do the weeding in case of late payment or inadequate funds from the loan (Interview II, 03/08/2019). However, this has not excessively happened because of two reasons. First, the contractual nature of extensive services provided by the sugar company by its argument that rural outgrowers lack both technical (in terms of equipment) and monetary (money) inputs (Key Interviews with factory managers, 05/08/2019 & 14/08/2019) has provided lesser chances for them to self-exploit labour, but rather invest it in production of food crops for the household. Second and related to the first

point; sugar agribusiness is in its new stages within the surrounding villages of Kiswaza, Kikuuba, Bujungu, Kijayo, Kizirafumbi and other areas hence there less tensions existing between the factory and outgrowers in the struggles and control of agents of production like land and water. Hoima Sugar Limited has been officially been operational for 4 years meaning it's in its 4<sup>th</sup> season of sugar production. Also, given its history with Kijayo case of allegedly displacing people, the company's existence by involving in local outgrowers through its contract farming scheme, had to be done harmoniously to entice rural farmers who had land to join. As reflected from the interviews, at first the company used to explain contractual agreements and do outgrower sensitization to first joiner but of recent since there has been a spike in number to around 1800 growers (Key Interview, Homecite, 14/08/2019), such services are no longer offered and there has been deceleration in the services provided (Interviews, 05/08/2019-17/08/2019).

### ***3. Problems faced by women in negotiating labour provision for their cane fields.***

Women as witnessed and interviewed under this study have shown forms of protest by learning to negotiate differently with different sugar factory managers, officers, field supervisors and their hired labour. First of all, it is worthy to note that there are few women outgrowers as generally is the case since sugar agribusiness is high a masculine enclave with conditions that favour more the male outgrowers (Vera, 2016; Adams et al., 2019). For instance, men generally are the owners of land following the heteronormative patriarchal society Uganda follows (Focus Group Discussion, 05.08.2019 and Key Interviews with women outgrowers, 13/08/2019). Issues of late payment and lack of timely services are not calibrated in gender affect terms by the factory who in terms of one factory worker, 'does not discriminate against any gender' (Key Interview 05/08/2019 and 14/08/2019). From a gender perspective, sugar agribusiness as analyzed in this field study, operationalized by Hoima Sugar Limited does not necessarily care about what gender (woman,

man, or other) is producing the cane to meet the daily tonnage needs for the mill as long as the contracted individual fulfills the contractual requirements which is proof of a land title. That being said, the women who participated in this study were either widowed (Interviews 13/08/2019) -the majority - or, access land from their husbands – the few (Interviews, 05/08/2019-06/08/2019).

Upon encountering challenges in late payment and not getting loan services as quicker as possible, some women were thinking in new forms of protest as their negotiating tactics. Women do not get quicker services as analyzed in this study because they are among the poor outgrowers, are most likely to be taken advantage of by corrupt field supervisors and in a space of over 200 males, are unfamiliar with the tactics and foreplay involved in loan seeking services which is highly competitive as can be witnessed every Tuesday and Friday of every week. Women outgrowers mostly come and queue at the outgrower offices while their fellow male counterparts jump the queues making the office crowded and by the time women get the service, its either late evening or the money for the loans is almost over. Women were also likely to take a negative answer as a ‘yes’ in their loan seeking behaviour by either being told to wait or come back the next Tuesday of the next week. In one discussion, a female outgrower is said to have staged a protest at the outgrowers office [Home cite] coming nearly to a week when a field supervisor kept demanding her of a bribery lest she would not a loan service for weeding her cane. (Participant observations, 06/08/2019). Other women reflected the use of honesty while hiring the labour to weed their cane fields. For instance, one woman, as she was moving away empty handed after failing to secure a loan for hired labour who weeded her cane, she reclaimed to her peers that: ‘my workers know they haven’t given me money yet. God helped me! But I am running out of words’ (ibid). In one random interview at around 5:00pm, one new female outgrower in her late 40’s, sat on a tree trunk outside the outgrowers office had this to say:

*“I came here to get money to weed my cane but my supervisor tells me I have to wait. Wait till when? I got same issues planting and now the cane needs weeding, for how long will I wait?”*

**Researcher:** *Do you know when the decision will be made?*

**Female outgrower:** *he told me my things [paperwork] are not ready. I can't go back now and ask him again. I am going to wait until he comes to my garden and I will abuse him. I will tell him that had I known this was the situation I would not have planted the cane; I would have left my land for being my other agricultural needs or rent it to those who plant beans. And the worst thing is that they don't accept beans, if this is how it is, how can we survive? I am even wasting my transport coming every week. (Random interview, Homecite, 06/08/2019).*

This problem coincides with another female outgrower who reports that “if you don't have money, you cannot plant sugarcane. You almost must have more than 100,000shs and constantly selling chicken as a backup to pay for bribes’ (Key Interview, 13/08/2019). Women are affected more into the system of cane production and again, it is women who do not usually have saved incomes to hire instant labour nor have time like men to go in nearby centers and sugar fields to look for them. Another female outgrower said that: “for us women, we put in workers. You go and they loan you money on interest. If you are needy, you don't go there. With loans, you don't get any problem, the service is quick because it's a loan”- (Female Outgrower key Interview, Interview 13/08/2019). What this statement raises however, is the ambivalence found in majority loan seeking outgrowers, of which the majority complain for failure to timely get loans especially for weeding and some few who ably get them in time at certain times.

Finally, it is worthy to note that the presence of the sugar factory has attracted many migrant labour on top of the local labour to migrate to the nearby factory centre of Kiswaza. Outgrowers engaged in sugarcane growing argue that sometimes the loaned money for sourcing labour to do the weeding is less compared to the market rates being charged by independent contracted laborer and are forced to add on their own money to match the rates. In fact, most outgrowers argued that they cannot entirely depend on money provided by the sugar factory of which one outgrower gave an example that with his 2.4 hectares of land, he is given around 320,000Uganda shillings but if he

has to account for labour, he goes to around 600,000shs being used hence he has to double the money provided (Interview, 06/08/2019).

#### ***4. Tracing any forms of Outgrowers mass mobilization***

There are no forms of any collective farmer's mobilization by outgrowers within Muziranduru and Kizirafumbi sub-counties. Asking how outgrowers mobilize and air out their concerns, all participants said they did not belong to any form of sugar outgrower group or association though they speculated that they had heard from their peers of some sort of outgrowers mobilization happening. One farmer put it that 'every farmer is on their own' while others saw starting up one as important since they don't have any powers over the sugar factory, yet their grievances have been increasing especially late payment issues (Key Interview, Kikuuba, 05/08/2019). Other farmers saw that the lesser need for mobilization has been due to the fact that each farmer deals differently and directly with the agricultural department office for outgrowers while others were hesitant because they heard it was being led by rich outgrowers who are favoured by the sugar factory, given prompt services, more care and attention when compared to the medium or poor outgrowers because their well connectedness with the company (Interview, 05/08/2019). There were witness accounts by the researcher where by rich outgrowers who came by private or company cars would get prompt services amidst the long que of outgrowers who came by foot or *boda-boda* and ended up spending the entire afternoon or evening waiting to be served or sometimes left without even getting the required service.



## **E. Other Key Outgrower challenges registered under this study**

### ***1. Food insecurity***

This study is very focal on also understanding if a change in livelihoods within the Hoima region has posed any food security risks in the affected villages where sugarcane production is existent. From the interviews conducted, all respondents unanimously answered that food insecurity in terms of hunger has not been experienced as of yet but was speculated as an emergent phenomenon that might happen soon (Interviews 05/08/2019-17/08/2019). Although outgrowers expressed concern on how it might emerge, there was relativity on how it is slowly taking phase. One 46-year male outgrower expressed that ‘sugar agribusiness has led to sugar substitution for food crop.’ And that although ‘hunger has not been experienced yet, it is coming in 2 years’ time because other farmers are also busy planting other cash crops like pineapples and ground nuts. People see this as a better source of income and can speculate its expected sale price’ (Key Interview 08/06/2019).

By nature and order of sugar estates, the cane fields are massive heavily mono cropped vast lands of cane standing tall over huge acres of land. Amidst speculations of hunger and lack of better loan services by the sugar company, some observed outgrowers were starting to contemplate whether they should perhaps start illegally intercropping in the cane fields with although ‘the Indian hates them.’ Other participants pointed out one faith leader (a pastor) and one rich lady (X) have done otherwise and have registered great yields from such an arbitrary nature. They however all agreed that such outgrowers those are influential people and are respected by ‘the Indians’ to be penalized (Observed participants, 06/08/2019). This itself unmask the differential treatment that is existent between the rich influential outgrowers to the poor ones.

Other cases of hunger alarm revolve around the scarcity of labour by outgrowers to specialize in both food crop and sugarcane production. It hard for outgrowers who, are smallholders to divide their labour provision between cane production and food crops equally. As one female outgrower put it, ‘we don’t have enough power to divide enough labour between the cane and for food. I planted like 20 yards where I put beans” (Key Interview I, 13/08/2019). One male observed participant expressed that: “If we are not careful, this cane will bring us problems. Hunger will strike us...if one had planted maize or millet, it would have yielded this season.” (Observed participants, 06/08/2019). Basically, with the mushrooming sugarcane fields, lies a presentable outcome where the scarcity of food is slightly on an increase and some outgrowers have reported that the habit of stealing food crops is beginning to develop. One youth participant, aged 27 and participates in cane growing with his mother reported that:

*“People have started stealing food around. You cannot be sure that you will be depending on your cassava garden alone. The government tried to look to look into this but it seemed to have failed, to where, I don’t know. If you had to plant cane, they say you had to agree with the local government at district level, but I don’t know where it ended.” (Key Interview II, Kikuuba 13/08/2019)*

Asking what the current relationship between the company and local farmers in this place is, the chairman of Muziranduru reported that ‘the company doesn’t have any problem with the dwellers except those who were chased’ (Key Interview, Kiswaza, 15/08/2019). The social relations as created by sugar have teased out new dynamic relations within the Bunyoro subregion into social subdivisions of class differentiation among peasants/outgrowers and among villages themselves. In all the interviews done, there was agreement amongst outgrowers themselves being complicit in the money rush from cane agribusiness due to the bandwagon effect of wanting to develop like their fellow peasants thus speculating to be allowing the ‘bad side’ effect of sugar which is food insecurity to take place in the nearest future. For instance, ‘there has been some increase in

speculation of hunger' saying it with 'affect more rural farmers with less income because they substitute 2-3 months of beans with sugarcane for almost 2 years" (Interview 15/08/2019). Hunger was not the only effect these outgrowers were worried about but what follows it, which is theft; stealing food and animals (ibid). Among the women headed household outgrowers, they saw food insecurity to be currently caused by lack of sufficient labour to be divided between sugarcane plantations and planting food crops. That is, 'If we had enough manpower, we would plant food but one cannot do both at the same time due to shortage of labour" (60 year old outgrower lady, Interview 13/08/2019).

Food insecurity also brings out the question of division of labour and who provides it among the rural cane outgrowers of Muziranduru and other neighboring villages. Asking who provides labour, many outgrowers said they contract *abalulu* (people who come from Northern Uganda especially Arua, Gulu and the like) and some few local people who usually do the weeding. During the time this study was done, most outgrowers were complaining that they were scarce since it was a planting season for food crops.

Food insecurity was also related outgrowers recklessness, according to some participants. One female participant argued that 'money from the cane can easily be spent. If you don't leave some land for food, you will easily get hunger. I have to plant cane but leave some for food production' (Key Interview, Kikuuba, 13/08/2019).

## ***2. The Weighing dilemma- a treatise of cheating?***

Weighing has been the biggest challenge and or problem almost all outgrowers complained about. Some associated to be cheated because they have low levels of education and others complained that the factory is far and hard to access since final weighing is done at the factory and not in the sugar fields. Farmers opined that: 'they don't tell us the money out of what has been weighed. It

is when you check on your account that they tell you that they put this amount of money. Me, who doesn't know how to read, it is hard to understand how that money came to be summed up' – (female outgrower, Key Interview, 13/08/2019).

Other outgrowers said that the weighing problem has a malpractice of cheating the local outgrowers. One outgrower lady in her early 40's concluded that 'if its estimated to be 30 tonnes, they tell us it is 15 or 10 tonnes, they normally cheat us' (Interview 13/08/2019). The malpractices in weighing problem could also be accrued to be supplementary to lack or less documentation transparency provided by the factory to outgrowers. There has been a complaint about Hoima Sugar Limited being less complaint to provide receipts in some circumstances to outgrowers upon provision of service or activity. One outgrower put it that 'they don't give us a receipt after weighing. The one who is wise tells them to photocopy it and keeps a copy. In the beginning they used to give us one copy but now they don't. if you don't have your own copy for evidence, they cheat you' (Key Interview, Kikuuba, 13/09/2019).

There is no response communicated time to the outgrowers to do the weighing and it can happen any time of any day in the absence of farmers. The problem of weighing starts from the cane fields right at the time of harvest. Outgrowers explained that after cane cutting and filling the lorries/trucks that carry it to the factory, an outgrower is supposed to be given a ticket showing their identification and truck number which is later to be used for tonnage count and payment claims. Outgrowers complained about the irregularities accrued from the difference in tonnages counted from the same truck where one argued that 'the same lorry can be calculated to have 10, another 7 or 15 or 20 from different delivered counts of cane to the factory' (Interview 06/08/2019).

### 3. *Late Payment issues:*

*“There is late payment and it is a big problem. I cut my cane on 23<sup>rd</sup> of June, 2019, they took it next day on 24 and we tallied on 26 (same month). They have not paid me my money till now. I have tried pleading at school and right now my children have not done exams.”* – female outgrower from Kikuuba A, Interview 13/08/2019.

Late payment issues can be attributed to the fact that there is a presence of one factory for every outgrower. Monopsony, a practice used by the factory to engages all its outgrowers posing as one buyer for all the sugarcane, while ultimately restricting all contracted outgrowers never to sell their cane to any other sugar miller as bound by the contract (Interview 05/08/2019), has left a lesser room for farmers to negotiate terms of price fixing, services needed and their outgrowers’ self-autonomy in sugar agribusiness. Late payment issues could also be argued to exist because the chosen bank (Kenyan Commercial Bank- KCB) of usage as per one outgrower, ‘is very restrictive and outgrowers are not allowed to use their primary banks like Centenary Bank where they have their individual accounts for sugar transactions’ (Interview, 05/08/2019). Sugar outgrowers are forced to open up new bank accounts which seen to be bureaucratic. Others saw late payment issues as caused by ‘lack of communication where outgrowers needs are not heard or taken into consideration by big authorities within the sugar factory; [saying] they don’t listen to us’ (ibid). Smallholder outgrowers are forced to source for other mechanisms of survival when late payment issues strike. For example, asking one male outgrower how long late payment usually lasts, he replied that “sometimes one can wait for 3 months. It can even go up to 5-6 months’ (Key Interview, 08/08/2019). Asking how he survives during those months, he replied, ‘I am a *boda-boda* driver, I have been for 6 years...that is where I get my additional income. Before this, I used to have cows, I sold cows to enter into the business, but I have overall lived my life as a farmer’ (ibid). This portrays that farmers who solely rely on sugar agribusiness may force greater

challenges of income and food insecurity if they don't have alternative sources of income in case there is over delay in payments.

However, the greater effect that accrues from late payment is that it traps outgrowers to seek more loan services from the sugar company. For instance, certain outgrowers manifested that late payment creates a loan service seeking behavior and dependency on the factory. In one informal group discussion and gathering on Tuesday afternoon (of 06.08.2019) when farmers had come to file their pay information and others, to ask for loans, a group of three males and two women got into a heated conversation as expressed below.

***One male observed outgrower:*** *So you have gone home with nothing?*

***Female observed outgrower:*** *I have to go home with nothing. What can do? Should I force my hand into their pockets?*

***Other male observed outgrower:*** *Tell us, what happened? What did they tell you?*

***Female observed outgrower:*** *They have told me to come back on Friday [of 9.08.2019] or next week. I feel very angry right now. They cut my cane in March [2019] but I have not been paid. I don't want to get a loan from them. I want my money do the weeding but here I am trying to take another loan, wasting more money on transport*

***Other male observed outgrower:*** *I hear there is a lot of money at the bank but giving to you is a tag of war.*

The responses from the observed participants above adds another critical component at the crux of late payment problem. If possible or correct, it portrays that the sugar company itself uses the bank money (Kenya Commercial Bank) to service its loans to the outgrowers. It should also be noted that loan service payment is also dependent on how much money is available and sometimes may go up to 7:00pm on Tuesdays and Fridays (according to 30 year old male outgrower and factory employee, Key Interview, 06/08/2019) Given that the sugar company is not a commercial lending institution, given that all payments for outgrowers by the company are processed via KCB and given that HSL is the one that loans directly to outgrowers, it shows how well intertwined KCB and Hoima Sugar Limited are. In a greater sense, this brings us to understand how sugar

commercialization in the formality of contract farming is being done in these rural areas. It approves sugar commercialization as chain is a very well reflective entity of the entire agricultural commercialization ethos, where profit maximization through cash pulls, output based on labour exhaustion, direct loans with irregular interest rates and other bureaucratic institutional systemic behaviors start flocking the countryside. The regular struggles such as costly long transport expenses calibrated through regular detours by outgrowers every Tuesday and Friday afternoon of every week to the millers outgrower offices to ask for an entitled service or favor from the factory is symbolical of the unequal power relations that already exists between the two parties. Irreconcilably, this is not expected to lessen since also the number of outgrowers joining the sugar agribusiness from neighboring villages or regions is also on the increase.

#### **4. High interest rates:**

The interest charges charged by the miller, is unspecific and unknown to the outgrowers. This is not clear in the contract as well but stipulates the miller is ‘entitled to charge interest on any credit or advance granted by the Miller to the farmer at such rate notified by the Miller and shall be entitled to deduct such interest from any payment due to the farmer in respect of the next harvest’ (Article 5, subsection 5:11). Many outgrowers interviewed for this research showed ignorance of the interest rates they are highly charged. As one 32-year-old sufficient outgrower put it,

“I use my own money and do not use the loan for an Indian. You will find someone to contract your sugar field for 150,000shs and I usually have the money. For those who take the loan, it has high interest. The company does not use its own money, they use that of the bank”. Asking which bank, he replied, ‘KCB’ which is Kenya Commercial Bank.” (Interview, 08/08/2019)

Another male outgrower in his late 40’s explained that, ‘if you have 3 acres of land, the overall interest one might incur is 4.5million, and if put together with ploughing, harvesting and transport

charges, it goes to an addition of 3 million making an overall cost with interest rates to be around 8 million' (Key Interview at Home Cite- 05/08/2019). Outgrowers complain that these interest rates are not explained or broken down for farmers to understand them. In fact, one participant who has a bachelor's degree in commerce was also confused that he does not clearly understand the percentage of interest rate charged except on the weighing which 5% is deducted as said in the contract to account for any residues, mud, and trash from the cane.

### **5. Bribery.**

Bribery is every outgrowers' nightmare, the talk at every gathering. It can be simply explained as: *'The one who ploughs wants money. The one who plants wants more money. The one who brings seeds wants more money. The one who harvest wants more money – if not, they will cut them halfway yet they are supposed to cut from the ground for the cane to grow'*- (Key interview 06.08.2019)

Although the factory field supervisors dismiss bribery as outgrowers' started and generated due to being many in numbers and require quick services (Key Interview with cane field supervisor, 06/08/2019), all the outgrowers argue that bribery is existent on every activity and the more the dire the need by an outgrower, the more the costs for the urgency in service (Interview 06/08/2019). One male outgrower aged 46 contested that 'farmers who don't have money lose out on a service. Also, given that the factory is only buyer, outgrowers have realized that the competition is not from the factory but among themselves and the lack of this two-way relations has made the situation worse' (Interview, 06/08/2019).

Bribery is also dependent on how much the farmer is willing to offer or has at the time the bribe is being offered. Asking what normally supervisors charge, one participant said that 'it is anything that you have, they will take it...it doesn't depend on the amount. When they send the supervisor to come to your garden, before or after doing the work, they always want money. Due to a lot of bribery, it has elevated jealousy among outgrowers because they want their cane to be tended to



first' (Interview 08/08/2019). When the researcher confronted some with the idea that outgrowers are also enforcing bribery and are complicit like one supervisor had highlighted (Interview...), there were responses from outgrowers dismissing it as lies given that they also looking for easy means of gaining extra money and gave an example of an outgrowers cane being left in garden and getting sun dried if they are not offered a bribe (Interview 08/08/2019). In these particular cases, outgrowers see themselves as powerless and have no option of out other than succumbing to paying a bribe. One female outgrower highlighted that sometimes factory workers [especially supervisors 'can come asking for 50000shs and she gives them 40000shs and the truck drivers can ask for 1000shs'. She also related to having an experience of having workers who asked her money for feeding complaining that they don't have money for food and when she doesn't have money, she is forced to sell the chickens and pay the bribe, of which for the seeds is 50000shs (Interviews, 13/08/2019). Asking if anything has been done to combat the problem, she argued that 'the Indian gave us a hotline number when we can call and report. But when we do so, we are intimidated by factory workers. So for the sake of keeping peace and avoiding physical harassment, we leave the situation as it is' (Interviews, 13/08/2019). Bribery also boils down to the fact that there are common delays in payment and loan services that definitely makes outgrowers susceptible to losses by asking the company for repeat services such as ploughing, weeding or planting, surmounting to double billed loans being deducted on their total harvests (Interviews, 06/08/2019). In a way of seeking to avoid such, outgrowers are pushed to a point of bribery as the ultimate convenience to avoid losses and or easily access company extension services.

## **F. Linking sugar commercialization to theories within wider critical development studies**

When we talk about key issues such as poverty and developing the rural, we should be very keen to first deconstruct in ideological and physical terms; the rural as a setting, the rural as reverse of the urban and the rural as people with self-interactive agency. In his article, “Rural Poverty Unperceived,” Chambers (1983) shares his disappointment on how rural poverty is not just based on that avoidable deprivation, suffering and death that are intolerable but also in coexistence with affluence (1983, p. 2). This affluence in literary terms is an industrious machine that helps in maintaining what Lipton (1983) calls the “urban power elite” who constantly engage in ‘rural development tourism’ (Chambers, 1983), with expansive plans to transform the rural traditional society into mega or mini cities of economic production. From this neoliberal affluence, comes contract farming which in the Bunyoro subregion, one that is championed by the Ugandan government elites. Sugar contract farming within the Kiswaza, Kikuuba, Muziranduru and other villages in Kizirafumbi can be toned down to be part of the rich and powerful enclave (the outsiders) and few upcoming rural class of the rich, ‘concerned with rural development, neither rural nor poor’ (Chamber, 1983). Contract farming alters the social relations into a motivational market-oriented system in chain of sugar production rules of the game allow a survival for the fittest where the rich agrarian bourgeoisie emerge (Bernstein, 2012).

Agriculture commercialization argued through the win-win modality of development, may further enforce other rural biases that often reinforce exploitation of natural resources and labour in the sugar agribusiness reflected with lack of outgrowers socioeconomic rights. From Chambers work, we see the extension of these biases which are: project related [rural as space of projects], personal, seasonal, diplomatic [rural as poverty intervention place] and professional [the rural as out of

specialization] (Chambers, 1983, p. 2; Chambers, 1994, p. 956). In some sense, these biases inform the continual urge for existence of the sugar industry in Kiswaza and other villages. For instance, outgrowers are approached as poor, use absolute technology that needs to be modernized and by engaging in cane production, they are promised to become rich. The rigidity of the contract masks the how contractual relations disown outgrowers in the process of cane production. It disavows that rural smallholders also have a stake on how what development path they should partake in the process of rural development (Ellis & Biggs, 2001).

Throughout this research, the question of agrarian change as it happens in the Ugandan countryside in the name sugar agribusiness contract farming and how it incorporates rural outgrowers has also been key for this research. Ellis and Biggs (2001) argue that here needs to be a turn from ‘undue preference being given to farming as a unique solution to rural poverty’ or other rural problems (ibid). Sugarcane contract farming is given as plausible case for this. Just like elsewhere, outgrowers in Uganda differ in terms of scale, labour, capital intensity and so is their nature of relationships between the millers, ‘which may resemble that of a lessor and lessee’ (Dubb, 2017). Dubb’s research provide a good analysis on the indirect role outgrowers play in the fostering of accumulation of sugar. That is:

- *rendering the absorption of land and water resources into estate production and/or establishing mills in the first place, more politically palatable*
- *attracting investment of development aid or preferential finance and/or access to preferential markets,*
- *encouraging the political promotion of favourable mercantile arrangements for sugar pricing and tariff protection often in connection to different models of land reform.”* (Dubb, 2017, p. 477-478).

This study affirms that the word ‘development’ has been relative and cannot be affirmatively used to overrule that Hoima Sugar Limited has brought development within surrounding villages of Kijayo, Kiswaza and the rest. If anything, it has led to escalation of rural poverty, land

dispossession, and increased inequalities by altering the value of social goods within the researched villages. The start of Hoima Sugar Limited itself needs to be questioned. Participants of Kijayo argue it came through violent means, engaging in land theft by ignoring traditional land arrangements and bribing its way out of it. Before its inception as a development project, none of any Participatory Rural Appraisal (PRA) is said to have been done as far as this study is aware. This includes among other things multiple approaches like ‘activist participatory research’, ‘field research on farming systems’, which are used ‘to enable local people to share, enhance and analyze their knowledge of life and conditions, to plan and to act’ (Chambers, 1994, p. 935-963). PRA could be a way to rethink over the questions of who owns what in a rural area and how is it socially distributed.

In addition, sugar contract farming in the case of Hoima region and countrywide, is not doing a good job of properly addressing issues of ‘class, power, inequality and social differentiation in agrarian settings [which are] driven by large-scale forces and tendencies of development under capitalism’ (Ellis & Biggs, 2001, p. 440). Putting into a larger perspective of Africa, cane production through outgrower schemes is responsible for the increased dependency of outgrowers on the millers such as in in Malawi and the creation of more liquid relations within households, family and community relationships (Adams et al., 2019). In Uganda’s Busoga region, ‘the majority of the outgrowers are [found to be] instead struggling to remain in the sector though in a position of marginalization and uneven competition [due to] utter destruction of traditional livelihood strategies and natural local ecosystem (Martiniello, 2017, p. 12). It can be explained why the region is one of the poorest and most food insecure in the whole country (ibid).

Finally, this research shows and agrees with Martiniello’s (2019) statement that; “contract farming schemes represent an appropriation of the value produced by outgrowers and its uneven

distribution between local agrarian classes, corporate agribusiness, and the finance capital. It is also the site of intense social, political and economic struggles, where different interests of landowners, large-scale capitalist farmers, corporate agribusiness, smallholders, and agricultural labourers have historically been articulated” (p. 563). The historical process of how Hoima Sugar Limited came into existence through a process of land dispossession, unequal contractual agreements with its outgrowers and the current challenges they face articulate to this fact. It also raises another argument that although neoliberal development state projects may play an important role in accelerating rural development, we should also never forget that rural development is not a state-driven project. From a practical and moral concept, it is “in the end the farmers, peasants, citizens and/or social movements that trigger rural development processes and drive them forward” (van der Ploeg et al. 2012: 136), something that goes beyond agro-economics (Ellis & Biggs, 2001). In this case, governments need to act as mediums of solving complexities the rural faces like poverty, infrastructure development, rural unemployment [and others] while at the same ensuring that agribusiness investments in the rural are not exploitative and extractive as seen in this research.

## CHAPTER V

### CONCLUSION AND RECOMMENDATIONS

#### **A. Conclusion.**

Throughout this study, the researcher has tried to show how sugar commercialization and contract farming has actually impacted on rural livelihoods within the villages of Kiswaza, Kijayo and greater Hoima region. From the participants of Kijayo who are now internally displaced, the existence of the sugar industry is a manifestation of land accumulation by dispossession, one that has been aided by the current regime of Uganda. The aspect of land accumulation is key for the survival of the sugar estate and as seen from this research, the factory is continuously expanding on its 4000 acres of land than previously started in 2016. The exact figure today remains unknown for this study as information on total land accessed is highly confidential and company employees speculate the ongoing increase of the sugar estate. Through the aspect of sugarcane contract farming, Hoima Sugar Limited replicates another modality of accessing rural farmlands by turning outgrowers into quasi employees as previously reiterated.

The other aspect that this overall study tries to clarify is the nature of contractual agreements between the miller and outgrowers. This research has shown that cane outgrowers within Kizirafumbi operate in a plain field of unequal power dimensions which further their exploitation under the contractual agreements undersigned in the Yellow book. As discussed earlier (see signing the yellow book section), the contractual agreements favour the factory under any liability to be incurred at any circumstances. Through the contract, the company ensures its monopsonist relations are protected by making outgrowers abide to sell their cane to only Hoima Sugar Limited (despite being the only sugar company existent in the region when this research was done). Given

that the contract is also not in the local language (Runyoro-Rutoro), it also means that most outgrowers do not understand it since they the majority are uneducated, adding another layer for their easy exploitation.

This study also shows that through the contract, the factory gets absolute rights to access and use outgrowers land at any time without an event's notice which promotes the company's profitization over outgrowers individual needs or rights to their access and use their land. This in itself can be argued to be a process of 'slow land grabbing' as Adams et al. (2019) put it, since in any likelihood of any outgrowers say being trapped in debt, their source of livelihood (land) is lost to the company. It should however be noted that none of the participant outgrowers were reflected as being trapped in debts during this study since the company was still in its starting phase despite their projections that it might happen soon as the number of outgrowers are increasing day by day.

Other challenges that outgrowers face as registered in this study that are of prominence in exposing the exploitative relations between the sugar industry and outgrowers include: higher interest rates surcharged, bribery, late payment, low pay and prospects of food insecurity and deteriorating social relations. It should be mentioned that the role of the factory as a commercial agribusiness entity is to make profits and that comes with other social and ecological costs such as reckless dumping of sugar cane water waste that destroyed the ecological conditions of the surrounding Kijayo villages. Also, the extractive value of labour under sugar contract farming allows use of child labour, working under risky circumstances and for longer hours with very minimal pay to accumulate more profits touches at the heart of how draconian sugar agribusiness is in the area.

Finally, for this research, we see the two debates of agricultural commercialization through sugar contract farming come live into play. Those in support such as the Hoima Sugar Limited and current Ugandan neoliberal regime see it as modernizing the rural and providing direct markets

and employment hence increase in income or better standards of living. Those against such as the internally displaced people of Kijayo and some outgrowers see the existence of factory without accountability as bad news, a reality for their worsening livelihoods in the advent of cane commodification in their villages. Through the advocacy of agricultural commercialization, we learn the villages of Kijayo, Kiswaza and greater Kizirafumbi subcounty in Hoima region are being turned into rural complex societies where a few emerge as rural bourgeoisie from the many poor outgrowers. This aspect of social differentiation can also be analyzed further into how outgrowers are adversely incorporated into the outgrower schemes in which access to cane extension services is very slow for the poor outgrowers, who at the same time suffer the challenges already aforementioned. In the end, the outgrower schemes themselves can be manipulated to enforce another exploitative nature of that may resemble that of lessor and lessee and promoting some forms of mercantile arrangement that allow sugar price fixing and new land reforms in favor of the miller (Dubb, 2017).

In summary, sugar commercialization through sugar contract farming in Hoima sub-region will not likely produce any win-win development since it is preyed upon unequal power and exploitative relations between the miller and the outgrowers.

## **B. Policy and Study Recommendations**

From the researcher's knowledge, this study has been the first of kind to be conducted about how sugar commercialization has impacted on rural livelihoods within the villages of Kijayo, Kiswaza, Kikuuba and greater Kizirafumbi subcounty. It also follows the fact that Hoima Sugar Limited has been in operation for 4 years since it was officially established in 2016, a could be a reason why it has not attracted further research attention like its larger sugar companies such as Kinyara, Kakira



and Lugazi sugar, operational within the country. This research alone, in its capacity, cannot completely show how sugar contract farming has impacted rural livelihoods in Hoima region in terms of social differentiation, miller exploitation and other outgrower challenges. What this study does, however, is to provide a window of opportunity to understand how the aforementioned come into existence in the missing debates about sugar.

Therefore, more expansive research is needed in understanding how cane production is becoming more extractive and if that is producing more ecological implications than ever before. Future studies may also need to consider the shifts in control, supply and use of inputs, existent forms of mobilization, and the food security question which have been less reflected in this research since sugar agribusiness is a new venture being explored in the researched areas.

In terms of **policy**, government should also try to ensure that agribusiness projects such as in the case of commercial sugar contract farming in Hoima region protects rural people from its extractivist notions in terms of strengthening laws on land use and access and contracts signed. This is because, where land arrangements are accessed customarily, sugar companies find it easy to bribe their way out with corrupt traditional leaders or courts of law which can lead to massive land grabbing or land dispossession such as the case of Kijayo villages. Contractual agreements need to be vetted to affirm to the labour laws of the country apply so that sugar companies are barred from carrying out exploitative labour and capital ventures. This may as well include other abiding laws that protect against child labour, ensuring a minimum wage, workplace security rights and penalties of late payment to protect the outgrowers.

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## Appendix

### A. INTERVIEW GUIDE FOR KEY INFORMANTS AND FOCUS GROUP DISCUSSION

#### **AUB IRB APPROVED!**

#### **Questionnaire for Participants in Kizirafumbi sub-county, Hoima district, Uganda:**

##### **(NOTE:**

- *The above questions will also be used to conduct FGD's for Sugar outgrowers, labourers within Kijayo, Kiswaza and other villages in Kizirafumbi and the same format will also be used for key informants from such categorization.*
- *All information discussed should be kept confidential and should not be disclosed to anyone.*
- *Refrain from stating any sensitive information or any information that may identify specific incidents/individuals.*
- *For FGDs, a private place will be secured by the researcher once he gets to the field before the interview process begins)*

#### **Section 1: Personal Information**

- a) i) What is your Age? iii) Education level:
- b) Are you originally from this village or subcounty?
- c) Do you live in alone or you belong to a household?
- d) What job do you do in the sugar production industry?

#### **Section II: The Nature of cane crop and its production**

1. How do you participate in the growing of sugar in this area? Are you a family farmer? Small scale farmer or a contracted farmer?
2. How is sugar grown or is there specific breed/type of sugar that is grown in this area and for how long does it take to mature and be harvested?
3. How much water is needed for fully grown sugar and what is your source of water?
4. How much land are you currently using for your sugar plantains? Is it your own land or you rent it?
5. Is the sugar cash crop business your only source of food and income or you practice agriculture aside?
6. Do usually use pesticides in sugar growing? Do you think this has posed any human threat to you or your soil?

7. Who usually buys your sugar canes? And do they buy it on garden or off garden (on garden the seller is responsible for harvesting, off garden, the farmer does it)
8. Who normally provides you with labour in working in your sugar plantation? (is it your family, do you hire someone, or do you use machines? How easy is it to access laborers?)
9. If you hire labour, how much is paid to per person on a ‘full working’ day? (And how many hours are in a full working day?)

### **Section III: Social relations from sugar**

10. Why do you think specifically that there is an interest in this region/village by large sugar companies in investing in sugar plantation here? What is so special about this area?
11. Do you think the increase of sugar plantains in this region is good for its development? If so, how? (look for opportunities) If not, why? (challenges)
12. How has the prices of sugar been like within last 1-2 years? Do you think the prices have been favorable to you as a sugar farmer and how has that affected your business?
13. Are there opportunities provided for you as sugar farmer to get access to credit and how easier is the process?
14. Do you have sugar outgrowers’ farmers association in this village? If yes, what are some of the important issues you normally discuss?
15. How far do you think local sugar farmers in this region/village are involved in the decision-making processes by the sugar industry and sub county level?
16. What have been the benefits of participating in sugar growing as a cash crop for you personally and for this region?
17. What challenges have you faced or are currently facing in this practice of sugar as a cash crop grown here?
18. Are these challenges specific to you or they are similar to all the farmers around here?
19. What do you think should be done to specifically help local farmers in this region who are involved in sugar growing as cash crop business?
20. Is there any other relevant experiences or life stories or lessons that you think is related to the topic you would love to share with me which I have not asked you?

### **Section IV: For Local Leaders or Sugar Industry managers (*only Key informant interviews*)**

1. How is your relationship with the local farmers in this place?
2. Are you aware of the sugar activity taking place in this village/region? Who are the different actors involved?
3. Why do you think there has been an increase in commercial sugar growing in this village and how far do you think it will bring development to this village?



4. Do you think commercial sugar planting has had an influence on what rural farming season might look like in terms of crop diversification and land allocated between sugar and food crops?
  5. To what extent are local farmers involved in the agricultural decision-making process at the sub-county or community level?
  6. There have been popular news stories on the land question and how it was attained by the sugar industry. What is your knowledge of it and how is it affecting the lives of rural farmers here?
  7. How do local sugar farmers access the sugar market in this village? What are some of the obstacles they face?
  8. Do you think the sugar pricing has been fair for local farmers to accumulate profits? if yes, what is the cause? If no, what has been the problem?
  9. How do local sugar farmers access credit in this village and what are some of the conditions involved?
  10. What are the main challenges sugar farmers face or are currently facing in this village?
  11. What are some of the things local people here suggest to improve rural farmers lives especially those that work in the sugarcane production?
  12. What are some of the recommendations you would give based on what we have talked above from above?
  13. Is there any other relevant stories or information you would love to share that I have missed asking you or that is important for me to know in this study?
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## B. ADDITIONAL follow up questions develop in the field.

1. What pushed the company in 2016 to put up a sugar company in Hoima? What were the necessary conditions?
2. How much sugar is crushed per day (tonnes of sugar?) What happens when you get more cane than you can process in a day (crushing capacity in a day)?
3. How much cane is produced or delivered by the company and how much is by outgrowers on a daily basis?
4. On the market base: is your sugar sold locally or regionally?
5. How many workers or labourers do the company have at the moment and where are they from? How are they recruited and what is the average of manual labourers?
6. What problems do labourers face?
7. How much land does the company have or allocate to the sugar production (in hectares)?

8. How many outgrowers do you have at the moment? How much land do they cultivate in total?
  9. Do you use irrigation and fertilizers for the sugarcane?
  10. Does the company buy cane according to the sucrose- content of sugarcane [in Busoga- 5% is charged]?
  11. Do you offer trainings to farmers/outgrowers on sugarcane production? When farmers sign the contract, do they understand it [do you explain]?
  12. What are other uses got from sugar? Do you get ethanol, green electricity, or bagasse from it?
  13. I hear you are opening up a new factory in Masindi, what could be the reasons for this?
  14. I heard people say government has shares in HSL, what do you make of that?
  15. Do you think sugar prices have come down to the existence of HSL in the region?
  16. On land dispute: how did they solve it? Did that affect your relationship with the outgrowers?
  17. What do you as local person consider to be development?
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