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Contradictions in Uganda's Development: The Case of the Sugar Industry

*D.P. Ahluwalia**

The development and persistence of the plantation system of production has been associated closely with the New World, sugar and the butter history of slavery. Today, plantations are found primarily in Latin America, the Caribbean and Asia. While there have been relatively few plantations in Sub-Saharan Africa, they have assumed an important albeit small place in the agricultural development of the region. A vast and rich literature has been amassed focussing largely on the plantation systems of Latin America and the Caribbean. However, new areas of plantation production have received little attention. As Graves and Richardson point out:

> ...if one of the themes of the history of international commodity production has been the survival of the majority of the old sugar colonies as mono-cropping export oriented economies, another has clearly been the emergence of new areas of sugar production. What has been less studied has been the emergence of new areas of plantation agriculture, and their transformation, in the colonies of white settlement and the newly acquired tropical dependencies.[1]

The Ugandan sugar industry emerged in the 1920s and was developed along the liens of the plantation system by Asians at a time when European plantations were being repudiated in favour of peasant production. The crisis in the European plantation sector witnessed the withdrawal of state support in order to ensure the peasant production of cotton which was vital to metropolitan interest. It is in this context that the state argued for the centrality of peasant production.

This paper focuses upon the development and persistence of Asian owned plantations within the framework of state policy. The Ugandan sugar plantations provide an interesting case study of a plantation system and its relationship to the dynamics of the state policy process. It is necessary therefore to examine the plantation system in order to understand the place of the Ugandan sugar industry within the broader context of plantation literature which deals with conditions which lead to change or persistence in plantation agriculture.

Plantation Theory and the Place of Uganda

The theory of the plantation is fraught with immense difficulties which can be attributed to a lack of universally acceptable definitions of what constitutes a plantation and a plantation economy. The plantation economies of the world are those in which the plantation system essentially dominates the country's economic, social and political structure, although the specificities of determining which countries can be classified as such vary according to

* Lecturer, Politics Department, University of Adelaide, South Australia

different criteria utilized by various scholars. The plantation sector in Uganda, dominated by the sugar industry, is very small.[2] As a result, Uganda does not feature in the plantation literature. Nevertheless, the Ugandan sugar plantations have played a significant role in the Ugandan economy and society. Further, the plantation sector appears to be removed from the rest of the economy despite having the general characteristics of the plantation system. Therefore, in the Ugandan case, the plantation sector can be viewed, as in George Beckford's terminology, as an "enclave plantation economy"[3]

The concept of the enclave plantation economy has been formulated by Beckford in an attempt to provide a model of the plantation economy which would incorporate all the major areas of plantation production in the world. His model is based essentially upon the distinction between what he terms colonies of settlement and colonies of exploitation. In the former, he includes North America, Australia and New Zealand whilst the latter is characterized by the Caribbean Islands and the colonies of Southeast Asia which he claims are suited particularly to plantation production.

In formulating his model, Beckford further developed two categories. These are the plantation sub-economy and the enclave economy. The sub-economies are those which are essentially plantation countries but, "legal convention regarding nation states forces us to consider them as plantation sub-economies".[4] Examples include the Southern states of the United States and the lowlands of the Central American countries. The enclave economy for Beckford is one which is essentially cut off from the rest of society. Here, he cites Liberia as a case in point. Despite his all pervasive model, Beckford simply avoids any detailed discussion of the enclave concept. He states:

> There are even different kinds of enclave plantation economy in Kenya, Rhodesia and South Africa, European plantations exist, but these are kept so separate from the African sectors of these countries that it seems best to ignore them[5]

Although Beckford recognises that there are different types of enclave plantation economies, he simply choses to ignore them. Beckford's omission demonstrates the limitations of his model. The lack of clarification of the enclave economy and the listing of selective nations raises severe doubts as to the validity or applicability of the concept. In order to test the validity of the concept, Graves and Richardson utilized the cases of South Africa and Queensland.They point out that Beckford's model appears to be constructed around four particular criteria. These are:

> Firstly, within the region associated with the enclave, plantations will come to engross most of the arable land suitable for cultivation. Secondly, the social and economic structure of the associated community will be dominated by the influence of the plantation sector. Thirdly, external economic relations will be dominated by the dictates of the world market. Lastly, plantation enclaves will have little or no interaction with the large national economy of which they were a part[6]

Graves and Richardson point out that their case studies of enclave plantation economies, South Africa and Queensland, do not conform to the Beckford typologies. It could be argued that this is the case because they are dealing with "colonies of settlement". However, if these criteria are applied to the Ugandan case (a colony of exploitation), it becomes apparent that

the Beckford model remains inappropriate. In short, what is clear is that the "plantation model", as expounded by the tropical American/Caribbean case studies, is an inadequate tool for explaining the Ugandan case.

Thus, there are considerable difficulties with theorising the plantation. There is no unified theory of the plantation. Therefore, in order to understand cases such as Uganda, it is necessary to focus on certain basic analytical problems. As Adrian Graves states:

> .... the nature of the so called plantation economies can only be usefully understood if the analytical thrust of the extant literature is reversed. That is to say, the explanation of the character, persistence or transformation of plantations, must go beyond the discrete analysing of the institution itself and be sought more explicitly in the demands of capital accumulation under specific and changing conditions of capital markets and land ownership, labour availability and productivity...[7]

Uganda: Plantations Versus Peasants

Two event proved to be critical to the establishment of a peasant-based development model in Uganda. The first was the Uganda Agreement of 1900 and the second was the formation of the British cotton Growing Association (B.C.G.A.) in 1902. The significance of the Uganda Agreement of 1900 was that it defined the framework within which the Buganda-Protectorate Government relations were conducted. In essence, the Agreement established the primacy of British authority over Buganda, which was to be one province in the larger protectorate. Nevertheless, the position of the Kabaka and the system, structure and institutions of governmental organization of the Ganda were preserved.[8] The Agreement also provided for the enlargement of Buganda territory with the annexation of Bunyoro land.[9] A taxation system, initially based upon hut tax but later changed to poll tax, was introduced and made payable to the British by the chiefs who collected it. The most drastic innovation was the introduction of a new land tenure system known as *mailo* land[10] The Agreement provided the Royal family and a large number of chiefs with land on a freehold basis. The remainder was reserved for the Protectorate Government as Crown land. In short, the net effect of granting *mailo* land on a freehold basis was the creation of an indigenous landowning class. The colonial administration had hoped for a clear right to alienate land in favour of the establishment of plantations by white settlers. However, as the *Lukiiko*, (The Bugandan Parliament) had been given the right to make the allocations, the chiefly class chose the most productive agricultural land for themselves.[11]

The allocation of land under the Uganda Agreement thus placed any British hopes of creating a European settler class based upon plantation agriculture in a precarious position. In addition, high local expenditure and growing deficits made it necessary for the administration to look for a commercial export crop which would allow the Africans both to pay their poll tax[12] and to provide revenue in the form of export taxes. The bulk of governmental revenues at this time were derived in the form of grants-in-aid by the Home government. Hence, the development of peasant agriculture was seen to be an alternative method of reducing the burden for tax-payers in Britain, particularly at a time when parliamentarians in London were protesting about the drain of tax-payers money.

The B.C.G.A. was formed in 1902, in Britain, as a result of the fear among the owners of the Lancashire mills that the mills were becoming too highly dependent upon the United States for supplies of raw cotton. The association became a high profile lobby in Britain where it argued for the promotion of cotton growing in the newly-acquired colonies. In addition, it established research facilities and provided funds to local agricultural departments to encourage the rowing of cotton.[13]

In order to ensure such supplies from areas other than the United States,[14] the B.C.G.A. sent a number of different varieties of cotton seeds to Uganda which were distributed to peasants through the Ganda chiefs. The success of this initial programme coupled with the desire of the Protectorate Government to find a viable export crop led the administration to provide American Black Rattler seeds to growers in Buganda, Busoga and Ankole in 1905.[15] Critically the success of this exercise showed that the crop could be grown by the peasants on smallholdings of land.

This is not to suggest that plantation production was non-existent at that time. The Ugandan administration did not have a well-defined policy which precluded the settlement of Europeans on a plantation basis. Under the Crown Lands Ordinance of 1903, freehold grants were permitted. However, the Uganda Agreement made the alienation of land extremely difficult. The general policy was to restrict freehold allocations and the alienation of more than 1,000 acres required the Special permission of the Secretary of State.[16]

Despite the obstacles faced by prospective settlers, the second decade of the century did see the growth of the plantation sector "taking the number of estates from twenty cultivating about 2,000 acres in 1911 to 135 cultivating 21,675 acres in 1915".[17] The number of European estates increased further from 138 in in 1918 to 223 in 1919.[18] This expansion can be attributed to two factors. First, plantation operations faced few obstacles outside Buganda where land pressure was not as intense. Second, the two major crops produced on these plantations were rubber and coffee, both of which commanded high world prices. Thus, by 1919, the official policy remained undefined. The administration had permitted the coexistence of a dual-economy in which both European plantations and African smallholders were encouraged.

Despite the rapid growth of the plantation sector and the attempts by the Protectorate Government to encourage labour recruitment to the plantations, the plantation sector failed to thrive at this time largely due to a massive fall in commodity prices. The net effect was that many of the European planters were driven into insolvency by 1923. The plantation sector, however was not in total disarray. Although more than sixty estates had been abandoned by 1924, there remained a number of European planters.[19] What these planters required was the support of the state. That such support was not forthcoming, given the colonial state's emphasis on peasant production, led ultimately to their demise.

The Ugandan government was ambivalent in its promotion of plantation agriculture largely because the production of cotton by the peasants had become by this time a major source of revenue. The production of cotton by African smallholders represented the bulk of total governmental revenues. In 1920, for example, export tax on cotton contributed seven percent of the total revenue. Another 71 percent was collected directly and indirectly from the cotton

industry in the form of native poll tax and customs duties, respectively.[20] Yet the predominance of plantation agriculture was argued for by a number of colonial officials. The most ardent proponent of this view was William Morris Carter, the Chief Justice. The major opposition to the Carter viewpoint was led by S. Simpson, the Director of Agriculture, and Francis Spire, the Provincial Commissioner for Eastern Province, who argued that the African farmers should constitute the core of agricultural production in Uganda.

The planters turned to the governments in both Uganda and Britain for financial assistance to tide then over until markets for their crops improved. However, as the crisis of the plantation sector intensified, both the colonial and Protectorate Governments increasingly withdrew their support from the plantation sector in favour of peasant-produced cotton which was vital to metropolitan interests-namely, the B.C.G.A. and the Lancashire mills. The plantation sector did not disappear but, as Taylor has put it, "the plantation sector never again offered any serious threat to either the cotton industry or to the African agricultural sector"[21]

The unabashed approval of the colonial authorities to promote African agriculture as opposed to the establishment of a European planter class meant that Uganda's subsequent development has been predominantly dependent upon the peasantry. The critical need for cotton in Britain in the early years of this century provided the impetus for that crop to become Uganda's chief export crop. The failure of the European planter class, primarily brought about by the collapse of prices for their commodities on the world market meant that Africans could now venture into the more lucrative production of coffee which rapidly came to occupy a prominent position as an export crop. As one observer of the Ugandan scene has noted, "coffee and cotton are the lumbering oxen that draw Uganda's chairot of development"[22]

The predominance of the peasant sector was confirmed in the 1920s by colonial governments in both London and Entebbe. Congruent with the ascendance of the peasant role in the future direction of Uganda's agriculture, was the notion that the role of the British in Uganda was essentially one of trusteeship. Uganda was, in official circles, regarded as an African territory which would be "developed" on the basis of the production of the African peasant. The logical conclusion to the debate over the plantation sector and the peasant sector was the shift in land policy which witnessed the withdrawal of official support for the alienation of large parcels of land to non-Africans and the advocation of the security of land tenure for the African peasant.[23]

It is against this background that this analysis seeks to examine the persistence of sugar plantations in the Uganda case. Although the production of sugar started on the basis of supplying the domestic market, by the 1930s, as the industry expanded, it became export-oriented. As an export crop, it contributed considerable revenue to both the colonial and post-colonial governments. The sugar industry in Uganda has been linked inextricably with the development of Asian capital within the country. Its linkages to Asian capital need to be viewed against the broader background of Asian immigration to Uganda. Asians first arrived as indentured labour to work on the building of the Uganda railway. These first immigrants were followed by skilled and semi-skilled workers once government stations and missions had been established. At the same time, pioneering Asians ventured into remote areas in order to establish small businesses. Asians became concentrated rapidly in occupations which led to the "envy of the multitude". They were characteristically shopkeepers and businessmen controlling the import-export wholesale trade although in the early days they also dominated the marketing of agricultural produce. The accumulation of capital from these small businesses permitted many of the Asians to venture into the establishment of small-scale plants which were used predominantly to process export crops such as cotton.

The increasing restrictions imposed from 1913 onwards upon the cotton trade by the Government[24] together with the failure of a small European-dominated plantation sector, as a result of the vagaries of the world market, allowed two pioneering Asian families, the Methas and the Madhvanis, to venture into the plantation production of sugar.

This paper reveals the emergence of three paradoxes between policy and practice which centre around land, labour and capital. These paradoxes illuminate the manner in which the plantation sector was able to achieve considerable expansion at a time when official policy gave priority to peasant development.

Land

The depression of the early 1920s, which proved to be particularly detrimental to the European planter-class in Uganda, provided two Asians, Nanji Kalidas Metha and Muljibhai Madhvani, with an opportunity to engage in the production of sugar on a large scale. As the European planters went into bankruptcy, the two were presented with an opportunity to purchase freehold-land from the ruined planters who had decided to leave the country.

Following the establishment of the Lugazi sugar plantation in 1924 and the Kakira plantation in 1930, the Asian owners each embarked upon a campaign to acquire additional land in order to expand the sugar industry. However, the government's decision to develop Uganda on the basis of African agriculture meant that the Asian owners encountered considerable difficulties. Nevertheless, the two sugar companies were able to amass a considerable amount of land.

The Kakira Sugar company had an advantage over the Lugazi sugar plantation in terms of the land available for alienation since the Kakira estate was situated in Busoga where land pressure was not as critical as it was in Buganda. Metha's plantation was situated in the most densely populated area of Buganda and therefore his room for manoeuvre was limited.

The sugar companies acquired additional land in four ways. First, they leased untenanted crown land directly from the Protectorate Government; second, they acquired *mailo* land indirectly from African landowners. In order for the companies to gain such land, the *mailo* landowner had to surrender the land to the Crown. Then, following the Governor's consent, land was regranted as leasehold Crown land. Third, they exchanged freehold land for *mailo* land with the Protectorate Government's consent. Finally, the sugar companies obtained land by circumventing both the Lukiiko and the colonial Government's stated policy of non-alienation to non-Africans simply by entering into yearly agreements with African landowners as such agreements did not have to be ratified by either of these authorities.[25]

Perhaps the most exploitative aspect of these yearly agreements was that they affected African tenants whose interests and legal rights were simply ignored by the African

landowners when they leased such land to the sugar companies. The result was that, when such a lease came into effect the peasants were simply evicted by the sugar companies. Therefore, when the companies sought to lease such land on a long-term basis, it was classed as untenanted land. As the Governor himself observed in 1940:

> This investigation has disclosed a gap in the effectiveness of my control over the leasing of native land to non-natives. It has shown that, by collusion between a native land owner and a non-native planter, the latter can, if he cares to take the risk of occupying land without an enforceable registered title, enter upon the native owner's land (paying him of course the agreed rent) and create conditions for any native tenants of the former which may leave them with no option but to accept the offered compensation and to move. This, when in due course my consent to the lease is sought, there is no longer an opportunity of investigating the property of removing any tenants from the land,and I am confronted with the accomplished fact that the land is unoccupied.[26]

The alienation of land to the Asian sugar companies illustrates the contradiction in the government's policy of non-alienation of land to non-Africans. The justification or permitting the sugar companies to accumulate land was based upon two factors. First, once the sugar companies had demonstrated the potential of large-scale sugar manufacturing in the country, both the Lukiiko and the colonial authorities considered the sugar companies' applications for additional land in the light of their contributions to development in Uganda and the benefits which such enterprises accrued to the country as a whole. Second, the Government's primary concern that an Indian peasant population did not emerge in Uganda was not threatened by the granting of land to the two sugar magnates. Therefore, the colonial authorities were prepared, in practice if not in theory, to alienate land in favour of a certain portion of the Asian population in Uganda.

Labour

A second contradiction between theory and practice emerged in Uganda's labour policy. From the outset, the basic unit of production for the sugar industry was the plantation based upon migrant labour. By the 1920s, colonial policy was clarified and argued for the paramountcy of African interests. Nevertheless, labour policy deliberately encouraged the migration of labour from peripheral areas into the economic centre of the protectorate. The colonial government argued that local people within the economic centre should be encouraged to produce cash crops, while people in the "less-favoured" areas should migrate to provide the necessary labour. In short, colonial policy advocated that certain areas of Uganda were to remain underdeveloped in order to ensure that a constant supply of labour was available in the favoured areas of Buganda and Busoga. The increased production of cotton and coffee as well as the establishment of the sugar plantations in these two areas meant that there was a great demand for labour.

However, by the 1930, colonial policy concerning the utilization of the outlying districts as labour reserves was tempered to a certain extent. In order to ensure that these districts did not become mere labour reservoirs, the growing of economic crops was encouraged. Consequently, the supply of migrant labour from such areas fell markedly[27] The demand for labour which was met by foreign migrant labour, particularly from Ruanda-Urundi, which had historically viewed the route into Uganda as a means of escape from "feud, famine or oppression".[28] Thus, the dependence upon foreign migrant labour emerged in Uganda primarily as a result of changing colonial labour policies and fluctuations in the supply of Ugandan migrant labour.

The result was that the colonial government permitted uneven development within Uganda and between Uganda's neighbouring territories of Ruanda-Urundi which supplied the bulk of the migrant labour. The colonial government allowed such uneven development to occur because it was essential in the development of both Buganda and Busoga which were the favoured areas for the growing of peasant-produced export crops. Such crops, in particular cotton, were vital to metropolitan interests.

It is in the light of these labour policies that the labour situation within the sugar industry in Uganda has to be examined. The sugar estates found it difficult to recruit labour because the African landowners were engaged in a campaign to intensify cash crop production in the area. This undertaking was the result of the encouragement which the landowners of Busoga and Buganda had received from the colonial administration as a result of the early success in cotton production. Thus, African landowners were in intensive competition with the plantation sector for labour. This competition led inevitably to fluctuations in the labour supply and to the problem of labour shortages for the sugar companies. In addition to the competition for labour, it was difficult to attract workers on to the plantations because of the exploitative conditions which prevailed on the sugar estates. Therefore, although the wages were lower on African farms, migrant labour generally opted to work for African farmers rather than for the sugar companies as on the African farms there was usually an accessible food supply available, the conditions of work were less exacting and, in general, conditions were similar to those existing in Ruanda-Burundi

Labour policy changed after the Second World War. When both the colonial and the post-colonial governments shifted to a policy aimed at achieving labour stabilization as part of the new emphasis which focussed upon the need to industrialise Uganda. However, such attempts to stabilize labour remained futile,a s a large number of immigrants continued to enter Uganda in search of short-term employment.

Industrialization

The sugar industry needs to be placed also within the context of the contradictions within Uganda's industrialization policy after the Second World War. By the late 1940s and 1950s, the Uganda Government placed considerable emphasis upon industrialization.[29] This was largely a result of its efforts to reduce dependence upon agricultural products, particularly in the light of the rapid decline in the prices of cotton and coffee during this period.[30]

The establishment of the Uganda Development Corporation (UDC) in 1952 was a watershed in terms of the manufacturing sector. Initially, the UDC undertook heavy industrial ventures. The early hope of attracting massive foreign investment was not fulfilled because of certain

handicaps under which industries in Uganda had to operate. Uganda's distance from the coast meant that high transportation costs prevented Ugandan industries from being competitive in terms of the export market. Industrialization, therefore, had to be based on the local market which was very small. Further, Uganda did not offer potential foreign investors any particular advantages over Kenya, which attracted the bulk of such investment in the East African region. Kenya had a market which was both geographically concentrated and accessible. In addition, it had a large European and Asian population with high per capita incomes which meant that there was a large market for manufactured products. Uganda was therefore able to attract only those industries in which the optimum scale of production was such that the East African market could accommodate more than one products unit.[31] Another important handicap to the industrialization efforts in Uganda was the heavy reliance upon migrant labour which proved to be costly given the high turnover and low level of on-the-job skills.[32]

The failure to attract foreign investment provided opportunities for local capital in Uganda to participate in the industrialization efforts particularly in the wake of the success of those enterprises which the UDC itself had funded. The bulk of the investment from the private sector was undertaken by the two large Asian concerns which were involved in the sugar industry. The two Asian companies were recognised officially as being the main sources of private local capital.[33] The Methas and the Madhvanis were engaged actively in research and negotiation in an attempt to establish new industries in close cooperation with the UDC. The following examples show the level of involvement and diversification:

1. Associated Match Co. Ltd. The partners were Muljibhai Madhvani and Company Ltd. (80%) UDC (15%) and Sikh Sawmillers and Ginners Ltd. (5%).
2. Associated Paper Industries Ltd. The partners were UDC Ltd., Uketa Development Corporation (of the Metha group) and Muljibhai Madhvani and Co. Ltd.
3. Steel Corporation of East African Ltd. The partners were the UDC and Muljibhai Madhvani and Co. Ltd.[34]

In addition to their industrial activities in Uganda, both the Metha and Madhvani group of companies participated in the industrialization efforts of the other two East African territories of Kenya and Tanzania. By the late 1960s, the Metha and Madhvani families had established vast industrial empires both in Uganda and internationally. For example, the annual turnover of the Madhvani group rose from $ 900,000 in 1947 to $26 million in 1970.[35]

In evaluating the industrial sector in the colonial as well as the post-colonial periods, it is evident that the two local Asian concerns, as well as the UDC emerged as the pillars of the industrialization strategy of Uganda. There was an almost total absence of Africans in this sector. African entrepreneurs did participate in small scale enterprise but even in this activity their role was minor. The commercial and the industrial sectors were dominated essentially by the Asians.

Following independence in 1962, the new government embarked upon a campaign aimed at Africanising both the economy and the governmental institutions. The government's Africanisation programme largely affected the Asian community. The Asian community in

Uganda, however, was not a homogeneous group. It was composed of two sections. The first was those individuals who were traders and clerks in the civil service and the second, was a small group comprised of the industrial wing of local Asian capital. The existence of these two groups meant that the state was able to deal with each separately. This distinction meant that the government was able to ally itself to only one section of the Asian population - namely the second of these two groups. The target for the government became the Asians who were the traders, the *Dukawallas,* and the clerks in the civil service. In this way, the government could be seen to be dealing with the Asian question and thereby advancing the goal of Africanisation. It had identified trade and commerce as areas which were causing racial tension. The Government utilized the issue of citizenship against the Asian traders in order to make room for an aspiring group of African entrepreneurs who found it difficult to compete against the dominance of Asians in this sphere.[36] In this way, the right to trade was tied integrally to the citizenship of an individual. Any Asian trader who was not a Ugandan was denied the right to trade. Thus, by 1970, there were some 12,000 Asians who had sought Ugandan citizenship but who had not had their applications considered.[37]

In addition to utilizing citizenship as a criteria for allowing an individual to trade, the government introduced a number of measures to promote further its policy of Africanisation. For example, in 1968 the government established the Produce Marketing Board (PMB) which was designed to ensure state control of the internal marketing of food items. The major effect of the establishment of the PMB was that it enabled the government to control and to allocate trade in essential commodities-an activity which had been dominated by Asian wholesalers.

The programme of Africanisation was made more explicit and widened in scope through the Obote government's interdiction in 1969-1970 of measures which were designed to represent a "move to the left". The major impact of these measures for the Asians in Uganda was the declaration by Obote that major industrial and commercial undertakings in the country would be nationalized.

The sugar companies were among the firms in which the government acquired shares as a result of its nationalization proposals. However, for the companies involved in the sugar industry, Government participation was not necessarily an adverse proposal. Prior to this, the most significant industrialists, the Madhvani group, offered the government fifty percent participation in all their holdings.[38] The rationale for offering the government equity in their holdings was that nationalization would give the group access to state capital as it would be compensated for those assets which were nationalized. Further, the management would remain in the hands of the owners while they would gain the political advantage of being known as a national company.

Both the Africanisation and the nationalisation programmes were selective in their application, primarily because the Obote regime was dependent upon support from a particular section of the non-African population, namely, the industrial wing of local Asian capital. The government permitted this section of the population to dominate the industrial sector in view of two factors. First, local Asian capital was distant from the majority of the population and could never directly control the state. Second, the Obote regime was dependent upon these

Asians for financial support. In short, the Asians provided the government with considerable economic latitude whilst posing no political threat.

Conclusion

This analysis has been concerned with the development of the sugar industry in Uganda. The industry has been focussed upon plantations each of about 20,000 acres, which are very large, by any standard for Third world plantations. Although the plantation sector constitutes only a small part of the economy, it has survived in Uganda. The study has focussed upon two factors. First, the persistence of plantation production despite the clear bias of the state in favour of peasant agriculture and second, the dominance of local Asian Capital.

An examination of the plantation literature revealed problems with theorising about both the plantation and the plantation economy which resulted largely from difficulties associated with delineating universal definitions. The plantation sector in Uganda dominated by the sugar industry is very small, thus the Ugandan case is not dealt with in the prevailing plantation literature. Although the Ugandan plantation sector can be viewed as an "enclave plantation economy", it is important to recognise that the enclave concept is fraught with severe analytical problems. In addition, this particular type of plantation economy had received little attention. This study recognises the limitations of the plantation literature in general and the enclave concept in particular, and has examined the Ugandan case by emphasizing the centrality of the particular case study.

It is clear, then, that in both the colonial and the independence periods, the government was selective in its application of its theoretical position on Uganda's development policies in terms of the manner in which it dealt with the Asian-owned sugar companies. In terms of land, the government's theoretical position was that land was not to be alienated to non-Africans. Nevertheless, in practice the sugar companies amassed considerable land. The justification for such alienation was that the sugar industry was seen to be promoting development. For labour, the Government's policy again was contradictory in that it argued for the paramountcy of African peasant interests. Yet it encouraged the migration of labour from peripheral areas into the economic heartland of the country, thereby creating uneven development within Uganda. Once the Protectorate Government's development policy was clarified, it encouraged the growing of economic crops in outlying districts. This meant that the supply of migrant labour from within Uganda fell and this gap was filled by foreign migrant labour, principally from Ruanda-Urundi. Such a policy was pursued in the interests of commodity production in the favoured areas of Buganda and Busoga where the African peasant-produced export crops were vital to the Ugandan economy. The sugar industry was located in these favoured areas.

With regard to capital, the commercial and industrial sector, the government's policies were designed to ensure Africanisation. Despite its stated goal, the government dealt effectively with only one section of the Asian community - that is the traders and civil servants. The other section of the Asian population, namely the industrial wing of local Asian capital which was dominated by the owners of the sugar companies, was left unchallenged. Africanisation was an important means to attaining legitimisation and was popular electorally. However, it was selective in terms of its application to Asians in Uganda as the Government was dependent upon one section of the Asian community.

Endnotes

1. Andrian Graves and Peter Richardson, "Plantations in the Political Economy of Colonial Sugar Production: Natal and Queensland, 1860-1914", *Journal of Southern African Studies*, Vol. 6, No. 1, October, 1979, p. 214.
2. There are also a few tea and coffee plantations in Uganda. However, the plantation sector is dominated by the sugar industry.
3. For a detailed discussion of the enclave plantation economy, see George Beckford, Persistent Poverty: *Underdevelopment in Plantation Economies of the Third World*, (London: Zed Press, 1983), pp. 1-23.
4. *Ibid.*, p. 17.
5. *Ibid.*, p. 16.
6. Adrian Graves and Peter Richardson, op. cit., p. 221.
7. Adrian Graves, "Theorising the Plantation", University of Edinburgh, Unpublished paper, 1988, p. 11.
8. The retention of the Ganda political structure and the granting of certain privileges was a recognition of their special position in Uganda prior to colonization. See further on this D.A. Low, *Buganda in Modern History*, (London: Weidenfeld and Nicolson, 1971).
9. This was later to become the lost Counties and its Impact on the Foreign Relations of Buganda, Bunyoro and the rest of Uganda: 1900-1964", *Mawazo* , Vol. 4 No. 2, 1974, pp. 111-143.
10. *Mailo* was the vernacular term utilized for the measurement of land in square miles. However, it rapidly came to be used in the English language.
11. See, Beverly Gartrell, *The Ruling Ideas of a ruling Elite: British Colonial Officials in Uganda* 1944-1952, Ph.D. thesis, city University of New York, 1979, p. 183.
12. While both hut and poll tax provided a grat deal of revenue to the protectorate Government, by 1907, it was rapidly becoming apparent to the administration that the £ 29,332 which they collected in the form of taxation was the most they could extract out of the peasantry. Thus the *Blue Book* of 1907-8 states: "Practically every adult male in the Kingdom of Buganda now pays either a hut tax of RS 3 or a Poll tax of RS. 2,... this is very near the highest amount which, under existing rules, can be expected from its population". Similar accounts for the other regions are also accounted for, see Uganda Protectorate, *Report of Uganda, Blue Book 1907-08* (London: H.M.S.O., 1909), p. 2.
13. E.A. Brett, *Colonialism ad Underdevelopment in East Africa, the Politics of Economic Change* 1919-39, (London: Heinemann Educational Books, 1973), p. 122.
14. The B.C.G.A. chose a number of countries where it thought cotton could be successfully grown. Its major areas of involvement in East Africa were in Uganda, the Sudan and Tanzania. See further in Brett, op. cit., p. 123.
15. M. Mamdani, *Politics and Class Formation in Uganda*, (London: Heinemann Educational Books, 1976), p. 45. Also see, E.W. Nye, "A short Account of the History and the Development of Cotton in Uganda", *The Empire Cotton Growing Review*, vol. 8, No. 4, October 1931.
16. C. Ehrlich, "The Uganda Economy, 1903-1945", in Vincent Harlow and E.M. Chilmer, (eds), *History of East Africa*, vol. 11, (Oxford: Clarendon Press, 1965), p. 412; also see further his, *The Marketing of Cotton in Uganda, 1900-1950: A Case Study of Colonial government Economic Policy*, London, Ph.D. Thesis, 1958.
17. E.A. Brett., op. cit., p. 219.
18. Thomas F. Taylor, "The Struggle for Economic Control of Uganda, 1919-1922: Formation of an Economic Policy", *The International Journal of African Historical* Studies, vol. 11, N. 1, 1978, p. 5.
19. Ibid., p. 23.
20. Cyril Ehrlich, *op. cit.*, p. 426.
21. Taylor, op. cit., p. 23.
22. Crawford Young, "Agricultural Policy in Uganda: Capability and Choice", in Michael F.