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TECHNOLOGY CHANGE AND THE
AGRARIAN QUESTION

TECHNOLOGY AMONG PETTY COMMODITY PRODUCERS:
THE CASE OF KATWE METAL WORKERS.

Emmanuel NABUGUZI
(Research Fellow,
Makerere Institute of Social Research)

ABSTRACT

The study seeks to examine the role of petty commodity producers in the national economy. It deals with the question of the reproduction of urban labour power in regard to the interconnection between workers of the industrial, commercial and the public service sectors, and those in the so called "informal sector". This leads to an examination of the political relations that bind petty commodity production to the state. The study touches on conceptual problems related to this category of activities which it situates in the formal/informal dichotomy and examines their implications for a state in political and economic crisis. Examples are drawn from the specific locality of Katwe, in its history, the nature of goods produced by the petty commodity producers there and the relations of production within their workshops. The study then draws conclusions on various aspects of these production processes: on the dependence of these producers on the state, perspectives for increase in scale and quality of production, legal status of these activities and implications for the organisation of urban social forces.

THE FORMAL/INFORMAL DICHOTOMY

The post-colonial state in Uganda pursued policies that reinforced the economic structures put in place by the colonial regime. The industrialisation that took place followed the general pattern in the Third World then, of import substitution. These policies, however, did not bring about generalised development. Inequalities between rural and urban areas and within them increased. Although the influx of migrants from rural areas was less phenomenal, due mainly to political instability and the insecurity that accompanied it, the enclave industrial activities still did not offer sufficient employment for the urban population. A decade after independence, the industrial apparatus had collapsed, while state institutions like the bureaucracy were unable to pay sufficient wages and salaries to their employees. The population of urban workers could only subsist by participating in petty commodity and artisanal production as well as in the provision of various urban services some of which were no longer taken care of by the bankrupt state. These activities were said to belong to what has been referred to as the "informal sector".

In the 1970s the famous ILO Kenya Report¹ popularised the notion of the "informal sector" by distinguishing economic activities of a formal and informal sector using a series of

(1) ILO, Employment, Income, and Equality: A Strategy for Increasing Productive Employment in Kenya, Geneva, 1972, p.6.

criteria. Activities in the latter were characterised by:

- ease of entry;
- reliance on local resources;
- small family based enterprises;
- the use of labour intensive technology;
- acquisition of skills outside the formal school system;
- competitive and isolated markets.

The report defined the formal enterprises with the

opposite characteristics:

- difficulty of entry by new enterprises;
- frequent use of external resources;
- corporative ownership;
- large scale of operations and protected markets;
- use of capital intensive technology;
- acquisition of skills within formal structures.

Recent studies have shown that the distinction between a formal and an informal sector derived from a dualist perspective in which the two sectors were seen as independent from each other. These studies have found that to the contrary there is a permanent interaction between the two, such that analysis in terms of "sectors" should be rejected. In Africa for example, it has been demonstrated that it is within the state itself that clientelist networks that bind the two "sectors" are constituted. Serving in the civil service or in parastatal bodies is the best way to accede to the "informal sector".⁽¹⁾ The two sector model is also irrelevant because some of the criteria used to define the "informal sector" can also be applied to some formal enterprises. In fact some enterprises like transport and construction are found in both sectors.⁽²⁾ The economic role of these activities is also quite big. They produce a large quantity of goods and employ a large number of people in proportion to the

(1) Kasfir N., "State, Magendo and Class Formation in Uganda", Journal of Commonwealth and Comparative Politics, Vol.21 No.3, 1983. See also Alain Morice, "Les fonctionnaires et l'économie parallèle: proposition pour un modèle à partir de deux exemples africains, l'Angola et la Guinée", Carnet des Ateliers de Recherche (Amiens) No.7 March 1986.

(2) Bromley gives a good summary of the conceptual confusion in this terminology. Bromley, R., "The Urban Informal Sector: Why is it worth discussing?" In, R. Bromley (Ed.) The Urban Informal Sector: Critical Perspectives on Employment and Housing Policies, Oxford, Pergamon Press, 1979, p.1034.

official economy. They can therefore no longer be referred to as belonging to a "marginal", "informal" sector subsisting on the main official economy.

In this study, we do not return to these definitional issues that have been ^{debated} elsewhere. (1) Here we use the notion of petty commodity production to refer to the metal workers at Katwe because it includes the notion of family based production, small scale and does not preclude the use of hired labour as well as the generation of a surplus. Petty commodity production has attracted a lot of interest from many government, and international agencies like the ILO, UNIDO. In general they encourage these activities, although their relationship with small traders, hawkers, taxi drivers are more ambiguous. This is because these agencies appreciate the role played by petty commodity producers in supplying the town with relatively cheap consumption goods and services. They also design or modify components and spare parts used in the industrial and transport sectors and provide a wide range of services including the maintenance and repair of electrical and mechanical installations. State interest in these activities is based on the assumption that, if assisted, these activities can contribute to the value added of the goods they produce and provide employment. These activities, it is also argued can help people to acquire a spirit of entrepreneurship and constitute an infrastructural basis for building a self-sustaining and self-sufficient economy. (2)

However, we still refer to the ensemble, these activities generally ignored by official statistics as informal activities acutely aware of the irrelevance of the term in the Ugandan context in its connotation of unorganised, probably little productive, illegal activities, etc. This is for lack of a less controversial term, as many who have all the same used it, have said before. But it is also to bring out even more clearly the inappropriateness of the term in our specific context.

(1) See among others, Sethuraman, S.V., The Urban Informal Sector: Concept, Measurement and Policy, Geneva, ILO, 1976; Portes, A., "The Informal Sector: Definition, Controversy and Relation ot National Development", Review, Vol.6. No.1, 1983.

(2) For example the government programme spelled out in its "Ten Point Programme". See Museveni, Y., Selected Articles on the Uganda Resistance War, Nairobi, Colourprint, 1986, p.61.

THE STUDY

The study focusses on metal fabrication artisanal activities in Katwe, a suburb situated 3 km. south of Kampala. Katwe has got a concentration of metal workshops (about 30% of the total in Kampala). Situated to the south-east of Shauri Yako and Kisenyi markets, where second hand goods are sold, as well as near the lorry garages at Old Kampala, this suburb is well situated for its supply in recycled and other raw materials. In August 1989, we carried out a study among family based workshops employing between 1-16 people and producing grills, burglar proofing, locks and bolts, reflecting the preoccupation with security of their clients in the Uganda of the 1970s and early 1980s. They also produced charcoal stoves, (sigiri), pressure stoves, household utensils, beds, etc.. Others produced welding machine, battery chargers, crankshafts and exhaust pipes. Other activities common at Katwe included tailoring, the making and repair of leather products and carpentry.

The study aimed to examine the organisation of labour in these workshops: type of management, categories of workers and their modes of remuneration, and relations between workers and master-artisans. It also aimed to examine the type of machines used, their fabrication and the products of these workshops. We were also interested in the channels of supply of raw materials, the markets for their products and the type of clientele. It was therefore hoped that the study would establish the nature of relations between these workshops and their external partners. The study of the internal organisation of production aimed to establish the specificity of the relations of production in these workshops and their effects on the production levels as well as the capacity of response to external constraints and interventions.

(1) See Journal of Modern African Studies, 27, 1, 1989, pp. 1-10. Also see Journal of Modern African Studies, 27, 1, 1989, pp. 1-10. Also see Journal of Modern African Studies, 27, 1, 1989, pp. 1-10.

(2) For example the government programme on small business development. See Journal of Modern African Studies, 27, 1, 1989, pp. 1-10.

THE COLLAPSE OF THE UGANDAN ECONOMY AND THE STATE CRISIS

BACKGROUND

The Uganda economy is a dependent economy, par excellence. Only one export crop, coffee, occupies a disproportionate part of the value of national production. The economy depends on coffee for 90% of its export revenue. Light industrial activity dominates the industrial sector and it is mainly composed of processing industry for primary products destined for export, cotton ginning and textile, coffee curing, tea and tobacco industries; food processing industries dependent on imported machinery and in some cases imported raw materials: grain milling dairy products (dependent on imported milk), sugar factories, soft drinks and breweries (dependent on imported barley, bottles and other raw materials); other import dependent industries for consumption goods: soap, steel, paper.

In the 1970s, insecurity, economic mismanagement and civil strife led to the collapse of the industrial infrastructure that plunged the country into a deep economic crisis. This crisis was manifested by a serious drop in the productive capacity of the economy and consequently in to its employment capacity. Industrial production fell to 30% of its original capacity. Prices of the industrial products flared and inflation set in because of the weak supply side and currency emission to finance budget deficits and armed conflicts. The cost of living of low income workers rose by 531% between 1971-1977 and yet the minimum wage only increased by 41% in the same period. In 1984, the salaries in real terms were not even 10% of their value in 1971. (1)

It is in this economic context that activities that operated outside state control gained momentum. After the expulsion of the Indian community in 1972 and the redistribution of their property to a multitude of small traders, the activities they controlled broke down into petty informal activities. The economic network that this community had established was destroyed by this expulsion and essential commodities became scarce. The meagre incomes paid to workers and the high prices of essential commodities forced them to

(1) Jorgensen, J., Uganda, A Modern History, London, Croom Helm, 1981, p.298, Jamal, V., "Comment les Ougandais ont fait front à la crise", International labour review, Vol.127 No.6, 1988, p.766).

look for supplementary sources of income and for cheaper alternative goods produced by petty commodity producers. Others migrated to the countryside. For example the industrial town of Jinja saw its population drop from 47,872 inhabitants in 1969 to 45,060 inhabitants in 1980. (1)

In the 1980s, the IMF-backed structural adjustment programme led to the retrenchment of workers in a number of parastatal bodies like the Uganda Posts and Telecommunications (UPTC) and the Uganda Railways Corporation (URC). In the UPTC, 2,500 workers were laid off in 1983. (2) The advantages that were expected to accrue to the economy by these retrenchments were however nullified by recruitments in other sectors. In the civil service 20,000 people were recruited between 1982 and 1985, mainly in the lower rungs of the service. (3) In previous years, the rhythm of recruitment had been about 5,000 new recruits in five years. The high rate of recruitment under the Obote II government, the highest since independence, was definitely in response to clientelist pressures exerted by the strong contestation of the 1980 elections that had brought this government to power. These underpaid new recruits just increased the population of workers in petty commodity production and other forms of employment to supplement their meagre incomes from government.

The devaluation of the Uganda shilling, a precondition of the IMF backed recovery programme considerably reduced the purchasing power of the workers. The Uganda shilling has been devalued several times since 1982 and has since been either floating against or pegged to a basket of foreign currencies. In March 1982, the official rate of the Uganda shilling to the US dollar floated around 0.858 new Uganda shillings to 1 US dollar. By the end of October 1989 one needed 340 new Ug. Shs. to buy \$1 Us on the official market. In October 1984, the average monthly salary of the highest paid category of civil servants (permanent secretary level)

(1) Uganda Government, Background to the Budget 1989/1990, Ministry of Planning and economic Development, Kampala, July 1989.

(2) Mamdani, M. "Background to the National Resistance Army Takeover", Forward, Kampala, Vol.8 No.1 & 2, 1986, p.4.

(3) ILO, Wages, Incomes, Policies and Employment in Uganda, Addis Ababa, 1989, p.121.

was 68,400 shs. or \$153 US at the official rate then. In May 1986, the value in dollars of this same salary had fallen to \$46 US. (1) The lowest paid employee in the civil service (group employee) received a salary of 1,650 shs. in September 1988. The price of a bunch of matoke (green banana which is a staple food in a large part of Uganda) sufficient to feed a family of four for three days with two meals a day cost 1,000 shs. The monthly salary of this employee therefore could only feed his family of four for five days. (2) There was a massive retraction of working hours by civil servants. Some of them fled the service altogether.

THE STATE CRISIS

The ruling class reproduces itself through the appropriation of surplus value from peasant production which it uses to transform itself into a landed, industrial or commercial bourgeoisie. In Uganda, more than 40% of revenue from agricultural production goes to the state coffers through the mechanism of taxation on export crops. The price paid to Ugandan robusta coffee growers in the 1982/1983 season was only 19% of the total export price for the crop. (3) A small percentage of the rest goes into transport and processing, the bigger part being absorbed by state taxes. Many of the activities of the so called "informal sector" are also linked with positions held by members of the ruling class. According to a Public Accounts Committee report on corruption in the civil service, at least 20% of the annual budget is embezzled. The committee reported extensive financial irregularities and fictitious payments. (4)

(1) World Bank, Uganda, Towards Stabilisation and Economic Recovery, September 1988, p.11.

(2) Ibid., p.86-88.

(3) Mamdani, M., "Extreme but not Exceptional: Towards an analysis of the Agrarian Question in Uganda", Journal of Peasant Studies, Vol. 14, No.2, 1987, Table 5, p.209.

(4) Marchés Tropicaux et Méditerranéens (Paris) 30.06.89.

Most of this revenue is laundered in these informal activities. This may be through the purchase of mini-buses, the construction of luxurious houses for rent in foreign currencies, the setting up of farms or participation in the buoyant import trade.

The nature of the political and economic crisis can therefore only be understood in this triple perspective: the incapacity of the labour force to reproduce itself with remunerations from formal employment, the use of state resources by the ruling class to launch itself in private enterprises and the patronage syndrome that the economic malfunctioning encourages. This leads to practices of property redistributions which are politically very destabilising. Examples below will help to demonstrate this. The expelled Indian community owned about 40% of urban property in the country. When it was expelled by Amin, whole towns were emptied of their small commercial and industrial entrepreneurs. This property became an important source of state patronage. The ruling class confiscated it and redistributed it to its supporters like some soldiers from the West Nile region where Amin came ^{from.} This property was later to be managed by the parastatal body curiously named the Departed Asian Property's Custodian Board. Agents of the state occasionally sold leases of apartments, shops, depots and factories to themselves, sometimes ending in bloody conflicts, expulsions and counter-expulsions. The redistribution was however not limited to this dramatic case of Asian property, but rather became part of state practice. Pillage, plunder and redistribution of property was extended to cattle, land and domestic goods of other Ugandans. At the fall of the Amin regime in 1979, for example, christian revanchism against muslims who were alleged to have benefitted from the ousted regime took the form of confiscation of large tracts of land in Bushenyi. In 1980, the victorious troops of the UNLA (the national army) killed people and plundered their property in the West Nile region to avenge Amin's rule. In 1983 in Mbarara, the Uganda Peoples' Congress (UPC) party notables confiscated peasant land. (1) In an earlier article, Kasfir had characterised this situation thus:

(1) Kasfir, N., "Land Tenure and Peasants in Western Uganda: Bushenyi and Mbarara District", In, Bernt Hansen and Michael Twaddle (Eds.), Uganda Now, Between Decay and Development, London, James Curry, 1988, p.161.

"Success in gaining the help of the Ugandan state for business purposes since independence frequently depended on whether an entrepreneur was identified as a Muganda, Acholi, Langi, or Nubian. Each identification was helpful at certain times and disastrous at others(...) With each change of regime, those prominent officials who had accepted the patronage of one government lost all their investments and sometimes their lives." (1)

Some of the state agents as well as some small proprietors saw in the political instability and change of regimes the opportunity to improve their individual situations by acquiring property or entering trade. As Mamdani puts it, political chaos offered a great opportunity for social mobility:

"..Uganda became in the popular mythology that evolved over the years- the land of opportunity. Even the smallest man in a remote village had heard of someone, a distant relation or neighbour, who had made it somewhere up the ladder of success in the town (...) The social class over which this ideology had the firmest grip... was that of the small proprietors." (2)

The rapidity of changes in the composition of the ruling class and the confiscation of property of those who lost political power led to a type of commerce oriented towards speculation and rapid returns rather than productive investment. As a result of the crisis of the 1970s and the shortages it provoked, there developed a vast black market in the economy. It consisted in the sale of goods unavailable at official prices on the underground market; smuggling of agricultural products to neighbouring countries and the smuggling into the country of finished goods; and foreign currency speculation. This type of business was known as magendo⁽³⁾, a swahili word that encapsulates all these activities in its definition.

(1) Kasfir N., "State, Magendo and Class Formation in Uganda", Journal of Commonwealth and comparative Politics, Vol.21 No.3, 1983, p.100.

(2) Mamdani, M., "Two Years of National Resistance Army: National Resistance Movement", Third World Quarterly, Vol.10, No.3, 1988, p.1161.

(3) This subject has provoked a number of studies. See among others: R.H. Green, "Magendo in the Political Economy of Uganda: Pathology, Parallel System of Dominant Sub Mode of Production", Institute of Development Studies Discussion Paper No.164, (Brighton), 1981; Firimoni Banugire, "Towards an Appropriate Policy Framework for "Magendo Economy", East African Social Science Research Review, Vol.2.No.2, June 1986, pp.77 - 107; E.O. Ochieng, "The Magendo Economic System in Uganda in the 1970s", Mawazo, (Kampala), 1989, Forthcoming; G. Prunier, "Le Magendo en Ouganda (1972-1989)", Paper presented at colloquium, Bujumbura, 17-24 October 1989.

on them is maintained in devious ways. For Kasfir⁽¹⁾ the Ugandan state is also involved in magendo. Some politicians and civil servants use state resources to establish themselves in commerce. The mafutamingi of whom Green writes are in fact those individuals who having amassed wealth as a result of their connection with state agents invest in the magendo economy.

Foreign currency transactions are particularly demonstrative of these interconnections. The black market in foreign currency is an important means of channelling state resources in private enterprises. With only short interruptions, the Ugandan state has practiced a monetary policy of a dual exchange rate since 1982. The lower rate was destined for sales of official export crops, importation of petroleum products, medicine and raw materials for select public industries. The higher rate was for the importation of officially sanctioned goods. But there still is a big margin between the two official rates and the black market rate. In September 1989 for example, the ratio of the three exchange rates was: 200:400:600shs.to \$1US. The price of imported goods as well as the retail price on the local market is fixed according to the exchange rate of the Ugandan shilling on the black market. Obviously those who have access to foreign currency on the official rates harvest a windfall of profit when they resell their goods on the open market. For example, a businessman who obtains \$11,700 US through the Bank of Uganda at the official second rate of 400 shs.to the dollar, will pay 4,680,000 shs. for them. But if he used this money to buy a car abroad, he would resell it on the Ugandan market if he so decided, at a minimum of 7,020,000 shs., being the equivalent of \$11,700 US on the black market. On a single car, he would make a profit of over two million shillings.

The state therefore, remains the most important source of capital. In manipulating exchange rates, for example, the state gives well placed individuals access to lucrative opportunities and determines the room for manoeuvre left to these activities operating outside the state sector. The state also maintains law and order and guarantees the conditions for accumulation of the ruling class. The traders and

(1)Kafir, 1983, ibid.

petty commodity producers also need the protection of the state, as the latter remains the arbiter in social conflict and the guarantor of property rights. This state is not a monolithic body but is constituted by rival factions. The competition for state resources therefore takes several forms: ethnic, religious, regional conflicts. These resources are channelled to informal activities through clientelist relations and this creates vertical alliances between state agents and entrepreneurs in these activities. This makes state intervention ambiguous, often alternating from a liberal to a repressive attitude towards them reflecting the push and pull of factional forces on the ground.

EMPLOYMENT AND INCOMES IN INFORMAL ACTIVITIES

Informal activities in Uganda can be classified into ten groups:

- Food processing: grain milling, bakery, beer brewing, etc;
- Production and repair of leather products;
- Metal fabrication and repairs;
- Wood processing;
- Construction;
- Vehicle repair and associated activities;
- Transport;
- Other services like hair dressing, shoe shining, etc.

Studies on these activities in Uganda show that although the level of employment per enterprise is low (less than six people), their contribution to overall employment is quite high. It is estimated that informal activities contribute to more than 55% of non-agricultural employment, while the industrial, commercial and public service sector together only contribute 30%.⁽¹⁾ According to the same study, nearly 60% of the workforce in these activities gets a regular salary. These figures place informal activities as number one employer of the country. The large percentage of salaried workers in activities that are said to rely heavily on family labour and apprentices means that due to the low levels of wages in the official economy and the poor conditions of service, these activities have become a real alternative to official salaried employment. Studies also

(1) Uganda Government, Manpower and Employment Situation in Uganda, Ministry of Planning and Economic Development, October, 1989, p.99.

indicate that the rate of productivity is much higher in these activities than in the official economy. According to the survey cited above and an earlier study by the International Development and Research Centre, (1) value added by these activities can be as high as 50%. The contribution of these activities to GDP is estimated at 4%. (2) This seems to us to be a gross underestimation of their real share of the GDP. The average monthly income of entrepreneurs in these activities is estimated at 31,720 shs. This is ten times the monthly salary of an average civil servant. (3)

But the capacity of employment in these activities should not be exaggerated. One can hardly talk of employment in the informal activities as distinct, given the close relationship between these activities with the official economy. Some of the informal workers only work there part of the time since they hold regular employment in the official economy. Relations of labour in informal activities are part and parcel of social networks that go beyond the framework of the workshop. This makes this type of employment particularly precarious and the modalities of payment complex and exploitative. In fact, for most of these workers, informal activities are their means of livelihood. Most of them jump from one activity to the other accelerating the labour turnover within enterprises. Also, a large proportion of this labour force are youths and women who are themselves dependent on the head of the household. (4) It is this category that tends to increase the population of the total labour force in these activities. The question of employment and income from informal activities therefore, like all other aspects of this analytical category of activities, cannot be isolated from the economic system as a whole. The relations of production in the Katwe metal workshops illustrate the nature of employment in these activities and the constraints that these activities come up against.

(1) International Development and Research Centre, "Economic Adjustment and Long term Development in Uganda", Nov.1987, p.116.

(2) Uganda Government, "Manpower Survey..", p.101.

(3) Uganda Government, Background to the Budget 1989/1990, p.33.

(4) See Dipak Mazumdar, "The Urban Informal Sector", World Development, Vol.4, No.8, 1976, p.657.

THE KATWE METAL WORKERS

FROM ROYAL IRONWORKS TO POLITICAL FIREWORKS

Katwe is a trading center with a population of about 16,000 inhabitants. It is situated three to four km. south east of Kampala. The concentration of commercial activities and small scale enterprises, especially of metal work in this area as well as its political history gave it a national renown. The suburb was built into a commercial and artisanal center in the colonial period by migrants of different social origins.

-Baganda employees of the colonial administration who in the 1940s and 1950s had invested some of their income in commerce;

-rich peasants who invested some of their agricultural income in this area and landed chiefs who sold some of their land and invested the proceeds into commerce.

-other chiefs excluded from the land distribution of the 1900 agreement, e.g., some muslim chiefs excluded after their defeat in the religious struggles that preceded colonialism. (1)

Katwe developed on the site of the royal ironworks to become the most important commercial and artisanal center in the Buganda Kingdom during the colonial period. An integral part of the royal capital (the kibuga), this trading center was strategically placed at the southern entrance to the colonial administrative capital of Kampala. There already existed at Katwe, infrastructure for iron-working belonging to the royal smiths. In the pre-colonial period they produced hoes, clothing, ornaments, etc. Unlike the military empires of Southern Africa, the Buganda Kingdom had a fixed base and palace. The smiths were part of the royal retinue and lived in residences built around the palace. This gave them a special status. The rank of the head of the royal smiths as well as his deputy were hereditary, therefore only certain clans could succeed to this title. There was a high degree of specialisation among these

(1) Wrigley, C.C., "The Changing Economic Structure of Buganda", In, L.A. Fallers (Ed.), The King's Men, Leadership and Status in Buganda on the Eve of Independence London, Oxford University Press, 1964, p.46; Mamdani, M., Politics and Class Formation in Uganda, London, Heinemann, 196, p.166.

artisans. For example, ironworking was a preserve of only one clan, the bushback clan, according to legend. The ente clan produced weapons and agricultural implements while the nvubu clan specialised in the making of shields and ornaments. In 1941. Trowell could still observe these activities at Katwe:

"Driving out of Kampala on the Entebbe road, one passes the market place of Katwe, just outside the township borders; from a dilapidated oblong mudhut open to the road comes the clink of hammer on iron, this is the smithy of the ente or cow clan, and here you can watch them making spears... hoes... knives for peeling bananas..." (1)

In the 19th century there was a significant amount of trade between Buganda and Zanzibar. Cloth, ornaments, soap, porcelaine utensils and glassware from Zanzibar were exchanged against women, slaves and ivory from Buganda. This trade introduced important changes in the techniques of production of this artisanery and led to new forms of specialisation, as we know them today: carpentry, saw-milling, the production of utensils, pottery, repair of guns, etc. A class of professional artisans in the service of the king and the great chiefs developed. As these skills were rare these artisans attained a high status and considerable political influence. (1)

It is in this commercial and artisanal center that the first urban political campaigns against the colonial regime, to which some artisans still nostalgically refer, were organised. Katwe's proximity to the new town of Kampala and its concentration of traders and proprietors from diverse social origins who could not participate in the trade monopolised by Indians combined to put this trading center at the forefront of the urban struggle for independence which to them meant the africanisation of economic activities. Given the close ties that bound the new Katwe urbanites with the villages, information between the two circulated easily.

First spread by drivers who went out to collect coffee in the villages, the political campaign was taken up by newspapers in luganda printed at Katwe like Gambuze, Matalisi

(1) Margaret Trowell, "Some Royal Craftmen of Buganda", Uganda Journal, Vol.8 No.2, 1941, p.49.

(2) Wrigley, C.C., "The Changing Economic Structure of Buganda", In, L.A. Fallers (Ed.), The King's Men, Leadership and Status in Buganda on the Eve of Independence, London, Oxford University Press, 1964, p.25.

and The Uganda Pilot. These traders who demanded the end of state monopoly of the commercial sector allied themselves with african civil servants who protested against racial discrimination in the salary scales, peasants exploited by marketing boards and middlemen, and other categories of urban workers who demanded an increase in salaries. Efforts by Baganda traders to establish themselves in wholesale trade of both finished and agricultural products were frustrated by price controls. These controls favoured the well established enterprises. As a result, most of the commercial as well as light industry were controlled by Indians who for centuries had established intricate commercial networks from the Indian coast to the interior of the East African countries. In Uganda, even if the african traders were three times that of non-african, the former only controlled a third of the total volume of commerce. Thus the first political parties like the Uganda African Farmers Union were born at Katwe, and the Nationalist uprising of 1945 and 1949 were particularly violent here. Hence the dual importance, historical and economic, of the Katwe trading center in popular mythology. (1)

METAL PRODUCTS AT KATWE

Given the difficulty of access to institutional credits and technical training for the Katwe petty commodity producers, they have over the years invented machines that facilitate some of the production processes in their work. The lack of resources and training means that they can only proceed by improvisation. They replace or adapt spare parts/components to suit specific utilisation demands. In general, these machines/spare parts/components are modelled on the pattern of imported ones.

In the workshops we visited, however, the most common materials we found were those for use in construction. These included iron and steel doors, windows, gates, grills,

(1) On political social turbulence at Katwe, see Aidan Southall and Peter Gutkind, Townsmen in the Making: Kampala and its Suburbs, East African Social Institute, 1957. D.E. Apter, The Political Kingdom in Uganda. A Study in Bureaucratic Nationalism, London, Oxford University Press, 1961, p.24-; P.W. Gutkind, The Royal Capital of Buganda, Study of Internal Conflict and External Ambiguity, The Hague, Mouton, 1963, p.42, 240.

burglar proofing, brick-making machines and beds. Their production necessitates the capacity to cut, drill and solder metal. For soldering, the Katwe workers make welding machines, and for cutting and shaping they use an assortment of hand and electric tools (hacksaw, drilling machines, lathes, etc.), some of which they make themselves. For the electric aspects of production, the workshops employ workers trained in neighbouring technical colleges like Kyambogo and Kisubi.

The latter category of workers are also quite useful in the making of battery chargers, another activity that is in vogue at Katwe. This product appeals to the state's constant appeal to consume locally manufactured products and save foreign exchange. It also implies entering into relationship with a more solvent clientèle, that of car owners who come to charge their batteries. More established workshops go ahead to repair generators and dynamoes. One of the workshops even had an exclusive right to repair Uganda Electricity Board transformers. In these workshops the workers use recycled raw materials like metal sheets, bars and components, insulated copper wires, diodes, switches rectifiers, resistors, easily obtained in the lorry garages at Old Kampala or in Shauri Yako or Kisenyi markets. This reduces the cost of production and makes these goods more competitive. In August 1989, a battery was charged for only 200 shs. at Katwe and at double that price in better established workshops.

MARKETS FOR KATWE ARTISANS

The market for metal products is influenced by four main variables:

- the supply of products on the market;
- the price of raw materials;
- the price of the products;
- competition from modern industry.

There exists a high degree of replication of products at Katwe. Most enterprises produce the same thing: beds, doors, burglar proofing, grills, etc... It is not surprising therefore that these artisans find problems in getting rid of their products. The better equipped workshops can diversify their production into the manufacture of brick-making machines,

grain millers, bodies for lorries, which need more precision and time in making and also take long to sell but are very profitable. The market for these goods is in fact very fragile. The capital of entrepreneurs is often tied up by clients, the majority of whom are insolvent. The clients make orders for goods with an advance payment on them but fail to pay the rest. The goods therefore remain in the workshops uncollected and at Katwe, one finds many windows, beds, grills exposed along the road waiting for their clients. Apart from this, competition with large enterprises is very damaging. The market for a commodity can disappear overnight if a company which obtained foreign currency at the official rate floods the market with imported goods. There is for example stiff competition with companies like Magric Uganda Ltd., which import grain milling and brick-making machines, Casements, which deals in steel construction products, or General Parts, which imports vehicle spare parts. The case is in fact more dramatic with other petty commodity producers like tailors who not only have to compete between themselves but are also faced with competition from imported second hand clothes that are cheaper. Barriers to entry into such trades are in fact very low, demanding relatively small capital to buy or rent a sewing machine, for example, in order to set up shop.

The raw materials are also in general very expensive. The petty commodity producers cannot hold large stocks. With each new order, they go out to look for the necessary materials. Furthermore, the prices of the raw materials vary according to where they are bought. Seven metres of angle bars cost 7,000 shs. in August 1989 at the Uganda Central Cooperative Union (U.C.C.U.), but cost double that price on the open market. Prices of iron bars of different gauges vary between 4,500 shs. and 10,500 shs. depending on whether they are bought at the Ugadev a development bank, at the U.C.C.U. or on the open market. Different gauges of soft iron cost between 12,000 and 35,000 shs., but the price could go up to 60,000 shs. depending on whether one bought them at Sembule Steel Mills, from parastatal companies, development banks or on the open market.

These workshops in general do not carry out detailed book-keeping, although in general they calculate the costs

before fixing the prices. Here is an example of a bill for a steel window measuring 1.8 by 1.2m.

Price of the angle bars	15,000 shs.
Paint, design and other accessories	5,000 shs.
Labour	10,000 shs.
Total	<u>30,000 shs.</u>

But the profit margin is not included in the bill. It is assimilated to the cost of labour, the factor on which the master-artisan pays to determine his margin of profit. The more expensive the article sold, the bigger the profit. Thus the return on steel doors that cost 60,000 shs. or brick-making machines that cost 150,000 shs. is much higher.

RELATIONS OF PRODUCTION IN THE WORKSHOP

Alhaji Sendiwala is one of the oldest artisans at Katwe. His case is typical of a workshop in the process of transformation from a small family based unit to a large scale high productivity workshop. He came to Katwe in 1945 and started as a repairer of bicycle carriers. Today, at sixty, he possesses land in the village and is master in his workshop. His old age is symbolic of the length of time it takes to establish oneself in the metal trade. In the workshop which he established using savings from previous work in other people's workshops, he now employs sixteen people of whom seven are paid workers and the rest apprentices. He pays a monthly rent of 15,000 shs. for the premises from which he operates, a small crowded room with half cement, half earthen walls. The mode of occupation of these workshops actually varies from workshop to workshop. Some master-artisans own their premises, others rent them, others yet have been "lent" to them. The division of labour in the workshop also varies a great deal. In the bigger workshops, the master-artisans mainly deal with organisational aspects, sales, supplies, while their assistants supervise the day to day running of the enterprise. In the small units, there is barely a difference between worker and master.

The workers in these workshops are paid in various ways. In Sendiwala's workshop, for example, the workers do not receive a regular salary. They share the profits on the sales, referred to as okupattana, or bargaining. In

addition to these payments, the workers are also entitled to a lunch at the workshop. The mobility of labour is quite high. Some workers had left private companies to work at Katwe because, according to them, work in these workshops was more satisfying than the previous work which they found repetitive. Here also, they had the possibility of experimenting on different kinds of products and therefore acquiring new skills. In addition, they use tools belonging to the workshop to make their own products which they can sell. At Yamew, another workshop, workers are paid regular wages on a weekly basis. These wages vary according to the skill of the worker and his experience. The best paid workers earned an average wage of 3,000 shs. per week, the next category earned 2,500 shs. and the lowest paid earned 2,000 shs. a week.

The apprentices are closely tied to their masters. Some of them are related to them while others are just family friends. In all the workshops we visited the apprentices were not paid. Instead, in one of them, they paid 20,000 shs. each per month for the apprenticeship. This training lasts about six months after which period a new lot comes in. Therefore apprenticeship here is a source of revenue for the master artisans and their workshops function like private training schools. These young men, about eighteen years on average, nourish the hope of becoming master artisans one day in their own workshop. Their idol is Musa Body who, represents what they are capable of becoming. (1) Sometimes the master-artisan helps his apprentices out on occasions like baptisms, marriages and funerals, or when they are sick he lends them money. These relations of personal dependence and indebtedness actually reinforce the exploitation of this unpaid labour. Labour relations in the Katwe workshops are therefore quite varied. They range from relations of personal dependence to well defined contractual relations in which workers get regular payments for their labour and apprentices pay for their training. They are also influenced by forces outside their production processes like larger companies that they meet on the market for raw materials and on the sale of their products. But also on family social relations.

SOCIAL DIFFERENTIATION

It has been argued that such workers in petty commodity production do not constitute a different strata from their masters. According to this argument, differentiation is not possible because the barriers at entry in terms of skills and capital requirements are very small. Labour mobility is therefore very high and the workers do not stay long enough to constitute a distinct group. They instead constantly alternate between self-employment and salaried work, between formal and informal activities. (1) The apparent ease of entry in metal work is confirmed by the relative availability of certain machines and tools. The Ugadev study, (2) counted 220 welding machines in a sample of 406 small scale enterprises. But petty commodity production must be seen in its ensemble, in its complex relations with the wider society. Clearly, the movement is towards an increased differentiation between workers in these activities. There exist less visible barriers. Lack of access to a apprenticeship can in itself be a barrier. Although lucrative, access to it is also selective. Petty commodity producers are part of a large social network. Once established, the self-employed worker must depend on other vertical relations to gain access to capital, premises, raw materials, at moderate prices, etc. This implies relations with already established workshops, individuals in the public service or in the import-export trade. These relations are elements of promotion and their absence an obstacle at entry.

At Katwe there actually exists a high degree of differentiation between master-artisans, workers, apprentices between and within workshops. A minority of workshops are well equipped with machines, some of which are imported. They also employ several workers (ten and above). The master artisans in these workshops reinvest part of their income in the enterprise and the rest in a variety of rural enterprises. Access to raw materials at a lower price, e.g., at the U.C.C.U., Sembule Steel Mills or the development banks and access to privileged markets constitute important mechanisms of vertical differentiation. Because in these activities where individuals, often insolvent, constitute the majority of the clientèle,

(1) Kenneth King, "Kenya's Informal Machine Makers: A Study of Small Scale Industry in Kenya's Emergent Artisan Society", World Development, Vol.2, No.4 & 5 1974, p.18.

(2) Ugadev, "Small Scale Industries in Kampala", Survey Report, Kampala, July 1988, p.38.

the acquisition of contracts to supply goods to bigger enterprises become an important source of differentiation between workshops. Yamew, for example, received contracts to supply Shell with pipes and Makerere University with roofing tiles. Kenzira workshop received another contract to supply a newly established Uganda Commercial Bank branch with grills and burglar proofing and yet another to construct luggage stands on taxis at a price of 600,000 shs. each. These workshops were therefore able to buy more machines and increase their scale of production.

The majority of the workshops, however, are poorly equipped and depend mostly on simple tools. One even finds artisans with no tools at all. These accept any payment in exchange for their skills or borrow tools in order to work. Some of the underpaid workers work part of the time as masons, plumbers or in manual jobs like unloading lorries in the commercial quarters of Kampala. This category of workers are actually disguised proletarians who subsist in these activities by accepting the worst conditions of work and the lowest pay.

THE POLITICS OF SELECTIVE PROMOTION

Relations between the Katwe metal workers and the state have often been bad. In addition to working outside the legally defined framework, metal workers have often been accused of being in collusion with thieves. Since they make gates and burglar proofing, it is argued, they can also burgle them. It is also argued that they can use their car garages to transform stolen vehicles and render their identification difficult. These relations must be put in the context of a history of active resistance to state policy emanating from Katwe. Gutkind and Southall were struck by the active resistance of Katwe residents against building a road through their town, for example, which they judged as being very inconveniencing. Colonial governors had also made all efforts to establish a police post at Katwe. (1)

Today, the Katwe petty commodity producers have fresh battles with the state. They find that the demands made onto

(1) See footnote 1 page 19 above. See also J. Buwembo on "Radio Katwe", a powerful grassroot mobilising force put in place to resist colonial oppression and very active during Amin's regime. "Radio Katwe Studios might Close Soon", Weekly Topic, (Kampala) 15 March, 1989.

them by the state are onerous. They claim for example that the state requires them to open up bank accounts of more than 10,000 shs. before receiving state credits. They also claim that commercial banks demand an interest rate of 40% on the credits they offer. They also allege that they make many unofficial payments to local municipal authorities, bank valuers, local agents who collect funds purportedly to organise them, etc. Apart from some propostions to take these activities seriously and the symbolic aid given to some of these workshops, there haven't been any concrete promotional projects. The workshops that have already received state aid are the relatively large ones like that of Musa Body mentioned above, or Katwe Dynamo and Steel Works, whose boss is also the chairman of Uganda Small Scale Industries Association (U.S.S.I.A.) or to Kivumbi Metal products.

The Uganda government says it is more inclined towards policies of structural reform in which informal activities would be involved rather than direct intervention through promotional projects. (1) There seems to be a realisation of the juridical gap that exists in defining policies aimed at supporting petty commodity production. Planning officials prescribe the creation of institutions charged with the specific responsibility of promoting these activities usually referred to as informal, by for example, creating special departments to this end in the ministries of planning, finance and industry. The other novelty among the proposals is the working out of forms of guarantee to state credits that are not based on the traditional concept of a collateral in form of the capital of the enterprise. A similar scheme vigorously implemented in agriculture seems to be fairing well, albeit with a high potential for an accelerated level of differentiation among peasant farmers, patronage of rich peasants and the exclusion of poor ones. (2) It has also been proposed that the technical training institutes should adapt their programmes to the needs of informal enterprises including training taking place within the workshops themselves. The other proposals are fairly standard ILO type proposals: prescriptions for state intervention in favour of providing machines and raw materials, the simplification of rules of registration of enterprises.

(1) Uganda Government, "Manpower Survey...", p.119.

(2) See Nabuguzi, "The Uganda Commercial Bank Rural Farmers Scheme", Resource paper for The U.C.B. Executive Development Programme Seminar, Mweya, April, 1988.

It has also been suggested that the state institutions should reserve some markets to these enterprises by allowing them to participate in supplying government institutions with commodities.

Petty commodity producers rarely constitute themselves into a pressure group to overcome some of these constraints. This is partly because these workers have no control whatsoever over their production processes. They neither control the supply networks of raw materials nor the markets for their products. In addition to this, these workers are in different social situations. For the master-artisans, since the only variable they control is the labour power of their workers, they react by exploiting the latter even more. In case of poor sales, or periods of inactivity, the workers are paid even less. Informal activities can therefore be situated on a continuum at one end of which some independent workers make profits from their activities, while at the other end some workers are proletarianised, with a heterogeneous situation in the middle, of workers remunerated in diverse ways who will either become master-artisans in their turn or join the task workers who sell their labour force by the day or the week at a very low price.

LEGAL STATUS

Characteristically petty commodity producers rarely have access to institutional credits. Only 1.6% of informal enterprises had succeeded in obtaining credits.⁽¹⁾ Most of the enterprises cannot benefit from bank credits because they do not have a collateral important enough to act as a guarantee to these credits. Neither their equipment nor their premises are convincing enough. These enterprises operate in precarious conditions both in a physical and legal sense. Neither the condition of the premises nor the area in which they are situated are allowed by urban authority laws. 11.8% of informal workers operate from their own houses, 61% from commercial areas and 27.2% in open space.⁽²⁾ The legal status of these activities is quite ambiguous and complex. The 1964 Act seems to place such activities under the designation of cottage industries which are neither taxable nor need

(1) Uganda Government, "Manpower survey...", *ibid.*, p.117.

(2) Uganda Government, "Manpower Survey...", *ibid.*, p.116.

a licence to operate. This status seems to have been revised recently although the new position is not explicit as far as the rich variety of these activities is concerned. (1)

Significantly most artisanal activities pay taxes to urban authorities (sales tax, licence, local development funds, etc.) The legal and the illegal fuse into one. The Ugadev study attempted to measure the degree of illegality in small scale enterprises in Kampala in regard to registration, tax payments, location of enterprise (illegal if operating in a residential area). The study discovered that 32% of enterprises in Kampala were legal, 41% were partially legal and 28% operated in absolute illegality. (2) These statistics are in fact of limited validity because in many cases the parameters of what is illegal go beyond such prescriptive criteria. The illegal is in fact contextual. The irony is that many registered enterprises do not in exist in reality. They were registered as a means of bargaining for credits from the banks, from the state or from aid agencies. On the other hand, many enterprises that really exist are not registered because they do not meet some of the prescribed requirements. The complex relationship between the legal and the illegal is in fact a reflection of the balance of forces between the so called informal activities and the state.

DEPENDENCE ON THE OFFICIAL ECONOMY

The development of these activities is in fact provoked by specific forms of accumulation in the developing countries. The capitalist mode of production penetrates the precapitalist forms of production and subordinates them to its needs, thereby partially activities are a manifestation of this active process of transformation of forms of production. These activities in fact play an important role in capitalist reproduction and accumulation. Their role as a reserve army of labour is well documented because they absorb the large population that seeks but cannot find employment in the official economy. As a reservoir of labour, they exert downward pressure on the wages paid in the official economy. The general process of social support to these workers is well known: reduction of costs to the capitalist enterprises

(1) New Vision 03.03.89.

(2) Ugadev, 1988, *ibid.*, p.15, 44.

and the official economy in general in direct salaries, taking charge of medical care, maintaining temporarily unemployed workers dropped out of the official economy which also passes on costs in pension, etc.; provision of relatively cheaper consumption goods (utensils, clothing, food, building materials, transport services, the repair of electrical and mechanical appliances, etc.). What is less known are the individual mechanisms through which these activities support a large underpaid urban population, enables the enrichment of a few and the impoverishment of the majority on the whole spectrum of urban employment.

Informal workers are therefore organically tied to the official economy and respond to the logic of accumulation in this economy on which they are highly dependent. They are dependent on it for the supply of capital and raw materials, spare parts and finished goods. The petty producers buy their carpentry tools, metal sheets, sewing machines, etc. from the industrial or commercial sector. The recycled materials like oil drums, tyres, industrial waste metal used in the making of consumption goods also come from the industrial sector. The official economy also enters into subcontracting relations with petty commodity producers. In the construction sector, for example, this type of relationship is very common. The parent company of the capitalist enterprise passes on part of its production to small subcontractors who supply it with bricks, tiles, water reservoirs, frames, doors, etc., often with labour too, to carry out specific construction tasks. The subcontractors bare the fluctuations in labour demands and the parent companies get labour at a lower cost.⁽¹⁾ The lack of direct access to the market and to official sources of credits, as well as difficulties in the provision of raw materials pushes workers in petty commodity production to accept the role of subcontractors. There is therefore a complex relationship of subordination and competition between petty commodity production and capitalist enterprises in the official economy.

(1) Similar contractual relations in agriculture are spreading in Africa. Here peasant producers bare the fluctuations in commodity prices, the vagaries of nature, and the capitalist companies achieve a high degree of control of peasant production at a very low cost. For a comparative study, see Emmanuel Nabuguzi, "Comparative Perspectives on Contract Farming in Africa: the Kenyan and Nigerian Cases", Paper presented to Mawazo Workshop, (Kampala), Makerere Institute of Social Research, 1988 or "L'Agriculture Sous Contrat au Nigeria", Politique Africaine, No. 27, 1987.

CONCLUDING REMARKS

If the state, international agencies, and large enterprises in the official economy are interested in petty commodity production, this must be due to the advantages that its internal organisation of production offers. This form of organisation enables the exploitation of the labour force of its various categories of workers. In effect, in this type of production, the labour relations, the obligations and rights of workers are not formally defined and the rhythm of work is not uniform. The relations of personal dependence embedded in family and apprentice labour mask the exploitation that takes place. It is due to this unpaid labour that even with low levels of productivity in some workshops, a surplus value is still produced and appropriated by the entrepreneurs and master-artisans. Alain Morice⁽¹⁾ has characterised the unpaid remuneration due to this labour force as a "confiscated salary" since the master-artisans deliberately hold onto the profits generated and pay the workers at their own pace, in amounts they arbitrarily determine and in the form of payment they choose. The precariousness of the financial situation of these workers is used as an instrument of exploitation and domination.

There is a wide gap in social situations of master-artisans and workers at Katwe. At one end are master-artisans who succeed in increasing their scale of production with workers who get a reasonable income, and at the other end are workshops in which production is quite small and in which workers live on the margins of society and are obliged to accept any form of employment sometimes outside petty commodity production. The deep internal differentiation among petty producers gives hope of social mobility to those at the lower rungs. The apprentices hope to acquire skills that would enable them to get a paid job, the salaried workers hope to save enough money to buy machines and set up their own workshops, the intermittent workers hope to settle down on a paying job in a workshop, etc. Since the degree of exploitation also equally varies according to one's position in the workshop, the process of conscientisation to exploitation is slow and gradual. This coupled with family dependent relations and the lack of organisation partly explain the rasceness of social struggles

(1) Alain Morice, "Ceux qui travaillent gratuitement: un salaire confisqué", In, M. Agier, J. Copans and A. Morice (Eds.), Classes ouvrières d'Afrique noire, Paris, Karthala and Orstom, 1987.

in these activities. (1)

Because of the intricate interconnection between activities in the capitalist enterprises and petty commodity production, one cannot extract the latter from the economic system and define them as a target group that only needs state aid in order to generate a self sustaining industrialisation. For the moment, state intervention in petty commodity production seems to be limited to a selective promotion of enterprises. This follows the logic of the state which aims to forge alliances with some of the urban social forces. For small artisans these policies may mean increase competition on the labour market and on the market for their goods. In contrast with workers in other informal activities, petty commodity producers often react individually to these constraints. Taxi drivers, hawkers, market sellers react promptly to policies that go against their interests. The taxi drivers withdraw their cars from the streets or increase fares, foreign exchange dealers, hawkers, market "bag boys" (2) warn each other of police swoops. But in metal work master-artisans react by exploiting their workers further and the latter by looking for additional or casual work. Petty commodity production therefore remains precarious and based on exploitative relations from which industrial and commercial activities in the official economy benefit.

Urban petty commodity production and other so called informal activities are therefore not just a sum total of means of survival for the urban marginals or merely parasites to society. Their workers are not just a population in excess of the needs of the main industrial sector. These activities contribute to national production and generate incomes for large numbers of people. (3) Informal activities therefore produce a big proportion of essential commodities and provide relatively cheaper services. These goods and services are mainly consumed by urban low income workers. They therefore

(1) Nearly half of the informal workers in the large sample from four major towns studied had not even heard of U.S.S.I.A., the organisation that is expected to bring them together. See "Manpower Survey...", p.116.

(2) Epp Naliwaiko, "The Bag Boys: The Nakasero Market Boys", Makerere Institute of Social Research Academic Forum, Kampala, 16 March, 1988.

(3) See Marginalidad theses like those of Quijano Obregon, "The marginal Pole of the Economy and the Marginalised Labour Force", Economy and Society, Vol.3, No.4, 1974.

help in the lowering of the cost of reproduction of workers in the official economy and exert pressure on the already weak salaries of workers there. Formal activities are articulated with informal activities in relations of subcontracting and retail trade. The dependence of the informal activities on the official economy for the supply of raw materials and for the outlets of their goods imposes important constraints on them. This obliges them to use recycled raw materials in their production processes for example. This dependence is in fact a reflection of the subordination of the Ugandan economy to the international capitalist system. Accumulation in the official economy as well as in the informal enterprises is limited by structural constraints which are the result of an externally oriented economy. Since the state does not have the capacity to influence productivity in the whole range of petty production enterprises, and since there is a desire to see the effect of its intervention in these activities, the tendency is towards a selective promotion of enterprises. This tendency, however, in a situation of general scarcity could encourage corruption, as the agents through whom this aid is channelled become brokers of aid. It also accelerates the differentiation process because the expanding enterprises attract labour from the smaller enterprises and restrict their access to the market and to raw materials. The selective promotion of enterprises is also a manifestation of patronage and factional relations at play within the state apparatus. The prescriptions by international agencies like the training of informal workers, the provision of credits, the simplification of rules governing enterprises aim to create a class of entrepreneurs allied to the ruling class and capitalist interests. These policies are in accord with the desire of the state to make informal activities contribute to national production and employment.

State intervention here too aims at the forging of alliances with a section of the urban social forces. It is in the interest of the state that the acute political instability that resulted from the anarchic patrimonial redistribution of property is stemmed. The post-1986 regime has proceeded by evoking policies that aim to reinforce laws governing property rights and the prosecution of officials who negligently leave state property to waste. It has also made moves to hand back the significant urban property belonging to the expelled Asian community. There has also been a reinforcement of associations that would mediate in

the distribution of resources to urban industrial and commercial enterprises, such as the Uganda Chamber of Commerce, the Uganda Manufacturers Association and the Uganda Small Scale Industries Association. But as to whether this redistribution of resources and influence will not polarise the society further on geographical and other lines depends on the strength of democratic forces within the wider society in these difficult periods of national renewal.

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