Land grabbing or economic development? Lessons from the oil palm plantation on Bugala Island, Uganda[1]

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Abstract

Globally, the phenomenon of large-scale land leasing, or 'land grabbing,' has been the subject of increasing concern within the NGO and academic communities. At the heart of the criticism of the global phenomenon is the debate over the most appropriate methods of achieving economic development. In essence, an examination of land grabbing can be situated within the debates over modernization and globalization. In Uganda, the island of Bugala is examined in light of a large-scale oil palm plantation and production facility that has been operating for the past five years. A major conclusion from the study is that assumptions about food security need to be reconsidered. In particular, benefits and costs accrued in each large-scale land lease deal need to be examined individually in order to accurately assess the winners and losers, and potential long-term consequences, of each land deal.

INTRODUCTION: ANALYSING LAND LEASES AND CHANGES IN LAND USE

The 2008 global food crisis engendered grave concern over the future of global food security, especially for the most vulnerable populations within the global South. NGOS focused on land, agriculture, environmental or food security issues became alarmed by an increase in states and corporations seeking long-term leases in vulnerable states of the global south. Just as the objectives in seeking out land vary, so do the objectives of the governments that extend such leases. To understand particular cases of 'land grabbing,' it is important to focus on the interplay of competing interests that occur within states that often have limited state capacity, but also high levels of state autonomy. The case of Uganda, and the specific example of palm oil production on Bugala Island, demonstrates the importance of the state and state capacity specifically. The

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ability of the state to make land deals is dependent upon its capacity to persuade or coerce local land users into changing their usage patterns. In particular, the state can offer an attractive package to investors with the assurance that the messiness of land tenure practices, the suspicions of local land users about such deals, and the rule of law will be managed in such a way as to limit investment risk. This case in Uganda demonstrates that the government is pushing a particular form of modernization for the agricultural sector while many local stakeholders remain suspicious of the intentions of the government and resistant to change. Yet, as the case study of Bugala Island demonstrates, the change that occurs as a result of large-scale land leases can bring benefits to the local people as well as costs.

This paper sets the discussion of land grabbing in Uganda within the framework of the tension between state and societal interests. Focusing on both state autonomy and state capacity enriches our understanding of the process of economic change on Bugala Island. According to Karen Barkey and Sunita Parikh, state autonomy is the ability of the state to formulate interests independent of, and often in opposition to, the interests of societal groups (1991: 525). State capacity can then be defined as the ability of the state to formulate and implement policy in order to carry out its interests (Barkey & Parikh 1991: 526). This paper demonstrates how the state was able to leverage its autonomy by mobilizing interests to achieve its goal of modernization of the agriculture sector on the island of Bugala. Despite resistance by some local residents who did not trust the motives of the government, and despite weak state capacity to deliver services to the island prior to the land deal, the state successfully influenced the specific path of development for Bugala Island. The investor, Oil Palm Uganda Ltd. (OPUL) was able to achieve its goals mainly by directly working with the state, but also by gaining buy-in from some sectors of the local community. In the end, the land deal materialized, the palm oil plantation has been established, and the costs and benefits of the plantation are beginning to emerge. The plantation has resulted in loss of biodiversity, an increase in population and diversity of culture on the island, and to possible environmental pollution in Lake Victoria. But, it has also resulted in increased availability of a variety of foods in the markets, increased investments in infrastructure on the island, and increased incomes for many farmers who are part of the cooperative that sells palm fruit to OPUL. The consequences of the palm oil planation on Bugala Island caution us to widen our understanding of large-scale land leases without presupposed assumptions that all such deals are definitively negative. Costs and benefits exist in every land deal, and we can learn much about the global phenomenon of ‘land grabbing’ by assessing each case individually on its own merits, especially through a lens of state-society relations that examines both process and winners and losers.

This paper addresses three essential questions about how the case of oil palm production on Bugala Island contributes to our understanding of ‘land grabbing’ in Uganda and more generally in terms of the literature on ‘land grabbing.’ The first question is, how did economic and political factors, as well as stakeholders, interact either to constrain or encourage the completion of a land deal on Bugala Island? Uganda has been called a hybrid state, neither fully democratic nor fully autocratic (Tripp 2010: 1). By focusing specifically on state capacity and state autonomy as they operate within Uganda, the key objective is to determine the stakeholders, their relative power, and the process by which an agreement was reached to lease land for palm oil production. A second question to address is who are the winners and losers in this particular land deal, and how does our understanding of the process by which this deal emerged inform our understanding of the benefits and costs of the deal. Determining whether the costs outweigh the benefits is a key concern of this analysis. The third question is hypothetical but pervasive in policy debates and around issues of modernization: what would Bugala Island look like today if the palm oil plantation had never been established, and would the people of the island have been better off than they are today? One must examine ‘land grabbing’ on a case-by-case basis, but one also has to consider that there are tangible social, economic, and political consequences that result from both the pursuit of large-scale land leases and from the resistance to such projects. These consequences enhance our understanding of the limits and strengths of the Museveni hybrid regime as well as inform us of the potential obstacles to future state-society negotiations over land in the future.

LAND LEASING OR LAND GRABBING?

The drivers of global ‘land grabbing’ have been well defined within the literature (Friis & Reenberg 2010; de Schutter 2011; Cotula & Vermeulen 2009; Borras & Franco 2012). A useful framework for assessing the drivers of land use, and changes in land use globally, is provided by

Cecilie Friis and Anette Reenberg (2010) who simplify the framework of Eric F. Lambin *et.al.* (2003) whose work focused specifically on deforestation in tropical regions. Friis and Reenberg divide the drivers of land use change into direct or proximate forces and indirect or underlying forces (2010: 3). The main underlying drivers of land grabbing identified by Friis and Reenberg are changing demographic conditions, most notably increasing population numbers, global economic conditions, most notably the desire for new markets for investors as well as dietary changes that require greater land areas devoted to raising animals, and climate changes that have incentivized states to seek land for biofuels as well as to seek security for food stocks if their own lands become inadequate because of climate and/or demographic changes (2010: 14-16). The underlying drivers may be global, national or local, and are best understood within a globalized world in which states, corporations, and individuals interact and rely on one another for meeting both economic and political needs. Friis and Reenberg suggest,

> Local human needs and local capital input are not necessarily as important determinants for land use decisions as was the case in many land use systems before the global acceleration of the economy. In addition, the globalization of *communication and knowledge* has influenced global land use patterns through technological changes and development, new ideas promoted by extension or development assistance, adoption of new food habits, etc. (2010: 2).

When examining specific large-scale land lease deals it is apparent that the vast majority of people no longer live isolated from the rest of the world. Remaining separate from the larger decisions of the state, the corporation, or even international institutions, is no longer a viable option. The phenomenon of globalization is the backdrop to understanding how and why land deals happen[i]. Within this process of globalization, external actors, states and corporations, are having a broad impact on land usage in certain underdeveloped, agriculturally dependent states. The consequences of these land use changes are potentially enormous both in terms of human impact and in terms of state-society relations. Food insecurity, expulsion of peasants, loss of local control over resources and rising conflict are some of the consequences feared by those raising the alarm on 'land grabs' (De Schutter 2011; Borras and Franco 2012; Cotula and Vermeulen 2009; von Braun and Meinzen-Dick 2009).

This tension between locals who wish to have control over how they relate to many of the drivers of globalization and those who embrace these forces as a means to modernize or develop the state is evident where land deals are being discussed, including in Uganda. One basic indicator of this tension is the characterization of the phenomenon by different stakeholders. Those in favor of modernization of the agriculture sector, such as the government of Uganda or the World Bank, utilize terms such as 'large-scale land lease' or 'large-scale land investment' while those opposed to these types of deals utilize the term 'land grabbing.' By utilizing 'land grabbing' for every land deal that takes place, whether it is amicably agreed upon or large numbers of people are displaced, is problematic. So is referring to all such transactions as 'large-scale land investment.' Competing terms for the phenomenon bring with them an implied ideological orientation and competing vision of the way forward. However, as Carlos Oya points out quite convincingly, this characterization of the problem, and simplification of the issue into 'good' versus 'bad' does not do justice to the complexity of the problem at hand (2013). Problematically, the 'rush' to report on land deals has resulted in inaccuracies that can confuse the debate, and lead to poor policy prescriptions or inaccurate assessment of specific consequences of specific land deals (Oya 2013: 505). In order to assess these impacts, case studies are needed, but as Oya further asserts, carefully designed data collection for case studies is just as important as carefully distinguishing between facts, rumors, and falsehoods in the large databases that track land deals globally (2013: 512-13). Yet, the ability to distinguish fact from rumor in a country like Uganda where land tensions are high and distrust amongst different stakeholders is present remains an arduous challenge. Multiple narratives emerge as different stakeholders are consulted.

This paper pushes the polarized debate over the characterization of large-scale land leases by analyzing the process through which the deal came about as well as by examining the costs and benefits of one specific land deal in Uganda. Through an examination of both process and results, we can better understand that land deals emerge within the context of state-society relations and through the mobilization of interests. State capacity to mobilize interests, positively or through coercion, as well as state autonomy to act in spite of opposition or pressure from influential interests, are key determinants of the success or failure of each land deal and of the larger question of promotion of particular land policies.

In another attempt to further the debate over conceptualizing land deals, Saturino Borras and Jennifer Franco suggest that essential questions to answer include:

> Do all investments in land today constitute land grabbing? Do all changes in land use and property relations today constitute land grabbing? Does all land grabbing result in peasants' expulsion from their land? Does all land grabbing involve foreign land grabbers, and how does it matter? Do all land grabs today indeed result in important changes in land use and property relations? (2012: 36).

In order to answer these questions, we must investigate the process through which winners and losers emerge in land deals. We must consider the short-term versus long-term outcomes of the deal. We must examine the extent to which various stakeholders were involved in making the deal and the extent to which the process was coercive or consultative. And, we must conduct our analysis with awareness of how the dynamics of the political systems within which they are occurring impact the process and outcomes.

More broadly, we must also consider the implications of not engaging in land deals for both the state and for the society. Much of the literature assumes that large-scale land deals are necessarily bad, but what seems to be missing is a discussion of the consequences of maintaining the status quo in states that have large numbers of subsistence agriculturalists who have limited access to markets, inadequate infrastructure, and increasing population pressures. As Olivier De Schutter, UN Special Rapporteur on the Right to Food, points out, there are numerous pressures on land that are threatening global food security: increasing population numbers leads to smaller plots per household, soil degradation, lack of adequate water, inadequate infrastructure, and expansion of urban areas all lead to loss of farmland (2011: 257). These pressures are independent of large-scale land deals, but there is a rising concern that these types of deals only exacerbate the existing land pressures. Yet, the status quo of peasant agriculture in economically underdeveloped states with limited infrastructure, poor state capacity, and growing population pressures is not a viable solution to these pressures on land.

De Schutter suggests that three competing scenarios vie for dominance within the global debate over land use and the role of the agriculture sector in development (2011). First, the 'transition' scenario, results in 'the development of large agro-industrial estates, made possible by the arrival of external investors…seen as an opportunity to effectuate a shift towards types of agricultural production that are highly mechanized and capital intensive, producing large volumes through monocropping schemes, and competitive on regional and international markets (De Schutter 2011: 259). Clearly this is the option least preferred by De Schutter because of the feared displacement of marginalized rural land-users. A second scenario that De Schutter examines is the 'coexistence' approach. In this scenario, it is advanced that small-scale agriculture can coexist with large-scale plantations that are developed by investors (De Schutter 2011: 261). De Schutter is skeptical that this option will work well in practice because he has doubts that 'underutilized' land is actually underutilized and the likelihood of competition between the small-scale producers and the large-scale producers will surely result in loss for the small-scale producers (2011: 261). The third scenario preferred by De Schutter is to invest resources into small-scale farming as a deliberate process of poverty alleviation. He asserts that investments in agriculture are a particularly effective tool for alleviating poverty, and that small-scale farmers can be assisted in improving productivity, improving access to markets, and improving processing, packaging and marketing of crops (De Schutter 2011: 262).

In Uganda, the second scenario analyzed by De Schutter is favored by the government, as demonstrated by the National Development Plan 2010/11-14/15, whose vision statement is 'A Transformed Uganda Society from a Peasant to a Modern and Prosperous Country within 30 years,' and by the attempts to attract foreign and local investment into the agriculture sector (Government of Uganda, 2009). The language of the National Development Plan itself indicates the government's favoring of large-scale investment, local and foreign, in order to modernize, and through modernization, to develop Uganda as a competitive state within the globalized economy. However, though the government has clearly set out its vision, and hence asserted its autonomy, we cannot assume that the government has the capacity, nor sincerity, to carry out its broad vision. As one Ugandan stated, 'The National Development Plan is not really implemented because there is no budget to implement it. For purposes of planning, the important document is the NRM manifesto because the politicians need to get elected and re-elected (Senior Researcher for Peacebuilding NGO 2013 int.).' Indeed, the characterization of Uganda as a hybrid or semiauthoritarian regime, where power is usually concentrated and personalized within the office of the executive, fits this researcher's understanding of the dynamics of the political system (Tripp 2010: 26). Yet, as will be demonstrated, the case of the palm oil plantation on Bugala Island does seem to belie De Schutter's skepticism of the 'coexistence' approach as a viable option. And it does demonstrate that within a hybrid regime, the state is capable of achieving some of its objectives under certain conditions.

Especially within African states where identity is often primarily situated within the ethnic or regional group rather than the state and where the state's ability to legitimately rule is confounded by a number of factors, including corruption, lack of or mismanagement of resources, and over-bloated bureaucracies that survive through extensive patronage networks, approaching the issue of land grabbing from the framework of state-society relations helps us understand better the forces that are diving competing visions of the future. Within each land deal, there are competing interests with unequal resources at their disposal as well as unequal access to decision-makers and influence. Yet the competing visions do not neatly fall only along state-society cleavages. Intra-societal tensions over land are just as apparent as state-society tensions. In light of this debate, the case of the Bugala Island in Uganda is examined. Bugala Island is the home of the Oil Palm Uganda Ltd. (OPUL) project, a plantation covering 10,000 hectares that produces cooking oil for domestic consumption in Uganda. In order to better analyze the case of OPUL and Bugala Island, an examination of the basic tensions within Uganda over the use of land, and economic development, is necessary.

State Autonomy and State Capacity: Land Confusion in Uganda

Within Kampala and along highways in Uganda are dwellings with bold hand-painted words on them: 'Land Not 4 Sale' or 'Land For Sale' with a phone number listed. The competing visions on the value and meaning of land are evidenced by these signs as well as through discussions with different stakeholders. Even within the central government's own policies, there appears to be contradictory visions. For example, the National Development Plan 2010/11-2014/15 asserts that agriculture needs to be modernized, causing fear within some regions, especially the North where land is communally held, the Constitution asserts that land belongs to the people, yet the government has apparently promised plots of land to various investors without the agreement of the people, and those who are 'bona fide occupants' of land can only be evicted for nonpayment of ground rent, which is set by the government, for two consecutive years. To further complicate the situation, there are four land tenure systems in Uganda (*mailo*, freehold, leasehold and communal). Foreigners cannot own land, but they can lease land from land owners, including the government, for up to 99 years. The executive branch has also asserted edicts that contradict some of the existing laws related to land. For example, in February 2013, President Museveni announced that the government was halting all evictions, for any reason. So, while on the one hand the government is saying it wants to attract foreign investment, and there are reports that it is working on large-scale land deals with numerous investors, on the other hand, the same government is assuring the people that evictions will not take place. The lack of certificates of ownership of land for many 'bona fide occupants' also confuses the picture, but attempts to issue certificates of occupancy have been resisted by many who fear the demarcation of land will only make it easier for the government to take it from them.

On top of these contradictions, because the political system is decentralized, there are multiple layers of bureaucracy involved in the management of land. Within the executive branch is a *State House Department of Lands*, and a separate *State House Department of Agriculture*, and these units run side-by-side with the *Minister of Lands, Housing and Urban Development* and the *Minister of Agriculture, Animal Husbandry, and Fisheries*. The *Ministry of Lands, Housing and Urban Development* is responsible for setting policies 'that ensure sustainable land management [and] promote sustainable housing for all and [to] foster orderly urban development in the country (Government of Uganda, nd.).' Yet, policy can only be implemented through laws that are set by Parliament. The *Uganda Land Commission* was established by the 1998 Land Act in order to manage government owned land, as well as to facilitate the government in obtaining new land. The Constitution asserts in Section XI (iii) of the *National Objectives and Directive Principles of State Policy* that that 'In furtherance of social justice, the State may regulate the acquisition, ownership, use and disposition of land and other property, in accordance with the Constitution,' while Chapter 15 (Land and Environment), 237 (1), states, 'Land in Uganda belongs to the citizens of Uganda and shall vest in them in accordance with the land tenure systems provided for in this Constitution (Uganda Constitution 1995).’ Yet the very next sub-section asserts the government’s right to acquire land when it is in the public interest (Uganda Constitution 1995). The 2011 Uganda National Land Policy attempted to clarify the rules and regulation of land, but the main problem remains even-handed implementation of the policies.

Within the local governance structure, is a Local Council I area committee for each village, a Local Council II land committee for each parish, a Local Council III land committee for each sub-county, and a District Land Board for each district. The president also has a representative present in each of the 136 districts. The complexity of land governance in Uganda is one factor that limits state capacity to promote a coherent and viable land policy for the entire country. Another, perhaps bigger, constraint is the political advantage that the Musevni government receives from playing contradictory roles: defender of the small land-user and promoter of modernized land development through large-scale investments. By defending the ‘little guy’ Museveni receives political support during elections, by promoting large-scale investments, he receives financial support for his campaigns. Suffice to say, for anyone trying to develop the land they nominally own, for people cultivating small plots for their own use, and for lawyers, advocates, and investors, the confusion over what is allowed and what is not has led to frustration and distrust. As one senior researcher at an international NGO with a branch in Uganda noted,

> One major problem in Uganda is that people do not know what is going on. It is hard to understand what is actually going on….Land issues have been very politicized. But the main problem is not that there are too many pressures on land. The main problem is that there is not a well-specified land policy that is consistently implemented (Senior Researcher, International NGO, Kampala, 2013 int.).

One result of the confusion over land use and land rights in Uganda is that those most able to take advantage of the chaos do, and this is often those within powerful positions in the country or those with access to ready capital for investment. But, it also includes enterprising young men who sell their family’s land in order to advance their own interests, often moving to Kampala to establish a new life. Those who try to abide by the laws related to land find themselves hampered by the lack of clear adherence to the rule of law related to land policy. As one land activist put it, ‘Uganda had a Land Act before it had a land policy (Senior Researcher, Kampala NGO, 2013 int.),’ the implication being that laws were put into place before the government really thought through the consequences of the laws and how they fit in with the complexities of land tenure and land use in Uganda. Laws that clearly state the rules of the game for dealing with land transactions and land disputes exist, and people familiar with the laws suggested that they are sound and adequate to the task of dealing with disputes over land, but they are overridden for political expediency or denied implementation by a lumbering bureaucracy. For example, the Local Council Courts Act of 2006 gives powers to local council courts to handle land disputes. However, in recent years, the decisions of the local council courts have been challenged as illegitimate by certain stakeholders who disagree with their decisions because the central government has not facilitated elections to the council courts; thus, the claim is that their decisions are null and void (Land law lawyer, Kampala, 2013 int.). This again demonstrates the limited capacity of the state to function efficiently when it comes to implementing land policy and diffusing land tensions. As a land lawyer in Kampala noted, ‘Why is it hard for the government to standardize land laws and processes? Because of money and corruption. Some politicians have been taking advantage of the chaotic system in order to obtain their own land (2013 int).’ Similarly, a researcher at a prominent Uganda based NGO committed to protecting the rights of the poor when it comes to land use remarked,

> the courts should be handling this [land disputes]. They should not be subject to the whims of the executive branch of government. The president has successfully created a parallel structure to the existing institutions set up to handle land tenure. So one has to ask why all the parallel structures? They have been set up to protect the interests that have come into being regarding land rights, land use, and development. There are both economic and political interests to protect. What suffers is the rule of law. Laws are more than adequate to deal with issues of land (2013 int).

One basic problem when it comes to land deals in Uganda is lack of trust. Representatives at the local level of government, have the dual task of representing the interests of their people while also advancing the economic interests of their region. For example, a local government official in the North expressed what the people of his district believe, ’the people do not see their interests being considered when it comes to investment …What is going to be a challenge is to convince people that they can move to a different land tenure system while still protecting their interests.

The way the process has been handled has led to suspicion by the people (Local government official, Gulu, 2013 int.).' This local government official clearly sees the need for modernization of the agriculture sector in Northern Uganda, yet also perceives that the people are not prepared for modernization, and expresses the view that the central government has bungled its relationship with the people of North through not being open and honest about its own interests in the region. Many in the North simply believe that the government does not and will not have their interests at heart, and that the ultimate purpose of the government is to steal their land. Without fully analyzing the problems in Northern Uganda when it comes to land, it is an important example that demonstrates in this case that the state has limited capacity to manage state-societal relations over land issues because of its past authoritarian tendencies towards the people of the region. In the North, the decades long conflict with the Lord's Resistance Army has resulted in great disruption to the way of life and to great distrust of the government by people[ii]

A major challenge in Uganda and other economically underdeveloped states is that national interests can override local interests. And, in states where the advantages of state power are perceived to flow to certain groups over others, the resulting competition between state and society can be fierce. In Uganda, Museveni's government is perceived to favor Western supporters at the expense of the people in the East or North, and over time the representatives of these regions within Museveni's government have declined (Tripp 2010: 49). When these interests are potentially game changing for the state, especially with the discovery of oil in the North, for example, the clash between local and national interests become most heated. Factors such as identity, way of life, and cultural values become entangled in the debate over land use and land ownership. Perceptions of government neglect and mistreatment by the people of the North reinforce the lack of trust towards the state and government policies. However, it is not only a clash between local and state actors, or local and international actors, that is occurring over land in Uganda. There are also clashes within local communities, between neighbors or within families. There is a frustration amongst activists and other stakeholders with the government's failure to carry out a viable land policy and to adhere to existing land laws, in order to provide the framework within which disputes can be resolved and discussions about economic development can take place. As one academic noted,

[t]he government needs to set a policy on land in which the people can put their trust. The government cannot succeed if it tries to force the people. Investment cannot really take off unless it is blessed by the people. How can we establish a system of governance that comes from the grassroots and that is transparent and fair to the people? That is the key question (Faculty member, 2013 int.).

BUGALA ISLAND, KALANGALA, UGANDA: PALM OIL PRODUCTION

Negotiating Palm Oil Production on Bugala

The island of Bugala, part of the Ssese Island archipelago situated within the Kalangala District, sits in Lake Victoria about 51 km from Entebbe. It is a three and a half hour boat ride from Entebbe to the landing site, and the ferry travels daily between Entebbe and Kalangala. Another ferry runs between Bugala Island and Bukakata, a landing site between Entebbe and Kampala. Prior to the establishment of the Palm Oil Plantation on Bugala island in 2003, the mainstay of the island's economy was fishing, and there was little travel to or from the island except to market fish. In recent years, overfishing has led to diminished returns for the fishermen of Bugala and surrounding islands.

In 1917, a Tsetse fly infestation devastated the population, and the government responded by evacuating the entire population from the island. Prior to the Tsetse fly infestation, the island was reportedly densely populated and not forested. As a result of the evacuation of the people of the island, a dense forest, as well as large swaths of grasslands, grew. After the crisis, fewer people returned, and most reverted back to a fishing lifestyle, so the newly established vegetation on the island remained. Much of the food available on the island had to be imported from the mainland. There was very little infrastructure on the island and limited inputs from the government. Land on the island was divided into plots owned by individuals, often absentee landlords who gained the land under the *mailo* land tenure system established by the British colonial administration in 1900[iii], the government, and land set aside as protected forest.

As far back as 1971, there were trials of palm oil production on the island of Bugala, but because of the contentious and bloody political history of the 1970s, production on a large scale was not pursued. Yet, some inhabitants of the island had been producing their own palm oil for household use long before the Oil Palm Uganda Ltd. project was established. After the end of civil war in Uganda and the coming to power of the National Resistance Movement government in 1986, the political space opened up for consideration of the path towards economic development for the country. In this environment, the idea of a palm oil project on the island of Bugala was resurrected. In 1991, the government acquired the initial 300 hectares of land for experimentation in palm oil production. In 1993, the government purchased seedlings for research purposes, and these were distributed to farmers through a pilot study. The farmers were trained in the husbandry of the palm trees, and after three and a half years, the first harvests of palm fruit occurred. During this initial trial period, the government also conducted research and environmental impact assessments on the island. Finally, in 1997, the government called for investors. Investors declined to establish any plantation with only 300 hectares of land guaranteed, so the government secured additional land (3000 hectares total) from the District Land Board. The District Land Board agreed to lease the land to the Uganda Land Commission for 99 years, and the Uganda Land Commission in return agreed to lease the land to investors.

The initial investor, the Madhvani Group, a controversial and powerful local actor, declined to follow-through with the investment, so another investor, Bidco, based in Nairobi with a subsidiary in Kampala, took up the project. Bidco partnered with Wilmar, a Malaysian company with experience in palm oil production, and established Oil Palm Uganda Ltd. The managers at OPUL felt that in order for its investment to be profitable, they needed 10,000 hectares of land (Meng, 2013, int.). An agreement was reached to lease 6500 hectares from the government while 3500 hectares would be sought from individual farmers who would become out-growers to OPUL. The Uganda Land Commission facilitated the acquisition of land by the government so that the government could then lease the land to OPUL. On major obstacle to the project was that many absentee landowners controlled land on the island and they were not interested in developing the land until they saw that a major profit could be made from the project. As a result, land prices began to increase (Retired Makerere University Professor, 2013, int.). The government during this time engaged in a two-year sensitization campaign among land owners and land users, and several people involved in the initial negotiations over land asserted that no one was coerced into selling their land, and that anyone who did sell their land was paid the market rate for it (Meng; Balironda; Retired Makerere Professor; 2013, int.).

For its part, OPUL established on the island its own factory to extract the oil from the palm kernels, as well as a network of roads, administrative buildings, and housing, infrastructure for water, and a clinic for plantation workers. The oil is shipped to Jinga where it is refined. All the oil produced is locally sold, either in the form of cooking oil or soap. There are approximately 1700 people employed on the plantation, many of them coming from the mainland because the native islanders were reluctant to work in the fields (Babikwa, 2013, int.). In addition to the plantation laborers who live on the plantation in supplied housing, there are approximately 1600 households that have enrolled as out-growers. These out-growers are members of the Oil Palm Growers Trust, an organization established in order to assist the farmers in becoming out growers, advance their interests, and provide training and inputs to the farmers. The Trust provides loans to the farmers to establish palm plots. Funding for the Trust came from IFAD (International Fund for Agriculture Development, a specialized agency of the UN) and the World Bank. Harvesting of palm oil takes 3-4 years, so the farmers are encouraged through the Trust and other government extension services to also devote some portion of their land to traditional crops and to diversify their investments.

According to OPUL's General Manager, OPUL leased land from the government for 99 years at the cost of 10,000 UGX/year (approximately $4/year) (Meng, 2013, int.). He explained that the low lease rate is necessary because of the millions of dollars that the investors expended to establish the project, and that the government believes that jobs and revenue from taxation as well as its share (10%) in the company are the benefits of the project (Meng, 2013, int.). The investors were given an initial tax holiday, fixed at fived years by the Uganda Investment Authority, because of the costs of starting up production, but today, the company is the third highest corporate tax payer in Uganda. OPUL does not plan to expand its own investment on the island, but will take as many tons of palm fruit that out growers can provide (Meng, 2013, int.) and would like to expand production to other parts of Uganda, possibly to other islands. The life of quality palm oil production from a single tree is about 25 years, and the investors plan to remain for at least that period of time as long as the project remains profitable (Meng, 2013, int.).

Winners and Losers in Palm Oil Production on Bugala

From speaking to people involved in the development of Palm Oil on the island of Bugala and others who have observed or lived through the changes on the island over the past decade, one gets the distinct impression that there have been many benefits resulting from the project, some problems, and identifiable changes in the lives of islanders. In addition, one persistent theme is that of suspicion and fear; suspicion of the motives of the government, suspicion of the investors, fear of change. The island itself has changed. There are more road networks, many built by OPUL, an ongoing road improvement project for the main roads, better schools with more resources, the availability of electricity and improved water sources, and regular transportation to and from the mainland. The population of the island has increased, and this has both pros and cons. Environmentally, forestland has been cut down, though there are no reliable estimates of how many hectares have been cut, and there are concerns that heavy use of fertilizers has led to pollution of Lake Victoria and to reduced fish stocks. Both OPUL and staff at the National Environmental Management Authority (NEMA) confirmed that the management team at OPUL has complied with the environmental standards of the government. For example, David Babikwa of NEMA said that OPUL has complied with a 200 km buffer zone to prevent fertilizer run-off into Lake Victoria, but that he simply does not have enough staff to ensure that all the out-growers are also complying with this requirement (2013, int.). Environmental activists, however, remain concerned that not enough is being done to prevent increased pollution of the lake, to prevent the cutting of forests on the island, and point to reduced fish stocks resulting from fertilizer run-off (Friends of the Earth, 2012). Yet, overfishing had been a problem before the establishment of the project due to increased commercialization of fishing and subsequent regulations (Babikwa, 2013, int.).

Fishermen have seen a change in lifestyle because of migration of ‘outsiders’ to the island and because of easier access to landing sites around the island since the development of extensive road networks. For example, there is evidence that sex workers have increased on the island and that HIV/AIDS incidence rates are high (Wanjuru, 2012). Tourism is being promoted on Kalangala, and resorts have sprung up around the landing site that brings the daily ferry from

Entebbe. The increase in residents and visitors to the island has also reportedly led to increased incidents of drug use and crime (Ssemarda, 2013, int). Yet, the increase in HIV/AIDS prevalence rates on the island cannot be attributed directly to the Palm Oil project because prevalence rates were high on across all the inhabited Ssese Islands before the establishment of the plantation, partly because the fishing lifestyle is itself precarious and requires the movement of men from landing site to landing site in search of the best catches resulting in more risky sexual behavior by the men (Wanjuru, 2012).

The residents and natives of Bugala Island were frank about the costs of the Palm Oil plantation: changes to lifestyle, environmental degradation, land use changes. They recognized the changes, but many believe the benefits outweigh the costs. The main argument in favor of the project that they pointed to was the economic development that has occurred, especially the economic benefits that have accrued to the farmers on the island. Interviewees asserted that infrastructure on the island is better, that more kids are going to school, that health services are improved, and that farmers have greater revenue than before the plantation was established. These perceptions are also supported by numerous journalistic reports (Kitatta 2012; Kiyaga 2013; Musasizi 2012). Despite the concerns of some on the mainland, several people asserted that food security is better now on the island than before the establishment of the Palm Oil plantation. Paul Ssemarda, the agriculture extension agent, said that when he came to the island in 1994 there was very little agricultural activity. Fishing was the staple of the economy, and most food was imported (2013, int.). His claim is supported by David Balironda, the District Production and Marketing Officer for Kalangala Oil Palm Growers Trust who asserted that when he was assigned to the district in 1989 there were very few farmers, and fishing and harvesting forests dominated the economy (2013, int.). Balironda was instrumental in promoting palm oil production on the island. He said that when he was first assigned to Kalangala District, the government was brainstorming about the best agricultural commodities to promote in each district. Throughout the 1990s, after observing small-scale production of palm oil that was unrefined but still utilized for cooking, it was Balironda who made the case for palm oil production on a large scale (Balironda, 2013, int.). Because Bugala Island had large swaths of public land, much of it grassland, and the highest and most consistent level of rainfall, it was seen as ideal for the pilot study of palm oil production.

From this history, and the long consultative process that took place amongst the people of the island, it is imprecise to call the development of the palm oil planation on Bugala Island a 'land grab.' And, the benefits that islanders, especially farmers, are receiving as a result of the plantation belie De Schutter's assertion that mixed land use systems are not beneficial to small-scale land users. Not everyone bought into the project. Some landholders refused to sell their land, others agreed to lease their land, but on terms that were shorter than what the investors wanted. Some landlords were suspicious when the government tried to convince them to issue 'certificates of occupancy' to those utilizing their land as a way of ensuring the security of loans to the farmers. While the government failed to convince all landowners, it decided to continue with the project engaging willing farmers who had bona fide occupancy even without any documentation verifying their rights to work the land. This particular case was consultative, but that does not negate that some landowners feel they were not given a fair price for their land. As the researcher for the land-related NGO in Kampala pointed out, 'There is no standardized formula for compensation. People think that almost any amount of money is large because they are very poor. They do not know the value of the land (Senior Researcher, Kampala NGO, 2013, int.).

Those who favor the project acknowledge the benefits and perceive modernization of agriculture as the best hope for the people of the region. They recognize that there are costs to the project, but are working to mitigate those costs as best they can within the constraints of the project itself. As David Balironda states,

> I associate myself with the success that has come from the project and also with the challenges and criticisms of the project…Of course modernization is necessary. In the process of modernization the people suffer a bit. Suffering comes from change of lifestyle. Modernization leads to change, which is difficult for people. The context has changed. Economic activity is now monetized so land relationships have changed. The project has not displaced anyone, but has in fact facilitated the poor to better secure more rights (2013, int.).

Similarly, Innocent Abasa, Headmaster for Ssese Agriculture and Veterinary Institute, an agricultural training school that is also a working farm, asserts that since his arrival on Bugala

Island in 2005 as head of the school, he has seen many benefits from the establishment of the palm oil plantation. Abasa states,

> what palm oil has done is that it has greatly reduced poverty in Kalangala because there was no other industry here. Fishing was the only industry and that was done only by men. Now women come to work in the palm fields. The project has also led to improved infrastructure. It has brought many people from other districts, so the population has grown. There has also been an increase in productivity that has resulted from the project. The palm growers are supplied fertilizer and farmers then use some of the fertilizer for their vegetable crops (2013, int.).

Both Balironda and Abasa also acknowledge, however, that there have been problems associated with the palm oil project. For example, Abasa said that some small-scale farmers complain to him that they cannot grow other crops on their land when they have to devote at least 3 hectares to palm trees and that the farmers have no bargaining power since there is only a single buyer for their palm fruit (2013, int.). Balironda asserted that some landlords are now trying to get new arrangements with their tenants by which the landlord obtains a percentage of the profits of the farmer rather than the traditional fixed monthly rent (2013, int.).

Nelson Basaalidde is General Manager of the Oil Palm Growers Trust and a native of Bugala Island. He works closely with farmers to develop their plots for palm oil production, and he also advises them on diversifying their farming activities for better productivity. Basaalidde confirms that there have been disagreements between landowners and tenants. Basaalidde and others stated that there were very few landowners who live on the Island, but many land users, and that there have been some disagreements between the owners and tenants. He suggested, however, that land disputes have always existed in Uganda, but perhaps have increased or become more contentious because the value of land has increased so greatly, and there is now more at stake (Basaalidde, 2013, int.). He also believes that the benefits of the project outweigh the costs, but that there are additional steps that need to be taken to improve the situation for the people of the island. For example, he, too, believes that food security is not a problem for the island today and that agricultural trainings that farmers receive are very beneficial, but farmers could benefit from better marketing skills. With the increased population on the island, there is also a need for better service delivery and better maintenance of infrastructure (Basaalidde, 2013, int.).

For this particular large-scale land lease project, there does seem to be an on-going consultative process occurring involving the investors, the government, and the out-growers. Several people affiliated or knowledgeable about the project referred to it as a Public-Private Partnership (PPP). OPUL's general manager asserted that the company believes in corporate social responsibility. He said they plan to be on the island at least 25 years, and that they feel it is right to be good neighbors and give back to the people (Meng, 2013, int.). As an example, he said that OPUL gave 45 million UGX (about $18,000) in April 2013 in order to purchase books not only for residents of Bugala Island , but for the entire Kalangala school district. They would also like to build a school for their workers, but have to negotiate that with the government (Meng, 2013, int.).

Some are skeptical about OPUL's commitment to the people of the island, however. For example, the researcher with the Uganda land NGO suggested that the PPP label of projects like the palm oil plantation are simply a cover to make land grabs sound more palatable to the public. He stated, 'The government calls them public-private partnerships. What is happening is that the benefits are accruing to outsiders. PPPs should be big infrastructure projects that benefit the people (Senior Researcher, Kampala NGO, 2013, int.).' It is true that the investors are making profits, otherwise they would not be on the island. And, one can certainly argue that the incentives that the government gave to the investors gave away too much. Yet, even by this definition, the project on Bugala Island could be considered a PPP given that the investors have developed road networks and built a clinic, housing and water system for their workers. In addition, because of the oil palm plantation, there are daily transportation options to and from the island that facilitate trade, service delivery, and growth of the budding tourist sector. The government has also been working with farmers on the island to ensure food security. They have even worked with fishermen to establish plots for food production, which is something they had not engaged in before the palm oil project was established (Basaalidde, 2013, int.). At a training of about 25 farmers, a local government extension agent shared research that had been conducted about the value of various agricultural enterprises such as raising piglets or growing pineapples that farmers could engage in to increase their productivity and profits. Farmers were also scheduled to receive training on financial literacy at an unspecified date in the future.

CONCLUSION: RE-EXAMINING THE WINNERS AND LOSERS ON BUGALA ISLAND

Borras and Franco raised two important questions relevant to this case study: do all large-scale land investments constitute land grabbing? and do all changes in land use and property relations constitute land grabbing (2012: 36)? According to a definition put out by Borras, Gomez and Wilkinson, land grabbing consists of

> the capturing of control of relatively vast tracts of land and other natural resources through a variety of mechanisms and forms involving large-scale capital that often shifts resource use to that of extraction, whether of international or domestic purposes, as capital's response to the convergence of food, energy and financial crises, climate change mitigation imperatives and demands for resources from newer hubs of global capital (2012: 851).

From this definition, it seems that the answer to Borras and Franco's first question must effectively always be yes because large-scale investments in land are a response to the needs of domestic or international markets when it comes to food or energy needs within those markets. Because Borras, Gomez and Wilkinson believe land grabs are a result of convergent crises that define the global economy today, could any large-scale land lease in today's global economy be anything other than a land grab? The definition also implies that whether the land is used to produce something for international or domestic markets is irrelevant. In the Bugala Island palm oil plantation case, the oil produced is consumed domestically, which presumably has some positive results, not least of which is that not all Uganda's cooking oil needs to be imported and that many farmers are making decent wages growing palm kernels for domestic consumption.

Oya identified a conceptual and empirical problem around 'the elusiveness of the concept of "land grab" and the vague criteria…used to define a "land grab" (2013: 506-7).' A consensus definition of 'land grab' will be nearly impossible to come by, however, given the different pre-disposed ideological orientations of those who report on and analyze the phenomenon. A more appropriate approach to understanding the phenomenon, at least on a case-by-case basis, is to assess the costs and benefits of the project and the winners and losers, and these are likely to change over time.

In addition, in order to assess costs and benefits, winners and losers, it is useful to frame land deals through the lens of the autonomy and capacity of different stakeholders. The definition of state autonomy, the ability of the state to formulate interests independent of and often in opposition to, the interests of societal groups and state capacity, the ability of the state to formulate and implement policy in order to carry out its interests provided by Barkey and Parik (1991: 525), can be expanded to apply to other stakeholders in contentious land conflicts. From the perspective of civil society, autonomy of action can be defined as the extent to which civil society is capable of asserting its own agenda, and gain the support of land users, within the broader discussion within society over land usage, and this autonomy is constrained by the strength of state capacity. The capacity of civil society can be thought of as the extent to which civil society interests can be asserted and do influence the state's land policy. Competing interests over land exist not only between the state and civil society actors, but also within each of these groups, so examining their relative capacities and autonomy is useful to understanding the process and outcomes of land deals.

In Uganda, Tripp the NRM led government has over time expanded its patronage network while at the same time narrowing the base from which this patronage is drawn (2012: chapter 3). This narrowing of Museveni's support base has resulted in wider dissatisfaction among people of different regions. Further, there have been increasing disagreements within the NRM government itself (Tripp, 2012: chapter 3). Because of these trends, the government, Museveni and his closest cohort, has had to invest much of its energy into its own survival, which in turn hampers its capacity to carry out specific policies that advance a national agenda. This is one of the critical weaknesses of hybrid regimes. When it comes to land policy in Uganda, Museveni, because he must concentrate so much of his energy on maintaining legitimacy and securing his power, tries to placate both the peasants who work the land and who are his broadest constituency, and big investors, who may be big contributors to his government, by asserting contradictory policies. Civil society within Uganda has been active on land issues, but has also faced a significant amount of harassment by the NRM government. This harassment against civil society has included closing of print media, arrests, and fierce retaliations when criticism of the government is published. The capacity of civil society to assert its agenda into land policy decisions is hampered by the government's own insecurity. But despite this contentiousness between the government and civil society on land issues, the case of Bugala Island and its palm oil planation show what happens when the government and local stakeholders work towards a common goal. Yet, one must be cautious in generalizing too much from this single case. The island of Bugala's unique history made it an exceptional place to invest, and created an environment in which negotiations between stakeholders could take place. The examination of other large-scale land leases will need to take into account the unique characteristics and history of the place and peoples involved in order to determine winners and losers in these deals.

One final question fits into the debate over the conceptualization of large-scale land leases. It is an exercise in 'what if'. What does Bugala Island, and Uganda more broadly, look like in 50 years if large-scale agricultural projects are not in place? If the palm oil plantation had not been established on Bugala Island, infrastructure improvements would likely not have been pursued because by all accounts, the government was not putting resources into the islands prior to the project. With limited infrastructure, it is likely that the tourism sector with its potential revenue earnings for locals and the government through taxation would likely not have developed to the extent it has today. On the other hand, the tourism sector does bring more people to the island, which likely means more garbage, more pollution from the ferry and cars, and possibly more social tensions. Without the palm oil plantation, the fishing communities would continue to be isolated from one another and from services. Yet, their lifestyle would continue to change anyway as a result of overfishing and the spread of HIV/AIDS, the drivers of which are unrelated to the palm oil plantation. Without the palm oil plantation, farmers on the island would not have the extension services they now receive that advise them on pursuing new enterprises, on the best strategies for development of crops and animal husbandry for the region, on management of their farms, and on financial literacy. Weighing the pros and cons for each large-scale land lease seems to be an important step in understanding the consequences of this global phenomenon. The project on Bugala Island, on the whole, seems to have more benefits than costs, and more winners than losers. Have the benefits and costs been evenly distributed across stakeholders? No. In the end, perhaps it is important to keep in mind the words of Nelson Basaalidde, 'there is now more at stake. But this [land disputes] is not a new phenomenon. Each sector uses the information from land disagreements for its own purposes. We need to consider all the factors involved. At our level, we try to do our best (2013, int.).'

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David Babikwa, National Environment Management Association, Kampala, 26.05.2013

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Nelson Basaalidde, General Manager of the Oil Palm Growers Trust, Bugala Island, 28.05.2013

Lim Choon Meng, Oil Palm Uganda Ltd. General Manager, Bugala Island, 29.05.2013

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Paul Ssemarda, co-founder of the Kalangala Organic Farmers' Association and agriculture extension agent at the Sub-county level in Kalangala District, Bugala Island, 27.05.2013

NOTES

[i.] For a critical analysis of land deals within the context of globalization, see Matias E. Margulis, Nora McKeon, and Saturnino M. Borras, Jr., 'Land Grabbing and Global Governance: Critical Perspectives,' *Globalizations*, 2013, v. 10(1): 1-23.

[ii.] For a better understanding of the problems related to land of northern Uganda, see *Land or Else: Land-Based Conflict, Vulnerability, and Disintegration in Northern Uganda*, October 2010, IOM, UNDP, Norwegian Refugee Council and *Building a Peace Economy in Nothern Uganda*, Investing in Peace, Issue No. 1, September 2008, International Alert.

[iii.] The 1900 Buganda Agreement changed land tenancy in the Buganda Kingdom. Whereas prior to the imposition of Agreement the Kabaka (king) held land in trust for his people, in the Agreement, land was divided up into plots for individual stakeholders, including the British Crown. The 1900 Agreement is seen as ushering in a land tenancy system of private ownership that had not existed in Uganda under traditional rulers.