



Natural
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**ACCESS TO RURAL NON-FARM LIVELIHOODS:
REPORT OF PRELIMINARY FIELD WORK IN RAKAI
DISTRICT, UGANDA**

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ACRONYMS

CAO	Chief Administrative Officer
CBO	Community Based Organisation
CERUDEB	Centenary Rural Development Bank
DDP	District Development Plan
DFID	British Government Department for International Development
DPU	District Planning Unit
DWCS	Danish Women's Credit Scheme
HSD	Health Sub-District
ICR	International Care & Relief
IDEA	Investment in Developing Export Agriculture
IGAs	Income Generating Activities
LC	Local Council
LCI	Sub-Parish/ Village
LCII	Parish
LCIII	Sub County
LCIV	County
LCV	District
MFI	Micro Finance Initiative
MFPED	Ministry of Finance, Planning and Economic Development
MTN	Mobile Telephone Network
NGO	Non-Governmental Organisation
NRM	National Resistance Movement (incumbent political party in Uganda)
OCBO	The Orphans Community Based Organisation
PAP	Poverty Alleviation Programme (Government of Uganda, Office of the Prime Minister)
PLE	Primary Leaving Examination
RADIFA	Rakai District Farmers Association
RASSIA	Rakai Small Scale Industries Association
RDDP	Rakai District Development Programme
RNFE	Rural Non-Farm Economy
ROSCAs	Rotating Savings and Credit Associations
RRCS	Rakai Rural Credit Scheme
RIIC	Rakai Rural Industries Innovation Centre
TBA	Traditional Birth Attendant
UCB	Uganda Commercial Bank
UGAFODE	Uganda Agency for Development
UPE	Universal Primary Education
UTL	Uganda Telecom Limited
UWFCT	Uganda Women's Finance & Credit Trust
VBS	Victoria Building Society
WB	World Bank

US\$ 1.0 is equivalent to Ugandan
Shillings 1,800 (October 2000 mean)

1. INTRODUCTION

1.1 Background

This district report represents the first output of the Phase I study of the capacity of poor people to access sustainable rural non-farm employment (RNFE) and livelihood opportunities in Uganda.

The purpose of the research, implemented by the Natural Resources Institute of the UK, and funded by the British Government Department for International Development (DFID) under a collaborative agreement with the World Bank, is to inform and assist the Government of Uganda, DFID and the WB in formulating pro-poor RNFE policies. The project has two main outputs:

1. Understanding the factors that condition access to rural non-farm employment for the poor, and
2. Mechanisms for integrating these research results into relevant policy processes.

The rural non-farm economy is diverse. The definition used here excludes primary agriculture, forestry and fisheries, but includes trade and processing of those products, as well as other less unambiguous sources of non-farm income. Analyses of national survey data in Uganda over the past decade have identified the important role that these varied sources of income play in the rural household economy. However, little is known about how rural dwellers become engaged in these non-farm activities, who can gain access to them, who can not and why, and which are sustainable and potentially profitable.

This study of the RNFE in Uganda represents an initial attempt at uncovering and understanding some of these issues within specific demographic, agro-ecological, historical and financial and service provision contexts. Two case study districts were selected in consultation with key stakeholders: Kumi district in the East and Rakai district in the Central Region.¹

The findings of this study will be used to further develop the research, a process of knowledge consolidation on some of the key issues and themes arising from the fieldwork. This process will be conducted in collaboration with key Ugandan stakeholders with the aim of integrating the evolving research findings into appropriate policy and planning mechanisms.

Thanks must go to those who have given their time and commitment to enable this first phase of research to be implemented, including: Alwyn Chilver, Ayambira Kayemba, Bruce Ambrose, Cathy Magnay, David Charles Luyimbazi, Dr Peter Ngategize, Dr. Fred Golooba, Dr. Robert Mayanja, Fred Bingoye, George Kasumba, Godfrey Mutaawe, Godfrey Ssemanda, Henry Mbaguta, Isaac Sserugo, James Mwonge, John Kalungi, Leonard Okello Chandwong, Margaret Kakande, Margaret Ssenkuboge, Mutaaya S. Abu Baker, Mwesigwa Agabus, Mwonge Mohammed, Passy Nassuuna, Rein Koelstra, Richard Ssewakirayanga, Rose Nakialiisa, Rosetti Nabbumba, Suzanne Willerup.

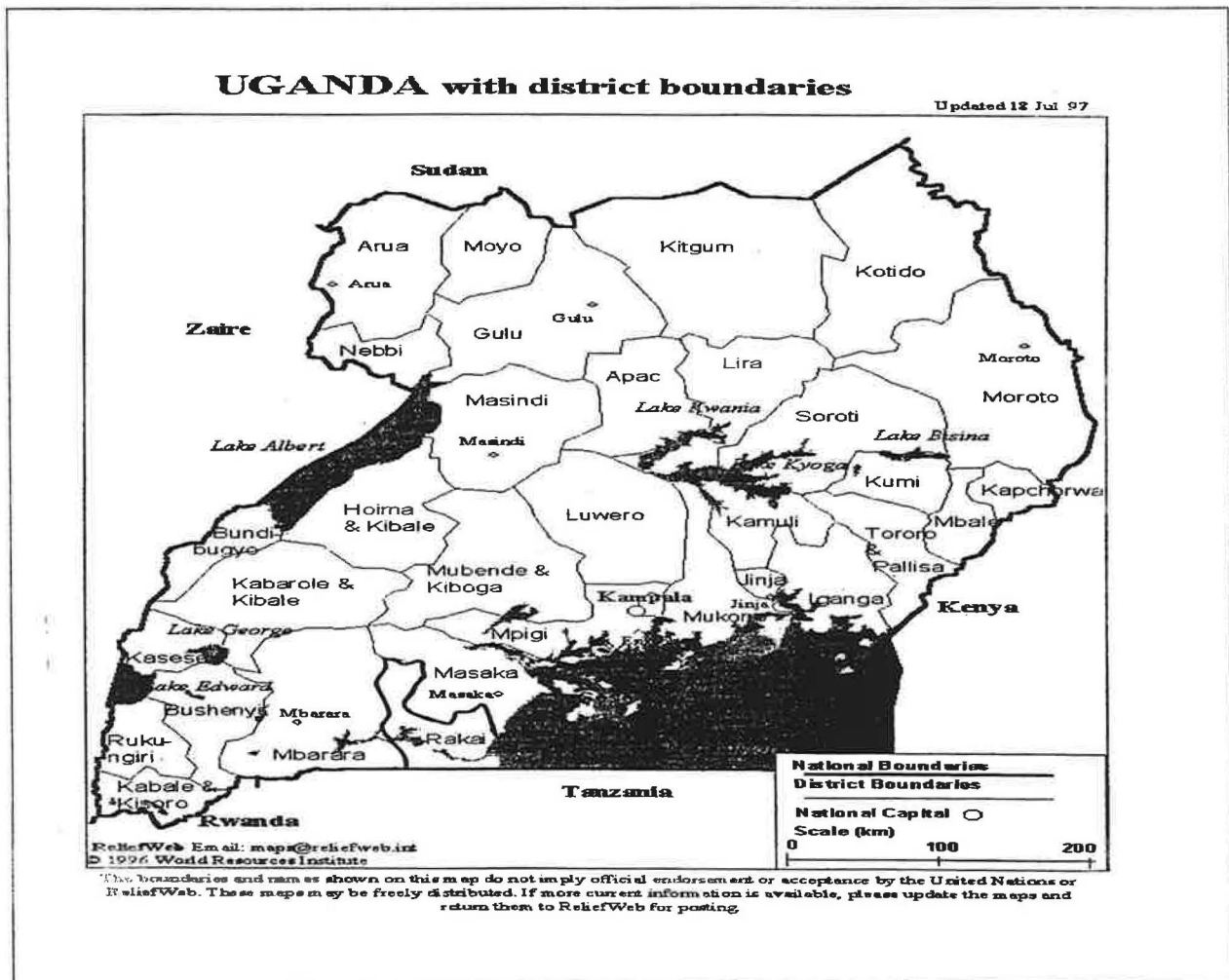
¹ Separate reports cover the Kumi study, the methodologies used, and the summary conclusions from both district studies.

The remaining introductory sections draw on the information presented as background to the 1994/5 to 1998/9 Rakai District Development Plan (Rakai District Council, 1994) and the evaluation of the Danida supported Rakai District Development Programme (RDDP), especially Report No. 7 which focuses on the production sector (Andama, 2000).

1.2 Location

Rakai District covers a total area of 4,989 km², although over 1,000 km² of this is open water, mostly part of Lake Victoria. It is located in south-western Uganda between 31°04' and 32°00'E, and 0°01' and 1°00'S (Fig. 1). It borders Mbarara District to the west, Sembabule District to the north, Masaka District, of which it was once a part, to the north-east, and Kalangala District in Lake Victoria to the east. To the south it borders Tanzania. Rakai Town, the district capital is approximately 190 km south-west of Kampala.

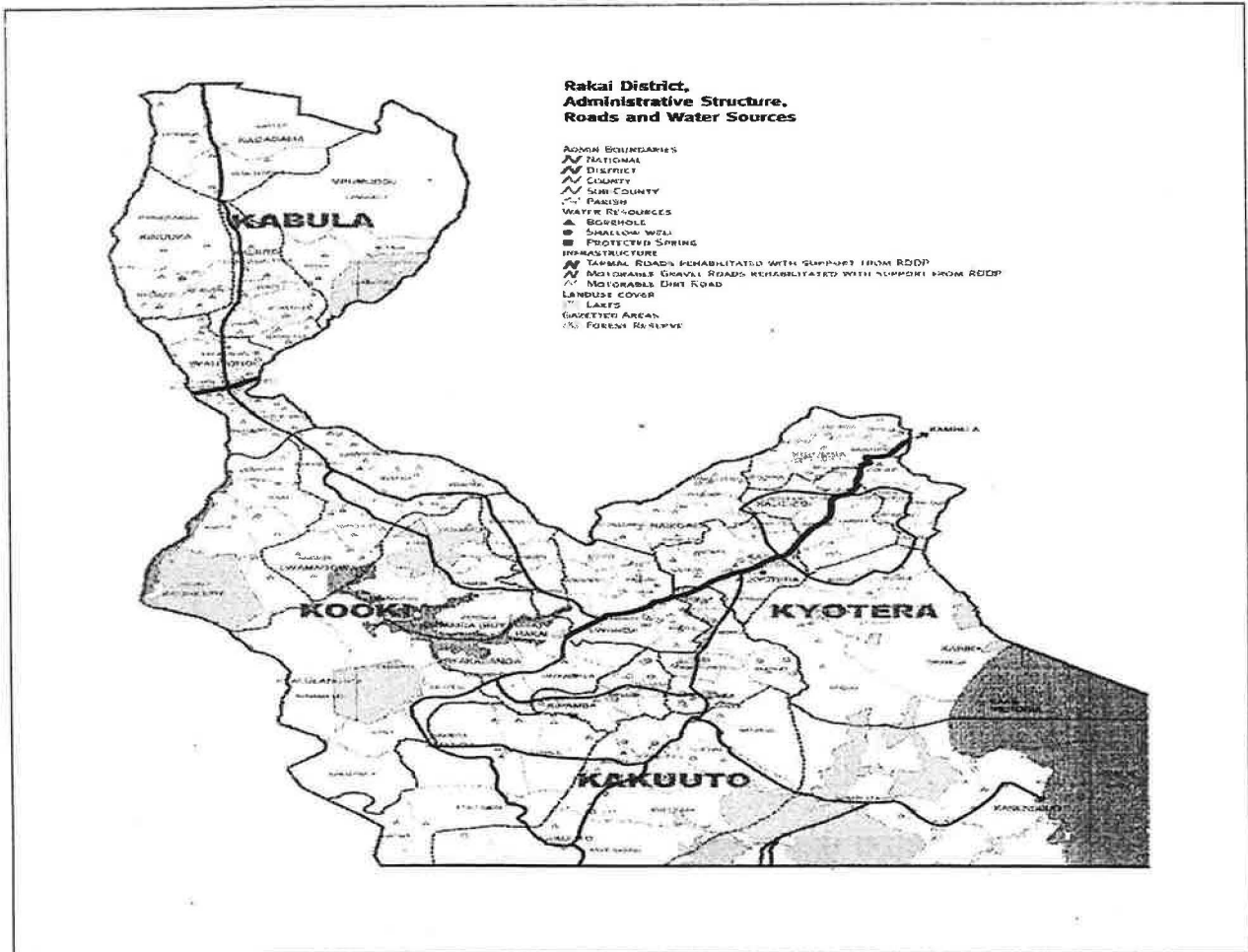
Figure 1 Location of Rakai District



1.3 Physical environment and natural resources

The district is made of three major zones: extensive low-lying swamps, seasonally flooded grasslands, and swamp forests in the south and east in the Kagera floodplain and along the shores of Lake Victoria; productive and extensively cultivated rolling hills in the centre; and drier and more hilly savannahs to the west and north. In addition to Lake Victoria there are two other important inland lakes – Lake Kijanebalola in the centre of the district, and Lake Kacheera in the west, which is shared with Mbarara District (Fig. 2). Both are shallow (4 – 5m), and are linked through a system of swamps and small rivers to Lake Victoria.

Figure 2. Rakai District



In the centre of the district in Kyotera and the east of Kooki Counties bimodally distributed rainfall of 1,000 – 1,200 mm supports perennial crops such as coffee and bananas. Much of this area has been cultivated for a long time, and residual soil fertility has declined, although good management practices, such as mulching, allow for yields to be maintained. In the centre of Kooki County mixed annual crops, including maize, beans, and Irish potatoes predominate, with bananas and coffee in valley bottoms and drainage lines. In the west of Kooki County and in Kabula County to the north, lower² and unreliable rainfall makes cultivation difficult, and the primary land use is as pasture. The swamps and seasonally flooded areas in the south and east are little used. Mean annual maximum temperatures are between 25.0 and 27.5°C. Mean annual minimum temperatures are between 12.5 and 15.0°C

² Below 750 mm in the far north of Kabula County.

in the west of the district, and between 15.0 and 17.5°C in the east, where they are ameliorated by Lake Victoria.

There has been no official exploitation of forest resources since Asian owned businesses closed down during the Amin regime, and the relative inaccessibility of the main forest areas has protected them to some extent³. However there is an unknown but probably large amount of charcoal production in the savannah woodlands (“bush”) in the west of the district, and the grazing lands are regularly burnt by pastoralists to provide new growth grass for their cattle. There are 151 km² of gazetted Forest Reserves, and very many stands of privately owned eucalyptus which are harvested for sale as far away as Masaka and Kampala.

It is of some concern that while RDDP documents address financial and institutional sustainability, they appear to be less emphasis on issues surrounding environmental sustainability, particularly the environmental impacts of the various infrastructural developments undertaken. In addition, efforts by the district administration to maximise revenue in the short-term, such as through the promotion of fishing, may run counter to efforts to conserve fish stock for maximum yields in the long-term. Currently elected politicians tend to have more influence than district-level civil servants, and in any case there was no District Environmental Officer until mid-2000.

1.4 Population and settlement

The last official national census was undertaken in 1991, and the period since then had seen great change, so figures must be used with caution. It enumerated a population of 383,501 for Rakai District, with an average annual growth rate for the intercensal period 1980 – 1991 of 3.04%. However, increased mortality as a result of AIDS is likely to have reduced this significantly, and the official estimate for 1999 is only 442,000⁴. The 1991 figures show that 60% of the population was under 20, and 49% under 15, indicating high dependency ratios. Furthermore, the data show that 22% of children under 15 had lost one or both parents⁵, and 12% of people over the age of 24 were widowed.

Overall, in 1991 75% of those ten and older described their primary activity as agriculture. Of these, 78% were primarily self employed, with 22% primarily employees (farm labourers). Although only 46% of farmers were women, 66% of farm labourers were women.

Relatively low population densities⁶ in much of the district have attracted and continue to attract migrants from other parts of Uganda and even other countries who come in search of land for farming, or pasture for their animals, or to escape the effects of war and political turmoil in their home areas. In 1991 25% of the population was born outside the district, primarily Banyankole Bahima pastoralists. The main ethnic group is the Baganda, followed by Banyankole Bahima pastoralists, particularly in the grazing lands of Kabula and Kooki Counties, but there are also important numbers of Banyurwanda and Barundi, as well as Bakiga. In very general terms it can be said that most farmers and fishermen are Baganda, while pastoralists are Banyankole Bahima, or, to a lesser extent now, Banyurwanda Batutsi.

³ The timber used in the district is, for the most part, brought in from elsewhere.

⁴ This represents an average annual growth rate of less than 2%.

⁵ 12% had lost their father, 7% their mother, and 3% both parents.

⁶ 50 – 100 people/km² overall.

The dominant religion is Catholicism, followed by Church of Uganda (protestant), and Islam⁷.

The main towns with Town Councils are Kyotera and Lyantonde. Other more urban areas are Kalisizo and Mutukula Trading Centres, and the district headquarters in Rakai Town, although this is a rather small place⁸. However, the 1991 census showed that 96% of the population lived in rural areas, and that population density was relatively low overall, at an average of 99 people per km². In fact, the north and the south-east of the district are very sparsely inhabited, with most of the population in the central area in Kyotera County and the north of Kakuuto and east of Kooki Counties. Kyotera County is the most developed, particularly along the Masaka-Kyotera road.

Land is mostly owned under traditional tenure systems derived from the *mailo* system introduced by the British to Buganda in 1900. Few farmers hold freehold titles – most occupy their land at the discretion of others and inherit or buy and sell it under the informal *kibanja* system, but such land cannot be used as loan collateral. Under the Land Act of 1999 further changes are being/are to be introduced, but implementation has been delayed due to lack of resources to establish the necessary Land Boards.

1.5 Administrative and political structure

The district comprises four counties (see Fig. 2), which are made up of 23 sub-counties, and three autonomous Town Councils – Kyotera, Lyantonde, and Rakai. The sub-counties are further divided into between three and six parishes, which are then sub-divided into a total of 890 villages and trading centres. These correspond to the five levels of local government in Uganda, LCV (district) to LCI (village).

In accordance with the Local Government Act (1997), every adult in each village is automatically a member of his or her LCI (village council). The LCI (i.e., all the adults in the village) elects a ten member executive committee to lead it⁹. As well as governing at the village level, each village executive committee also elects two of its members to the LCII (parish council), which then in turn elects its own ten member executive committee. However, elections to LCIIIs (sub-county councils) and above are direct. The elected council chairman at each level appoints an executive committee from among the councillors elected.

In parallel with the elected political leaders are permanently employed civil servants (although these are in fact mostly voluntary positions at the village and parish (LCI and LCII) levels). At the district (LCV) level the most senior civil servant is the Chief Administrative Officer (CAO). The CAO is supported by internal service departments, such as the District Planning Unit and the Finance Department, etc., as well as the various technical departments:

⁷ The 1991 census showed the population to be divided between these three 60:30:9, with 1% for all other groups.

⁸ It had a total population of 549 in 1991, although it has grown to approximately 950 (source: local council official) in 2000.

⁹ The committee is made up of a Chairperson, a Vice-Chairperson (also responsible for children's affairs), a General Secretary, and secretaries for Finance, Security, Information, Mass Mobilisation & Education, Women (who must be a woman), Youth, and Disability.

Production¹⁰; Education; Health & Environment; Community Services; and Works & Public Transport, as well as police and prison administration, etc.

The broad view in Rakai is that administrators were more powerful than elected officials until the 1998 local government elections, when a much stronger political leadership came to office, improving the balance of power.

In 1992/3 the Civil Service Reform Programme led to extensive restructuring and reorganising of administrations and merging and streamlining of departments nation-wide. In Rakai, many district employees were retrenched; those remaining were given training to bring their skills up to date, and, in addition, a small number of qualified and competent new personnel were recruited. This new smaller, but more effective, workforce was re-equipped and retooled, with improved transport facilities and office space and equipment.

In 1993 Rakai was one of the first districts in the country to be decentralised. Under decentralisation, the functions, powers, and responsibilities of government are transferred from the centre to local governments so that decisions are made as close as possible to the people, and local solutions are found to local problems.

In addition to political decentralisation, there has also been financial decentralisation. All revenue generated within the district is retained¹¹. Most district revenues are actually collected at the sub-county level¹²: of the total amount collected, 35% is remitted up to the district level, with the remaining 65% distributed amongst the lower levels: 65% (of the 65% remaining) stays with the LCIII that collected it, while 25% is divided amongst all of the LCIs in the sub-county¹³. Finally, 5% is remitted up to the LCIV, and 5% divided amongst the LCIIIs in the sub-county to support their administrative functions. In 1997/8, 15% of the district's total revenue was locally generated¹⁴.

However, a much larger portion of the district's revenue comes from transfers from central government¹⁵. In 1997/8 these made up 73% of the district's total revenue, albeit with a large portion ear-marked for teachers' salaries.

The remainder comes from direct donor support to the district administration: in 1997/8, 8% of the district's total revenue came from Danida through the RDDP¹⁶, and 4% came from

¹⁰ The Production Department is a new department resulting from restructuring under the Civil Service Reform Programme. It comprises several sub-departments: Agriculture; Veterinary; Fisheries; Forestry; and Marketing, Co-operatives, & Trade, which were formerly all separate departments.

¹¹ Town Councils are fully autonomous, and control their own finances, i.e., they do not remit locally collected taxes to the district, and receive their own direct grants from central government.

¹² This is primarily (90%) from collection of graduated tax – other locally generated revenue (8%) comes from market and landing site fees, business licenses, and transaction fees (e.g., on the sale of cattle or fish). The register of graduated tax payers has almost doubled since 1998, and currently includes approximately 62,000 people.

¹³ Because of the large number of LCIs however, this does not work out to very much per village – for example in 1997/8 the average amount per village was about 158,000 shillings (approximately US \$140). This is almost entirely consumed by seating allowances for committee members, who are not otherwise paid for their work.

¹⁴ In 1998/9, however locally collected revenues were less than half those of the previous year as a result of very poor coffee harvests.

¹⁵ Central government collects revenue through the Uganda Revenue Authority (URA) from corporation taxes, VAT, import duties, fuel duties, boat license fees, etc. It also receives direct donor support for sectoral programmes, and borrows.

¹⁶ 6% for recurrent expenses, and 2% for capital investment.

other donors, such as Save the Children. Other donors, such as UNICEF, World Vision, CONCERN, and Inter-Aid (as well as Danida in some cases) also operate in the district, but fund their programmes directly instead of channelling money through the district administration.

1.6 Infrastructure

The district is traversed by the main trunk road from Kampala via Masaka to Mbarara, which is also a major transit route to Rwanda, Burundi, and eastern Congo¹⁷. It is also traversed by the main road from Kampala via Masaka to Tanzania through the border post of Mutukula. In addition it has 595 km of feeder roads, most of which have been completely rehabilitated by Danida through the RDDP, as well as an estimated 1000 km or more of lesser tracks. However, the main modes of transport in rural areas are still walking and cycling, with loads carried on the head or wheeled on a bicycle. There is also water transport on all three lakes

Fixed line phone service was available along the Masaka-Kyotera-Rakai road in the 1960s but the lines beyond Kalisizo were largely destroyed during the 1978/9 war. In 1999 the district headquarters in Rakai Town (but no private homes or businesses) were connected to the UTL system by a microwave link, but the service is far from perfect, and fax and data transmission are effectively not possible. Kyotera remains without fixed line service, although it is available in Lyantonde along the Mbarara road. MTN provides cellular coverage within the district which is continuous between Kalisizo and Rakai Town, and covers most of Kyotera County, as well the area around Lyantonde. There are UTL public phones in Kalisizo, Rakai, and Lyantonde, and MTN public cell phones throughout their coverage area. There are post offices in Kyotera and Lyantonde, and sub-post offices in Kirumba, Kalisizo, Lwanda, Rakai, Buyamba, Kakuuto, and Mutukula, and letters can be posted in most trading centres, with boxes emptied daily.

Mains electricity from the hydro station at Jinja is available in the town centres in Kalisizo, Kyotera, and Lyantonde, and was extended to the district headquarters and Rakai Town in 1998. However it covers a very small proportion of population – probably less than 5%. High tension cables also run from Kyotera to Mutukula and on to the town of Bukoba in Tanzania which is supplied under the terms of an international agreement – however, there are no local branches (steps) and hence no service is available to the rural communities along the road.

A small number of the larger businesses in Kyotera are supplied with lake/river water which is pumped up to a reservoir tank, but most business and households collect it from nearby swamps. Rakai Town has recently been supplied with water from Lake Kijanebalola, but there are numerous problems with the system which are still being resolved. In rural areas people rely on surface water and/or roof catchment in the rainy season, and on boreholes in the dry season. Much of the ground water reserves have very high mineral contents and are distasteful, although potable – in such cases those who can afford it buy drinking water transported from Kyotera.

¹⁷ Lyantonde exists in large part to serve long distance lorry drivers, and was hard hit by AIDS in the early years of the epidemic.

1.7 History

The general area that is now Rakai District was once an independent kingdom called Kooki which ruled by the Kamuswaga. However, in 1886 it fell to the Kabaka of Buganda, and became part of the Buganda Kingdom, although the Kamuswaga was allowed to remain as the County Chief. Later, under British rule it became part of Masaka District. It was declared a district in its own right in 1974 during the Amin regime, although its boundaries were only demarcated in the late 1980s.

In the 1940s and 50s many Banyurwanda Bahutu farmers came from Rwanda to Rakai in search of land and work – some obtained small plots and stayed, and became “Bagandanised”. Then, when Kayibanda came to power in Rwanda in 1962, Banyurwanda Batutsi pastoralists and their cattle also started to come to Rakai. However, in 1994, when the RPF came to power in Rwanda the Batutsi largely departed again after more than a generation – unfortunately for Rakai, this resulted in an unexpected, abrupt, and significant decrease in tax revenue from cattle sales. This is slowly being reversed as a result of in-migration of Banyankole Bahima pastoralists from Mbarara District in search of pasture and water for their herds in the face of loss of communal grazing lands to ranching and crop production, and drought in their home area.

The main events in the recent history of the district are primarily traumatic shocks. In 1978-9 Mutukula was the point of entry for the invading liberation forces seeking to overthrow the Amin regime, and the district was heavily fought over for a period of three months, leading to extensive loss of life, looting of livestock, and destruction of property¹⁸.

This was followed soon after in the early 1980s by the outbreak of AIDS, with the first records in Uganda from fishing villages on Lake Victoria in Rakai in 1982. In the early days of the epidemic little was known about the disease and its transmission, and death rates were very very high, with devastating costs in terms of care for the sick, burials, large numbers of orphans and widows, and loss of productive labour, many of which are still felt today. As a result the district became the focus of numerous NGOs, although their assistance has largely been palliative, and has not always reached those in the more remote rural areas.

The district was spared the worst of the depredations of the Obote II regime, in contrast to nearby Luwero, but suffered further armed insurgency in the period leading to the overthrow of the Okello regime in 1985/6 – at this time livestock losses were particularly high.

Natural disasters in recent times include drought in 1987, floods associated with El Nino in 1998, and a period of prolonged drought/poor rains in 1999/2000, which was continuing at the time of the research. During the 1980s nematodes attacked banana gardens, and in the 1990s mosaic attacked cassava. Currently coffee wilt is spreading in places. East Coast Fever (ECF), Contagious Bovine Pleuro Pneumonia (CBPP), rinderpest (RP), and foot and mouth disease (FMD) outbreaks and epidemics kept cattle markets closed for much of the 1990s. Famine relief had to be distributed in 1992, although the roads were in such poor condition at the time that it failed to reach the more remote areas.

¹⁸ Including the complete razing of the entire town of Kyotera, bar a single building.

1.8 The Rakai Rural Development Programme

The RDDP is a comprehensive rehabilitation, reconstruction, and development programme funded by Danida in Rakai District in response to the state of near disaster that existed there in the late 1980s and early 1990s. It was unusual at the time of its inception in that Danida made a pledge to continue this support for a period of 15 – 20 years to cover not only rehabilitation and reconstruction, but also sustainable social and economic development. Support has primarily gone to the district administration itself, particularly through the period of decentralisation, with substantial investment in capacity building and training for political leaders and administrators at both district and sub-county levels. However, there has also been significant sectoral support (through the district administration, via earmarked funds), most notably the rehabilitation/construction of roads, schools, and health units, as well as support to education and health services, and the provision of capital funds to two credit schemes, as well as general support to smaller local projects through a District Development Fund.

Phase I ran for three years from 1992 – 5, and concentrated on building the capacity of local government, rehabilitation and improvement of infrastructure, and production and rural trade incentives (primarily the provision of credit) to improve incomes and hence the tax base, as well as providing relief and assistance to orphans and HIV and AIDS stricken families. Phase II continued this, running for four years from 1995 to 1999, and Phase III is currently being formulated, with support continuing in the interim. Its formulation is expected to draw on the findings of the first comprehensive evaluation, which was completed in May 2000 (see Shepherd, 2000, etc.), as well as the new District Development Plan, which is also currently in progress.

In terms of improved governance, the evaluation described the district administration as “working as it is supposed to”, in marked contrast to the situation ten years ago, with an improved understanding of the roles of officers and political leaders and the relationship between the two, a functioning committee system and decision making process, and qualified staff in post who are paid on time and motivated to perform their duties, with infrastructure to facilitate them. However, at the grassroots level, there was also the perception that following initial improvements, in recent years there had been an increase in corruption and a decline in the quality of justice at the local level. There was also little popular comprehension of decentralisation and the roles of the various levels of government, and still little consultation with, let alone participation of local people in governance and development – however, the participation of women was perceived to have improved, which was thought to be a good thing¹⁹.

Of major importance within improvements in local governance is improved financial management, albeit with a chequered history. The district is now up to date with its accounts, as are most of the sub-counties, and there is improved transparency and accountability to the people of the district²⁰, as well as improved budgeting and planning. This follows a major embezzlement scandal in 1997/8 in which funds to be used for the compensation of landowners negatively affected by the rehabilitation/construction of roads and power lines were misappropriated. A total of 430,000,000 shillings (~US\$ 240,000) of Danida and

¹⁹ These effects, both positive and negative, are not only the results of the RDDP, but also the nation-wide reform of local government in the early 1990s, and overall societal recovery throughout the 1990s.

²⁰ This includes publication of a popular version of the budget in Luganda and Runyankole. The district is the winner of an international trophy for transparency in local government.

district money was unaccounted for as a result of “wilful mismanagement”. Danida suspended all further funding until those responsible were dismissed, and in addition insisted that a portion (approximately 15 – 20% of the total) of the missing money be repaid to them by the district administration. They have also pursued the case in court, but at the time of writing it was still pending.

Danida’s quick response in cutting off funding was widely seen to be appropriate, or even commendable, despite throwing the whole of the RDDP off schedule, but the insistence that a portion of the money be repaid has been criticised in that it punished the innocent, who could little afford it, instead of the guilty. In retrospect it can be concluded that too much money was going too fast into a system with too few checks and balances, and that personal trust, as opposed to administrative control, played too much of a role. However, there remains concern that the enormous improvements made since 1998 are associated more with the characteristics and backgrounds of the new officers and political leaders who came in following the scandal, than with new systems.

Overall the evaluation found that reconstruction has promoted economic growth²¹, particularly in the Kalisizo-Kyotera-Rakai “urban corridor”, and that the sectoral interventions in education and health have been positive, allowing the district to benefit maximally from UPE, and reducing the prevalence of HIV and the incidence of AIDS. It advises the programme to complete the physical infrastructure projects (roads and schools) it has started, and to develop capacity within the district to maintain them, and then to move from reconstruction to development, completing capacity building at the LCV and LCIII levels and in key service delivery departments, addressing capacity problems in partner institutions, such as financial service providers, and enhancing the capacity of both district administrators and partner institutions to develop strategic relationships. It also suggested that more efforts be targeted at ensuring that benefits reach all in district, including the poor and the vulnerable, and commended the original pledge for 15 – 20 years of support.

1.9 Economy

1.9.1 Crop production

The district’s economy is very heavily based on agriculture – 70% of households rely on subsistence agriculture as their main source of livelihood, with a further 8% relying on paid farm labour, and another 6% on market oriented agriculture. Furthermore, all parts of the economy are tied to the agricultural calendar, as this affects farmers’ abilities to buy products and services. Similarly, agricultural booms and slumps also affect the rest of the economy – the boom in coffee prices in 1995/6 caused a knock-on boom in the construction industry as soon as the crop was sold²². However, households tend to try to spread risk, and in general,

²¹ Of interest with respect to this study is the statement by Shepherd (2000a):

“General interventions such as the road programme have helped all physically to access services and helped development agencies reach remote areas. They also helped Rakai households to take advantage of market opportunities to sell crops, livestock and sell their labour to the extent that the market was buoyant. What is missing is an understanding that many households face barriers to accessing services, constraints to producing or selling in the market which prevent them from taking much advantage from the improved national economy and reconstructed district roads.”
(original emphasis)

²² Large numbers of coffee farming households also invested in *mabati* (corrugated iron sheet) roofs that year, hence their relative abundance today.

do not rely on just one activity²³. Furthermore, even those who diversify into the most lucrative sectors of the non-farm economy tend to maintain at least a small farm at home.

Despite this dependence on agriculture, however, most farmers cultivate only very small plots – Andama (2000) cites figures of 1.7 ha, or even “less than 2.5 acres” (i.e. less than 1 ha), but cautions that these are very approximate, as few people at the village level have a good idea of what units of area look like, and many plots of perennial crops are much less than an acre. Furthermore, most plots are heavily inter-cropped, making it difficult to extract meaning from such figures. Most farming is done with hoes and pangas using traditional techniques, with a heavy reliance on household labour. Mechanisation is almost non-existent, there is no irrigation of any sort, and the use of pesticides and artificial fertilisers is minimal.

In Kyotera County and the north of Kakuuto and east of Kooki Counties good soils and good rains allow the lucrative and commercially oriented banana and coffee system to predominate. Robusta coffee was introduced in the 1950s, and despite price fluctuations, is generally a reliable income earner, especially since the introduction of new high yield clonal seedlings. The main harvest is in June with a second smaller (fly) crop in December. Bananas are complementary not just in terms of providing shade, but also in that they generate income relatively consistently throughout the year. Because both are perennial crops, labour demands are relatively low, except for the coffee harvesting period, when hired labour is often used.

In most of Kooki County and in valley bottoms in Kabula County mixed cropping systems predominate. The most lucrative crops are beans and maize, but there are also Irish potatoes and other annual crops, along with bananas, particularly in wetter spots. Beans and maize are harvested twice a year, but there is a need to store or buy food to get through the long dry season before the first harvest of each year, and storage losses are a problem.

In the past there were large scale sugarcane plantations in the low-lying areas surrounding Lake Victoria in Kakuuto County. However, they failed when their Asian owners were expelled in 1972, and attempts to rehabilitate them in 1998 failed due to the El Nino floods.

1.9.2 Livestock

Many households integrate small scale animal husbandry with crop production or even pastoralism or fishing, and keep poultry or a small number of pigs, goats, or dairy cattle. Small livestock (pigs and goats) in particular are kept to sell to cover large expenses such as secondary school fees, or in times of crisis, such as major sickness. Around Kyotera Town several farmers have taken up commercial poultry rearing, each with 100 or so birds, and two have over 1,500.

Large scale cattle keeping is undertaken in the drier parts of the district in Kabula and the north of Kooki County. It is primarily undertaken by Banyankole Bahima pastoralists who maintain a traditional nomadic/migratory lifestyle and keep large herds of longhorned Ankole cattle on public grazing lands, or as “squatters” in ranching scheme lands (see below). They have come from “Ankole” (present day Mbarara District) in search of pasture and water for their animals following human and livestock population growth at home and the loss of communal grazing lands to formal ranching schemes and cultivation. In recent times many

²³ Pastoralist and fishing households are exceptions to this – pastoralism in particular evolved in response to uncertain environmental conditions, and both pastoralists and fisherfolk are highly mobile.

pastoralist households have also started to cultivate small plots for consumption, but in the dry seasons the men and older boys still move with the herds, while the women and children remain with the crops and a few milk cows. Between 1962 and 1994 there were also a large number of Banyurwanda Batutsi pastoralists and their cattle in Rakai – their return to Rwanda in recent years caused a significant drop in the size of the district herd²⁴ as well as in tax revenue from the sale of cattle.

Livestock keeping is also undertaken on 17 ranches in Kabula County. These were part of the former Masaka Ranching Scheme established on 67,000 acres (27,114 ha) in the 1960s to promote the development of a modern livestock industry. However, there have been problems ever since the scheme was established as a large number of pastoralists were displaced, while those who were granted the large (up to 10,000 acres – 4,047 ha) ranches were perceived to members of the political elite of the time. The ranches were largely abandoned during the troubles of the 1970s and 80s, and in 1991 were invaded by “squatters” – pastoralists and their cattle who simply occupied the land, in part a result of a promise by Museveni during the bush war that the pastoralists would be granted land once he came to power. However, the occupations have resulted in destruction of infrastructure such as valley dams and dips, and contributed to the spread of disease, as well as to further reductions in tax revenue as traditional pastoralism is less productive than modern ranching, and pastoralists have different objectives²⁵. Some restructuring of both the Masaka and Mbarara Ranching Schemes has taken place – in Rakai the 17 large ranches have all been reduced in size to 3,000 acres (1,214 ha) or less, and numerous small plots of about 100 acres (41 ha) have been created for pastoralist households. However, most of the large ranches belong to absentee owners (“telephone managers”) who hire managers and cowmen to run them for them, and who charge high fees for use of their dams, etc., so relations are still strained.

1.9.3 Fisheries

Within the district there are five officially gazetted permanent landing sites on Lake Victoria and a total of nine on Lakes Kijanebalola and Kacheera. Landing fees are charged at each site by a private contractor selected to run it on behalf of the district. Fishing boats must be licensed, but can land their catch wherever they like, including on Lake Victoria at landing sites in Masaka District – this depends on the demand for/price of fish, and the level of fees charged, as well as the fishing grounds targeted, weather, etc., and the availability and price of petrol for the outboard engines. On Lake Victoria the primary target is Nile perch (*Lates niloticus*) 2.5 – 3.5 kg in weight which are suitable for factory processing. Other target species include tilapia and Clupeids. Fishing boats on Lake Victoria tend to belong to absentee owners who hire fishermen to work them. Although there are seasonal variations in the catch, fishermen tend to get income daily. Andama (2000) cites studies indicating that sons of poor farmers often opt to become fishermen, and notes that the landing sites also attract women hoping to make independent lives for themselves through providing services such as lodging and cooked food²⁶. Fishing on the inland lakes is smaller in scale, but the fish

²⁴ In 1991, just a few years after peace came to the area, over 227,000 head of cattle of local breeds were enumerated in the district, in contrast to only 179,000 in 1999, despite continued in-migration of Banyankole Bahima pastoralists during this period (cited in Andama, 2000).

²⁵ Specifically household wellbeing through the continuous production of milk and blood for consumption, as opposed to meat and milk for sale.

²⁶ As well as the less salubrious aspects of fishing village life – locally produced alcoholic beers and spirits, and prostitution.

is widely traded and provides a valuable source of protein to the farming communities of Kooki County.

In addition to lake fishing there are records of aquaculture (fish ponds), but they are not common, and often not very profitable.

1.9.4 Markets and trade

Towns and rural trading centres provide not only an outlet for agricultural products, but also for the supply of goods and services to rural people. In 1999/2000 there were 12 weekly and 45 less frequent officially recognised markets in the district, as well as many other smaller unofficial markets. However, the main part of crops produced for sale are still sold to traders at the farm gate, and prices decline with distance from the main road. It is estimated that 70% of the trade in trading centres is in commodities brought in from outside, with only 30% in the agricultural produce of the area. Little produce is taken to markets outside the district by producers themselves, although there has been some support from the Irish Development Fund in the form of trade credit for transport. Farmers complain that prices are determined by factors and markets outside the district which they cannot control, or even predict, and that they are subject to large fluctuations.

During the period of internal economic chaos of the Amin regime Tanzania and Rwanda were major markets for agricultural produce, and Tanzania was a source of commodities and consumer goods not available in Uganda, largely smuggled across the lake or through Mutukula. This continued until the rehabilitation of roads allowed better access to the much improved national economy, as well as access to border areas by staff of the increasingly effective Ugandan Revenue Authority. Although there is still some trade with Tanzania, particularly in cattle and beans from border areas, the district is now fully integrated into the national economy. However, the effects of the cross border trade in the past are still noticeable today – although in general the Amin years were characterised by hardship and suffering, a small number of individuals were able to amass large profits from trading (smuggling), and many of these remain some of the most prosperous people in the district, having subsequently used their wealth to diversify.

Cattle markets only recently reopened after having been closed for eight years to control disease (primarily CBPP and FMD). During this period cattle were sold from the farm or directly by pastoralist households to traders who walked the animals out to the nearest major road. Now cattle from the main livestock areas are taken to the biweekly market in Kasagama in the north of Kabula County, where an estimated 600 animals are sold per month, or to smaller markets at Nambabi, Kimuli, and Kibaale. They are taken for slaughter outside the district however, so there is little opportunity for processing of hides and skins – the processing plant in Kyotera is closed for hide processing, and now functions primarily as a coffee processing factory.

The sale of animals is more important than the sale of milk for pastoralists as yields are low and most milk is consumed by the household. However, although they were established for beef production, milk may currently be the more important product for ranchers, many of whom are still trying to build up their herds, and it is also important for crop farmers who keep a few dairy animals. There are cooling plants in Lyantonde and Kyotera, although there are no pasteurising or other processing facilities – milk from Lyantonde is sold to factories outside the district, but milk from Kyotera is more expensive, and thus serves only the local market. For those able to access to them, the cooling plants are good markets, but it is not

feasible for those who live far away to transport the milk daily, particularly if yields are low – such household are further constrained by low levels of local demand, particularly in the more sparsely inhabited livestock areas.

Fish is sold fresh by the fishermen to refrigerated lorries belonging to the various fish processing plants, or to traders, who either sell it on fresh, or arrange for it to be processed locally. Kasensero, in the far south, is the only landing site in the district accessible by vehicle²⁷, but even so, it can still take the refrigerated lorries several days to fill up. There are 11 processing plants in Uganda, including one in Kalisizo, as well as several in Kenya and Tanzania. These export to other countries, notably the EU, although imports are sometimes suspended for quality reasons²⁸. Fish landed at other sites is mostly processed locally – small fish are sun-dried, while large fish are smoked. A small amount is transported by bicycle to local markets and sold fresh, although trade in fresh fish is risky as prices can fluctuate enormously, and quick sales are necessary. Most traders buy only a few “bundles”, although there are some who operate with large amounts of capital.

Data on the number of traders in non-farm commodities are lacking. Andama (2000) cites various records from the Trade Development Office for Rakai District from 1995 or before of: 100 wholesalers; 3,000 retailers; and 20 “miscellaneous”. She also adds: petrol stations²⁹; stationery shops, which also offer business services and photocopying; and agricultural input shops supported under the Investment in Developing Export Agriculture (IDEA) Project, and notes a huge boom in the number of smaller retail shops in rural trading centres and even roadside villages. However, business skills such as bookkeeping are often poor or lacking, which affects profitability.

1.9.5 Industry and crafts

There are only two large factories in operation in Rakai, both along the main road between Kyotera and Kalisizo. One makes foam mattresses, with a capacity of 35,000 per year. The other processes fish for export, and has a capacity of 8 tonnes per day. However, both are currently operating well below capacity³⁰.

Data on the number of small/artisanal industries are lacking – Andama (2000) cites various records from the Trade Development Office from 1995 or before of:

Carpentry	approx. 50
Pottery & ceramics	10
Metal fabrication	20
Cottage industries (= garment making)	15
Building materials (= brickmaking)	20
Leather	6
Printing (= making official stamps)	2

²⁷ This only since the rehabilitation of the road by the RDDP.

²⁸ Most recently following the discovery of the widespread use of poison to kill fish, but also during cholera outbreaks, and during the genocide in Rwanda in 1994, when the number of bodies in the Kagera affected water quality.

²⁹ Which have increased in number from just two in 1990 to 11 today.

³⁰ The mattress factory is owned and run by the Banakarole Brothers, a Catholic order, as a source of income to support their other non-profit activities. It was established during a period of protectionist tariffs on mattresses imported from major factories in Kenya, and initially enjoyed good sales. However, the Asian businessmen who own the Kenyan factories found that they could circumvent the tariffs and continue to access Ugandan markets by establishing their own factories in Uganda, and thus the Banakarole Brothers' market share has declined in recent years. The fish factory is currently suffering as a result of the current ban on exports of fish to the EU.

She also adds: stone quarrying; agroprocessing (coffee processing, maize milling³¹); milk cooling; local fish processing (sun-drying, smoking); charcoal burning; basket and mat weaving; brewing and distilling; boat building; and baking, as well as specialist craftsmen and labourers such as masons, or latrine diggers.

1.9.6 Services

Data on the number of service providers are also lacking. Andama (2000) cites various records from the Trade Development Office from 1995 or before (presumably based on a colonial classification) of:

Native bars	200
Technical services (= mechanics, etc.)	50
Private clinics	20
Native pharmacies (= herbalists)	7

She also adds: lodging houses, restaurants, “modern” bars, and convenience food sellers along roadsides; land transport³²; water transport³³; beauty salons and hairdressers; and labourers such as porters and lorry loaders.

1.9.7 Financial services

In rural areas there is a vicious cycle of low income, and hence little saving and accumulation of financial assets, and thus little inclination on the part of commercial banks to offer services, particularly credit, which might allow for improvements in income. Furthermore, because most transactions are of fairly small amounts, operational costs are high, so the business is relatively unprofitable, if not actually loss-making. Thus the provision of financial services, particularly credit, has largely fallen outside the private sector to government schemes and NGOs.

Government credit schemes include *Entandikwa* (literally, “*something to get started*”) and the Poverty Alleviation Programme, which is funded by the African Development Bank and managed centrally by the Office of the Prime Minister. However, neither was operational in Rakai until 1995, and both are limited in scope. Various NGOs have also run various credit schemes in different areas of the district at different points in time, but these too have been limited in scope.

The first solution to this lack of financial services, particularly credit, was the Rakai Rural Credit Scheme (RRCS) funded by Danida as a part of the RDDP. This was later supplemented by the Danish Women’s Credit Scheme (DWCS) – both are exhaustively reviewed by Bird *et al.* (2000, in two volumes) as part of the evaluation of the RDDP³⁴.

³¹ There are about 25 coffee processing factories and 50 grinding mills in the district.

³² Of goods and people – lorries, pickups, minibuses, special hire saloon cars, and *bodabodas* (motorcycle taxis).

³³ Of goods and people on Lake Victoria and across Lake Kacheera to Mbarara District.

³⁴ Of interest with respect to this study is the note by Bird *et al.* (2000) that there has been “*no systematic analysis of the constraints facing entrepreneurs and producers in different sub-sectors. So, it is difficult to know whether entrepreneurs and producers ranked the absence of credit ahead of transport and marketing difficulties, for example.*” Other than lack of credit, small entrepreneurs in the district, particularly women, were thought to be constrained by: lack of business skills; poor market information; lack of transport; lack of co-operation/co-ordination amongst female producers; poor quality products; conflicts between domestic and social demands and the enterprise; and “petty conflicts”, which were seen as destroying women’s group enterprises

The RRCS started in 1992 and is implemented by the Centenary Rural Development Bank (CERUDEB), with the capital fund and the costs of establishing CERUDEB's Kyotera branch, as well as a three year operational subsidy provided by Danida. The scheme was initially managed by a local NGO formed by the RDC – however, poor institutional design and political interference in lending decisions led to it being suspended twice until it was revised and passed on in its entirety to CERUDEB in 1995. The capital fund, which is owned by the district administration, is now over 500,000,000 shillings (~US\$ 280,000), and the CERUDEB branch operates at a profit and no longer requires subsidisation. In addition, CERUDEB has also started loaning out its own funds.

The scheme provides working capital to enterprises already in existence which are considered to be too small to access credit from the main commercial banks. In Phase I conventional collateral was usually required, and land title and permanent buildings were required for loans of over 1,000,000 shillings (~US\$ 555). In Phase II, more attention was supposed to be paid to the needs of “weaker” groups, i.e. those with poorer security or without land title – it is not clear how well this was implemented³⁵. although by 1998 only 5% of loans were secured by land titles, with the rest secured by chattel items, usually livestock and/or household goods such as furniture or consumer electronics. However, the value of the chattel items used for security must be 150% of the value of the loan, and a borrower must also have two guarantors, each of whom has an account at CERUDEB, who will take responsibility for tracing the borrower should he or she abscond. A borrower must also fund at least 40% of the investment from other sources, with the loan covering no more than 60%. The minimum loan is 100,000 shillings, although in reality few loans of less than 400,000 shillings are disbursed. The average loan is about 1,000,000 shillings.

Interest rates and costs are very high and have been so throughout the life of the scheme, although inflation rates have dropped considerably over this period. At the time of the evaluation of the RDDP, the interest rate was nominally 22%. However, added to this was an additional 2% per month (i.e. 24% per annum) for “monitoring”, as well as a onetime appraisal fee of 2%, resulting in a total cost of 48% per annum, or more for short loans. Fourth time exemplary borrowers are eligible for a special rate totalling 30%, but in reality, few IGAs are even this profitable, and for many borrowers these high costs are a problem – this is often exacerbated by unclear and/or incomplete explanations of the costs and processes, so that some borrowers only find out the details of the repayments required when the loan is actually being disbursed.

Most loans are short to medium term. Initially, most were for six months or less – at Danida's insistence, the number of those more than six months in term was increased to about 50%, but it was only in 1999 that loans of more than a year were offered, and these to only five existing or previous clients with exceptional repayment records. There are currently no grace periods, so that loans for farming in particular have to be repaid from another income source, limiting their usefulness to those without a second IGA.

³⁵ The evaluation of the RDDP is critical of Danida in not setting out specific requirements and targets for CERUDEB with respect to this, as, unless compelled, a financial institution with more demand that it can meet is extremely unlikely to seek out clients with poor collateral and limited ability to absorb credit, i.e., these “weaker” groups. Bird *et al.* (2000) further suggest that lending to such groups requires different, specialist methodologies, which might be better undertaken by a separate, parallel, and possibly subsidised scheme.

Repayments are made monthly. During Phase I there were institutional and political problems with repayments, which were exacerbated by a national culture of non-repayment, as loans were widely perceived to be rewards given in exchange for political support by those in power. This has changed, and repayment rates are currently very good, with only about 8% of the portfolio at low risk and 1-2% at high risk, due in part to the diligence of CERUDEB's loan officers, but also to its conservative lending policies. The bank is also helped by ignorance and fear on the part of its clients who are generally not aware of the limits to its powers and their own rights. A particularly controversial policy is the requirement that borrowers leave signed post-dated cheques for each repayment on file at the bank. Should a payment be missed, the bank can cash the appropriate cheque – should it bounce, they can have the borrower arrested, as it is an offence in Uganda to issue cheques which bounce. This fear of imprisonment for a single late payment is a powerful motivating force such that there are cases of payments having been made in times of considerable hardship and even hunger. As repayment problems are most often a result of personal misfortune and/or household shock, such as illness or death of a family member, or crop failure, and the scheme ultimately has development aims, there is clearly some room for rescheduling in certain circumstances. There is also a need for life insurance so that in the event of the death of a household's main income earner, the family is spared the need to repay the loan at an already difficult time.

Initially, organised groups were also included in the scheme, but following various problems, CERUDEB now gives these less priority. Most loans go to “commerce”, primarily retail trade, with only about a quarter going to agriculture, and less than 5% going to service based businesses – few or none go to support small scale industry or crafts enterprises, or fishing, or livestock rearing. Data are not available, but the loans to “commerce” are more likely to be to more urban clients. No urban/rural or geographical targets were set, and initially most clients were based in Kyotera County, if not in Kyotera Town. However, by 2000 the numbers of clients from Kyotera, Kooki, and Kabula Counties were approximately equal, with about half as many from Kakuuto County³⁶. Danida expected CERUDEB to establish mobile banking services in Kooki, Kabula, and Kakuuto Counties, and provided a vehicle for this, as well as offering a subsidy, but to date there is no such service. Prospective clients must go to the Kyotera office to apply for a loan – typically at least four visits are required, which presents a barrier to some. The monthly repayments are also made in Kyotera or at the UCB branch in Lyantonde, although there are often delays between making the payment and it being recorded by CERUDEB which can affect the client's credit record. As well as the cost and inconvenience of having to travel to Kyotera (or Lyantonde) each month, there is also a risk in transporting money which is a concern of many.

Danida did not set specific gender targets, and at the end of the first phase, only 17% of loans had gone to women. In Phase II CERUDEB was encouraged to target women more, and in 1998 and 1999 about 30% of loans went to women, but recognition of the difficulties that women face in accessing credit, particularly with traditional collateral requirements, led to establishment of the DWCS to serve this group more appropriately.

In summary, the RRCS provides credit to a sector of society unable to access credit through the main commercial banks, although these are not, by local standards, poor people, due to the emphasis on providing working or expansion capital to businesses already in existence

³⁶ Figures from the 1991 census indicate that the populations of Kyotera and Kooki Counties were approximately 130,000 and 132,000 respectively, while the populations of Kabula and Kakuuto Counties were approximately 53,000 and 68,000 respectively, thus Kakuuto County is not particularly under-represented with respect to population, while Kabula County is significantly over-represented.

with other sources of funding already in place, the requirements for collateral, the high interest rates, short terms, and lack of grace periods, and the costs of travelling to Kyotera to apply for credit and to make monthly repayments. The lack of a grace period in particular makes it difficult for borrowers with only one IGA, as often the IGA supported by the loan does not generate enough profit immediately to service it. Loans to agriculture are especially problematic, as no profit is realised until after the harvest, and delays in disbursement can render the loan useless. However, the conservative lending policies, high interest rates, and “diligence” in ensuring repayment have allowed the RRCS and the Kyotera CERUDEB branch to become financially self sustaining, albeit with relatively small margins, and the provision of credit to medium sized enterprises (in the local context) has been important in generating employment.

The DWCS was established in response to the inability of the RRCS to provide appropriate credit to women and the poor. In 1995, Danida invited the Uganda Women’s Finance and Credit Trust (UWFCT) to join them as a partner, but after an initial appraisal, they declined due to the high costs of providing small loans in a sparsely populated rural area. At that point (1996) the then CAO suggested the Victoria Building Society (VBS), a small local institution formed in 1989 following the collapse of the Equator Building Society when the Kyotera branch’s business was reorganised under local management and refinanced from members’ savings³⁷. The VBS had earlier been involved with the disbursement of the Government’s *Entandikwa* and PAP funds, as well as its own funds, and a small amount of money provided by the President to the Rakai Women’s Association.

However, the VBS has, and has had numerous institutional and administrative problems which have affected its performance and the running of the DWCS. Foremost among the concerns are its lack of legal status and failure to register as a financial institution, its poor record keeping, its weak financial position, lack of capacity on the part of its staff, and its failure to hold regular General Meetings, to provide dividends to its shareholders, and to clarify the status of its board, as well as a negative report from the Bank of Uganda, and rumours of disbursement malpractice³⁸.

Some of these problems were known to Danida before the DWCS began, and in the initial design of the scheme there was considerable emphasis on institutional capacity building, with almost three times as much budgeted for the development of the VBS itself as for the loan fund. However, at almost exactly the same time as the first tranche of the loan fund was released, PriceWaterhouseCoopers released a highly critical report on the VBS which opined that its institutional failures were so severe as to make further investment unwise. The report was in turn criticised by the management of the VBS, but, unfortunately, it came at a time at which there was considerable turnover within Danida and the Danish Embassy, and the incoming staff, lacking institutional memory, had no option but to accept it at face value. Thus only the first disbursement of 30,000,000 shillings (~US\$ 17,000) was made to the VBS, with subsequent disbursements and technical support frozen indefinitely.

Despite the lack of further funding and much need technical support, the VBS went on to loan out and rotate the fund, and implement the DWCS, aiming to loan to poor rural women without other access to credit in the hope of improving their and their households’ economic

³⁷ Many influential local politicians and civil servants sit on the board.

³⁸ For more on these various problems, see Bird *et al.*, 2000.

situation and general wellbeing. By May 2000 over 300 loans totalling over 62,000,000 shillings had been disbursed, with excellent repayment rates averaging about 93%.

The scheme is administered largely in accordance with PAP guidelines. Although loans to individuals were more common initially, as groups were found to have considerably better repayment records, these are currently favoured. Individuals must open a savings account and purchase 30,000 shillings worth of shares³⁹ and, in theory, have savings of 12% of the loan amount on deposit to act as collateral before they can apply for a loan. During the period of the loan no interest is paid on the savings, and the borrower is not allowed to make withdrawals. In practice, however, there has been an informal policy of overlooking the requirement for savings and depositing a portion of the loan amount instead, although this has led to some confusion and hard feelings amongst clients who do not always appreciate that they must repay the entire amount of the “loan” plus the “savings” on deposit⁴⁰. Groups must be registered with the district. Loans are disbursed to individuals within the group, and are secured individually by savings and chattel items, as well as by the other members of the group. The VBS deviates from the Grameen model in a number of ways⁴¹, but thus far these seem not to have had any major negative impacts. The maximum loan is 200,000 shillings (~US\$ 110) for a first loan and 400,000 shillings for a second loan, although in reality the average loan is just over 200,000 shillings. The intention is that only poor households should receive loans, wealthier households are directed to CERUDEB⁴²

Interest is charged at a flat rate of 22%. The only other charges are a nominal charge of 1,000 shillings for the application forms and a “petrol” charge of 5 – 10,000 shillings if a loan officer is required to visit a borrower in default who has failed to respond to written communication – however this is not always transparent to clients before they obtain a loan. Initially loans were made for 12 months with a one month grace period, but following changes in the guidelines they now run for only six months, with no grace period. Repayments are made monthly at the main VBS office in Kyotera or at their second branch in Lyantonde. Along with other MFIs, the VBS is investigating the possibility of life insurance so that in the event of the death of a household’s main income earner, the family is spared the need to repay the loan at an already difficult time.

Loans go primarily to retail businesses (35% of loans) and crop production (26%), as well as animal husbandry (13%), service businesses (9%), and trade and small scale manufacturing businesses (both 8%). Data on urban/rural and geographical spread are lacking, but it appears that clients come from throughout the district, despite the fact that there is only a single motorcycle for use in outreach, loan appraisal, and loan recovery for all of the funds managed by the VBS.

There has been no monitoring of impact, so it is difficult to assess how successful the scheme has been in improving the lives of poor women and their households, or whether there have

³⁹ The evaluation of the RDDP is critical of this, as no dividends have ever been paid to shareholders.

⁴⁰ The evaluation of the RDDP is critical of this practice, as saving is an important part of microfinance methodology in that it introduces the habit of saving, encouraging the development of an asset base, and provides a check for the loaner that the client is able to make regular payments, as well as providing real collateral.

⁴¹ For example, very small group sizes, less emphasis on regular group meetings, fewer intra-group financial control and accountability mechanisms, repayments made by each woman individually, etc.

⁴² Although some cases of “leakage” were recorded by Bird *et al.* (2000).

been any negative effects⁴³. However, the evaluation of the RDDP found that clients perceived their businesses to have increased turnover and profits, which led to improved household wellbeing and further diversification. Wellbeing included higher levels of consumption and, of particular importance to women, the ability to pay school fees, as well as a feelings of increased independence and autonomy, pride in being part of the wider cash economy, and general empowerment and emancipation – most clients were very positive about the DWCS and the VBS overall.

The evaluation of the RDDP concluded that the scheme is targeting the group it was established to serve, and that outreach has been impressive, particularly considering the complete lack of institutional support. However, although it is difficult to determine from the existing flawed accounts, it is likely that the VBS is technically insolvent, and operating at a loss, charging interest well below the real cost of lending, and eroding the capital fund. Nonetheless, the portfolio is well managed, despite a lack of reporting, and the DWCS is one of the few RDDP interventions which specifically targets the poor. Thus the evaluation recommends that Danida continue with it and even expand it, either by investing heavily in the VBS, or by identifying another MFI to take over its implementation.

Despite the successes of the RRCS and the DWCS there is still a huge unmet demand for credit, with only a fraction of a percent of the district's adult population able to access these funds in a year. Lack of rural banking facilities remain a problem for both would-be and actual borrowers and savers, as does the lack of grace periods, and the lack of long term credit. Bird *et al.* (2000) also suggest that Danida and the RDDP consider introducing a third “rung” to the credit ladder to bridge the gap between the DWCS and its group lending methodologies targeted at the poorest and the RRCS/CERUDEB with its strict collateral requirements – this would serve the “middle poor” and allow them to build up the assets necessary to eventually access CERUDEB loans⁴⁴.

Bird *et al.* (2000) cite MFPED figures that show that Uganda has one of the lowest domestic savings ratios in Africa. This lack of a culture of saving in banks is no doubt related to the very low rates of interest paid on deposits, which are typically less than the rate of inflation, and much less than the rate of increase in value of well managed livestock, most rural people's preferred investment option, while the costs, inconveniences, and risks associated with travelling to urban centres to make deposits and withdrawals are a further deterrent. CERUDEB does not promote saving and pays interest on deposits at rates similar to other financial institutions, i.e., below the rate of inflation. Although supposedly a core part of the DWCS methodology, the VBS also does not promote saving, and most of its clients do not save voluntarily beyond the requirement to have savings on deposit in order to access credit.

The evaluation of the RDDP was critical of Danida in not encouraging CERUDEB, the VBS, and other institutions to promote and facilitate saving in rural areas, e.g., through mobile banking, or existing rural Post Offices. Bird *et al.* (2000) suggest that existing Rotational Savings and Credit Associations (ROSCAs, or cash-round clubs), which are currently

⁴³ Negative effects of credit could include business failures due to constraints other than lack of capital or credit which leave a woman worse off, as she still has to repay the loan, loan capture and subsequent misuse by other household members, such as the husband, and diversion of funds to consumptive expenses in the event of unforeseen shocks, leading to difficulties in repayment and subsequent penalties, etc.

⁴⁴ This would also require expansion of the bottom “rung” of the ladder, the DWCS, and possibly a parallel scheme for men, so that it would be able to “graduate” sufficient numbers of clients to higher “rungs”.

entirely self funded and locally organised, could be supported and used as vehicles for credit, and ultimately enabled to grow into village banks.

1.10 Education and training

Data from the 1991 census show that at that time the literacy rate in the rural areas of the district was 58% for men⁴⁵ and 48% for women, while in urban areas it was demonstrably higher at 83% for men and 79% for women. They also show that more women than men had not had any formal schooling, and that more men than women had had some secondary education, but that a negligible percentage of either sex had been to university.

The data are also broken down by age which reveals a not unexpected pattern of decreasing literacy and schooling with age, as those in older groups, particularly women had little access to education in their youth in the middle years of the twentieth century. However, they also reveal a that there is a “lost generation” of people now in their early 20s who should have been in primary school in the late 1980s and early 1990s, but at the time of the 1991 census, when they were between ten and 14 years old, had a literacy rate of only 46%, in contrast to the cohort above them who had a literacy rate of 70%. This is the cohort of children who were born into the 1978/9 war, were toddlers and pre-schoolers in its aftermath, and during the worst years of the AIDS epidemic, and reached school age as the 1985/6 war was raging – unfortunately for them, by the time the first impacts of the RDDP were beginning to be felt in the mid 1990s, and then UPE in the late 1990s, they were too old for school.

Although it was not the only sector to have had problems at the time, it is fair to say that prior to the advent of the RDDP in 1992, and then UPE in 1997, the education sector was in deep crisis in Rakai, with standards and facilities declining throughout the 1970s and 80s. In 1991, only 53% of school age children in the district were enrolled, compared to a national average of 72%, and there was a serious “brain drain” of qualified teachers from the devastated rural areas of the district to nearby urban areas such as Masaka, Mpigi, Kampala, Entebbe, and Mbarara so that less than a quarter of those remaining were trained. Standards were further undermined by the opening of numerous private schools, some by sectarian institutions or parents groups, others by businessmen as for profit ventures, with no system of monitoring or control of standards of education or health and safety.

The RDDP supported the training of teachers and morale raising amongst those employed in the district, improvements in the management of schools, such as the training of Head Teachers and School Management Committee members, and the provision of scholastic materials, as well as the rehabilitation and expansion of facilities throughout the early years of Phase I. This left the district in an enviable position to be able to take advantage of the introduction of UPE in 1997, with a good backbone of trained, motivated teachers, better managed schools, and infrastructure already in place. Enrolment in government schools doubled, passing the national average in 2000, but in contrast to many other areas, standards were maintained or even improved upon so that Rakai became the leading rural district in the country in terms of Primary Leaving Examination (PLE) results.

The challenges now are to redevelop the curriculum so that it provides skills relevant to the lives of the pupils, and to maintain standards in the face of the enormous increase in enrolment – through UPE there have been further efforts to train, motivate, and keep

⁴⁵ Actually males ten and older, etc.

qualified teachers⁴⁶, but this remains an area of concern. Efforts to increase the number of women teachers have been attributed to improvements in retaining girls in school⁴⁷, but there are still problems in the enrolment of orphans who must work to survive, as well as children from fishing and pastoralist households, and the cost of uniforms and books, etc. is a barrier to some.

In 1994/5 there were 18 government aided and 22 private secondary schools in the district, although only four schools offered A level courses. There is also a Teacher Training College at Bikira which trains primary school teachers, although many trainees come from outside the district as well. There is a government aided technical training institute at Kammengo which offers courses in motor vehicle mechanics, carpentry and joinery, bricklaying and masonry, and electrical installation – it has been further supported by the RDDP, but is under-utilised. Under the RDDP a “resource centre” was also constructed at Sanje, but the district has proved unable to run it, and thus far the government is unwilling to take it over, so its future is unclear.

Since the mid 1980s the Catholic Banakarole Brothers have operated a training centre at Kiteredde offering courses in carpentry and joinery and masonry to both school leavers and school dropouts from all over the country. They are also sometimes able to provide “some” support in the form of tools, etc. to graduates. There are also private technical institutions at Lwamaggwa and Bikira and a farm school at Mbuye in Lwanda Sub-County. Many local craftspeople and mechanics also train small numbers of youth and orphans, sometimes on the job, sometimes for free as a community service, sometimes in exchange for labour, but often in exchange for a cash payment, which may be substantial in the case of a valuable skill learned from a reputable practitioner. Standards and conditions are highly varied, with reputation and word of mouth being important in choosing where to apply for an apprenticeship. Several times a year the Trade Development Officer organises two to three day business skills seminars for businesspeople and would be entrepreneurs. Topics cover management skills, basic account, etc., but although they are free, attendance is poor as participants must fund their own transport, etc. The 1994/5 – 1999/2000 DDP includes plans for support to adult literacy, but it was not clear how well these had been implemented.

Shepherd (2000b) found that formal employment increased with total household education, and that more educated households were less likely to depend primarily on agriculture, with such households more likely to be involved in crop processing than other activities⁴⁸. Dependence also decreased with total household education, perhaps in part because households with lower dependency ratios were better able to support their children in school.

⁴⁶ Such as the provision of cooked lunches at midday.

⁴⁷ It is also hypothesised that improvements in sanitation in schools, specifically the construction of adequate latrines and access to water, is important in encouraging/allowing girls to stay in school when they start menstruating (Shepherd, 2000b).

⁴⁸ Although households involved in crop processing had a range of educational levels.

2. METHODS

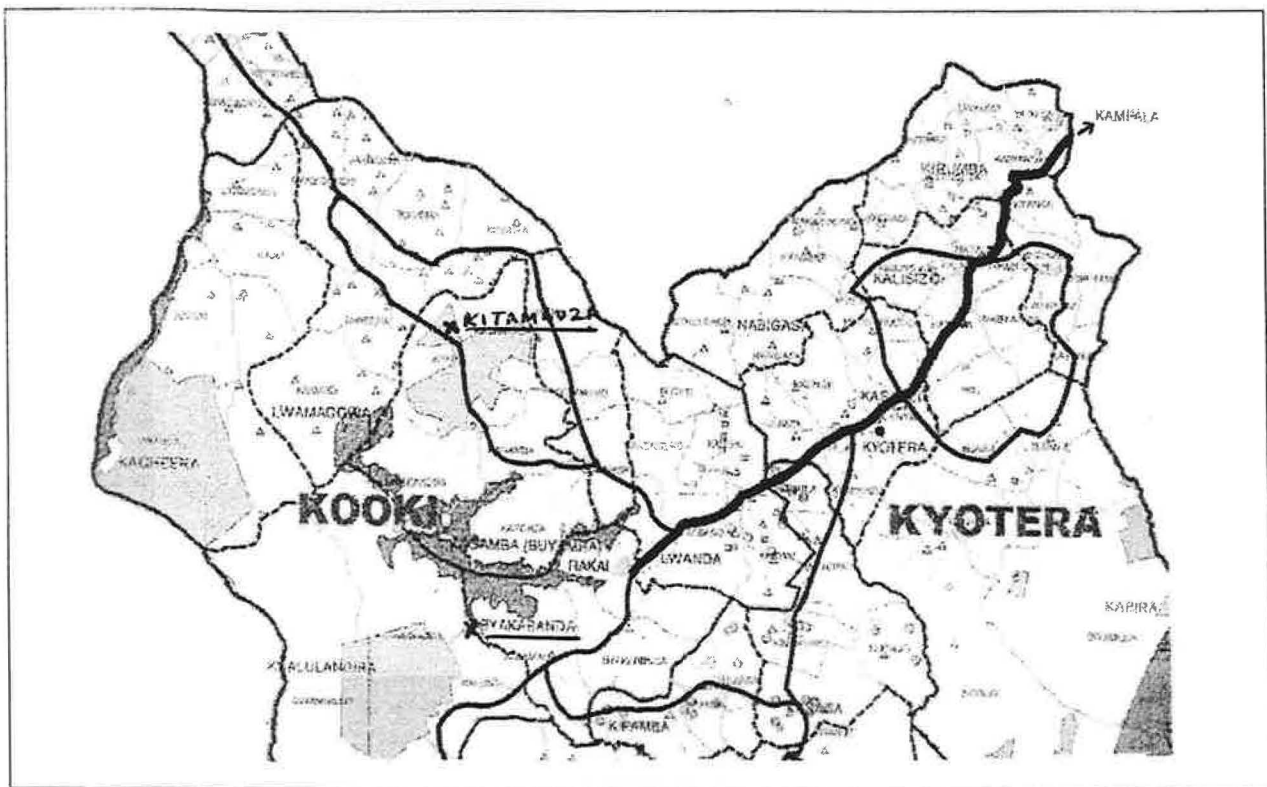
The methods used followed those outlined in Chapter 2. The fieldwork in Rakai was the first undertaken by the project, and thus trialling and testing of the various methods and materials was almost as important as the data collection itself – each evening considerable time was spent in critiquing and reviewing the day’s activities and learning from a methodological standpoint, as well as about the subject matter.

Collection of field data took place principally over nine days between 6th and 14th October⁴⁹. It was somewhat interrupted by the long Independence Day holiday weekend at the beginning of the period, and the research team is particularly grateful to those who worked through this period regardless⁵⁰.

The research took place at two levels. The first was the district level, which included semi-structured key informant interviews with district leaders and administrators and key NGO personnel where there was a district-wide focus⁵¹.

The second was the village and household level. The villages selected were Byakabanda Village in Byakabanda Parish in Byakabanda Sub-County, and Kitambuza Village in Kimuli Parish in Kagamba Sub-County, both in Kooki County (Fig. 3.). They were selected primarily with respect to strong extension worker presence, but also to investigate the effects of proximity to the district headquarters, proximity to a relatively large trading centre, direct road access, and NGO activity, among other factors.

Figure 3. Location of Byakabanda and Kitambuza Villages



⁴⁹ NB. The household questionnaire survey has been completed over a longer period of time.

⁵⁰ See Appendix 1a for a list of the research team.

⁵¹ See Appendix 2 for checklist. See Appendix 1b for a list of interviews.

Data collection took place over three days in each village, and used a mix of qualitative and quantitative approaches⁵² to investigate the types of IGAs undertaken, both farm and non-farm, the barriers and constraints people face in starting or continuing with these IGAs, or others that they would like to start, and ways of overcoming or working within these constraints, as well as general backgrounds and contexts to this information.

Key extension worker contacts sensitised the village and arranged for an initial community meeting in each site. These served to introduce the project to the village and its leaders, and provided a forum for a general participatory discussion and ranking of IGAs and barriers and constraints with special reference to gender, as well as brief discussion of strengths and enabling factors^{53,54}. Wealth/wellbeing group definition and ranking of IGAs with respect to these groups and gender was undertaken in Kitambuza⁵⁵, but not Byakabanda⁵⁶.

Semi-structured interviews were undertaken with various small and micro-enterprises, primarily groups⁵⁷. Further background to the village was gained through discussions with key informants, such as government and NGO extension workers and local school teachers, who helped produce rough sketch maps of the villages for orientation, and accompanied the members of the research team on informal transect walks. Where possible, the history of the village and the trends in the development of IGAs in particular were also discussed with older long term residents. Finally, detailed questionnaire⁵⁸ based-interviews were held with members of 40 individual households.

⁵² However, time restrictions led to more of an emphasis on qualitative data in this phase.

⁵³ See section 2.nn for details of this process. See Appendix 2a and 2b for attendance lists. See section 6 and 11 for findings.

⁵⁴ In addition, another brief community meeting was held in the village of Kyaluyimuka, neighbouring Kitambuza, at the request of community leaders. Relevant findings are included with those from Kitambuza.

⁵⁵ See section 2.nn for details of this process. See Appendix 3 for attendance list. See section 11 and Appendices 11 and 12 for findings.

⁵⁶ The methods to be used were still being developed, and time was limited.

⁵⁷ See Appendix 2.nn for checklist. See Appendices 4a and 4b for lists of interviews

⁵⁸ See Appendix 2.nn for questionnaire.

3. DISTRICT LEVEL FINDINGS

3.1 Governance and the RDDP

The research team did not focus on this aspect at this point, as there is a separate Local Governance component to the project, and a very large amount⁵⁹ of very up to date information was available in the form of the recently completed report on the evaluation of the RDDP (Shepherd, 2000, etc.). Highlights are summarised as background in section 3.1.7 above.

The Chief District Advisor (the Danida Technical Advisor) described the evaluation as very comprehensive, as well as useful, although perhaps more so for the donor than for the district administration. In particular, it had been good to meet with the external evaluators and look at the work objectively, from a “helicopter perspective”. However, she felt that the team leader had not spent enough time in the field, and in particular, that there had not been adequate appreciation of how difficult it is to work with women in the district due to strongly held cultural and traditional beliefs and practices.

Of concern with respect to good governance and popular perception of local government is the fact that close to 50% of the district’s total expenditure goes to the elected political leaders in the form of salaries and various allowances, and many political leaders are perceived to be primarily interested in getting more money for themselves at the expense of other district employees and development projects⁶⁰. However, paying good salaries can reduce corruption. Corruption can be need driven or greed driven, but these may be difficult to differentiate between, as relative prosperity can lead to a heavy burden of responsibilities to the extended family, and there is still no social security system to speak of. Councillors at the lower levels are unpaid and must have incomes from other sources, and are thus either overworked, as they try to manage two jobs, or neglectful of their work as councillors, except at election time. Nonetheless, the LCIs are trusted far more than other levels of local government which are further away from the people and perceived to be more corrupt. In an effort to further decentralisation and good governance the district has just appointed a qualified and trained Assistant CAO in each of the four counties to be resident there and further support decentralisation and good governance at lower levels.

3.2 The District Development Plan

The District Planning Unit (DPU) was the first of its kind in the country. It is not a service delivery department, but aims to improve administrative services, and provide a link between administrative and service delivery departments. Its main activities are to support planning at the district and sub-county levels.

The DPU is in the process of completing the new District Development Plan (DDP). The 1994/5 – 1999/2000 DDP did not get input at the grassroots level, but this new plan does. The first component of the participatory planning process is collection of data from the lower levels – each of the 890 LCIs completed a questionnaire on the current situation in their village, which were then fed into a parish report from each LCII, which in turn were fed into a sub-county report from each of the 23 LCIIIs. These data are currently being entered into

⁵⁹ Almost 700 pages in 11 volumes .

⁶⁰ For example, political leaders are paid 468,000 shillings per month as basic salary, plus numerous allowances for fuel, housing, etc., while a Head Teacher at a primary school makes only about 200,000 shillings per month.

the district database. The second component of the planning process relates to activities and interventions – each LCI also produced a “wish list” of five priorities, which were fed up to the parish level, where eight were selected to be fed up to the sub-county level for consideration in the plan.

In the view of the District Planner transforming rural areas is of necessity a government task, although to date the government has not promoted and used the private sector enough. Key foci are rural roads and rural electrification, but low population density and non-nucleated settlement patterns make service provision difficult, and thus it is also important to encourage more nucleated settlements and urbanisation⁶¹.

3.3 Agricultural production, marketing, and extension

Problems in the agricultural sector generally are the short-term results of liberalisation policies. Farmers have problems accessing markets, and thus have little idea of the potential value of their produce. Traders control price information, and can gain significant profits from the differential between what they pay farmers for their produce, and what they sell it for in other markets, although the business is capital intensive, and can be risky. Most produce is sold directly from the farm. Small scale traders move from farm to farm and then either sell to medium scale traders/transporters in the local trading centres, or arrange transport themselves, usually to Kyotera. Medium scale traders either buy from small scale traders in trading centres, or employ a few trusted local people to go from farm to farm for them in exchange for a small salary or commission. Co-operatives used to market produce for farmers, but these either failed or were disbanded under liberalisation, and government efforts to replace them with new structures are weak – the Trade Development Officer has supported 22 groups which focus on a single crop, but only six, which sell beans and maize in Kampala, are flourishing as there are problems with group dynamics and lack of trust. In the meantime, inputs such as agrochemicals are now only available at market prices, which are beyond the reach of most farmers.

The Production & Marketing Department aims to help producers get useful information on both production⁶² and marketing, particularly prices. The department also monitors and controls plant and animal diseases. Under decentralisation the department operates a unified extension service with two or three extension officers in each sub-county, each with a different focus, but planning and prioritising together. Prior to this, extension officers in each sector worked independently and reported to separate line ministries in Kampala with no co-ordination at the local level, such that they often pulled in different directions, and confused the very people they were supposed to help.

The department is trying to include an administrative function at the sub-county level, and to recruit more staff so that each sub-county is served by at least one agriculture, one livestock, and one fisheries officer. Beyond this, the aim is to decentralise to parish level, and to include farmer representation. Currently the only link to the village level is through the Rakai District Farmers Association (RADIFA) which works in 4-500 villages in 114 parishes, each of which has about 20 farmers’ committees. Each committee focuses on a specific crops, and

⁶¹ However, this may have negative environmental effects (as observed in Tanzania following the villagisation programme of the 1970s) which must be anticipated and mitigated as much as possible.

⁶² For example, through demonstrations, farm visits, study tours, and workshops.

has between five and 20 members, who elect one of their members to be the extension contact/link.

Extension officers are provided with bicycles, although a small number of newly recruited staff have been given motorcycles and a fuel allocation. The extension service was initially supported by Danida within the district, but recently central government has made funds available for this nation-wide. At the district headquarters there is a skeleton staff to provide backstopping to the main field based workforce.

3.4 Industry

Small scale industrialists in Kyotera have formed the Rakai Small Scale Industries Association (RASSIA), but this is still in its infancy, and is not yet very active. It was formed after the collapse of the Rakai branch of the Uganda Small Scale Industries Association (USSIA), following the misuse of funds and the mortgaging/disappearance of a vehicle provided by Danida through the RDDP. The leadership of RASSIA is mostly (though not entirely) new, and Danida has agreed to support it instead, although at the time of writing, the disbursement of funds from the district headquarters had been delayed. Its plans are not yet set, but include support in business skills and PR and marketing, as well as access to technical information on industrial processes, and lobbying on behalf of industrialists and craftsmen. Some of the individuals involved with the former USSIA branch are also involved in a small NGO/consultancy, Rakai Rural Industries Innovation Centre (RRIIC), which was formed in 1997. Its aim is to “promote, co-ordinate, research, and support rural industrial development” to reduce rural-urban migration through the creation of employment opportunities in rural areas. Although it has smart typeset leaflets describing its services, it is not clear what it has achieved in the past, and with the closure of the USSIA branch, whose offices it used, it is also not clear what will happen to it in the future. There is also a Rakai branch of the Uganda National Chamber of Commerce & Industry, but it is not very active. It calls for action on the part of the central and local government to encourage the best and the brightest to work in the private sector as opposed to government, and to facilitate collaboration between the private sector and local government, although it does not assume any responsibilities itself.

Most of the industry in the district is based on the processing of locally grown agricultural produce by privately owned enterprises. Most larger trading centres have a maize mill to serve the local market, and there are also about 25 coffee processing factories which prepare coffee for export, operating seasonally (June/July and December/January) and employing small numbers of workers on a casual short-term basis. In addition, groundnut butter for export from the district to urban areas is made Nabigasa Sub-County. Road access and, to a lesser extent, access to electrical power are key determinants in locating agroprocessing enterprises which serve markets outside the district, with an adequate local market being important in the location of maize mills.

There are also a small number of presses which extract sunflower and groundnut oil, but many have been forced out of business in the face of inexpensive yet high quality edible oils imported as a result of liberalisation. Ironically, improved infrastructure has allowed these imports to reach even the more remote areas, and most of the oil consumed in the district is now imported.

Processing of fruit is almost non-existent – a co-operative pineapple juice enterprise in Masaka failed and was bought out and converted to a coffee processing factory, and although the government is promoting simple solar fruit dryers to women’s group, there is not much demand for the product. Lack of suitable agroprocessing facilities and/or markets for processed products prevents farmers from being able to add value to their produce, and forces them to sell perishable goods at low prices during the harvest period when markets are glutted. However, traditional products such as beers and spirits remain popular with local consumers, and brewing and distilling are important rural and household based forms of agroprocessing for sale.

In pastoral areas there is some production of ghee, primarily for sale to travellers on the main Masaka-Mbarara road. In forested areas and woodlands there is production of charcoal, primarily for sale to urban markets, including Kampala.

There is also a historical record of artisans – today these include carpenters, builders, blacksmiths, brickmakers, and potters. Traditionally women were only involved in agroprocessing, but through support from NGOs they are now involved in pottery and, to a lesser extent, brickmaking as well.

Constraints to the development of industry in the district include low levels of production of raw materials in an economy which is still primarily based on subsistence farming, and a lack of modern equipment and services. In the past, governments concentrated on industrialising urban areas, particularly Kampala, and did not see the provision of services such as electricity and running water in rural areas as a priority. However, in recent years there has been more of an emphasis on the private sector, and service provision is improving in rural towns and trading centres.

Lack of appropriate skills and knowledge is also a constraint to the development of industry and other businesses in rural areas, with the most qualified tending to live in the major urban centres where life is more comfortable. Some own businesses such as maize mills in rural areas but tend to employ others, often family members, to manage them for them, with varying degrees of success. Many qualified people also shy away from the risks of entrepreneurship, preferring to work for government from whom they receive a regular salary and a pension. Some of this lack of skills and knowledge could be addressed by reforming curricula at all levels to offer more practical, technical subjects with relevance to the society and economy in which students live, as well as improving living conditions in small towns.

Most of the major investors in industry (i.e. agroprocessing) come from within the district, although there is a national policy implemented by the Uganda Investment Authority which supports outside investment in rural areas. Many are local government employees, either current, or retired or retrenched, while others are commercial cattle ranchers. The former tend to be well educated, well informed, and well connected, and are able to secure loans against their salaries or use their termination payments to get started, while the latter are able to use their existing ranching businesses as security for credit, and are also often well connected – connections, networking, political influence, and access to information are perceived to be key issues in establishing medium or large scale (by local standards) businesses. Some groups are underrepresented in business ownership, for example fishermen, who often make a lot of money, but who allegedly have a culture of spending it all “on beer” as “the lake is always there”, instead of diversifying and investing, and pastoralists who could access credit by using their herds as collateral, but who apparently tend to prefer their traditional lifestyle.

3.5 Financial services

Financial services are provided by the main commercial banks, development oriented banks and building societies, and government and NGO credit schemes. The main commercial banks are not very active in rural areas, and thus were not targeted by the research team. The work of the development oriented banks and building societies (CERUDEB and the VBS) through the Danida funded RRCS and DWCS has been exhaustively covered in the evaluation of the RDDP (Bird, *et al.* 2000), thus, due to limited time, these too were not targeted by the research team in this phase of the fieldwork

NGOs offering credit include World Vision, which started a credit scheme in 1997 in Kooki County – loans range from 100,000 to 1,000,000 shillings (~US\$ 55 to 555), and currently over 50,000,000 shillings (~US\$ 28,000) is in circulation. The Orphans Community Based Organisation (OCBO) is a CBO established in 1990 which has subsequently received support from Danida and other national and international NGOs and development programmes. It offers credit to youths and women through the Rural Micro Finance Support Programme, the Association of Micro Finance Institutions, and the government's *Entandikwa* scheme.

Finally, there are also government and NGO (World Vision, Red Cross) programmes to promote animal rearing through revolving schemes involving goats, pigs, and even dairy cows in which a household is given a animal, but must then later return one (or two) of the offspring to the project to be distributed to other households. These focus on poorer households which show “initiative”, as identified by an extension officer. Feed for bucket-fed animals is purchased locally from schools, etc., but the relatively high costs of constructing a shelter and feeding and caring for the larger animals before any benefits can be realised prevent many from being able to participate.

3.6 Education and training

The education department's workplan is flexible and able to reflect education needs identified – currently, needs assessments are being undertaken as part of a review of the workplan, and monitoring and evaluation are considered central to the development of both the plan and education generally.

There is a new Inspector of Schools, and he has many ideas for changes in direction in the district's education programme, which he oversees⁶³. In particular he views the current primary school curriculum as not being business oriented enough. Currently, business skills are not taught until secondary school, but as the majority of children cannot afford the necessary fees, there are problems when primary school leavers try to start businesses without a good understanding of the issues. He advocates the teaching of business skills at primary level as in Kenya, where basic accountancy and business understanding have been successfully introduced to the primary school curriculum.

In addition, there is insufficient vocational training at both primary and secondary level. One reason for this may be that practical subjects such as woodwork and crafts are not easily examinable. A solution might be to provide teacher training to local artisans so that they are

⁶³ Other responsibilities of the Inspector of Schools include ensuring that standards are maintained across the district and that the curriculum is properly implemented, and overseeing in-service teacher training, including seminars and workshops.

able to train young people more effectively – currently this happens on an *ad hoc* basis, but it would be better if it were formally endorsed as policy.

However, there are still numerous problems in the education sector. Among these is the recruitment of skilled teachers – the district currently has 450 teachers in post, but needs another 300. Although the country as a whole has a surplus of teachers, people are reluctant to work in isolated rural areas with poor facilities and accommodation. There are also problems with Head Teachers who do not adhere to their terms of reference, and teacher as well as pupil absenteeism. The Inspector of Schools would like to spend more of his time (e.g., three days per week) visiting schools to monitor and address some of these problems, although this is difficult⁶⁴.

Teacher training occurs at ten co-ordinating centres in the district. The district provides funds for training through a capacity building programme, and World Vision also support capacity building and training. In addition, the central government is currently assisting with classroom construction through the School Facility Grant Scheme, and Concern is supporting the upgrading of existing buildings.

World Vision focuses specifically on the education and training of orphans, many of whom have had to drop out of school to care for sick household members and/or work to survive. Those who wish to go back to school are supported and provided with materials. Others, who are not interested or are too old now, are given training in basic life skills and are supported in apprenticeship schemes with local artisans, who in turn are given training in training skills. World Vision is also working with schools to establish training centres where older children can learn vocational skills such as carpentry, metalwork, motor mechanics, and tailoring even if they drop out of school, although in some cases this has also become part of the mainstream curriculum. Schools are supported with infrastructure (classrooms) and technical tools. There is also some training in business skills.

Vocational training is also available to “vulnerable” youths through OCBO, who provide two year training courses in carpentry, masonry, metalwork, bicycle and motorcycle repairs, and sewing and tailoring. To date 500 youths have graduated, and many of these have gone on to start up their own businesses. However, others lack the capital to purchase the equipment necessary to use their skills, or lack the necessary business skills to sustain their activities. Thus in addition to vocational training OCBO has identified a need for improved access to credit and training in business skills. OCBO has also assisted 500 marginalised children with secondary school fees.

3.7 Health and social services

The Department of Health’s main programmes are in preventative care, curative services for both in- and out-patients, and laboratory services. They also support vertical programmes implemented by central government, such as TB and leprosy control. Until recently they also covered water and environmental sanitation, but this has now become its own independent department. The department has a five year Health Strategy Plan based on the Ministry of Health’s national plan, which feeds into the DDP. Service delivery has been decentralised to

⁶⁴ “We do no good by sitting around in the office. However, our plans to visit schools more frequently are hindered by the lack of funds for petrol and the poor roads that take up our time by longer journeys. How can we do monitoring and evaluation of education without such basic needs?”

Mr Mutaaya S. Abu Baker, Rakai, 10/10/2000

Health Sub-Districts (HSDs), which are the equivalent to counties. Each HSD is now served by a medical officer and this transfer of qualified staff to a lower level has improved service delivery, resulting in increased service utilisation. Health is the only department to work at the county level – services have not been able to be decentralised further to the sub-county level due to lack of funds.

Problems are poor uptake of preventative services, for example only about a third of mothers deliver in health units. Furthermore, use of family planning is only about 15% overall – this affects women’s ability to work and to undertake IGAs, as most are either pregnant or nursing for many years. Latrine coverage has improved from only 43% in 1990 to about 67%, but improvements in access to safe water have been less marked, and this remains a problem.

The District Director of Health Services sees a clear link between health and the ability to work. Sickness results in lost time, not only for the sick, but also for those who must care for them. Much of this burden falls on women, and when women are sick the whole household suffers. Poverty drives a lot of people to try traditional medicine first, and patients are often only taken to a health unit when all else has failed and things are very serious. This is a problem because conditions which may have been relatively easy to treat early on can develop much more serious complications if left un- or improperly treated, e.g., meningitis, which if not treated promptly and properly, can cause permanent disability, further reducing the capacity for work.

The department collaborates closely with a number of NGOs, particularly in the field of HIV/AIDS prevention, although they run their own STI prevention programme. The department holds quarterly co-ordinating meetings to review progress and plans, but each organisation operates individually.

HIV/AIDS has been a major setback in terms of human resources, particularly in terms of reconstruction and development, as in the early days it hit businessmen first, wiping out exactly the people who had some capital for private investment and thus might have been able to provide services, markets, and employment. Evidence of this impact are the many grand but unfinished commercial and residential buildings in the district. Fishing communities were also hit hard, as like businessmen, fishermen are highly mobile, and historically often had multiple partners. The disease has now spread to all sectors of the community, but those who are dying are still primarily from the most productive age groups. As well as this loss of labour there are also major problems resulting from the high number of orphaned children and elderly people left with no one to care for them. This was most dire in 1983/4, when many lacked food, let alone money for school fees⁶⁵, etc.

HIV/AIDS awareness campaigns have been considered a success – 95% of people now know how the virus is transmitted, and how to avoid it. However, there are still problems in getting everybody to use this knowledge to change their attitudes and behaviour. Nonetheless, prevalence has declined from about 12% in 1988/9 to about 9% overall, although it is still much higher in rural trading centres. Public perceptions have also changed, and much better care is now provided for patients within their own communities.

⁶⁵ UPE did not start until 1997.

The Community Services Department was completely unable to cope with the huge numbers of orphans, and many NGOs stepped in to try to fill this gap. Their work has been primarily aimed at assisting with school fees (pre 1997) and uniforms, etc., medical care, and other necessities, as well as with vocational training and provision of credit for orphaned youths.

One of the more successful is OCBO, a CBO established in 1990, which later became a Danida partner and works district-wide. One of its main achievements has been the establishment of a register of all vulnerable children^{66,67}. Through this it has been able to target its nutrition and early childhood development project, as well as its school fees support, vocational training, and credit programmes at the most needy. It also campaigns for assistance from both Ugandan and overseas children's organisations, such as Children at Risk, based in The Netherlands.

World Vision also works with orphans. Although many of their programmes are relief oriented, in Rakai their programmes are long-term and integrated – they are currently working on a nine year Area Redevelopment Project in Kooki County, with the focus on orphans, from the child through to the community. Efforts are targeted at the poorest and focus on strengthening agricultural production through training and the provision of simple implements so that households have enough for subsistence and some to sell. They then hope to shift the focus from subsistence farming to cash cropping and animal rearing, as “no one can develop just using a hoe”. Animal rearing is currently being promoted through a “revolving goats” scheme. They also provide support to schools and assistance to orphans in accessing education and vocational training, as well as credit. Other programmes with more general focus include leadership training and community health services.

Many NGOs have also targeted women, both married and widowed, and there have been some successes. However, Rakai remains a place where cultural and traditional beliefs and practices are still strongly adhered to and there is still much work to do. It is still unusual for women to own either land or other property, and childless widows are often driven off “their” land by the relatives of their late husbands. There are also allegations that “if wives are too much trouble, then they are killed”, despite the clear position of the law.

⁶⁶ Orphans, abandoned children, children with parents not capable of caring for them, street children, child mothers, and disabled children.

⁶⁷ However, the evaluation of the RDDP found that this excellent resource had not been adequately utilised by local government or other NGOs.

4. VILLAGE LEVEL FINDINGS: BYAKABANDA

4.1 Site description

Byakabanda Village is located in Byakabanda Parish in Byakabanda Sub-County, about 3 km south of Rakai Town at a fork in the road. To the south-west the good Class 1 murram (all-weather) road from Rakai continues on to Kibaale Trading Centre, while to the south-east a smaller road leads to Katerero Village. There is also a rutted but motorable track to the east to Sserinnya Village.

Along the course of the main road from Rakai and to the west of the village are low-lying valleys, extensions of arms of Lake Kijanebalola, while to the east and south the land rises up into dry hills. Rains have been poor since the El Nino floods of 1997, and at the time of the study the short rains were sufficiently late that it was feared that the second coffee crop would fail to set seed.

The 1991 census enumerated 4,519 people in Byakabanda Parish, and LCI councillors estimate that there are currently about 100 households in the village. Data from household interviews and general discussions show that the majority of the population are Baganda, but that there are also small numbers of other groups such as Basoga, and Banyurwanda.

The Sub-County Headquarters, which were refurbished/constructed under the RDDP, are located within the village. However, there is no school – children walk to the primary and secondary schools in Katerero and Sserinnya. Being close to Rakai Town the village is home to a number of local government employees, many of whom are among its most prosperous residents. Various NGOs are/have been active, including the Vi Agroforestry Project, World Vision, and International Care & Relief (ICR).

The village sheikh recalls that when he was a boy in the 1930s the village was just four houses in the middle of the bush. However, the population grew and people came from other places to live there and cleared the bush to farm, although during Obote's second regime, many people in the sub-county were killed. In recent time many people have come to the village to work for the district administration or the various NGOs. In his views, things are improving.

It is primarily an agricultural village, but around the fork in the road a small trading centre has developed with about 25 shops and business premises. However, there is no market – people travel to the weekly market at Kibaale, where there are also many more shops and businesses, or to the smaller market in Rakai, or even Kyotera.

Access to water, particularly good drinking water, is a serious problem in dry periods – at the time of the study there was just one borehole functioning in the valley, and the water from it is salty. It was installed by the government but is maintained by the community – when it needs maintenance each household in the village contributes 500 shillings and a local workshop fixes it, but there are no regular usage fees. Water is mostly carried home on heads, often by children, although households with bicycles sometimes use them to transport water, and there are also a few professional water deliverers, typically young men with bicycles. Collection is time consuming and strenuous, and impacts on development.

4.2 Income Generating Activities

Thirteen IGAs were listed at the initial community meeting. These included:

- primary production, such as growing and selling crops and rearing and selling animals;
- trading activities, such as in trade in agricultural produce, or fish;
- processing of agricultural or forest products, such as the manufacture and sale of local beers, barkcloth, and charcoal;
- small-scale manufacturing enterprises/crafts, such as carpentry, brickmaking, building, construction of cement water tanks, and handicrafts, such as pottery, basket and mat weaving, crochet and knitting, and making brooms; and
- services, such as mechanics/repairmen.

Other IGAs not listed at the meeting, but recorded at other times during the fieldwork include:

- raising and selling forestry products, including both eucalyptus seedlings and mature trees for construction and/or fuelwood;
- services through the retail trade in household goods and commodities, second-hand clothes, and petrol;
- small-scale manufacturing enterprises/crafts, such as baking, and tailoring;
- provision of services such as the production and sale of cooked snack foods, running a bar, running a private clinic, or carrying water; and
- waged or salaried work, either as a daily paid farm labourer, or as a salaried employee, either in the village, e.g., as a teacher or a government or NGO extension officer, or at the district headquarters in Rakai.

The IGAs listed at the community meeting were ranked for importance by men and women. By far the most important for both was the growing and selling of crops, and for both this was closely followed by the rearing and selling of animals. However, men also ranked trading in agricultural produce as an equal second, while women gave a very slightly higher percentage of their vote to the production and sale of handicrafts. These were followed much more distantly by construction of cement water tanks and production and sale of local beer by women, and brickmaking and production and sale of local beer by men⁶⁸. This pattern of the predominance of crop production, followed by livestock production was supported by findings from household interviews and other discussions.

⁶⁸ See Appendix 5 for details.

Plate 1. Community members ranking the importance of different IGAs.



4.3 Non-farm IGAs

Of the IGAs listed above, all except growing and selling crops, rearing and selling animals, raising and selling forestry products, and paid farm labour can be classified as non-farm (non primary production) activities⁶⁹.

4.3.1 Trade

In Byakabanda trade in agricultural produce is most commonly in coffee, and is undertaken by men. It is highly profitable, particularly when the trader operates with a large amount of capital, and is the main occupation of the heads of some of the most prosperous households in the village. Many coffee traders make their money by playing on the ignorance, risk aversion, and poverty of the producers – farmers are unaware of the prices their produce can fetch in distant markets, and unwilling or unable to take the risk of travelling to them and/or transporting their goods themselves, and so sell at the farm gate to traders who go from house to house. Small traders may start off with just a bicycle, buying and selling by the individual sack, but tend to accumulate profits which they reinvest in the business so that it can expand. Some traders work in groups so that by pooling their initial capital they can start out at a higher level of trade, but the relatively large sums of money involved can be a temptation for some to abuse the trust of the group.

⁶⁹ Based on the definition of ‘non-farm’ after Barrett et al, 2000, as those activities associated with secondary and tertiary sector production processes that use raw physical intermediate inputs (such as maize, milk, iron, wood) and process them into manufactured goods (such as maize flour, cheese, pails, furniture) or use financial or manufacturing capital and labour to produce services (e.g. transport, commerce, banking). The sale of own produce away from the farm gate is also considered ‘non-farm’.

Box 1. Michael Dunga, coffee trader

Michael is 35 years old. He was married, but his wife died, so he and his two sons live with his elderly mother, who also looks after four other children – two are the children of her first son, Michael's brother, who died, and two are from other relatives. All are in primary school, except one who is mentally disturbed. Michael is well educated, with O levels, and used to work for the district administration. When he worked for the district, he was able to put some of his salary into a group coffee trading business. Things went well for a while, but then some of the group members began to suspect that one of them was keeping back some of the profits for himself. They confronted him, but all that happened was that the next time it was this man's turn to go to market, he disappeared with all of the group's money. Michael says that they thought that this man was their friend, but that he was desperate. Michael was retrenched in 1993 when the district administration was restructured. All his savings were lost in the coffee trading business, and since then, life has been hard. They sell some crops and he labours on other peoples' farms to get a bit of money for soap and paraffin and a little milk for the children. His mother used to brew beer, but she is too old now, and too busy caring for all of the children. He can not start trading again because he has no capital and no way of getting any, and he can not get credit as they do not have title to their land. What is all the more galling is that the man who made off with the money is back in town, prosperous and influential.

Opportunities for individual traders have increased under the government's liberalisation policies and with the failure of the former marketing co-operatives.

Trade in both fresh and dried or smoked fish is undertaken by both men and women who travel to landing sites on Lake Kijanebalola and purchase it from the fishermen or processors. Several were observed peddling their wares from bicycles, but researchers also met with a woman who lives right on the main road and who sells dried fish from a stall outside her home.

There are several small shops selling basic household goods such as soap, sugar, matches, exercise books and pens, etc., as well as sodas and snack foods such as hardboiled eggs. They buy their stock in Kibaale, or, if they can afford the transport and intend to buy a lot, in Kyotera or even Masaka. However, many shopkeepers lack business skills, such as bookkeeping, and are thus unable to keep track of their profits, or lack thereof. Sales are closely linked to agricultural incomes – when these are down, business is very slow.

There are also three petrol sellers in the village who sell small quantities of petrol to drivers who have run out. Until the middle of 2000 when one opened in Rakai Town⁷⁰, the nearest petrol station was in Kyotera, over 20 km away. Even with the opening of the new station in Rakai, there is still plenty of business, as the drivers of the taxis (minibuses) and special hire cars which travel through Byakabanda are usually employees of the owners of the vehicles, and not the owners themselves. Typically a driver is required to give the owner of the vehicle a set amount of money each day (usually a relatively large amount), but manages the day to day details of the business, including buying fuel, himself – any profit over and above the amount he is required to give the owner is his to keep, and thus drivers not only try to economise on fuel use, but to estimate accurately the amount they will require so that they return the vehicle to its owner empty at the end of the day. However, sometimes they miscalculate, which is when they are forced to buy from roadside sellers.

⁷⁰ This proved to be short lived – it had closed down by the time this report was being completed at the end of November, allegedly as a result of mismanagement and the break-up of the group who owned it.

Box 2. James Wasseya, petrol seller

James is 29 years old. His parents were originally from Rwanda, but came to Byakabanda before he was born, and he has lived here all his life and considers it his home. He and his wife do not own any land, but rent some, as well as their home in the village centre. Despite having only three years of schooling, he was the first in Byakabanda to identify this market and business opportunity, and in 1998, using money earned from delivering water on his bicycle and the proceeds of selling crops, he started his business. He started with just one 20 litre jerry can, but now has two, and would like to expand further, even though two competitors have now also started up in the village. Once a week he cycles to Rakai and buys 40 litres of petrol at the service station. Petrol is now 1,560 shillings (~US\$ 0.9) per litre, so this costs him 62,400 shillings (~US\$ 35), but he sells it 900 shillings per half litre, or even occasionally 700 shillings per quarter litre, so makes a profit of almost 10,000 shillings on this. Other than the petrol itself, his expenses are few – he has a small lockable store for the petrol, which is in a prominent position at the fork in the road, and pays 6,000 shillings per year to the sub-county for a business license. Many people are positive about the business, but there is also a lot of jealousy. His wife works hard at being a good neighbour, helping friends in times of trouble, such as during mourning periods. In return they help her, particularly with caring for their new baby son, and James knows he can always borrow a bit of money from friends if he really needs to. Things are going fairly well – he used to lose money when he gave credit to people who then never paid, but now he only gives credit to a few trusted customers, and things are much better. He would like to expand, but lacks the capital as he spends most of the money he earns each week on his family. However, he hopes to be able to invest some of the money from the next good harvest and expand the business some more. He feels his family is still poor, but they are just starting out – in time, he would like to have a retail shop here in Byakabanda, and to own his own home.

4.3.2 Cottage industries and crafts

Charcoal is made by men wherever there is suitable woody vegetation. The main market is Rakai Town – producers usually transport it there themselves by bicycle. It is a good business, but not environmentally sustainable as there is no replanting⁷¹.

Baking has been introduced to women's groups by NGOs – some have been successful, but others have had difficulties developing markets. Unfortunately this is also dependent on fuelwood.

Plate 2. Kamakuma Women's Agriculture & Bakery Group



⁷¹ There is widespread planting of eucalyptus for firewood and poles for home use and sale, but this makes very poor charcoal as it is too light.

Box 3. The Kamakuma Women's Agriculture & Bakery Group⁷²

The group was formed in 1993 with the aim of supporting orphans, as well as receiving training in IGAs and NGO support, and acting as an example to others, as they were the first in this area. The original members were all friends – they are all still with the group, although four new members have also joined. The members each contribute 2,000 shillings per year, and new members are required to pass a one month trial period before being fully accepted into the group. They started with farming together on a piece of land owned by the Chairperson but set aside for the group's use. The crops are sold and the money divided in three ways – some is used to support the orphans, particularly with secondary school fees, some is disbursed in rotation, with one member getting 30,000 shillings each month to start or develop an IGA, or help with household expenses, and the rest is put into a bank account and saved for "problem" times. The group also bakes bread and rolls for sale. The Chairperson and one of the male members of the group, Sulayiman Kato, were taught how to bake by the Irish Fund for Community Development, and they then taught the others. The money for the first batch of ingredients came from their farming work, but World Vision gave them a loan to cover the costs of building an oven – someone came to build it for them, and showed them how to maintain and repair it. They bake on Fridays and Sundays, and divide themselves into two shifts, one for each day. The Chairperson and Sulayiman Kato go to Kyotera once a month to buy the ingredients, and fuelwood is collected locally by the members. They make about 15 large loaves and 140 small buns in a day – most is sold locally, with some going to Rakai or other nearby places, and some is consumed by the members and their families. A portion of the proceeds is returned as working capital, with the rest being saved with the group's other money. They want to improve the oven by replacing the original iron bars with wire mesh which they think would be easier to maintain, but they lack capital. They do not want to go back to World Vision for another loan as although they managed to repay the first one, it was very difficult as the period was very short, so they are looking for other sources. They also want to expand the baking business so that they bake daily, and in the future would like to start making soap – they have the skills, but lack the equipment and the capital to buy it. In general, although neighbours, friends, and family were initially sceptical of their ability to start up and run a business, they now recognise their success and support them. They attribute their success to the strength of the group – they know and trust one another, and share the same interests and aims. Other groups struggle or fail when they include members who do not do their share of the work, or do not pay their dues, or even cheat.

Carpentry is primarily undertaken by men, and requires specialist training and tools. Many carpenters survive in hard times through sales of coffins.

Box 4. Mani Maga, carpenter

Mani is 35 years old, and lives with his wife Ada and their four children. He started his carpentry business back in 1985 having learnt the skills while working at the Works Department at the district headquarters in Rakai. He bought his tools with his wages from the Works Department, and has a workshop next to his home on the main road to Kibaale. He makes furniture (beds, tables, etc.), which he sells from the workshop to people from Byakabanda and the surrounding villages. He buys the timber in Kyotera, but it is expensive to bring it back to Byakabanda, and costs have increased so much in recent months as a result of rising fuel prices that he thinks he will have to raise the prices of the finished goods. However, this is a problem, as demand is already low – it is always seasonal, as it depends on farmers having money, but has been particularly poor in recent times as a result of a series of very meagre harvests. He and Ada also farm, and in the low seasons they supplement their income by buying vegetables and fruit, such as tomatoes, onions, and sweet bananas, in Kibaale and then reselling them from a stall outside their home. Carpentry used to be the household's main source of income, but if things do not improve after the next harvest, Mani is thinking about putting more energy into expanding the vegetable and fruit business instead. He sees his household as belonging to the middle income group in the village – they can afford to use hired farm labour during busy periods – but fears it will be difficult to maintain their standard of living as they grow older. His father, a sheikh, lives nearby, and is quite poor in his old age, although Mani supports him by buying household supplies such as salt and sugar.

⁷² For a list of members see Appendix 6.

Brickmaking is also primarily undertaken by men. The clay around Byakabanda is very suitable, and demand has been driven in recent years by the ongoing RDDP infrastructural developments, a coffee boom in 1995/6, and the introduction of UPE and its associated major classroom building programmes in 1997. At the time of the study, despite the failure of the rains and general anxiety about the short-term outlook, demand was still brisk, and stock was moving as fast as it could be produced. Some brickmaking enterprises are run as groups, while others are run by just one or two individuals who pay others to labour for them – the latter requires considerable resources to get started, as labourers expect to be paid before the bricks are sold.

Box 5. The Bagay Brickmaking Group

Francis Opio, a successful farmer, is the Chairman of the Bagay Brickmaking Group. He was trained in clay work, specifically in making roofing tiles at Kijjansi⁷³ in the 1970s, but learned to make bricks using local methods and materials from a friend in Sserinnya. He started the group in 1995 with five friends from the village with the aim of helping orphans with opportunities for employment. Two of the original members dropped out because they were lazy and could not take the hard work, but more joined, so that they are now ten who share the profits amongst them. In addition, they have been able to create jobs for six orphans, who are paid a fixed wage. Theirs was the first brickmaking group in the village, although others have started subsequently. The clay is dug from a shallow quarry, and the bricks formed in wooden molds. They are left to dry out of the way of the cows which share the local waterhole, and then fired in large piles for two days. The equipment they have is owned by the group as a whole, but lack/shortages of equipment is the biggest problem the group faces. They started out with just a few simple tools bought from savings, and have built up their collection over time, in part with the help of a World Vision loan, which they have now repaid. They use hoes to dig the clay, wooden molds to make the bricks, wheelbarrows to move the bricks about, mats to shade the bricks while they are drying, and pangas for cutting fuelwood. They would like a petrol driven chain saw, but lack the capital at the moment. They also pay rent on the site, which is owned by a prosperous businessman, but do not pay any taxes or license fees on the business. They make about 20,000 bricks per month, which they sell for about 200,000 shillings. Customers come to the site to collect the bricks and are responsible for transporting them themselves. They sell to individuals and institutions such as schools and clinics. Their bricks are the highest quality, as well as the most expensive around, but they cannot meet demand. They would like to expand, and need new members. There is no joining fee, although a prospective member must work as a waged labourer for a period before being accepted as a full group member, and must be prepared to support the objectives of the group. However, the hard work is a major deterrent. Mr Opio attributes their success to date to good co-operation and hard work, and the fact that they started with savings, as opposed to other enterprises which start with loans and just “waste money”.

Brickmaking appears to be a good business for the community in that it creates jobs, and its main inputs (clay, fuelwood, and labour) are all available locally. However the high demand for fuelwood means that it may not be environmentally sustainable.

A new type of craft has been developed in recent years with support from external NGOs. As the area typically receives good rainfall in the wet season, catchment from *mabati* (iron) roofs and storage provides at least a partial solution to the problems of fetching water from the borehole in the dry season.

⁷³ Kijjansi is a suburb of Kampala famous for its clays, and home of Uganda’s foremost clay works, which makes bricks, tiles, pots, etc.

Box 6. The Kooki Women's Water & Sanitation Group⁷⁴

The group constructs *ezimba* cement water storage tanks and fuel saving stoves. It is based in Byakabanda, but its members come from Kamukalo Parish and even Kisaasa Parish in Kakuuto County, and it serves a wide area. It was formed in 1997 with support from an influential Byakabanda resident, District Councillor Captain David Matovu, who introduced some of the members to one another and gave them advice on starting up the business, opening a bank account, marketing, and ways of managing the group's finances. The members each contribute 2,000 shillings per month, as well as an initial joining fee of 2,000 shillings. They raised the money for the initial membership fees primarily from selling cooked food (buns and pancakes) as well as from selling crops. They wanted to form a group to enable them to access credit and NGO support – once it was formed, ICR, through the Department of Water Affairs trained the members in how to make the tanks, and then donated the materials for the first two tanks. Six of the members have had tanks constructed at their homes, and the group has also constructed ten tanks for other people who paid for the materials and as well as a labour charge, which depends on the distance from Byakabanda. The materials needed to construct a water tank include cement (8 bags), sand, chicken wire and other wider mesh, binding wire, and piping and a tap. They also need water to mix the cement. They usually work together according to demand. Over time they have modified their procedures – at first the tanks they built were little larger than the traditional clay water storage pots, but now they build tanks with a capacity of up to 4,000 litres. The NGO Vi was impressed with the group and its work, and offered to train them in making fuel saving stoves for sale as well. It takes only three people to make a fuel saving stove – the members who do the work collect 90% of the fee and divide it amongst themselves, with 10% reinvested in the group so that they can buy better equipment. They have also modified the way they make the stoves – the initial Vi design used bricks, but they have now found a clay which also produces durable stoves, although some customers still prefer the brick design. The main problem they have is the high cost of transport – to hire a pickup to deliver the materials to construct a water tank costs about 30,000 shillings, which limits their market, particularly in areas with poor roads where transport is even more expensive. They also need funds for more equipment, such as better wire cutters and a wheelbarrow. Although initially sceptical, the rest of the community is now very supportive of the group and its work, as water is such an important issue, and impacts on many other aspects of development. The group is cohesive and the members support one another and their families, for example, when a member died recently they made a collection for her family to help them through the difficult period.

The tank business is limited in that there is only a small number of households which are able to afford the relatively high costs, despite the enormous benefits. However, as word spreads, a new tank may become an item to be aspired to, with the business flourishing in agricultural boom years when farming households have more money to spend.

Most of the clothing people wear is second hand, but there is a market for repairs and school uniforms, as well as formal/traditional clothes for special occasions.

Tailoring (Box 7.) is clearly relatively lucrative, as there is always demand from within the village. The orphans seemed appreciative of the training, although it was not clear how they would be able to accumulate enough money to buy their own machines and start their own businesses.

⁷⁴ For a list of members see Appendix 7.

Box 7. John Odekia, tailor

John's grandfather was a tailor, and John was apprenticed to him in 1966 when he was just 16. In 1975 he bought his first sewing machine with the money he earned working for his grandfather, and went into business on his own. Most of his business is making school uniforms for customers who come to his shop – business has increased enormously along with enrolment under UPE. He spends about 40,000 shillings (~US\$ 22) per week on cloth, haberdashery items, sewing machine oil, and transport, and a pays 10,000 shillings per year for a business license, plus graduated tax. In good time he makes about 20,000 shillings per week, but in bad times it is as little as 5,000 shillings per week – in general though, he feels it is a good business, and he has been able to send his four eldest children to secondary school. They are not involved in the business, but he trains four orphans – he provides free training, and they provide free labour. He would like to invest more in the business as the machines are old and he feels that if he could stock more cloth he would have more customers. His household expenses are less now as UPE covers the fees for the four younger children in primary school, and he also gets money from farming, so he is planning to renovate his workshop and improve the family home. John's wife Rebecca also sews, but works at home rather than at the workshop, primarily making clothes for the family but also doing the odd repair for friends. She completed a World Vision course in 1999, and John gave her one of his machines to use – he also provides advice.

Handicrafts are usually undertaken by women. They include pottery, basket and mat weaving, crochet and knitting, and making brooms. Most women learn from their mothers, and teach their daughters. Profits are low as marketing is difficult as many local households meet their own needs, and it appears that it is primarily undertaken because of its low entry requirements. However, it is also possible that groups continue with it in part because they like spending time with one another, sitting and talking as they work.

Box 8. The Twekambe Women's Group⁷⁵

The group started in 1995 with 30 members with the intention of baking, which they learned about from an NGO. However this proved not to be viable with the limited capital they had, especially as many of the members failed to make the required 1,000 shillings monthly contributions. The group thus quickly reduced to just ten members – these core members knew each other well before working together in the group, and are mostly from just two villages, and the membership has been stable since then. After the baking business failed they worked with the Vi Agroforestry Project producing tree seedlings – Vi gave them tree seeds which they planted and cared for until they were big enough to plant on, at which point Vi bought the seedlings back from them to distribute to farmers. However, this was not viable either, as Vi discovered that farmers do not like the types of trees they were providing, as they are thought to have high nutrient demands to the detriment of the other crops. Following this, in 1998 the group concentrated on farming activities, growing an improved variety of passion fruit introduced by World Vision, as well as pineapples, coffee, and other crops – each woman set aside a portion of her land for the group, which they work on together, rotating from one home to the next. At the same time they also started producing handicrafts for sale using the proceeds from the seedling business to get started. They make pots, baskets, mats, and doilies, and work together every Tuesday and Friday in the afternoons, as well as at their homes in their own time (except for the pottery). To make the pots they dig clay soil from a spot near their centre (one of the member's homes), mix it with water, and compact it by treading on it – it is hard work, so sometimes they pay someone, usually a young man, to do it for them. The baskets are made from reeds which grow in their gardens using only "simple" iron needles. They would like to diversify into using other materials, but this would require purchasing new tools. The mats are made of *rsasa* (a type of fibre) which is purchased at markets some distance away. They sell the products to other farmers from the centre. Baskets and 5 litre pots cost 1,000 shillings (~US\$ 0.50) each, while mats cost 4 – 5,000 shillings (~US\$ 2-3) each. A portion of the proceeds is returned as working capital, with another distributed amongst the members to use in supporting orphans, including school fees, and covering household expenses, as well as providing for the next month's membership fees. Any remaining is saved in the bank, to prevent it being stolen from the members' homes. However, sales are very variable, and marketing is a problem as they lack the money for transport to good markets where they could get better prices and sell larger quantities. Because of these difficulties they are thinking of moving towards rearing animals, although if they had more capital, they would like to start a group trading business.

⁷⁵ For a list of members see Appendix 8.

4.3.3 Services

There are a small number of service enterprises in the centre of the village, including bicycle and motorcycle mechanics, a bar selling local beer and locally distilled spirits, and two private clinics which offer simple diagnostic services and sell drugs. A few young men also deliver water on bicycles, and there are a small number of women who sell cooked snack foods, such as chapatis or small cassava and banana pancakes from the verandas of local shops, or to school children on their way home. A few very wealthy individuals, typically those with jobs at the district headquarters, own shops and houses in the trading centre, which they rent out to others.

Box 9. Mr Onaldo, mechanic

Mr Onaldo is 60 years old. He learnt to drive in Kampala, and worked as a driver in the Works Department at the district headquarters in Rakai from 1972 until the early 1990s, when his health deteriorated, and he had to stop. Having learnt mechanics through his job, he used his salary to buy some tools of his own and also ran a workshop outside their home working after hours and at weekends. There was actually relatively little business until the late 1980s, but he was able to support two of their children through diploma level studies, and others through secondary school. However, when he fell ill he also stopped the mechanics business, and since then the household's income has declined considerably. His wife, Jane, is concerned about secondary school fees for their younger children, as well as the expense of caring for four orphaned nephews and nieces who live with them. Their older children who have jobs or businesses in Kampala help with household commodities, such as sugar and soap, and she farms, but this is primarily for subsistence, and what she sells is not enough for secondary school fees. She likes the idea of having a retail shop to help generate income, but doubts that she will be able to get enough capital together to make this a reality.

Box 10. Mrs Vamahame, pancake seller

Mrs Vamahame is a well educated woman (S5). Her husband has a BSc, and teaches biochemistry and agriculture at the local secondary school. However, his small salary is not enough to support their nine children, some of whom are students at the secondary school. When he was transferred here in 1995 they bought a plot of land which she and the older children farm, along with some hired labourers, but although they use modern methods, the surplus for sale is not a lot. Mrs Vamahame therefore supplements the household's income by making and selling cassava and banana pancakes. It was easy to get started using her existing kitchen utensils – she only needed to buy the cassava flour and oil. She sells the pancakes from her home which is right on the road to Sserinnya where many children go to school. She makes about 3,000 shillings per week in profit, which is comparable to what the family gets from farming in an average year. They are better off than many others, with a large house and money for batteries for their radio-cassette player, but Mr Vamahame is not satisfied, and aspires to becoming a coffee trader.

Finally, Byakabanda is home to a relatively large number of salaried workers, such as teachers and government and NGO extension workers who work in and around the village, and administrators and political leaders who work at the district headquarters in nearby Rakai Town. Although salaries are generally low, they are typically among the better off, as they tend to be well educated and well connected and thus well informed about development opportunities. Furthermore, they are also often able to access formal credit against their salaries or to take advances, so most have profitable businesses on the side which often bring in more money than their salaries. They also benefit in that they are buffered against fluctuations in the local economy by their regular monthly incomes, and may have some expenses, such as healthcare, covered by their employers.

4.4 Farm and non-farm livelihood

Agriculture underpins the economy of the village and of almost every household, both rich and poor, with those without land buying or renting from others. In terms of income generation, the sale of food and cash crops is closely followed by the sale of small livestock, such as goats, pigs, rabbits, or chickens, which is complementary in that it can be relied upon to generate income at any time, whereas income from crops is seasonal. Paid farm labouring is relatively uncommon, perhaps because the main cash crops (coffee and *matooke*) are perennial, and relatively non labour intensive⁷⁶. Although there is documentary evidence that the AIDS epidemic caused labour shortages in the district in the 1980s and early 1990s, this was not observed in Byakabanda in 2000, where gardens were generally well tended, with few uncultivated fields.

However, the majority of households visited⁷⁷ were involved in at least one non-farm IGA in addition to farming, and of those which were currently farming only, both had been involved in lucrative non-farm IGAs in the past, but had had to stop⁷⁸. Non-farm IGAs have increased in number, diversity, and importance in recent years. Some of this increase is related to the reconstruction and development of the district generally under the RDDP, particularly the rehabilitation of the roads. Increased traffic has allowed transport related businesses, such as petrol selling and motorcycle repair work to flourish, as well as facilitating the movement of people and goods in a more general way. In addition, government policies not specifically targeted at short-term economic development have nonetheless had some unintended beneficial side-effects – UPE and the associated investment in school buildings has supported growth in the brickmaking and construction industries, as well as provided more business for those providing goods and services to schoolchildren, such as stationery, uniforms, and cooked food. Other policies, such as liberalisation, have provided short-term opportunities for some, such as coffee traders, albeit to some extent at the expense of others (farmers). Also important in Byakabanda are the activities of the numerous NGOs which have brought new ideas and technologies, such as baking and tank construction⁷⁹, as well as providing access to credit to some, and encouraging people to work in groups. Groups have also formed in response to increased dependency and the high numbers of widows and orphans in the area resulting from AIDS deaths.

Relatively few of the non-farm IGAs recorded in Byakabanda can be considered as very low profit, very low barrier activities undertaken by individuals or members of households in distress – water carriers and, to a lesser extent, women’s handicrafts being the exceptions. This is in part no doubt a result of sampling in what is locally defined as a (small) trading centre, but may also be in response to the generally productive agricultural system, which is relatively inclusive, and allows for most to generate at least a little income from farming, reducing the “push” on the poorest to experiment with non-farm IGAs. More commonly the non-farm IGAs recorded are actually relatively profitable in comparison to farming, and complement farming incomes in that revenues are more evenly distributed throughout the year, albeit with seasonal peaks and troughs related to the agricultural calendar and the

⁷⁶ Except for the two short coffee picking seasons.

⁷⁷ 77%, albeit of a very small sample (n=13). Of those attending the community meeting on 8/10/2000, only 27% of *individuals* listed a non-farm IGA a *main* occupation, but this does not give an indication of how many individuals are involved in a non-farm IGA as a secondary or minor occupation, nor how many *households* are involved in a non-farm IGA.

⁷⁸ As a result of old age in one case, and misfortune in the other – see Box 1.

⁷⁹ Not all of them beneficial, however, e.g. the seedling nursery business. See Box 8.

purchasing power of the local market. Those involved tend to have had some advantage before they went into their other businesses, such as a salaried job⁸⁰, or connections with important and/or well informed people, which gave them access to information or NGO support⁸¹, or just being born into a family with a tradition of craftsmanship⁸². In contrast to other areas⁸³, a strong farming base was *not* an important prerequisite for entry into a non-farm IGA, and most of those interviewed choose (or would choose) to invest further in their existing or other non-farm IGAs as opposed to crop farming or livestock activities⁸⁴.

Many of the non-farm IGAs recorded depend on adding value to primary production, or exploiting natural resources in some way, for example trading in coffee or fish, or carpentry and basket and mat weaving⁸⁵, or through the consumption of fuelwood, e.g., in baking, brickmaking, and pottery. However a surprising number do not, relying on raw materials or products imported to the area (factory manufactured household goods, petrol, cement and chicken wire, cloth, etc.), or are based on providing services.

4.5 Access and barriers to non-farm IGAs

Barriers to successfully starting and running an IGA were identified at the initial community meeting. These included:

- lack of start-up capital or credit;
- lack of working capital or credit;
- lack of land or a place to conduct business⁸⁶;
- problems with customers not repaying credit;
- lack of time to do business; and
- lack of labour.

Other barriers or constraints not listed at the meeting but cited by local people at other times during the fieldwork included:

- general low levels of consumption which limit local markets for more expensive goods and services, such as carpentry products or cement water tanks;
- the seasonality and unreliability of agriculture, which affects traders in agricultural produce most directly, but also every other business which sells to the local market, as consumption fluctuates⁸⁷;

⁸⁰ See Boxes 1, 4, 9 and 10.

⁸¹ See Box 6.

⁸² See Box 7.

⁸³ See sections 5 and the Kumi District Report.

⁸⁴ See Boxes 2, 3, 4, 5, 7, 9, and 10, but cf. Box 8

⁸⁵ Although both the timber and the mat fibres are not produced locally.

⁸⁶ The term “business” was used to separate farm from non-farm income generating activities. Consequently, the focus of discussions may have caused some people not to put forward ideas which they might not have thought of relating to “businesses”. In order to broaden the discussion, the term ‘Income Generating Activity’ was also used in an attempt to capture these other non-farm enterprise activities.

⁸⁷ This particularly affects shopkeepers:

“Business is slow because the rains are late – no one has any money for groceries at the moment.”

Shopkeeper’s daughter, 8/10/2000

“In the bad season people have no money.”

Shopkeeper’s wife, 9/10/2000

- lack of access to good markets, which is related to high transport costs, particularly as at the time of the research fuel prices were at record highs. This also affects those who purchase bulky raw materials or goods outside Byakabanda, such as cement or timber;
- old age and illness, which were cited as reasons for stopping an IGA;
- women's reproductive labour demands; and
- problems related to working in groups.

The barriers listed at the community meeting were ranked for importance by men and women. Lack of capital or credit to get started and then keep an IGA running were together cited as being by far the biggest barrier to both men and women. Trailing them, men ranked problems with customers not repaying credit, and women ranked lack of land or a place to do business⁸⁸.

After the ranking exercise, the group identified another constraint they has omitted earlier – lack of access to good markets – which, although not included in the ranking exercise, was felt to be very important.

4.5.1 Poverty

Poverty in its most basic sense encompasses or is related to several of the barriers cited above. It is most obvious when considering a lack of start up capital, but is also the reason that more of the proceeds are not reinvested in existing IGAs to allow them to expand and become more profitable. It is also related to low levels of consumption and limited local markets, as well as farmers' inability to set aside money for the off seasons, or to see them through hard times, as well as some of the problems that suppliers of goods and services have with customers not repaying credit.

Working in groups allows for pooling of capital to get started, and also encourages regular reinvestment of working capital at least, if not expansion capital. However, successful groups are not only characterised by trust, but also by the fact that they exclude the poorest who are unable to meet the investment/membership criteria⁸⁹. Poverty and desperation are also contributing factors in some cases of dishonesty.

Finally, poverty is also at the root of many people's inability to take their products to the best markets, or unwillingness to take the risk that money spent on transport might not be worth it.

4.5.2 Education and training

Good secondary level education is a prerequisite to getting a good salaried government or NGO job, which then facilitates entry into other areas of the economy. Beyond this, however, the pattern is less clear. Data on eight shopkeepers and traders who attended the community meeting or participated in household interviews show that five of them were educated to P7 and one to P6, while two had no formal education at all, and the case illustrated in Box 1 shows that a good education is by no means a guarantee of success. However, the importance that most people place on it for their children indicates that it is widely perceived to be important in getting on in life.

⁸⁸ See Appendix 9 for details.

⁸⁹ See Box 6 for an example of relatively exclusive membership conditions.

Lack of skills was not cited by anyone within the community, although it was perceived to be a problem by extension workers who were themselves relatively well educated and trained.

4.5.3 Age

Old age and failing strength and health were cited as barriers to continuing with any economic activity. Of those at the community meeting, non-farm IGAs were reported by those in their thirties, forties, and fifties in proportion to their representation in the group. However, young people in their late teens and twenties were poorly represented at the meeting⁹⁰, and on the basis of information from the household interviews appear to be less involved in non-farm IGAs than older adults. This could be a result of this generation's lower levels of education⁹¹, or because young families are concentrating on establishing a good farming base, or could be a result of the fact that younger people either choose not to attend community meetings, or are not encouraged to – further more detailed work is required to elucidate this point.

4.5.4 Gender

Reproductive labour demands clearly constrain a woman's ability to undertake other activities of all kinds – researchers met a woman who trades in dried fish from a stall outside her home on the main road who had simply shut up shop for a few months since the birth of her baby. It may also lead to exclusion by others, for example a nursing mother with a noisy baby was shooed away from a group meeting, although other women with quiet babies were accepted at other meetings.

Historically women in the area had no or weak property rights, and although the modern law seeks to correct this, traditions run strong, which is reflected in the perception of women that lack of land or a place to business is an important barrier to them in starting up and continuing IGAs.

Within the relatively small sample of those interviewed, women were less well represented than men in the more profitable enterprises, and only one woman⁹² was recorded to be running her own business, as opposed to working in a group, and this was in a relatively low capital business. Women have been targeted by both NGO and government development programmes, albeit with mixed success, and encouraged to work in groups. Both an NGO and a government extension worker, who are both female, stated that men in Byakabanda do not respond to extension workers, and do not help the community to develop as they spend little time at home and are “always drinking and playing cards”, and “disorganising” women's activities, while women are more progressive and/or innovative. One even went so far as to state that in her opinion, there were widows who were better off than married women, particularly women married to men who drink, as widows have been provided with access to credit and NGO support. However, researchers noted that some of the “women's” groups encountered included male members, often with important roles⁹³, or were set up at the instigation of a man⁹⁴ – further more detailed work is required to determine how beneficial these arrangements really are to women.

⁹⁰ Only 11% of the group were in their twenties, and none were in their late teens.

⁹¹ See section 1.9.

⁹² See Box 10.

⁹³ See Box 3.

⁹⁴ See Box 6.

4.5.5 *Enabling factors*

At the end of the community meeting enabling factors were also identified. The first enabling factor identified, which was returned to in other forms, was the strong agricultural base, expressed in terms such as “we have our land”, and “our land is fertile”. Crops such as Irish potatoes, coffee, and beans, as well as livestock were highlighted as important sources of income which allowed diversification into other IGAs. Other enabling factors cited included ideas of strength, health, and the capacity for hard work, and a peaceful and secure environment⁹⁵.

Some enabling factors were identified as working for some but not others, for example, some people were perceived to have the “confidence” necessary to attract credit, while for others lack of this “confidence” is a barrier. Past credit schemes were generally seen to have improved the lot of the better off only – for the majority their interest rates were too high for the relatively low returns on their activities, and, given that many would choose to invest in farming, they were felt to be poorly timed with respect to the agricultural calendar.

4.6 **Conclusions**

The economy of the village remains heavily based on agriculture, and most households’ income derives from the sale of food and cash crops and small livestock. However, the majority of households visited were involved in at least one non-farm IGA in addition to farming, and non-farm IGAs have increased in number, diversity, and importance in recent years. Many of the non-farm IGAs recorded were *not* very low profit, very low barrier activities undertaken by individuals or members of households in distress – perhaps as a result of the productive agricultural system, which is relatively inclusive, and allows for most to generate at least a little income from farming – but tended to be relatively profitable in comparison to farming. Even so, no household was recorded to have stopped farming and to rely entirely on non-farm IGAs.

Many of the non-farm IGAs recorded depend on adding value to primary production, or exploiting natural resources in some way, although a number did not, relying on raw materials or products imported to the area, or providing services.

The growth of the non-farm economy in Byakabanda is related to the reconstruction and development of the district generally under the RDDP, particularly the rehabilitation of the roads. It is also related to national government policies, such as UPE, through the associated investment in infrastructure and increased numbers of pupils requiring specialist goods and services, or liberalisation, albeit at the expense of the farm economy in the short-term. Also important are the activities of NGOs which have brought new ideas and technologies, as well as providing access to credit and encouraging people to work in groups. In comparison with the recent history of the district, peace, security, and a general environment in which normal life is possible were also cited by local people as important factors in permitting growth in both farm and non-farm IGAs. However, distress, in the form of increased dependency and the high numbers of widows and orphans in the area resulting from AIDS deaths, has also

⁹⁵ NGO workers with a broader perspective saw lack of stability and peace in the country and even the region as whole as a cause for concern generally, as well as a threat to the development of non-farm IGAs, as insecurity elsewhere impacts on the district through increased in-migration of marginalised people, and generally poorer conditions for growth.

pushed some towards forming groups and engaging in more farm and non-farm IGAs than in the past.

In general, those able to take advantage of the increased opportunities in the non-farm economy tend to have had some initial social or economic advantage, such as a salaried job, or connections with important and/or well informed people giving them improved access to information or NGO support, or being born into a family with a tradition of craftsmanship, and also tend to have had a good farming base which supported their subsequent diversification. Such people were also perceived to have the “confidence” necessary to attract credit, while for others, lack of this “confidence” was cited as a barrier – past credit schemes were generally felt to have improved the lot of the better off only.

Barriers to others in accessing profitable non-farm IGAs include poverty in its most basic sense, relating to lack of start up capital, but also to continued under-capitalisation of small business and their failure to expand or even persist as proceeds are used to cover basic household needs instead of being reinvested or used to access better markets. Some of these barriers can be overcome by working in groups, but these of necessity exclude the poorest, who are usually unable to meet the investment/membership criteria. General poverty also leads to low levels of consumption and limited local markets which are subject to marked seasonal fluctuations, constraining the profitability of many enterprises. It is also a part of the problems customers have in repaying credit, or in groups being able to operate successfully.

Reproductive labour demands constrain women’s abilities to participate in other activities of all kinds. Traditions of no or weak property rights in the area are also barriers to women’s participation in IGAs as they lack a place in which to undertake them. However, women have been targeted by both NGO and government development programmes with some successes, although many of the “women’s” groups encountered included male members, often with important roles, or were set up at the instigation of a man specifically to access NGO support or credit.

Old age and failing strength and health were cited as barriers to continuing with any economic activity, but young adults in their late teens and twenties also appear to be less involved in non-farm IGAs than adults in their middle years, perhaps as a result of this generation’s lower levels of education, or because young families are concentrating on establishing a good farming base.

Good secondary level education is a prerequisite to getting a good salaried government or NGO job, which then facilitates entry into other areas of the economy, but beyond this the pattern is less clear, with examples of successful shopkeepers and traders with no formal education at all, and well educated people struggling or failing in non-farm IGAs. However most people place considerable importance on education for their children. Lack of skills was perceived to be a problem by educated and trained extension workers, but not by members of the community themselves.

5. VILLAGE LEVEL FINDINGS: KITAMBUZA

5.1 Site description

Kitambuza Village is located in Kimuli Parish in Kagamba Sub-County, north-west of Rakai Town. It is about 1 km north-east of Lwentulege Trading Centre, which is on the main Class 1 murram Kyakasolo-Lyantonde road, about 15 km from its junction with the Kyotera-Rakai road at Kyakasolo. Various tracks which are motorable in dry weather lead to the neighbouring villages of Kituntu A and B and Kyaluyimuka.

Most of the settlement lies in a broad saddle between the road to the south-west and swamps to the north-east which are an extension of an arm of Lake Kijanebalola. To the south-east and east the village is separated from Dwaniro Sub-County by a steep ridge which runs in a north-easterly direction for several kilometres, while to the north-west is the smaller hill of Kyaluyimuka. Rains have been poor since the El Nino floods of 1997, when the road south to Rakai and Kyotera became impassable – at the time of the study the short rains were sufficiently late that there were several fields where early planted seed had germinated and sprouted, but then withered and died.

The 1991 census enumerated 6,518 people in Kimuli Parish, and information from the community indicate that there about 90 households in Kitambuza Village. Data from household interviews and general discussions indicate that the dominant ethnic group are the Banyankole, with numerous Baganda, as well as smaller numbers of other groups, such as Bakiga. Over the past 20 years many people have come to the area from more densely settled areas, such as Ankole, in search of land.

There is little community infrastructure within the village. The LCI meets at the home of one of the councillors, and there is no school – children walk to the Kimuli Primary School on the main road. There is also little NGO presence, although the Lutheran World Foundation (LWF) has a contact person in the village⁹⁶, and ICR has assisted with protection of water sources.

Settlement began when Mzee Dungu Eldad moved to the area from Kimuli in 1964 and cleared the bush to farm. Initially he grew beans and maize for sale, and kept goats – since the mid 1980s a market for *matooke* has also developed, and now he sells that too. Others followed him to what is now Kitambuza, and although some have now left for other places, many more are still coming, primarily from Ankole, where there is little land. In the past there were few non-farm IGAs – Mzee Dungu used to make barkcloth for sale, but most people just concentrated on farming. As markets for agricultural produce improved though, people began to have a bit more money, so some started to produce things like beer, or bricks for sale, instead of just for home consumption. The trading centre at Lwentulege developed informally in the early 1980s, which helped the people of Kitambuza by allowing them to buy household items and medicines locally instead of travelling all the way to Buyamba. Transport has improved dramatically in recent times, and people in the village now own a total of three motorcycles and one car, as well as “so many” bicycles⁹⁷. The village was not much disturbed by war, although they were sometimes able to hear fighting in the distance, but AIDS was a terrible problem, with many people, including some of Mzee Dengu’s own

⁹⁶ See Box 14.

⁹⁷ Although Mzee Dungu still has the bicycle he bought as a youth over 50 years ago.

children getting thin and dying, leaving many orphans. Although in the past they used to hunt wild animals and fish in small local ponds and there was plenty of firewood, and now one has to pay for meat and fish and wood, in general, things are much better now, particularly with respect to food security.

Kitambuza is an agricultural village with just a few shops and kiosks clustered at a junction of tracks and footpaths, with people mostly relying on the many shops and business in Lwentulege, as well as its weekly market.

5.2 Income Generating Activities

Eight IGAs were listed at the initial community meeting. These included:

- primary production, such as rearing and selling both small livestock and cattle;
- trading activities, such as shopkeeping, or trade in agricultural produce or fish;
- processing of agricultural produce, such as the manufacture and sale of local beers and spirits; and
- other small-scale manufacturing enterprises/ crafts, such as carpentry, and handicrafts, such as pottery, basket and mat weaving, and crochet, knitting, and embroidery.

Other IGAs not listed at the meeting, but recorded at other times during the fieldwork include:

- growing and selling crops⁹⁸;
- crafts, such as building;
- provision of services, such as midwifery, running a bar, or the sale of cooked food (pork); and
- waged work or salaried, either as a daily paid farm labourer, or as a permanently employed cowherd, or as a gardener in Kampala.

The head of a large polygamous household also has rental properties in Lwentulege which generate a regular income without the need for activity.

The IGAs listed at the community meeting were ranked by importance (prevalence in the community) by men and women. The results for the two groups were quite different, with women ranking handicrafts first, followed by rearing and selling small livestock, and then shopkeeping and the manufacture and sale of local beers and spirits, and men ranking trade in agricultural produce and rearing and selling cattle, followed by carpentry, and then rearing and selling small livestock⁹⁹. In household interviews women were recorded more often actually undertaking these activities than men, who may, at the meeting, have been discussing their aspirations as much as their current activities.

At a separate meeting a different group of people defined wealth/wellbeing groups, and ranked the importance of the IGAs originally listed at the community meeting to each wealth/wellbeing group by gender. Four wealth/wellbeing groups were defined: the very poor, the poor, those in the middle (“average”), and the well off (“rich”)¹⁰⁰.

⁹⁸ Not included by the group, who were focussing on non-farm (i.e., non crop-producing) IGAs.

⁹⁹ See Appendix 10 for details.

¹⁰⁰ See Appendix 11 for details.

The “very poor”, a small group (6% of households), were described as undertaking none of the IGAs listed, while the “poor”, the largest group (63%) were described as depending on paid farm labour, with men also ranking trade in fish, and women also ranking handicrafts as important. Households in the “average” group (23%) were described as undertaking all of the IGAs listed, except paid farm labouring and handicrafts, with trade in agricultural produce, and the rearing and selling of cattle and small livestock ranked most highly overall. Households in the “rich” group were described as undertaking trade in agricultural produce, shopkeeping, and rearing and selling cattle¹⁰¹.

5.3 Non-farm IGAs

Of the IGAs listed above, all except rearing and selling small livestock and cattle, growing and selling crops, paid farm labour and cattle herding can be classified as non-farm (non primary production) activities.

5.3.1 Trade

The shops owned by people living in Kitambuza are primarily in Lwentulege, but one has just opened in Kitambuza itself.

Box 11. Mark Donato, shopkeeper and trader

Mark is 27 years old and has lived in the village since his parents came there from Ankole when he was just a baby. He and his wife, Mary, do not have any children of their own, but look after Mark’s seven year old brother Matthew. Mary farms, but most of the produce is consumed, so in 1998 Mark started trading coffee and beans during their respective seasons to supplement their income. He copied friends who were traders, travelling by bicycle from farm to farm in Kitambuza and the neighbouring villages and then selling the produce on to other traders who come to Lwentulege from Kyotera. He opened his shop in Kitambuza in February 2000, having got the idea when he saw that everyone was having to go down to Lwentulege to buy even small household items, like soap and batteries, and everyday commodities, like salt, sugar, and maize flour. He raised the capital from farming and trading, and invested about 1,500,000 shillings in having the shop (which is also their home) constructed and purchasing the initial stock. The stock comes from Kyotera – he brings it as far as Lwentulege in a taxi, and then up to Kitambuza on his bicycle. He goes to Kyotera once a fortnight, and spends about 150,000 shillings. Problems are limited working capital due the high costs of constructing the shop (he hired two professional builders from Dwaniro), which means that he can not always stock enough of the more popular items, and people taking goods on credit and then failing to pay. He is thinking about stopping serving those with outstanding debts. He is continuing with the trading business in season – during the bean season in April and May, Mary helps with the shop, but during the coffee season he shuts it completely. He would like to expand the shop, but worries about security if he were to have a lot more stock on the premises. Both security and the number of customers would be better in Lwentulege, and if he gets enough capital he might move the business there. He and Mary have also just bought two piglets and are building a pigsty for them – he thinks raising pigs will complement the shopkeeping and the trading, but the shop comes first. He only went up to P5 and never had any business training – he would like to get some, but has never had the money.

As identified in the group meeting, traders are some of the more prosperous individuals in the village.

¹⁰¹ See Appendix 12 for details.

Box 12. Mr Muza, trader

Mr Muza is 45 years old and has lived in Kitambuza all his life. He trades coffee, maize, beans, and cattle, and also grows coffee and *matooke* for sale. He has two wives, each with their own home, and sees himself as “average to well off”. He had little formal education (P2), but learnt the trading business from friends, and started on his own in 1980 with money he saved from farming. At first he sometimes made losses, but now he is more adept at balancing expenditure and income. Price fluctuations are still a problem though and he and his friends who are traders exchange information on markets. He spends about 100,000 shillings per week on the business, and makes a profit of about 40,000 shillings, moving around the local villages on his bicycle and selling to traders who come from Kampala. Bad weather is also a problem as it affects production – he keeps his own farm going to see his family through hard times. He was selected by an agricultural research centre in Kampala to receive a water storage tank at a subsidised price (he paid 10% of the total cost, 50,000 shillings).

In Kitambuza trade in fish is mostly undertaken by poor men who purchase “mudfish” from fishermen on Lake Kijanebalola at nearby landing sites

5.3.2 Processing/ Manufacturing Enterprises; Cottage Industries and Crafts

Local beers and spirits are produced by men and women. The most common local beer is *tonto*, made from banana juice and sorghum.

Box 13. Charles Adeke, brewer

Charles is 21 years old, and not yet married, although he would like to be. He has his own home, which his parents helped him build, and which is very near to theirs, as well as to that of another older brother. He still eats with his parents and other younger siblings and helps with household chores. On his own land he grows beans, maize, and *matooke* for sale, and with his family he raises pigs, as well as brewing *tonto*. As he has few expenses of his own, he is able to help with school expenses for his brothers, and is also investing in agricultural tools of his own, as well as more pigs. His parents have always brewed *tonto*, but in about 1997 they handed the business onto their children, passing on both the know-how and the materials, such as a tarpaulin to line the fermenting vessel, and jerry cans. Charles’s sisters grow some of the sorghum, but they also buy some, as well as most of the bananas. The brothers squeeze the bananas, mix the brew, and are responsible for selling it to bars in the village, Lwentulege, and Kyaluyimuka. Mostly they sell on credit, with the bar owner paying them after the beer has been sold. Most do pay, but the delay is a problem as it ties up their limited working capital, and they are thus constrained to brewing only one batch per month. The inputs cost about 17,000 shillings per batch, which yields a net profit of about 5,000 shillings. Charles would like to be able to brew more often in overlapping batches, and is trying to get things working so the income from raising pigs and the income from brewing can mutually reinforce one another. Both make about the same amount of money (although much less than farming), but the income from brewing comes in monthly, as opposed to that from the sale of pigs, which comes in about every six months. His friends are not interested in the brewing business, but are interested in learning about and starting their own pig raising businesses¹⁰². He describes himself as “just a beginner”, and would like eventually to get enough capital to become a coffee trader. He has been asking friends for loans, but with no luck thus far. Although he has a friend who got a loan from the Poverty Alleviation Programme, he himself has not approached any formal credit institutions, in part because he does not have title to his land, which he thinks is a prerequisite. In general, he feels that “credit is hard for village people”.

¹⁰² Raising pigs is currently being actively promoted by government and NGO extension staff as a “new” IGA, which may explain the interest of Ronald’s friends in it over the more traditional brewing.

At a small scale, brewing is not considered to be very profitable, particularly in comparison with growing crops for sale, but it can play an important role by providing income monthly as opposed to seasonally, and in spreading risk.

Handicrafts are undertaken by women, both in groups and individually. Typically they are undertaken by poorer women, particularly widows, and are generally not very profitable, although to the poorest, even a very small amount of income can be significant. Those who depend on the income from handicrafts are often poorly educated and are “pushed” into the activity by necessity and lack of other options, as opposed to those who have other sources of income, and who undertake handicrafts as a social activity as much as an economic one¹⁰³.

Box 14. The Kitambuza Women's Group¹⁰⁴

The group was formed in 1997, and originally comprised six women, although now it has grown to ten. All are from Kitambuza, and knew one another or of one another before they joined. Each paid a joining fee of 1,000 shillings (~US\$ 0.5), and then a monthly membership fee of 500 shillings. Most got the joining fee from the sale of *matooke*, but now pay the monthly fee from the sale of handicrafts or pigs, or if it has not been a good month, from the sale of crops. If a member has had a particularly hard month she is allowed to delay payment until she can afford it. The idea to form a group came from Mrs Latto, who heard about the value of groups on Radio Uganda¹⁰⁵. Before that, each woman had been farming on her own, but harsh weather conditions associated with El Nino in 1997 resulted in farming incomes becoming inadequate, and thus they decided to form a group. They started with handicrafts – making clay pots, baskets and mats, and doilies and tablecloths – and working co-operatively on one another's farms. At the beginning of 2000 they also started raising pigs following a training seminar from LWF. They have two pigs – a male and a female – which Mrs Latto keeps on her land, although the whole group contributes to the costs of feeding them and veterinary care (separately from the regular group membership fees). Typically each woman works on the handicrafts in her spare time¹⁰⁶, and then the group comes together at their “workshop”¹⁰⁷ on Saturday afternoons to see how far they have got, learn from one other, and work together as a group. Others who are not members often come to watch, learn, socialise, and sometimes to buy products. They do not want to join, however, either because they are part of another group, or because they have been members of other unsuccessful groups in the past and are sceptical. Some of the members used to make handicrafts individually before the group came together, and all of the skills are traditional, and learnt from the older generations. The best clay comes from very deep in the ground – the women sometimes get local men to dig it for them in return for a small payment in kind (such as sugar), but they work it and make and fire the pots themselves. The fibre for making baskets is purchased from local farmers, except for the banana fibre, which the women provide themselves. Wool and Cloth for the doilies and tablecloths are bought from shops in Lwentulege. Most sales are to other people in the village who come to the workshop. Pots cost 2,000 shillings, baskets 1,000 shillings, mats 7,000 shillings, doilies 10,000 shillings, and large table cloths 20,000 shillings. Except for pots, sales are rare – it is not unusual for there to be no sales other than pots in a month, although business picks up after the harvest period when people have more money. Thus the activity was primarily viewed as a leisure or social activity as opposed to a business, although the women put more time and effort into it when farming is poor, such as during droughts when they both have more time, and need the income most.

¹⁰³ See also Box 17.

¹⁰⁴ For a list of members see Appendix 13.

¹⁰⁵ Mrs Latto is a well educated, well informed woman whose husband owns a retail shop in Lwentulege. Although they care for five orphans as well as their own five children, she and her husband are relatively well off, and are able to pay for farm labour and afford a few luxury items, such as a small 12V television. She is also the local contact person for Lutheran World Federation (LWF).

¹⁰⁶ A typical day for a woman starts with farm work in the morning, and then often social obligations such as visiting relatives, caring for the sick, and attending burials in the afternoons, as well as general housework and childcare.

Box 15. Theresa Okundi, basket maker

Theresa is 37 years old. She came to Kitambuza from Ankole in 1984 when she was married, but was widowed in 1993 – however this is now her home. She provides for her three sons and her daughter by farming, although there is usually little for sale, and by making and selling baskets. She learnt to make baskets from her mother before she was married, but only started concentrating on it since the death of her husband. The children help with farming and housework to give her more time for basket making. Her daughter, who is 10, does not go to school at all, and sometimes one or more of the boys stays home to help as well – at the moment, because the rains are so late, the children have a lot of work to do to bringing water to the bean seedlings so they do not all die. The materials for one basket cost about 1,000 shillings, and Theresa sells the finished items for 1,500 shillings at the weekly market in Lwentulege. She makes between one and four baskets per month, depending on how much time she has. Lack of time is the main constraint, which she alleviates by having the children help her with farming, but poor markets are also a problem. Although profits are small, they constitute a significant portion of the household’s meagre income, and basket making has been important in helping her and her children survive since her husband’s death. They have a good brick house with a *mabati*(iron) roof, but this was built when her husband was still alive, but since then things have been much more difficult, and Theresa now describes herself as “poor”. She thinks there should be more support for vocational training for adults, for example, she has fruit trees, and would like to learn how to make jam, as well as to improve on her mat making skills. However, although she has no formal education herself, her main aspiration is to somehow get her children educated.

Box 16. Rose Eculi, basket maker

Rose is 30 years old. She was married, but her husband, a farm labourer, died three years ago, leaving her with just one son, who is now four years old. Although Rose herself has no formal education, her son is already in school. Rose farms, and sells a small amount of *matooke* and beans, and makes and sells baskets. She makes about two baskets per month, from which she gets about 1,000 shillings profit. She and her son live in a temporary thatched shelter, and own no furniture, although she is having a pole and mud house built. However, as a widow, this is difficult. Neighbours gave her the eucalyptus poles for the frame, and she has hired a man to build it for her on a credit basis, to be paid slowly over the next few months. However, work is also going very slowly. She describes herself as “among the poorest”, as she is all alone, with no one to help her. However, she sometimes helps her elderly neighbours by fetching water and firewood for them – they give her advice and encouragement, such as to hang on to her land, and to keep her son. She can not imagine having another business – she has “no energy”.

For skilled craftsmen, such as tailors, people go into Lwentulege.

5.3.3 Services

For most services, such as bicycle mechanics, or clinics, people go into Lwentulege. However, there is a trained and certified Traditional Birthing Attendant based in the village who serves a large area.

¹⁰⁷ An unused garage attached to the home of one of the members in the centre of the village.

Box 17. Mary Opus, Traditional Birthing Attendant

Mary is 46 years old, and a widow. She lives with eight of her children, five of whom are adults, and two of her grandsons, sons of two of the daughters. Although only formally educated to P1, Mary is a trained TBA. She was originally trained by her mother, who also practised traditional midwifery, but in the early 1990s she was identified as a “good” traditional practitioner, and given “official” training in Masaka, and certified. She buys rubber gloves, cotton wool, bedding, etc. from the hospital in Rakai, spending about 50,000 shillings per quarter on materials and transport. Women come long distances for her services as she is the only officially trained and certified TBA in the area. She charges 1,000 shillings for a basic antenatal check-up, and 5,000 shillings to stay for delivery. However, as women often do not bring essential commodities such as soap or paraffin, she has provide these, so her profit is very little, perhaps only 5,000 shillings per quarter. She needs more bedding in particular, but lacks the money – once, in 1990, she received a blanket from the Kitovu Catholic Mission’s Community Based Health Care Programme, but otherwise, she has received no operational support from any government or NGO programmes. She would also like to build a separate building for the women to deliver in, as currently the women stay in the children’s room, and then the children have to sleep elsewhere. Mary’s work as a TBA is supported in part by making and selling baskets. She is a member of the Kitambuza Women’s Group¹⁰⁸ but also works on her own making fancy multi-coloured baskets for decoration for sale to well off women in the village. This work is highly skilled, and supply is limited in relation to demand, in contrast to that for the more utilitarian baskets made by the group and others. Mary works and sells quickly, sometimes making and selling as many as 20 baskets in a month. She could make even more if she could invest in more raw materials, but she has many other demands on her resources. Some of the other members of the group are jealous of her skills and her extra-group activity, but others feel that handicrafts are somewhat tiresome and take too long for too little reward¹⁰⁹ and thus have nothing against her working for herself as well. Mary’s adult children all farm, including growing coffee for sale. Mary used to farm too, but has had to stop as she had an operation last year and can no longer do heavy physical work. She also used be a coffee buyer in season, working for traders who came to Lwentulege and gave her money to go from farm to farm buying coffee, but again, has had to stop as a result of her health. She would like to start trading in second hand clothes, but is lacking capital. She sees her household as “poor”, because it is so big – if it was smaller, they would be better off. Although she had already started diversifying her activities, having her operation and being unable to do heavy physical work has further encouraged her to investigate non-farm opportunities.

The services of a trained TBA are clearly very valuable to a community, and such a person is likely to have considerable social capital. In the case above, this is even more likely, as she makes very little money from her midwifery.

There is also a bar in the village.

Box 18. Joan Scanda, bar owner

Joan is 24 years old, and has two children, aged two and three. Her husband was a fisherman, but caught malaria out on the lake and died a year ago, leaving her a widow, with 30,000 shillings of “fish” money. Friends advised her to open a bar, so she returned to Kitambuza, her home area, and spent the money renting a building (which is also their home), and buying a radio, batteries, and *tonto*. She now spends about 40,000 shillings (~US\$ 22) per week on *tonto*, as well as smaller amounts on *enguli* (locally distilled spirits), batteries for the radio, paraffin, and rent, but is able to make a profit of about 30,000 shillings per week . She has problems with childcare, as well as the occasional drunk customer, but the business “earns a living” – she is now building her own home, although as a widow she has had to hire a man to work for her, and thus work stops when she has no spare money.

¹⁰⁸ See Box 14.

¹⁰⁹ These may continue to participate in the group for its social functions.

5.4 Farm and non-farm livelihoods

Agriculture underpins the economy of the village and of almost every household, both rich and poor, with income coming primarily from the sale of food and cash crops as well as small livestock and cattle. One of the major crops for sale is *matooke*, which is harvested year round, evening out somewhat the seasonality of agricultural incomes, which are further complemented by the sale of small livestock. Paid farm labour is relatively common, and was reported by 29% of households interviewed, particularly those headed by women. However, not all could get all the work they would like as the well off people who use hired labour have access to very cheap labour from a nearby prison. Well off people with cattle also employ others to care for them.

Just over half (53%) of households visited were involved in at least one non-farm IGA, and of those which were currently farming only, 43% had been involved in non-farm IGAs in the past, but had had to stop as a result of old age or ill health¹¹⁰, or personal misfortune¹¹¹. Most of the non-farm IGAs undertaken in the village are traditional in nature, and the older people interviewed have been undertaking them for 15 – 20 years. Informal observations indicate that those involved in less traditional IGAs have moved to the trading centre at Lwentulege (or elsewhere), which has developed very rapidly from almost nothing in the past few years. NGOs have had relatively little impact – the idea for the one group encountered came from the radio¹¹² – and few have had access to credit.

Of the non-farm IGAs undertaken in Kitambuza, trading in agricultural produce and shopkeeping were reported to be the most profitable, and typically bring in more income than farming, while the other non-farm IGAs recorded tend to be low profit, low barrier activities which supplement basic farming incomes, often of households under stress¹¹³. In contrast to Byakabanda¹¹⁴, a strong farming base was perceived as a very important prerequisite for entry into a lucrative non-farm IGA¹¹⁵. However, most (64%) of those interviewed choose or would choose to invest any extra money into trading, shopkeeping, or other retail activities¹¹⁶, with only 27% electing to invest in livestock or crop growing activities as a first priority. In reality, however, most lack sufficient capital to get started in these trading activities, and thus, when able, tend to invest the small amounts of capital they do have into rearing small livestock, which can be easily liquidated should the need arise. Three different female household heads interviewed aspired to non-farm IGAs because they found doing farm work on their own too hard and too tiring, or were unable to do it due to poor health¹¹⁷.

Most of the non-farm IGAs recorded depend on adding value to primary production, or exploiting natural resources in some way, for example trading in agricultural produce, brewing local beers, or pottery and basket and mat weaving, while others are based on providing services.

¹¹⁰ See Box 17.

¹¹¹ See Boxes 19 and 20.

¹¹² See Box 14.

¹¹³ See Boxes 14, 15, and 16.

¹¹⁴ See section 4.4.

¹¹⁵ For example:

“No one becomes rich without starting with a farm”

Participant in the group meeting to define wealth/wellbeing groups and rank IGAs. 13/10/2000

¹¹⁶ See Boxes 11, 13, 17 and 18.

¹¹⁷ See Boxes 17, 20, and 21.

5.5 Access and barriers to non-farm IGAs

Barriers to successfully starting and running an IGA were identified at the initial community meeting. These included:

- lack of capital or credit;
- poor markets and price fluctuations;
- lack of specialist training;
- lack of transport;
- lack of specialist inputs (such as for bee keeping);
- problems with customers not repaying credit; and
- a variety of problems related to farming and farming incomes (including poor weather, pests, poor quality seeds, etc.) which were not disaggregated for the purposes of this exercise.

Other barriers or constraints not listed at the meeting but cited by local people at other times during the fieldwork included:

- the seasonality of agriculture, which affects businesses which sell to the local market, as consumption fluctuates;
- lack of skills, particularly amongst older women (widows);
- old age and illness, including failing eyesight, which were cited as reasons for stopping an IGA;
- women's reproductive labour demands, which are especially difficult to manage when children are ill;
- lack of time/tiredness/overwork;
- personal misfortune, such as a marriage break up, or loss of a land dispute in court and subsequent confiscation of assets;
- poor security in more remote rural areas, causing businesses with valuable, steal-able assets to relocate to busier trading centres, ideally with Police Posts;
- unequal/unfair distribution of NGO benefits; and
- poor/mis-understanding of credit, causing some to take on loans they are unable to service, and others to fear it.

The barriers listed at the community meeting were ranked for importance by men and women. The most important barriers for both men and women in accessing IGAs were the various problems with farming and farming incomes, and lack of capital or credit to get started and then keep an IGA running. Also important to both men and women, although slightly more so to men, were problems of poor markets and price fluctuations. Problems relating to lack of specialist training, lack of transport, lack of specialist inputs, and customers not repaying credit were not commonly cited, although they appeared to be more important to women than men¹¹⁸.

After the ranking exercise, the group identified another constraint they had omitted earlier – lack of labour – which, although not included in the ranking exercise, was felt to be very important.

¹¹⁸ See Appendix 14 for details.

5.5.1 Poverty

Poverty in its most basic sense encompasses or is related to several of the barriers cited above. It is most obvious when considering a lack of start up capital, but is also the reason that more of the proceeds are not reinvested in existing IGAs to allow them to expand and become more profitable, or evolve into new, more profitable IGAs. It is also related to low levels of consumption and limited local markets, as well as farmers' inability to set aside money for the off seasons, or to see them through hard times, as well as some of the problems that suppliers of goods and services have with customers not repaying credit.

In the primarily agricultural environment of the village, problems with farming are either a result of poverty (inability to buy appropriate or sufficient inputs to produce acceptable yields), or a cause of poverty (poor weather causing poor yields and hence reduced incomes, or even food security problems), or both (the incidence of pests which farmers cannot afford to adequately control with chemicals, and which thus reduce yields). Problems in farming and with farming incomes then affect other non-farm IGAs through reducing the availability of start-up capital, causing more of the proceeds to be used to cover household expenses instead of being reinvested, or even causing assets to be liquidated.

Working in groups allows for pooling of capital to get started, and also encourages regular reinvestment of working capital at least, if not expansion capital. However, successful groups are not only characterised by trust, but also by the fact that they exclude the poorest who are unable to meet the investment/membership criteria.

Finally, poverty is also at the root of many people's inability to take their products to the best markets, or unwillingness to take the risk that money spent on transport might not be worth it.

5.5.2 Education and training

In contrast to Byakabanda, which was home to numerous salaried employees, typically with good secondary level education¹¹⁹, none were encountered in Kitambuza. Data are few, but there was no clear pattern between participation in non-farm IGAs and education – of those who attended the various community meetings, there were farmers with educational levels ranging from no formal education to S6, while those involved in non-farm IGAs, such as trading, were typically in the middle of the range with some primary schooling though not necessarily the full seven years. However, the importance that most people, including those who are not well educated themselves, place on education for their children indicates that it is widely perceived to be important in getting on in life.

Lack of skills was perceived to cover a range, from specialist or new skills, such as jam making, to very basic skills, particularly amongst older women (widows), typically with no or little formal education¹²⁰. Few people, if any, keep books, which is particularly a problem

¹¹⁹ See section 8.

¹²⁰ *"It's the only thing I can imagine doing; everything else is impossible."*

Mrs Juliet Bikianyisha, a 70 year old widow with no formal education, on why she would be choose to make baskets and mats as opposed to another IGA. 12/10/2000

"I'm too old. I'll just consume any capital. I have no experience."

Mrs Mebko Mosi, a 51 year old widow, with three years of schooling, on why she does not want to start an IGA. When asked if she thought training was a good idea, she said that she'd like training in *anything*, but was unable to name or actually imagine any specific area. 12/10/2000

for retail traders whose stock often moves slowly in comparison to price fluctuations, making it difficult to determine how profitable a product or even the business really is.

5.5.3 Age

Old age and failing strength, health, and eyesight were cited as barriers to continuing with any economic activity. Of those at the community meetings, non-farm IGAs were reported by all age groups, but data from the household interviews indicate that those involved in the most capital intensive non-farm IGAs (for example, trading), as well as those requiring experience and skill (for example, midwifery) tend to be older. However, other older people are involved in some of the least profitable, lowest entry activities, such as basket making, which they are pushed into as a result of their decreasing ability to undertake the strenuous physical work of farming. However, there is evidence that this “push” out of farming can also be a positive force, particularly if other, younger household members are able to continue with farming, leaving the older person free to diversify and explore other alternatives¹²¹.

5.5.4 Gender

Reproductive labour demands clearly constrain a woman’s ability to undertake other activities of all kinds, and concerns about satisfactorily combining childcare and IGAs were voiced by several women¹²² – the burden of childcare is often exacerbated by the high number of orphans and the high incidence of widowhood¹²³. In addition to reproductive and domestic labour, women also undertake much of the farm labour, and women, far more than men, cited lack of time, or tiredness, or overwork as a barrier to starting a new IGA or as a constraint to an existing one¹²⁴.

Because of their weaker position in society women often suffer more in economic terms than men from personal “misfortune”, and find it more difficult to recover from setbacks, affecting their abilities to accumulate start-up capital and keep working capital in existing businesses. Households headed by women, typically widows or divorcees, are generally less able to produce significant quantities of crops for sale than those households with access to male labour, and such women often turn to relatively low barrier, low profit IGAs such as basket making¹²⁵. Opportunities for remarriage are limited – data from the household interviews (albeit a small sample) indicate that women noticeably outnumber men in Kitambuza, primarily as a result of men’s earlier deaths. Furthermore, in all three cases of divorce or separation recorded, the man had left the area, while the woman remained¹²⁶. Some widows and divorcees do undertake relatively profitable non-farm IGAs, either as a

¹²¹ See Box 17.

¹²² See Boxes 18 and 21.

¹²³ Thirty-six children under the age of 16 were enumerated in the household interviews. Of these, only four were living with both their mother and father – the rest were living with their widowed (17) or divorced/separated (4) mothers, or with their mother with only occasional visits from their polygamous father (2), or with their widowed grandmothers (5), or with other kin, such as grandparents (1), older siblings (2), or a widowed aunt (1). However, some households (4) include more than one adult woman, and/or are multigenerational. See also footnote 133 for more information on the incidence of widowhood.

¹²⁴ See Boxes 15 and 16.

¹²⁵ See Boxes 15 and 16.

¹²⁶ Of 17 households interviewed, eight were headed by widows, and two by divorced/separated women whose husbands had left the area, while two were headed by young unmarried men, and one by a divorced man who was primarily based in Kampala, but returned home periodically to help his elderly parents with farming and visit his young son who lived with them. Four households were headed by married men, one of whom had four wives, and one of whom had two.

result of a special skill¹²⁷, or the well advised investment of capital inherited from the late husband¹²⁸, but successful widows are at risk of exploitation by their late husband's families¹²⁹. Married women are also vulnerable in that they often do not have an equal say in when or how a business or assets which are co-owned with their husbands are closed down or disposed of in times of stress, particularly when a marriage is breaking up.

Box 19. Sarah Omare, former shopkeeper

Sarah is 31 years old. She is one of four wives of a prominent man in the village, although she maintains her own home some distance from where he resides with two of the other wives. Her home is a small and made of mud and poles, as opposed to his, which is large, and made of painted brick, with a very new *mabati* roof. Sarah is a Mukiga. Bakiga women have a reputation for hard work, and she was brought from her home to this area by her first husband 11 years ago to marry. However, that marriage ended with no surviving children, and she married her current husband two years ago. They now have two young children who live with her. She grows beans, maize, and *matooke* for sale, and because she is a hard worker, is normally able to generate a reasonable income – when she needs more money, she also labours for other well off people in the village. She also keeps a few goats. Her husband owns rental property in Lwentulege, and also keeps cows, in addition to farming, and sometimes brings money to support the children. He used to have a retail shop in Lwentulege, in which she used to work, but he closed it – he was involved in a land dispute, the details of which she does not really understand, except that the other man took her husband to court and won. Rather than give up the land, her husband chose to liquidate the shop to pay a settlement. Before it was closed down, the shop was running well, and Sarah would like to use her experience and have her own shop, as in her opinion, retail shopkeeping is the most profitable business of all. However, she lacks the capital, so will probably go back to working with her husband when he reopens. He had been hoping to get enough capital after this harvest, but because the rains are so late, he might have to wait until the one after that. Sarah has no formal schooling, and cannot read and write. She is very sceptical of credit, as UGAFODE came to offer it, but now eight women are in jail. In her opinion a woman is better off staying on the land and “working with her hands”, although she admits that perhaps if she had more information she might be less fearful and better able to make a decision. As it is, her husband understands better, and she feels that it would be best if he made such a decision for her, if it came to that.

Box 20. Ana Mandula, former shopkeeper

Ana is 45 years old, and lives with her three teenaged sons, all of whom are in secondary school. Her husband left three years ago to “look for money” in Mukono District. He visits occasionally and stays with her, but never brings any money, and Ana does not know what he does when he is away. They came to Kitambuza from around Kalisizo 21 years ago in search of land to clear. She continues to farm, and grows beans, maize, and *matooke* for sale. The two younger boys are both in S1 at the local secondary school and help her at the weekends, but the oldest is in S4 at boarding school, so can only help during the holidays. The farm is productive, and the sale of crops usually generates just about enough to cover the school expenses and allow them to live, but she is very worried about how they will manage this season as the rains are so late. She works very hard to keep the boys in school, but wishes she could do something else to make money as farming on her own is extremely tiring. She and her husband had a retail shop in Lwentulege for eight years. However, although they both worked together to raise the capital to start it and both worked together in it, around the time he left he sold all of the assets without consulting her, and closed it down.¹³⁰ Now that the two younger boys have started secondary school though, she has no hope of saving or accumulating enough capital to start up again on her own, and feels that she has no choice but to continue with farming for their sakes. She does not let herself think much about the time when they will all have finished schooling, but knows that a retail shop is a good business, as “you get profit on every item”.

¹²⁷ See Box 17.

¹²⁸ See Box 18. Mrs Nawuki is relatively unusual in that her husband, a fisherman, had cash in hand at the time of his death.

¹²⁹ See Box 21.

¹³⁰ Other informants familiar with the story indicate that he had taken out a loan, possibly without his wife's knowledge, which he was unable to repay, even after liquidating the assets of the shop, which may have contributed to his running away.

Lack of access to adequate transport is also a gender issue. Transport from Lwentulege south along the Kyotera road is relatively good, but expensive when compared to the incomes of the poorest, many of whom are women. Transport between Lwentulege and Kitambuza is by foot or bicycle, with loads carried on the head or wheeled on bicycles. However, very few women in the area know how to ride a bicycle¹³¹, let alone own one, in part due to cultural norms, in part because the area is very hilly and riding a heavy ungeared bicycle is very strenuous and difficult for most women to manage¹³². Thus women in particular are constrained to moving their produce and products on their heads, often while also carrying a baby, or to paying for transport.

5.5.5 Institutional weakness

There are relatively few local institutions with much impact on day to day life, and those that exist are weak or do not function as they should. Inadequate security in more remote rural areas is a constraint to continuing with businesses such as retail shops beyond a certain size, which are forced to relocate to busier trading centres, ideally with Police Posts. Prevention of theft is of paramount importance as confidence in the police's ability to apprehend suspects and the judicial system's ability to subsequently convict the guilty is minimal.

LWF is one of few NGOs operating in the village, but some doubt has been expressed regarding its ability to reach those most in need¹³³. There are no MFIs based in the village, but UGAFODE has given out some small loans in the past. However, their extension/information service seems to have been inadequate, deterring potential clients, and the selection process of recipients appears to require further refinement¹³⁴.

Box 21. Jane Reebea, would-be second-hand clothes seller

Jane is 35 years old, and a widow. She cares for her own three children, as well as a nephew, the son of her late brother, selling small quantities of beans and *matooke* to generate a little income. She also helps her elderly mother-in-law, who lives in Kyaluyimuka. She would like to have a business as farming on her own is very tiring, and feels that selling second-hand clothes is something that she could manage, although caring for the children is a concern: "*If the children are ill, I can not work. Perhaps if they were ill at home I could... But not if they had to be admitted...*". She would buy the stock in Nyendo¹³⁵, travelling there by taxi – she used to go to Masaka often to visit relatives, as well as to take sick people to the hospital there, so knows the place well. She thinks that second-hand clothes are more profitable than new clothes, but would be prepared to adapt according to her customers' demands. She would invest the profits in repairing and improving their home, and in rearing animals for sale, and would be able to dress the family better. However, she lacks capital, and fears that all of this is "just a dream" as she has no way of getting money. Unfortunately though, without a business, there is no way she will be able to afford to send the children to secondary school. She has a friend who got a loan and invested it in a new clothes business, which is going well. However there is a lot of misinformation about credit, and Jane is confused – for example, she heard from one person that if one works hard, one gets to keep the loan money, while someone else told her that if she took out a loan, the MFI would then own the business, and/or that they would come to take away her land *no matter what*. She is also concerned that should she get a loan members of her late husband's family would come to "disturb" her.

¹³¹ Including female extension officers, who reach nearby target communities on foot, and more distant ones only when they can get a lift with their boss on his motorcycle.

¹³² In contrast to Kumi District, which is very flat, where many women ride bicycles.

¹³³ "*The LCs came and made a list of all the orphans for the NGO, but then I never received any help. The Extension Worker picks the names of those who will be helped, but those names are only of her family and relatives...*"

Mrs Jane Reebea, a widow, who cares for her own three orphans as well as a nephew, the son of her late brother. 13/10/2000. See Box 21.

¹³⁴ See Box 19.

¹³⁵ A "suburb" of Masaka, and vibrant trading centre.

5.5.6 *Enabling factors*

At the end of the community meeting enabling factors were also identified. The first enabling factor identified was the formation of groups, particularly women's groups. Following this, as in Byakabanda, there was a feeling that there is a strong agricultural base, the current failure of the rains notwithstanding, and enough land, which provides income and allows for diversification into other IGAs. Strength and health, and hence the capacity for hard work, were also cited as important factors.

This group was less positive than the one at Byakabanda, but after some probing by the facilitators, it was further agreed that other enabling factors included possession of relevant skills, for example handicraft skills, the relative proximity to a good main road, and the presence of NGOs in the general area.

Other factors identified at other times included further ideas of social capital, networking, and familial support¹³⁶.

5.6 Conclusions

The economy of the village remains very heavily based on agriculture, and most of most households' income derives from the sale of food and cash crops as well as small livestock and cattle, and/or paid farm labour. However, just over half of the households visited were involved in at least one non-farm IGA in addition to farming, and of those which were currently farming only, almost half had been involved in non-farm IGAs in the past. Most of the non-farm IGAs undertaken in the village are traditional in nature, with those involved in less traditional IGAs moving to trading centres, such as Lwentulege. Trading in agricultural produce and shopkeeping were reported to be the most profitable non-farm IGAs, and typically bring in more income than farming, while the other non-farm IGAs recorded tend to be low profit, low barrier activities which supplement basic farming incomes, often of households under stress. In contrast to Byakabanda, a strong farming base was perceived as a very important prerequisite for entry into a lucrative non-farm IGA. However, most of those interviewed choose or would choose to invest any extra money in trading, shopkeeping, or other retail activities, with only about a quarter electing to invest in livestock or crop growing activities as a first priority. Female household heads aspired to non-farm IGAs because they found doing farm work on their own too hard and too tiring, or were unable to do it due to poor health.

Most of the non-farm IGAs recorded depend on adding value to primary production, or exploiting natural resources in some way, for example trading in agricultural produce, brewing local beers, or pottery and basket and mat weaving, while others are based on providing services.

The more vibrant parts of the non-farm economy of the area are not in the village, but in trading centres, such as Lwentulege, which has developed very rapidly from almost nothing in the past few years. The non-farm economy of the village, in contrast, is characterised by

¹³⁶ For example:

"Traders get help from other traders."

Participant in the group meeting to define wealth/wellbeing groups and rank IGAs. 13/10/2000
See also Boxes 12 and 18.

traditional low profit, low barrier activities, which complement but fall far short of basic farming incomes, and which are often undertaken by households in distress. In particular, increased dependency and the high numbers of widows and orphans in the area resulting from AIDS deaths have pushed some into engaging in more non-farm IGAs than in the past, as households without access to male labour in particular find it more difficult to make a satisfactory living from farming. However, even these “traditional” activities are more common than in the past as a result of increasing local consumption.

Barriers to accessing profitable non-farm IGAs include poverty in its most basic sense, relating to lack of start up capital, but also to continued under-capitalisation of businesses and their failure to expand or even persist as proceeds are used to cover basic household needs instead of being reinvested or used to access better markets. Some of these barriers can be overcome by working in groups, but these, of necessity, exclude the poorest, who are usually unable to meet the investment/membership criteria. General poverty also leads to low levels of consumption and limited local markets which are subject to marked seasonal fluctuations, constraining the profitability of many enterprises, and it is also a part of the problems customers have in repaying credit.

Institutional weakness in the village is an important constraint to the development of the non-farm economy. There are few local institutions with much impact on day to day life, and those that exist are weak or do not function as they should. Inadequate security in more remote rural areas is a constraint to continuing with businesses beyond a certain size, which are forced to relocate to busier trading centres – prevention of theft is of paramount importance as confidence in the police’s ability to apprehend suspects and the judicial system’s ability to subsequently convict the guilty is minimal. There are few NGOs operating in the village and of those that are, there is a perception that benefits are not distributed equally or fairly. Finally, there are no MFIs based in the village – past credit schemes in the area seem to have had problems both with their extension/information services, such that potential clients have been unnecessarily deterred, and with their selection of clients, such that high numbers have defaulted and ended up in prison, not an ideal outcome for a development initiative.

Reproductive labour demands constrain women’s abilities to participate in other activities of all kinds, and concerns about satisfactorily combining childcare and IGAs were voiced by several women – the burden of childcare is also often exacerbated by the high number of orphans and the high incidence of widowhood. In addition to reproductive and domestic labour, women also undertake much of the farm labour, and women, far more than men, cited lack of time, or tiredness, or overwork as a barrier to starting a new IGA or as a constraint to an existing one. Women are also particularly affected by lack of access to adequate transport, as they do not use bicycles due cultural norms and the difficulty of riding ungeared bicycles in the hilly terrain of the village, and are thus constrained to moving their produce and products on their heads, often while also carrying a baby, or to paying for transport. Because of their weaker position in society women also often suffer more in economic terms than men from personal “misfortune”, and find it more difficult to recover from setbacks, affecting their abilities to accumulate start-up capital and to keep working capital in existing businesses. Households headed by women are generally less able to produce significant quantities of crops for sale than those with access to male labour, and such women often turn to relatively low barrier, low profit IGAs to supplement their incomes – opportunities for remarriage are limited as women outnumber men. Some widows and divorcees do undertake relatively profitable non-farm IGAs, but successful widows are at risk of exploitation by their

late husbands' families. Married women are also vulnerable in that they often do not have an equal say in when or how a business or assets which are co-owned with their husbands are closed down or disposed of in times of stress, particularly when a marriage is breaking up.

Old age and failing strength, health, and eyesight were cited as barriers to continuing with any economic activity. However, those involved in the most capital intensive non-farm IGAs, as well as those requiring experience and skill tend to be older. Nonetheless, other older people are involved in some of the least profitable, lowest entry activities which they are pushed into as a result of their decreasing ability to farm, although this "push" can also be a positive force if other, younger household members are able to continue with farming, leaving the older person free to diversify and explore other alternatives.

There was no clear pattern between participation in non-farm IGAs and education, although most people place considerable importance on it for their children. Lack of skills was perceived to cover a range, from specialist or new skills, such as jam making to very basic skills, particularly amongst older women, typically with no or little formal education.

6 CONCLUSIONS

Rakai District has had a difficult recent history, which was an important factor in the decision to implement the RDDP, a comprehensive rehabilitation, reconstruction, and development programme funded by Danida since 1992. The RDDP has had many far reaching impacts, including on the non-farm economy, most notably through the rehabilitation and construction of roads, but also through the provision of credit, albeit with limited outreach with respect to demand. It has also supported vocational and technical training for youth, particularly orphans, both directly through support to technical institutions, and indirectly through support to NGOs which offer training amongst other services.

The economy of the district remains very heavily based on primary production – crop farming, notably of coffee and bananas, with annual crops in less humid areas, livestock in drier areas, and fishing on Lake Victoria and Lakes Kijanebalola and Kacheera. However, the non-farm economy is considerable, and includes trade in crops, livestock and livestock products, and fish, as well as processing of these, trade in manufactured goods, cottage industries and crafts, and services.

Trade in agricultural produce, particularly coffee, is a lucrative business, although it can be risky, and is capital intensive. Large or even medium scale traders are generally considered to be the pinnacle of local businessmen, and becoming a trader was often cited as the ultimate economic aspiration, particularly of younger men. Most produce is sold directly from the farm. Small scale traders move from farm to farm and then either sell to medium scale traders/transporters in the local trading centres, or arrange transport themselves, usually to Kyotera. Medium scale traders either buy from small scale traders in trading centres, or employ a few trusted local people to go from farm to farm for them in exchange for a small salary or commission. Opportunities for traders have increased under the government's liberalisation policies and with the failure of the former marketing co-operatives, albeit at the expense of farmers, who generally have little idea of the potential value of their crops, and are unable or unwilling to take them to market themselves.

Processing of agricultural products occurs at an industrial scale, e.g., at coffee processing factories, at the community level (e.g., electric or diesel powered maize mills) and at the household level. The first is obviously very capital intensive, and facilities are limited in distribution. The second is much more common, and is mostly based on the production of local beers and spirits for local consumption. At a small scale, brewing and distilling are not considered to be very profitable, particularly in comparison with growing crops for sale, but they can play an important role by providing income monthly as opposed to seasonally, and in spreading risk. They are undertaken by both women and men.

Trade in manufactured goods is mostly in household items such as soap, sugar, matches, batteries, exercise books and pens, etc., as well as sodas and snack foods. Opening a shop requires considerable capital investment, and being a shopkeeper is a position of prestige, although lack of business skills, such as bookkeeping, means that not all shops are actually very profitable. Business is linked to agricultural incomes, and thus variable. Other retailers specialise in petrol, a business that has increased since the rehabilitation of the roads in the district, stationery, a business which has increased with increased enrolment under UPE, and second-hand clothes.

Small-scale manufacturing enterprises or cottage industries and crafts include carpentry, brickmaking, and construction, which are typically undertaken by men, and have flourished in recent years in-part as a result of the ongoing RDDP infrastructural developments, and the introduction of UPE and its associated major classroom building programmes. Carpentry, in particular, requires specialist training and tools, while brickmaking and construction offer opportunities for employment of relatively unskilled youths. Tailors make formal/traditional clothes for special occasions, as well as school uniforms, and have also benefited from increased enrolment under UPE. Like carpentry, however, tailoring requires specialist training and equipment. Handicrafts, such as pottery, basket and mat weaving, crocheting, knitting, and embroidery, and making brooms, are typically undertaken by women, often poor women, often in groups. Profits are small as there are limited markets, and it appears that they are primarily undertaken because of the low entry requirements. Nonetheless, to the poorest, even a very small amount of income can be significant, and there is informal evidence that groups continue in part because they like spending time with one another, sitting and talking as they work. New crafts and cottage industries have been introduced by NGOs, particularly to women's groups. These include baking, and the construction of cement water storage tanks – however, the market for tanks is limited due to the high cost of the materials.

Service businesses include lodging houses, restaurants, local bars, and the sale of cooked snack foods, which are often undertaken by women, as well as private health services, such as the preparation and sale of traditional herbal medicines, the running of drug shops or private clinics, or the provision of midwifery services. These require some specialist training on the part of the staff, who may be employees. Midwifery is relatively unprofitable, and is perhaps undertaken in part as a service to the community, while owning a drug shop is generally very lucrative, but requires considerable capital investment. Other service businesses requiring both specialist training and some capital investment include mechanics and repairmen, as well as hairdressers and barbers – motorcycle mechanics in particular have benefited from the increased levels of transport facilitated by the improved roads and increased government and NGO extension worker presence. Transport providers, both land and water, also require capital investment, as well as skills not widely found in rural areas. Unskilled service providers include water carriers and general porters, usually young men. Some well off people, usually male household heads, also generate income from rental properties in trading centres.

Finally, Byakabanda in particular is home to a relatively large number of salaried workers, such as teachers, government and NGO extension workers, and most importantly, administrators and political leaders who work at the district headquarters in nearby Rakai Town. Although salaries are generally low, salaried employees are typically among the better off as they tend to be well educated and well connected and thus well informed about development opportunities. Furthermore, they are also often able to access formal credit against their salaries or to take advances, so most have profitable businesses on the side which often bring in more money than their salaries.

Agriculture underpins the economy of the district and of almost every household, both rich and poor. In terms of income generation, the sale of food and cash crops is closely followed by the sale of small livestock, such as goats, pigs, rabbits, or chickens, or cattle. One of the major crops for sale is *matooke*, which is harvested year round, evening out somewhat the seasonality of agricultural incomes, which are further complemented by the periodic sale of animals.

However, the majority of households visited in Byakabanda, and more than half of those visited in Kitambuza were involved at least one non-farm IGA in addition to farming, and of those which were currently farming only, many had been involved in non-farm IGAs in the past, but had had to stop. Non-farm IGAs have increased in number, diversity, and importance in recent years, particularly in Byakabanda, which is located at a strategic junction, near the district headquarters, and has developed into a small trading centre. In contrast, the non-farm IGAs undertaken in Kitambuza are more traditional in nature, although they are more common than in the past as a result of increasing local consumption – those involved in less traditional IGAs appear to have moved from the village to the trading centre at Lwentulege which has developed very rapidly.

Important in Byakabanda are the activities of the numerous NGOs which have brought new ideas and technologies, such as baking and tank construction, as well as providing some access to credit and encouraging people to work in groups. The case of Kitambuza, which is much further away from Rakai and Kyotera Towns, again provides a contrast – NGOs have had little presence or impact to date, and few have had access to credit. The one NGO active in the village is alleged to distribute resources unequally and unfairly, and what credit has been provided appears to have done almost as much harm as good, deterring legitimate clients as a result of misinformation, while taking on unsuitable ones, such that there are high numbers of defaulters, some of whom have been imprisoned. The idea for the one group encountered came from the radio.

In Byakabanda, which is locally defined as a (small) trading centre, relatively few of the non-farm IGAs recorded can be considered as low profit, low barrier activities undertaken by individuals or members of households in distress, while in Kitambuza, the opposite is true, with most of the non-farm IGAs recorded being low profit, low barrier activities which supplement basic farming incomes, commonly of households under stress. In Byakabanda, the non-farm IGAs recorded are relatively profitable in comparison to farming – those involved tend to have had some advantage before they went into business, such as a salaried job, or connections with important and/or well informed people which gave them access to information or NGO support, or being born into a family with a tradition of craftsmanship. A strong farming base was not considered an *essential* requirement for entry into a non-farm IGA, although most of those involved in the more profitable enterprises did, in fact, have such assets. In Kitambuza, a strong farming base *was* perceived as a prerequisite for entry into a lucrative non-farm IGA, typically trading or shopkeeping. Entry into the more common, less lucrative non-farm IGAs was more often associated with a “push”, for example, those who depend on the income from handicrafts are often widows, and poorly educated and “choose” handicrafts through necessity and lack of other options. Many of the women’s groups involved in non-farm IGAs reported that the impetus for forming the group was related to increased dependency and the high number of widows and orphans in the community as a result of AIDS deaths, and female household heads, typically widows, aspired to non-farm IGAs because they found doing farm work on their own too hard and too tiring, or were unable to do it due to poor health – the implication being that farming is more profitable than the non-farm IGAs they were considering, and that they were being “forced” into them.

Most of those interviewed in Byakabanda choose or would choose to invest further in their existing or other non-farm IGAs as opposed to crop farming or livestock activities. Most of those interviewed in Kitambuza would also choose to invest any extra money in trading,

shopkeeping, or other retail activities, although about a quarter stated that they would elect to invest in livestock or crop growing activities as a first priority. In reality, however, most of those interviewed in Kitambuza lack sufficient capital to get started in the trading activities they aspire to, and thus, when able, tend to invest the small amounts of capital they do have into rearing small livestock – presumably, those who have been able to start shopkeeping have moved away, and were thus not captured during this study. In both Byakabanda and Kitambuza non-farm IGAs were considered important in complementing farming incomes by distributing revenues more evenly throughout the year, albeit with some seasonal peaks and troughs related to the purchasing power of the local market – in neither site was any household recorded to have given up farming.

Many of the non-farm IGAs recorded, particularly in Kitambuza, depend on adding value to primary production, or exploiting natural resources in some way, for example trading in agricultural produce, or fish, brewing local beers, or carpentry and basket and mat weaving, or through the consumption of fuelwood, e.g., in baking, brickmaking, and pottery. However in Byakabanda in particular, a number do not, relying on raw materials or products imported to the area (factory manufactured household goods, petrol, cement and chicken wire, cloth, etc.), or are based on providing services.

Of the “big” investors in non-farm IGAs¹³⁷ in the district, many are reported to be local government employees, either current, or retired or retrenched, who tend to be well educated, well informed, and well connected, and are able to secure loans against their salaries or use their termination payments to get started – connections, networking, political influence, access to information, and “confidence” are perceived to be key assets in establishing medium or large scale (by local standards) businesses. Others are reported to have made money during the period of internal economic chaos of the Amin regime, importing and exporting (smuggling) all types of goods across the borders to Tanzania, as well as Rwanda. The district is now fully integrated into the much improved national economy, so this business has declined, but some of those involved were able to amass large profits, which they have subsequently used to diversify.

The principal barrier to accessing profitable non-farm IGAs is poverty in its most basic sense, relating to lack of start up capital, but also to continued under-capitalisation of businesses and their failure to expand or even persist as proceeds are used to cover basic household needs instead of being reinvested or used to access better markets. Some of these barriers can be overcome by working in groups, but these, of necessity, exclude the poorest, who are usually unable to meet the investment/membership criteria. General poverty also leads to low levels of consumption and limited local markets which are subject to marked seasonal fluctuations, constraining the profitability of many enterprise, and it is also a part of the problems customers have in repaying credit, or in groups being able to operate successfully.

Interventions to reduce the effects of poverty on entry into profitable non-farm (and farm) IGAs could include support of wider provision of affordable credit which is appropriate in amount, term, and collateral requirements, and which also includes basic training in business skills, where needed – this provision of credit should be accompanied by the provision of facilities for saving at a reasonable rate of interest. The existence of burial societies in much of Uganda¹³⁸ indicate that there is a potential market for more formal life insurance – the

¹³⁷ As well as commercially orientated farmers.

¹³⁸ Although not recorded in this study.

evidence that shocks, such as death or major illness, are a common cause of business failure, as assets are liquidated, indicates that there may also be a market amongst small business owners for some form of medical insurance

Institutional weakness is an important constraint to the development of the non-farm economy. In particular, inadequate security in more remote rural areas is a constraint to continuing with businesses beyond a certain size, which are forced to relocate to busier trading centres – prevention of theft is of paramount importance as confidence in the police’s ability to apprehend suspects and the judicial system’s ability to subsequently convict the guilty is minimal, if not non-existent. Lack of a functional police and judicial system also limits peoples’ willingness to enter into groups or joint ventures except with those they know personally and well, as contracts can be flouted with impunity by those with connections or sufficient financial resources, and are essentially meaningless in the village context.

Support to such institutions would allow more flexibility in the location of small businesses, as well in allowing people to engage in economic partnerships with individuals from outside their immediate circle of acquaintances. Peace, security and an environment in which ‘normal life’ is possible were all cited by members of Byakabanda as important factors (*sine qua non*) in permitting the growth of both non-farm and farm IGAs.

Reproductive labour demands constrain women’s abilities to participate in other activities of all kinds, and concerns about satisfactorily combining childcare and IGAs were voiced by several women – the burden of childcare is also often exacerbated by the high number of orphans and the high incidence of widowhood. In addition to reproductive and domestic labour, women also undertake much of the farm labour, and women, far more than men, cited lack of time, or tiredness, or overwork as a barrier to starting a new IGA or as a constraint to an existing one. Women are particularly affected by lack of access to adequate transport, as they do not use bicycles due cultural norms and the difficulty of riding ungeared bicycles in the hilly terrain of the district, and are thus constrained to moving their produce and products on their heads, often while also carrying a baby, or to paying for transport. Traditions of weak or no property rights of women can limit their participation in IGAs as they lack places in which to undertake them – their weaker position in society women also often causes them to suffer more in economic terms than men from personal “misfortune”, and to find it more difficult to recover from setbacks, affecting their abilities to accumulate start-up capital and to keep working capital in existing businesses. Households headed by women are generally less able to produce significant quantities of crops for sale than those with access to male labour, and such women often turn to relatively low barrier, low profit IGAs to supplement their incomes – opportunities for remarriage are limited as women outnumber men. Some widows and divorcees do undertake relatively profitable non-farm IGAs, but successful widows are at risk of exploitation by their late husband’s families. Married women are also vulnerable in that they often do not have an equal say in when or how a business or assets which are co-owned with their husbands are closed down or disposed of in times of stress, particularly when a marriage is breaking up. Where they have been active, both NGO and government development programmes have targeted women, with some successes – however, a concern is that many of the “women’s” groups encountered include male members, often with important roles, or were set up at the instigation of a man specifically to access NGO support or credit.

Empowerment of women in terms of property rights could reduce some of these constraints, while others will take more general shifts in societal attitudes.

Old age and failing strength, health, and eyesight were cited as barriers to continuing with any economic activity. However, those involved in the most capital intensive non-farm IGAs, as well as those requiring experience and skill tend to be older, while young adults in their late teens and twenties are less involved in non-farm IGAs, perhaps as a result of this generation's lower levels of education, or because young families are concentrating on establishing a good farming base. However, other older people are involved in some of the least profitable, lowest entry activities which they are pushed into as a result of their decreasing ability to farm, although this "push" can also be a positive force if younger household members are able to continue with farming, leaving the older person free to diversify and explore alternatives.

Good secondary level education is a prerequisite to getting a good salaried government or NGO job, which then facilitates entry into other areas of the economy, but beyond this the pattern is less clear, with examples of successful shopkeepers and traders with no formal education at all, and well educated people struggling or failing in non-farm IGAs. However most people place considerable importance on education for their children. Lack of skills was perceived to be a problem by the community in Kitambuza, but not in Byakabanda, although educated and trained extension workers there were of a different opinion.

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APPENDIX 1a Research team

Dr Kate Meadows, Social Anthropologist/Development Sociologist, NRI
David Rider Smith, Social Development Specialist, NRI
Karen Zwick, Independent Consultant

Mwonge Mohammed, Taxi Owner/Operator, Kyotera Taxi Park
Passy Nassuuna, Agricultural Extension Officer, Byakabanda Sub-County
Isaac Sserugo, Farmer, Byakabanda Sub-County
Godfrey Mutaawe, Teacher, Kimuli Primary School, Kimuli Parish
Rose Nakialiisa, Agricultural Extension Officer, Kagamba Sub-County
Godfrey Ssemanda, Livestock Extension Officer, Kagamba Sub-County

APPENDIX 1b. District level interviews

District administration

Mr David Charles Luyimbazi, M.Sc., District Agricultural Officer
6/10/2000 and following¹³⁹, KZ, DS, & KM

Mr Mwesigwa Agabus, District Extension Co-ordinator (Production & Marketing Department); Vice Chairman, Rakai Rural Industries Innovation Centre (RRIIC); and private businessman.
10/10/2000, DS

Mr George Kasumba, District Planner; private consultant
10/10/2000, DS

Mr Mutaaya S. Abu Baker, MA, District Inspector of Schools
10/10/2000, KM

Dr Robert Mayanja, (future/acting as) Deputy Director of Health Services
10/10/2000, KZ

Ms Suzanne Willerup, Chief District Advisor, Danida
11/10/2000, DS, KZ & KM

NGOs and other institutions

Mr Ayambira Kayemba, District Chairman, Uganda National Chamber of Commerce & Industry; Member, Rakai Small Scale Industries Association (RASSIA); Director General, Rakai Rural Industries Innovation Centre (RRIIC); District Executive Committee Member, Uganda National Farmers' Association (UNAFSA); Chairman, Central Silk Association; District Councillor, Chairman, Production Committee; and private businessman.
6/10/2000, DS, KZ, & KM

Mr Fred Bingoye, Executive Committee Member, Rakai Rural Industries Innovation Centre (RRIIC); District Councillor; and private businessman.
6/10/2000, DS, KZ, & KM

Mrs Margaret Ssenkuboge, Chairperson, Rakai District Farmers Association (RADIFA)
6/10/2000, DS, KZ, & KM

Mr John Kalungi, Project Co-ordinator & Mr Jude Mayanja, Credit Programme Officer, Orphans Community Based Organisation (OCBO), Kyotera
10/10/2000, KM

Mr Bruce Ambrose, World Vision, Rakai District Office
14/10/2000, DS

¹³⁹ A special thank you is due to Mr Luyimbazi who worked tirelessly during the long holiday weekend as well as throughout the following week, mobilising extension staff, accompanying the team on exploratory road trips, and monitoring progress, as well as providing a wealth of information.

APPENDIX 2a. Attendance at the community meeting, Byakabanda, 8/10/2000

Name (44)	Gender	Age	Education	Occupation(s)
Josephine (CQ)	F	32	No formal	H/wife, Mat maker
Deo Muyunga	M	36	O Level	Farmer
George Mukasa	M	45	O Level	Farmer
E. Lubega	M	33	P7	Farmer
John Kayando	M	35	S2	Farmer
Stephen Kakoza	M	50	None	Farmer
Perus Namuyomba	F	30	P5	Farmer
Edith Mugambe	F	38	P7	Farmer
Daniel Mwanje	M	35	P7	Shopkeeper/trader
Harriet Nassali	F	30	No formal	Farmer
Magret Nabalema	F	25	P3	Farmer
Cath Nangabi	F	40	P7	Bar keeper/farmer
Bena Nakyeyune	F	63	P6	Farmer
Rose Nanyomo	F	32	P4	Farmer
Teo Namale	F	32	P4	Farmer
Muhamad Kawesi	M	48	P7	Farmer/brickmaker
Haj Zukoke	M	50	No data	Trader
Mrs N Kiggundu	F	38	P7	Farmer/shopkeeper
G Matovu	F	54	No formal	Farmer
K Soweai	M	36	P4	Farmer
Thabit (Sheik)	M	52	P7	Farmer/shopkeeper
R Mugeru	M	32	P4	Farmer
M Kayira	M	52	P5	Farmer
Godfrey Matovu	M	30	P7	Farmer
Abasi Mukasa	M	58	P6	Farmer
Muhamad Wamala	M	48	P7	Farmer
M Kasekende	M	26	O Level	Student
David Mulindwa	M	50	P7	Farmer
Moses Mwebe	M	48	O Level	Farmer
T Muyeasa	M	28	P7	Farmer
Mr Ssentaayi	M	36	P7	Farmer
P Bazira	M	33	O Level	Farmer/mason
E Birungi	M	34	P7	Farmer/trader
Mrs Mukiibi	F	32	No formal	Farmer/trader
Miss Nabanja	F	36	P7	Farmer
P Nanyosdo	F	46	P7	Farmer/trader
S Namulindwa	F	48	No formal	Farmer
Mrs Naneya	F	45	No data	Farmer
Mrs Namatavu	F	42	No data	Farmer
Milly Namusisi	F	35	No data	Farmer
Jane Nakamatte	F	24	No data	Farmer
Eria Kibuule	F	25	P7	Farmer
Mrs Ndugwa	F	49	No data	Farmer
Mrs T Namuddo	F	40	No data	Farmer

APPENDIX 2b. Attendance at the community meeting, Kitambuza, 11/10/2000

Name (38)	Gender	Age	Occupation(s)
G. Byanchanga	M	45	Farmer
A. Kabuzira	M	60	Farmer
Muza James	M	45	Farmer
Pasi Kaziolugemara	M	46	Farmer
Ssemwendwa Apolo	M	25	Farmer
Mwesigye Jonus	M	23	Farmer
Manout Edad	M	68	Farmer
S. Bendicto	M	47	Farmer
Wasswa	F	25	Farmer
Kayozwa	F	24	Farmer
Adadi		36	Cattle keeper
Nabatta Florence		26	Farmer
Nnamiyingo		32	Farmer/trader
Nakajoga			
Namiro Apisa		30	Midwife
Dina Mande		41	Farmer/ brewer
Donozia Nakasagga		40	Farmer
Topista Nantege		38	Farmer
Tedi Nakawa		40	Farmer
Malweyiso Edith		20	Farmer
Miduresi Tusemirirwe		60	Farmer
Jovilete Bingana		37	Farmer
Muza Agnes		25	Farmer
Sekitto Fausta		29	Farmer
T. Tumushabe		50	Farmer
Sseriruma Pross		19	Farmer
J. Nambusi		46	Farmer
Ayida Semwezi		27	Farmer
Nakajubi		52	Farmer
Nakaleja		50	Farmer
R. Nagimu		50	Farmer
Namugenyi		35	Farmer
Rusi		30	
Rose		37	
J.B. Senuuma		21	
Babawoka Semwezi		31	
J. Temyamizuka		26	
A. Bungana		45	Farmer/poultry keeper

APPENDIX 3. Attendance at the group meeting to define wealth/wellbeing groups and rank IGAs, Kitambuza, 13/10/2000

Name (25)	Age	Education	Occupation(s)
Bulegyeya	23	P5	Farmer/trader
Wasswa	25	O Level	Farmer
A. Bungana	45	P4	Farmer/poultry keeper
D. Semwezi	30	P7	Farmer/bee keeper
Kabuzile	60	P4	Farmer/cattle keeper
Ayida Semwezi	26	P7	Farmer
Nakajwa	25	P5	Farmer
Dina Mande	41		Farmer/brewer
Nnamiyingo	32	P5	Farmer/trader
Nakasenja Rosemary	19	P6	Farmer
Nakaleja Egiradesi	52	P3	Farmer/mat maker
Nakajubi	50	P7	Farmer
D. Nakiganda	34	P6	Farmer
Nakate	57	None	Farmer
Ruth	30		Farmer
J.B. Senuuma	21	S6	Farmer
Namugenyi	33		
Tofas	60		
Muddu	18	S1	
Zigabula	45	P2	
Musankaki	68	None	
Banyanengo	25	P7	
Nayubayika	23	P3	
Roziyo	22	P3	
Jellion	26	S1	

APPENDIX 4a. medium and small scale enterprise interviews, Byakabanda¹⁴⁰

Bagay Brickmaking Group, Byakabanda Parish
7/10/2000, KZ & DS

Kooki Women's Water & Sanitation Group (construction of water tanks and fuel saving stoves), Byakabanda Sub-County
7/10/2000, KM

Kamakuma Women's Agriculture & Bakery Group, Kamakuma Village, Byakabanda Sub-County
7/10/2000, DS, KZ, & KM

Twekambe Women's Group (pottery, basket and mat weaving), Kyandaaza Zone, Byakabanda Sub-County
8/10/2000, DS

Tusubira Agriculture & Handicraft Group, Byakabanda Village
9/10/2000, DS

APPENDIX 4b. medium and small scale enterprise interviews, Kitambuza

Kitambuza Women's Handicraft Group, Kitambuza Village
11/10/2000, DS

¹⁴⁰ Some of the groups visited were not based in Byakabanda Village itself, although none were located more than 1-2 km away from the trading centre. The team later refined the criteria to include only medium and small scale enterprise based/operating within the village boundaries for this phase of the fieldwork. Other groups visited were based within the village, but drew members from further afield.

APPENDIX 5. Gender analysis of key IGAs, Byakabanda, 8/10/2000

IGA	Women		Men	
	Votes (%)	Rank	Votes (%)	Rank
Farming – growing and selling crops <i>Okulima</i>	42	1	30	1
Livestock keeping – rearing and selling animals <i>Abalunzi</i>	24	3	26	2
Trade in agricultural produce <i>Okusubula</i>			26	2
Trade in fish <i>Abaulibi</i>				
Manufacture and sale of local beer <i>Abayisa omwenge</i>	2	5	5	5
Manufacture and sale of barkcloth <i>Olubugo</i>				
Manufacture and sale of charcoal <i>Abakozi bamanda</i>				
Carpentry <i>Ababazzi</i>				
Manufacture and sale of bricks <i>Bakubi bamatafali</i>			13	4
Building <i>Okuzimba</i>				
Construction of cement water tanks <i>Abakozi batank za mazzi</i>	6	4		
Manufacture and sale of handicrafts <i>Emilimu ejemikono</i>	26	2		
Mechanics/repairmen <i>Ababiliza ebyuma makanika</i>				

APPENDIX 6. Members of the Kamakuma Women's Agriculture & Bakery Group

Name	Group role	Age	Other work	Household head?	No. of children
Nazifa Nakiyingo	Member	29	Farming	Y	3
Zamu Nabukalu	Member	50	Farming, poultry	Y	4
Scona Nakamuragi	Member	40	Farming	Y	2
Edith Bukitura	Chair	39	Farming, livestock, teacher	Y	12
Betty Nansubuga	Vice Chair	54	Farming	N	6
Tedy Nansamba	Member	40	Farming, livestock	Y	7
Unsiba Mohamad	Member	35	Farming, livestock	N	0
Lobeka Nakinumbi	Money keeper	30	Farming, livestock	N	7
Kamida Nabulime	Member	27	Farming, livestock	Y	2
Topista Makintu	Member	30	Farming, livestock	N	4
Sulayiman Kato*	Member (mobiliser)	30	Farming, livestock	Y	4

*Sulayiman Kato is one of four male members of the group

APPENDIX 7. Members of the Kooki Women's Water & Sanitation Group

Name	Group role	Age	Occupation	Education	No. of children
Mrs G Mutyaba	Chair	37	Farmer	O Level	8
Mrs P Lumala	Vice Chair	24	Farmer	S2	4
Mrs S Kasumba	Secretary	38	Farmer/shopkeeper	O Level	6
Mrs P Kiggunda	Treasurer	38	Farmer	P7	7
Mrs G Kaboogere	Member	38	Farmer	P7	8
Mrs E Mugombe	Member	36	Farmer	P7	6
Mrs F Bhangе	Member	40	Farmer	P3	3
Mrs J Nakayemba	Member	34	Farmer	P7	6
Miss J Nakabito*	Member	28	Farmer	P7	1
Mr E Saali	Member	28	Farmer	P6	3
Mr I Sserugo	Member	36	Farmer	O Level	6
Mr J Maganda	Member	26	Farmer	S2	4

*All are married, except Miss Nakibito, who is single. All of the other households are headed by the husband.

APPENDIX 8. Members of the Twekambe Women's Group

Name	Group role	Age	Household head?	No. of children
Rose Namuwonge	Chair	43	Y	5
Edith Mpagi	Vice Chair	47	N	5
Catheline Nakabugo	Initiator	52	Y	6
Perusi Nagimu	Member	42	Y	8
Dinansi Namuga	Member	48	Y	6
Miltavensi Ssegona	Member	63	N	6
Jane Kagolo	Member	43	N	7
M Nasazi	Member	37	N	6
Dezi Namautouu	Treasurer	58	N	7
Agnes Nakimwero	Secretary	53	Y	13

APPENDIX 9. Gender analysis of barriers to accessing IGAs, Byakabanda, 8/10/2000

Barrier	Women		Men	
	Votes (%)	Rank	Votes (%)	Rank
Lack of start up capital/credit <i>Ssente ezewolebwa okutandika omulimu</i>	43	1	40	1
Lack of working capital/credit <i>Ssente okwongera mu business</i>	30	2	33	2
Lack of land/place to do business <i>Obubulwa bwe takka oba wokolera</i>	21	3	8	4
Customer credit repayment problems <i>Abatasasula mabanja</i>	4	4	18	3
Lack of time to do business <i>Obutabanabuode bukola business</i>	3	5		
Lack of labour <i>Ebulwalye bakozi</i>			3	5

APPENDIX 10. Gender analysis of key IGAs, Kitambuza, 11/10/2000

IGA	Women		Men	
	Votes (%)	Rank	Votes (%)	Rank
Small livestock keeping – rearing and selling goats, etc. <i>Ebusolo obulala obutono nga obumyu</i>	29	2	14	4
Cattle keeping – rearing and selling cattle <i>Okulunda ente</i>	4	5	25	2
Shopkeeping <i>Okubeera ne dduka</i>	12	3	8	5
Trade in agricultural produce <i>Okusubula birime</i>			27	1
Trade in fish <i>Okukubu ya ebyenyanja</i>	2	6	2	7
Manufacture and sale of local beer and spirits <i>Abafumba tonto, enguli</i>	11	4	7	6
Carpentry <i>Okubajja</i>			16	3
Manufacture and sale of handicrafts <i>Ebyemikono nga ebibbo, emikeeka, ensuwa</i>	42	1	2	7

APPENDIX 11. Definitions of wealth/wellbeing groups, Kitambuza, 13/10/2000¹⁴¹

Very Poor 6%	Poor / <i>Abaavu</i> 63%	Average / <i>Abawakati</i> 23%	Rich / <i>Abaggaga</i> 8%
	Little land	Farms about 2 acres	Farms about 7 acres, may have about 20 head of cattle
Do not want to work/lazy			May be a shopkeeper or a trader
No food, begging		Sufficient food, can look after a big family	
Very poor housing	Poor housing	Reasonable housing	Good housing, with burnt brick walls
No clothing or bedding	One set of clothes per women, often also used as bedding	Owens more than one dress, but only poor quality bedding	May treat their hair
No soap to wash	Few domestic goods – one saucepan and one plate, no radio	Domestic goods for visitors, radio	May have a television
	No bicycle	Bicycle, or may have a motorcycle	May have a car
	No money for school fees		Able to pay school fees

¹⁴¹ Households in each category need not exhibit all of the attributes listed.

APPENDIX 12. Wealth/wellbeing group and gender analysis of key IGAs, Kitambuza, 13/10/2000

IGA	Number of votes							
	Very poor		Poor		Average		Rich	
	F	M	F	M	F	M	F	M
Small livestock keeping – rearing and selling goats, etc. <i>Okulunda nga embizzi</i>					2	6		
Cattle keeping – rearing and selling cattle <i>Okulunda no kutunda ente</i>					8	1		7
Shopkeeping <i>Okutunda edduka</i>						3	12	2
Trade in agricultural produce <i>Okusubula birime</i>					11	1	12	9
Trade in fish <i>Okutunda ebyenyanja</i>				6		1		
Manufacture and sale of local beer and spirits <i>Okuyisa omenge</i>			1			3		
Carpentry <i>Okubajja</i>						3		
Manufacture and sale of handicrafts <i>Ebyemikono</i>			9	3				
Labouring ¹⁴² <i>Okupakasa</i>			10	9				

¹⁴² This extra IGA, predominantly farm labouring, was not identified during the ranking exercise at the initial community meeting, but was highlighted as important by this group (as well as others during the household interviews), and was thus added for this analysis.

APPENDIX 13. Members of the Kitambuza Women's Group

Name

Mrs Latto Teddy
Mrs Ben Nakasagga
Mrs Dezi Mweruka
Mrs Johu Nalugo
Mrs Annet Nakasinja
Mrs Nalubuye Nowe
Mrs Afusa Nakaweesi
Mrs Nambusi Mary
Mrs Wasswa Nalweyiso
Mrs Muza Rose

APPENDIX 14. Gender analysis of barriers to accessing IGAs, Kitambuza, 11/10/2000

Barrier	Women		Men	
	Votes (%)	Rank	Votes (%)	Rank
Problems with farming (pests, poor seeds) <i>Ebizibu mukulima (biwuka ne nsigo embi)</i>	31	2	39	1
Lack of capital/credit <i>Tewali ntandikwa</i>	34	1	30	2
Poor markets and price fluctuations <i>Tewali butale ne miwendo okubeera nga gikyuka kyuka</i>	22	3	30	2
Lack of (specialist) training <i>Tewali kubangulwa kumala</i>	5	5	2	4
Lack of transport <i>Tewali ntambula</i>	6	4	0	
Lack of (specialist) inputs <i>Tewali bikozezewa</i>	1	6	0	
Customer credit repayment problems <i>Abanywi banyina mabanja</i>	1	6	0	