

Chapter 13

Agents and Implications of Foreign Land Deals in East African Community: The Case of Uganda

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ABSTRACT

Some of the factors that have been attributed to the global increase of Foreign Land Deals (FLDs) include the three Fs (food, fuel, and finance) crises, among others. However, most of the empirical evidence stems from the assessment of a broad set of countries. An analysis on the main determinants across host communities within a country presents specificity and closer reality. This chapter contributes by examining the community factors that could exert significant influence on determining whether or not a community receives FLDs in East African Community (EAC), focusing on Uganda. Uganda is an interesting case to investigate because the country is one of the destinations of FLDs in EAC, apart from Kenya and Tanzania. Taking it one step further, the chapter investigates the possible implications of FLDs on the host communities in terms of improvement (or deterioration) on selected community outcome variables: the quality and services relating to education, road, water, and health facilities.

INTRODUCTION

Uganda is said to be one of the youngest countries in terms of date of independence (in 1962) and has the fastest growing populations not only within the East African Community (EAC) but

in Africa as a whole (United Nations, 2013). The country records an annual population growth of 3.24%, which places her at the ninth position of countries with the highest population growth in the world in 2014; and close to 70% of her entire population of 35.92 million are less than 25 years

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of age (Central Intelligence Agency-CIA, 2014) The above exposes the country to endemic issues, which creates both opportunities (to harness the human resources) and threats (with regards to the increasing unemployment rate especially among the youths and women) . The significance of this threat is reflected in the rate of unemployment in Uganda, which records at about 5.9 million (representing 19.3%) unemployment status for Ugandan population between the ages of 15 and 24 years (AfDB et al., 2012). Some of the factors attributed to this scenario in Uganda include: inadequacy of employable skills, limited access to financial and technical resources, the insufficient emphasis on vocational training and a mismatch between skills and requirements in the job market, among others. A number of measures have been undertaken by the Ugandan government to *stem this unpleasant tide*. Efforts such as the establishment of a Youth Venture Capital Fund (YVCF) and the National Business, Technical and Vocational Education and Training, (AfDB et al., 2012) aim to improve the employability and entrepreneurial skills of the youths.

How does this situation possibly connect to Large-Scale Foreign Land Deals (referred to as FLDs hereafter)? One of the development opportunities usually advanced for the rising FLDs and the transformation of the informal sector in developing countries, especially in the agrarian context is to boost productivity and provision of employment opportunities for the host communities (Cotula et al., 2009; Cotula, 2012). Foreign land investments can be influenced by the macroeconomic situation of the host country; however, the locations of FLDs are dispersed based on heterogeneous peculiarities of the host locations (i.e. communities) with attendant benefits and costs. Taking stock of the particular peculiarities that informs the location of FLDs is a contemporary debate in land deals literature (e.g. Nolte, 2014; Osabuohien, 2014 etc.). In essence, this informs the main point of enquiry in this chapter- what are the main *drivers* (simply captioned as *agents*) of FLDs across communities

within a country –Uganda? Furthermore, what are the possible implications of FLDs operations in the host communities?

The above research questions are of relevance because apart from Uganda being one of the recipients of large-scale FLDs in Africa, it is next to only Tanzania within the EAC with regards to number of deals. Secondly, Uganda has one of the highest sizes of informal sector activities within EAC sub-region and Sub-Saharan African countries (AfDB et al., 2012). FLDs, particularly those related to the agricultural sector, are located in rural and semi-urban communities where the bulk of informal sector activities operate. These activities of FLDs can have some implications in the communities. Thirdly, a number of factors have been attributed to the global increase of FLDs, such as: the three *F*s (food, fuel and finance) crises, and so on. However, the main drivers across host communities in a country have not received substantial attention within the EAC (Sparks, 2012; Osabuohien, 2014).

In addition, community based study such as this, is able to reveal a clearer picture of the dynamics involved in choosing locations for FLDs. Thus, the main objectives of this chapter include: to examine the important *agents* within the community that could exert significant influence on whether or not a community receives FLDs in Uganda; and investigate the possible implications of FLDs on the host communities. The next section presents some background information followed by the conceptual framework, description of data and the method of analysis, in that order. The empirical results, findings and conclusion follow subsequently.

SOME BACKGROUND ISSUES

This section highlights some background issues that are related to the Ugandan economy in comparison to other members of the East African Community (EAC). The EAC is a regional

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