A. Introduction.

Sugar production is one of the oldest activities of the Madhvani Group and it is now the key industry in the Madhvani Complex. The factory, which started production in 1930, is located 9 miles from Jinja in the middle of a sugar cane plantation of about 19500 acres. The sugar plantation, the largest producer of sugar in East Africa, is one of the most highly developed in this part of the world. A modern irrigation scheme covers about 6750 acres (35% of the estate), an area mostly hit from December to March by annual drought. In the rest of the year, rainfall is evenly distributed — about 50 – 60 inches.

B. Employment

Recruitment

For the Estate.

Employees on the estate are recruited under the so-called "Contract System". This is a policy of recruiting migrant labour. The Company has two Recruiting Bureaus at Masaka and Arua. At the Masaka post, workers from Rwanda and Burundi are recruited and brought to the Kakira Sugar estate to work. In past years, the company had, in addition to Masaka, an agent at Kabale but this was later on closed. At the Arua post, the Company officials recruit people from both the Congo and the Sudan. These recruiting centres are so well known among the named groups of employees that the company does little publicity work these days. In each case, workers are recruited for a period of 12 months (used to be six months). Their fares to and from Masaka and Arua towns are paid by the Company. The contract system has been in operation for such a long time that most employees presently
working on the estate are supposed to have been contractors
twice or thrice before.

For the Factory.

Kakira being near Jinja is in the unskilled labour
surplus area. And since it is estimated that about 95%
of the factory jobs are in the unskilled category, management
has no difficulties in recruiting workers. Most of them have
been picked at factory gates. Labour exchanges are never used
at all. It is only for the skilled jobs that the Head Office
in Jinja is requested to advertise the post in the paper.

Tribes.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Busoga</td>
<td>28</td>
<td>36</td>
<td>57</td>
<td>288</td>
</tr>
<tr>
<td>Bugisu</td>
<td>61</td>
<td>58</td>
<td>49</td>
<td>93</td>
</tr>
<tr>
<td>Kigezi</td>
<td>45</td>
<td>20</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Teso</td>
<td>80</td>
<td>27</td>
<td>16</td>
<td>213</td>
</tr>
<tr>
<td>West Nile</td>
<td>358</td>
<td>246</td>
<td>161</td>
<td>218</td>
</tr>
<tr>
<td>Other Ugandans</td>
<td>103</td>
<td>41</td>
<td>35</td>
<td>372*</td>
</tr>
<tr>
<td>Rwanda-Burundi</td>
<td>3260</td>
<td>4261</td>
<td>3655</td>
<td>143</td>
</tr>
<tr>
<td>Sudan</td>
<td>1670</td>
<td>1574</td>
<td>1149</td>
<td>429</td>
</tr>
<tr>
<td>Congo</td>
<td>1127</td>
<td>1030</td>
<td>1224</td>
<td>148</td>
</tr>
<tr>
<td>Kenya</td>
<td>234</td>
<td>146</td>
<td>136</td>
<td>552</td>
</tr>
<tr>
<td>Tanganyika</td>
<td>56</td>
<td>14</td>
<td>31</td>
<td>12</td>
</tr>
<tr>
<td>Other non-Ugandans</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Madhveni Sugar Works Files.

* Of these 185 were from Acholi, 33 Lango and 55 Bukedi.
Tribes - Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ugandans</td>
<td>675</td>
<td>428</td>
<td>330</td>
<td>1199</td>
</tr>
<tr>
<td></td>
<td>(9.6%)</td>
<td>(5.7%)</td>
<td>(5.1%)</td>
<td>(48.3%)</td>
</tr>
<tr>
<td>Non-Ugandans</td>
<td>6347</td>
<td>7026</td>
<td>6195</td>
<td>1284</td>
</tr>
<tr>
<td></td>
<td>(90.4%)</td>
<td>(94.3%)</td>
<td>(94.9%)</td>
<td>(51.7%)</td>
</tr>
</tbody>
</table>

Source: Madhvani Sugar Works' Files.

The following points stand out on the tribal composition of labour force:

(i) The sugar production at Kakira is largely dependent upon workers from Rwanda, Burundi, Congo and Sudan.

(ii) The number of Ugandan employees working at the sugar estate is very small indeed (about 5% in 1965). At the factory however, the number is relatively larger (48% in 1965).

(iii) Kenyans working at the factory are also numerous while the number at the estate is comparatively small.

Length of Service and Turnover.

Turnover figures were not made available but it appears the rate of absenteeism is fairly high. Since it is the official policy to repatriate workers on the estate after they have served for twelve months, labour stability to say the least, is not encouraged.

Working Hours.

Workers on the estate work on tasks which the Management allocates to each employee each day. Employees who fail to finish the day's task do not get the pay for that day.
Factory employees work on a shift basis. There are three eight hour shifts each day Monday through Friday. Only two twelve hour shifts are done on Saturdays and Sundays. Employees are paid on overtime rates for the four extra hours worked on Saturday and Sunday.

Training.

There are two training areas at Madhvani Sugar Works.


This institution has been in existence for about six years. Training is mainly for headmen of plantation gangs. The emphasis is on agricultural knowledge pertaining to sugar cultivation e.g. working of a tractor, irrigation and soils. Employees who qualify for the courses are those who have a general writing knowledge of swahili and English i.e. those who can make reports. The course lasts for two years and usually 20 – 25 employees are taken at one time.


The centre started in September, 1965. It is intended to train employees working at the factory. Some formal subjects like English, Arithmetic and Geometry are taught but the emphasis is on technical subjects e.g. motor mechanics, metal work and wood work. For employees to be selected, a minimum education of primary 6 or Secondary One is required. At the time of the visit to the factory, there were fifteen factory employees and five pupils (sons of Madhvani employees) taking the course. The course is supposed to last for a year.
3. The third form of training is that provided by the Labour Department and the Federation of Uganda Employers to middle management groups.

Some comment would seem to be called for on employment policy. The contract labour policy as it is pursued at the Sugar Factories in Uganda (Kakira and Lugazi) has the following disadvantages:

(a) Labour is officially kept unstable.
(b) Productivity of labour is thereby kept low.
(c) Discipline within the labour movement is weak, consequently there have been infrequent wild-cat strikes at these two factories.

One reason advanced by the management as to why they have to recruit labour outside Uganda is that local people have not been coming forward to take up cane cutting jobs. One question that is never answered is why they have to take these recruits back after 6 - 12 months.

A major reason why local people have not been attracted to the work on the estates is because the wages are relatively low. It should, for example, be noted that in the factory where wages are higher, local employees were as many as 48% (compared to 5% on the estate) in 1965. Objections raised against raising wages on the estate are based on the ability to pay argument. It has to be realized that the present migrant labour is not cheap at all. Recruitment costs are high and to the extent that local labour could be made stable, output could be made to increase because of increased man-day efficiency and infrequent labour stoppages.

Task work too as it operates at the sugar estates is rather unsatisfactory. The company uses it because there is little supervision required.
The workers however resent it because the tasks are arbitrarily decided and they get no pay for uncompleted tasks. The task-work done at the estate is quite low compared with what is accomplished at estates say in Tanzania.*

The Personnel Officer (a European) at Kakira is supposed to be in charge of personnel matters of all the Madhvani Group of Companies. This means that he has little time to devote to individual company labour problems. At Kakira, nearly all clerical and supervisory posts are managed by Asians and this looks like a closed system. Some of the Asian supervisors (e.g. overseers or gang headmen) who deal with labourers at working level are not trained as supervisors at all. Asians discuss all matters in their own languages and use Swahili only when they are talking to the African employees. Reports and some of the company business are kept in languages not understood by most employees. The head of the accounts section at Kakira, an Asian of somewhere above sixty years old could not speak a word of English. In this type of situation, where communication between management and workers is poor, it is difficult to see how new measures designed to upgrade standards and increase output (e.g. incentive bonuses) could be made to succeed.

C. Capital Equipment, Output, Employment and Wages.

Capital Equipment.

Figures on fixed assets were not made available to me and therefore it is not possible to make an analysis of Capital-job ratios or growth in fixed assets over the period.

With the exception of harvesting, the jobs on the estate are largely carried out by machines. For example, crop planting and manuring is all done by machines, weeding is partly done by machines and partly done by labour.

* There two tons of cane are cut and loaded by a single employee while at Kakira only 1 or 1.5 tons are cut but not loaded.
The irrigation scheme on the estate is largely a machine operated affair.

In the factory, operations are to a large extent mechanical but a fair amount of manual work still exists. Management contends that more room for using better equipment exists but that they are handicapped by the lack of highly trained labour which is needed to handle sophisticated operations.

Output.

For over a decade, Uganda has been producing more sugar than she is able to consume. The surplus has usually been exported to Kenya and Tanzania. Hitherto, there have been two companies, Mehta's at Lugazi and Madhvani's at Kakira, responsible for sugar production. As indicated earlier Madhvani is the oldest and largest producer of sugar.

As Table I shows, since 1954 increases in sugar production have been very substantial.

Between 1955 and 1960, output has increased by 48.2 per cent or at 8.2 per cent annually. Between 1960 and 1964 the increase was rather less, 27 per cent or at an annual rate of increase of 6.2 per cent. Over the 1955 - 1964 period the increase was of 88.3 per cent.

Adequate water seems to be a key factor in maintaining a high level of sugar output. Since the introduction of irrigation scheme in 1959, it has been possible to keep the growing cane fresh in former dry areas of the estate. The sugar cane yield per acre in Uganda, is one of the highly ranked in the world. In 1963* for example,

estate grown cane yielded 63 tons an acre on irrigated
land and on non-irrigated land, the yield was 45 tons an
acre.

Employment.

Madhavani sugar works is probably the single
largest employer in the country. In the last decade,
employment each year has been round the 9000 level.

It is noticeable (Table II) that neither at the
factory nor the plantation has any significant changes in
employment taken place. At the plantation, the labour
force has moved up and down between 6000 and 8000 levels
but there was a decline in employment of about 9.7%
between 1955 and 1964. The factory work force has remained
fairly constant round the 2000 level. The increase between
1955 and 1964 was only 13.5%.

Change in Employment 1955 - 1964

<table>
<thead>
<tr>
<th></th>
<th>1955-60</th>
<th>1960-64</th>
<th>1955-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees</td>
<td>-7.9%</td>
<td>3%</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Plantation employees</td>
<td>-12.5%</td>
<td>3.2%</td>
<td>-9.7%</td>
</tr>
<tr>
<td>Factory</td>
<td>8.8%</td>
<td>4.4%</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

Comparisons of Change in Employment and change in Output(Tons)

<table>
<thead>
<tr>
<th></th>
<th>1955-60</th>
<th>1960-64</th>
<th>1955-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>-7.9%</td>
<td>3%</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Output</td>
<td>46.2%</td>
<td>27.1%</td>
<td>88.3%</td>
</tr>
</tbody>
</table>

Employment between 1955 and 1964 has declined by about 5%
compared to an increase in output of about 88%.
The trends in Output, Employment and Average Productivity
during the two periods 1955 - 60 and 1960 - 64 are summarised
below:--
i. Using Sugar tonnage as output measure.

<table>
<thead>
<tr>
<th></th>
<th>1955-60</th>
<th>1960-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in Real Output</td>
<td>8.2% p.a.</td>
<td>6.2% p.a.</td>
</tr>
<tr>
<td>&quot; Employment</td>
<td>-1.6% p.a.</td>
<td>.8% p.a.</td>
</tr>
<tr>
<td>&quot; Real Average Productivity</td>
<td>8.7% p.a.</td>
<td>4.3% p.a.</td>
</tr>
</tbody>
</table>

ii. Using Sales Value of Output measure

<table>
<thead>
<tr>
<th></th>
<th>1955-60</th>
<th>1960-64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in Sales value of Output</td>
<td>9.1% p.a.</td>
<td>8.5% p.a.</td>
</tr>
<tr>
<td>&quot; Employment</td>
<td>-1.6% p.a.</td>
<td>.8% p.a.</td>
</tr>
<tr>
<td>&quot; Average Value Productivity</td>
<td>9.6% p.a.</td>
<td>7.7% p.a.</td>
</tr>
</tbody>
</table>

Thus increases in productivity in the early 1960s have been rather small while the productivity increases in the late 1950s were moderately rapid.

On cane cutting basis, productivity per worker in Uganda is pretty low compared to other countries. For example, productivity in Uganda is estimated at about .9 to 1.5 tons per day per worker compared to about 2 tons a day in Tanzania; 2 to 3 tons in West Indies and 6 to 7 tons in Australia.

Wages.

The company was not able to give figures on the wage bill but figures published in the Companies pamphlet, The Madhvani Group of Companies, Enterprise in East Africa, show that wages for employees on the estate only, increased by 71.3% between 1959 and 1963 and at annual growth rate of about 14.4%. It has to be remembered that in this period, employment on the estate increased by 10% and output (in tons) increased by about 47%.
The wage structure (Table III) however shows a large section of the Company's employees in the low-wage bracket. For example, at the plantation, about 95% of the employees are getting less than Shs.150/- a month; about 31% actually get less than Shs.100/- a month. At the factory, about 80% of the employees were getting less than Shs.150/- a month by June 30, 1965 but none was getting less than Shs.100/- a month.

The major reason why money wages are low is that the company provides free housing, free medical services and free education for employees' children. One wonders however how the 31% at the estate survive with their families at less than Shs.100/- a month. It would seem to suggest that the number of the company's work force who have their families with them to benefit from the free services is small.

Because of the company's policy of repatriating labour after 6 to 12 months, it does not appear possible to organize workers in an effective Union movement. This could be one other reason why wages are low (assuming that the company had the capacity to pay). Another reason is that the two major sugar works in Uganda are located outside the Government Minimum Wage Areas.

D. Conclusions.

Employment at Madhvani sugar works has not increased over the past ten years. On the plantation, there has been some declines with considerable year to year fluctuations. At the factory level, employment increased between 1955 and 1958 but then declined in the following four years. In the past three years (1963 - 1965) it has levelled off.
<table>
<thead>
<tr>
<th>Year</th>
<th>UGANDA Tons</th>
<th>Change over previous year (tons)</th>
<th>MADHAVANI SUGAR WORKS Tons</th>
<th>Change over previous year (tons)</th>
<th>£ Change over previous year (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>47973</td>
<td>-7160</td>
<td>26972</td>
<td>-3182</td>
<td>1310410</td>
</tr>
<tr>
<td>1954</td>
<td>40813</td>
<td>24342</td>
<td>20300</td>
<td>-6672</td>
<td>995500</td>
</tr>
<tr>
<td>1955</td>
<td>65155</td>
<td>3883</td>
<td>39926</td>
<td>1910</td>
<td>1948238</td>
</tr>
<tr>
<td>1957</td>
<td>80775</td>
<td>11737</td>
<td>51936</td>
<td>12010</td>
<td>995700</td>
</tr>
<tr>
<td>1958</td>
<td>60890</td>
<td>115</td>
<td>52935</td>
<td>999</td>
<td>1194655</td>
</tr>
<tr>
<td>1959</td>
<td>61078</td>
<td>188</td>
<td>47854</td>
<td>198</td>
<td>2616484</td>
</tr>
<tr>
<td>1960</td>
<td>92979</td>
<td>11901</td>
<td>56329</td>
<td>8475</td>
<td>31162220</td>
</tr>
<tr>
<td>1961</td>
<td>95463</td>
<td>2484</td>
<td>48012</td>
<td>8317</td>
<td>3058441</td>
</tr>
<tr>
<td>1962</td>
<td>104657</td>
<td>9194</td>
<td>56787</td>
<td>8775</td>
<td>3303651</td>
</tr>
<tr>
<td>1963</td>
<td>122046</td>
<td>17389</td>
<td>71134</td>
<td>14347</td>
<td>4121779</td>
</tr>
<tr>
<td>1964</td>
<td>123681</td>
<td>1635</td>
<td>71600</td>
<td>466</td>
<td>4316583</td>
</tr>
</tbody>
</table>

Source: Madhvani Sugar Works Files and Statistical Abstract.
On the other hand, there have been considerable increases in Output; and employment remaining virtually unchanged there has been a considerable increase in productivity. Output per head rose over the period 1955 to 1964 by 7.3% p.a. This increase in output is not surprising in view of the contention that one worker can produce 8 tons of sugar per annum,* it would seem that for a long time labour was being used inefficiently. According to the above contention for example, total employment at the sugar works should have been round the 3000 level in 1955 but it was actually on the 9000 level. Rising costs for housing, medical services, wages etc. could be a major factor that has forced management to re-examine their use of labour and to introduce mechanization in irrigation scheme with the resulting increase in output per head.

* The Sugar Industry in East Africa, op. cit., p. 100.
<table>
<thead>
<tr>
<th>Year</th>
<th>Plantation (Numbers)</th>
<th>Factory (Numbers)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>6026</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1953</td>
<td>7861</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>6282</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>7698</td>
<td>2109</td>
<td>9807</td>
</tr>
<tr>
<td>1956</td>
<td>7511</td>
<td>2017</td>
<td>9528</td>
</tr>
<tr>
<td>1957</td>
<td>6175</td>
<td>2316</td>
<td>8491</td>
</tr>
<tr>
<td>1958</td>
<td>6553</td>
<td>2365</td>
<td>8918</td>
</tr>
<tr>
<td>1959</td>
<td>6418</td>
<td>2294</td>
<td>8712</td>
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<tr>
<td>1960</td>
<td>6735</td>
<td>2294</td>
<td>9029</td>
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<td>1961</td>
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<td>8825</td>
</tr>
<tr>
<td>1962</td>
<td>7289</td>
<td>2037</td>
<td>9326</td>
</tr>
<tr>
<td>1963</td>
<td>7090</td>
<td>2322</td>
<td>9412</td>
</tr>
<tr>
<td>1964</td>
<td>6949</td>
<td>2355</td>
<td>9304</td>
</tr>
<tr>
<td>1965</td>
<td>6270</td>
<td>2394</td>
<td>8664</td>
</tr>
</tbody>
</table>

Source: Madhvani Sugar Works Files.
## TABLE III

### WAGE STRUCTURE

<table>
<thead>
<tr>
<th>RANGES</th>
<th>PLANTATION (Feb. 1966)</th>
<th>FACTORY (June 30, 1965)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ Per Month</td>
<td>Africans</td>
<td>Asians</td>
</tr>
<tr>
<td>Under 1. 100</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>100 - 124</td>
<td>2955</td>
<td></td>
</tr>
<tr>
<td>125 - 149</td>
<td>1210</td>
<td></td>
</tr>
<tr>
<td>150 - 174</td>
<td>209</td>
<td></td>
</tr>
<tr>
<td>175 - 199</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>200 - 299</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>300 - 399</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>400 - 499</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>500 - 999</td>
<td>4</td>
<td>51</td>
</tr>
<tr>
<td>1000 - 1499</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>1500+</td>
<td>12</td>
<td>2</td>
</tr>
</tbody>
</table>

Total: 6510 87 2463

Source: Madhvani Sugar Works Files.
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