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Wiegratz, Jörg (2010) *The cultural political economy of embedding neoliberalism in Uganda: an analysis of changes in moral norms and trade practices in rural markets since 1986*. University of Sheffield.

(Summary of PhD research findings)

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## **The cultural political economy of embedding neoliberalism in Uganda: an analysis of changes in moral norms and trade practices in rural markets since 1986**

Uganda is regarded as the African country that has adopted the neoliberal reform package most extensively. Notably, neoliberal reforms have targeted the reshaping not only of the economy but also of the society and culture. The reforms aim at the emergence and consolidation of 'market society' (free-market, capitalist social relations), which includes a corresponding set of moral norms of behaving and relating to each other (a more or less crass homo economicus, self-interest, individualism, utility maximizing behaviour, instrumental rationality, low other-regard, opportunism, cunning, transaction-based relations, money). Reforms, therefore, have to undermine, overwrite and displace pre-existing norms, values, orientations, valuations and practices among the population. Particularly noteworthy is the attempt to change, directly or indirectly, moral norms. That means changing what is regarded acceptable and unacceptable, proper and improper, legitimate and illegitimate behaviour in the light of the moral principles in the country. Reengineering morals therefore also entails changing the criteria by which people evaluate each other's (and their own) actions.

My research is on moral restructuring in Uganda since 1986, when the 1981-86 guerrilla war ended and the current ruling party, the National Resistance Movement, (NRM) rose to power. That research reveals that this cultural dimension of rapid neoliberal reform has negatively affected the relationships and trade practices between smallholder farmers (peasants) and traders in rural markets. Extensive interviews in Kampala and in the districts of Mbale, Bududa, Manafwa and Sironko (greater Bugisu) in eastern Uganda suggest that since the onset of the largely externally imposed economic reforms (liberalisation, deregulation and privatisation) of the late 1980s and 1990s face-to-face rural trade practices have been characterised by higher levels of malpractice and a change in their form. A section of the traders (including middlemen and brokers) who bought agricultural produce from smallholder farmers in greater Bugisu engaged in deception, intimidation, theft (actual theft or non-payment for produce taken on credit), collusion (price cartel like) and corruption (to get protection and other forms of special treatment), and there was widespread use of weighted scales to trick farmers.

In the decades before 1986 there were malpractices in the rural economy, but they were largely kept in check by state regulations, a specific set of social values and moral norms (and related sanctions), and by the quality-control practices of the cooperatives that were a central part of commercial agriculture. Cooperatives were dismantled as part of the reforms and their economic function was performed instead by traders, many of whom were agents for larger corporations, including exporters. These traders (or, middlemen/brokers) appear to have been the origin of many of the malpractices that people identified. Many farmers we interviewed in greater Bugisu estimated that the majority of traders - for example, at least seven out of ten - were involved in malpractices. Partly in response to traders' malpractices, and partly for reasons of poverty and opportunity, some farmers also engaged in deceptive practices. Their malpractices were, however, less frequent and of restricted intensity and scope (mostly produce adulteration and pre-finance misuse). Practices of the small traders, who at times were farmers themselves, were often also affected by poverty-related concerns and the difficult economic situation, for example various uncertainties and financial pressures.

And some traders have, in fact, found themselves being tricked by some of the larger (export) companies they were transacting with; e.g., in one company case we investigated, the quality of produce was often questioned so as not to pay the quality premium, or quality measuring and pricing was done in a hidden fashion. A few traders were said to trick these companies as well at times. We thus identified cases of chains of malpractice in some of the researched sites.

Furthermore, the interviewed farmers mostly experienced a decline in their bargaining power vis-à-vis traders as a result of the impoverishing (and other) effects of the reforms not only in the economy, but also in the health and education sectors (commercialisation). A weakened public sector contributes as well to this problem. In some markets, a new group of brokers emerged which aggressively positioned itself between the farmers and the potential buyers (thus, restricts 'market access'). Brokers 'organise' a deal and take a cut which can be a considerable share of the price. Several farmers and buyers (e.g. millers) noted that they cannot circumvent brokers because of the latter's social power (e.g. intimidation).

In general, the changing moral and political economy in the country since 1986 has led to increasingly unconstrained moneymaking, in which those with social, economic and political power pursue their self-interest almost without regard for the costs to others. Related to this is a focus on quick profits with little regard for quality or for longer-term considerations. This self-interest is being rationalised, supported and justified by a new set of neoliberal orientations, norms and discourses that increasingly govern Ugandan economy and society, as they increasingly govern life in other countries undergoing neoliberal reform, and they bring with them undesirable consequences (which, in turn, further affect the moral restructuring process and the malpractice trend). For a significant part of the population, these include poverty, unemployment, insecurity and a rising cost of living. Together these seem likely to produce a crisis of reproduction that threatens the survival of kin-based and other social units, as well as of the natural environment. Undesirable consequences also include injustices, inequality, corruption, crime and the increasing ability of the rich to ignore social conventions and constraints.

These changes adversely affect smallholder farmers, who are generally in a weaker position than those with whom they deal. The farmers find themselves operating in a tough rural moral economy with often substantial levels of deceit and/or corruption among those people: those who buy their produce and sell them agricultural supplies, as well as shopkeepers, microfinance institutions, councils, courts, police officers, bureaucrats (e.g. some of those responsible for agricultural support or regulation of standards) and politicians. Many farmers reasoned that the malpractices are applied by the various actors in order to keep or make them poor and subsequently govern and exploit them with more ease. Many expressed their related frustrations and a sense of powerlessness and hopelessness. The farmers were thus often very critical of the current reality of the rural economy; especially, given its failure to bring about the benefits that farmers enjoyed in the era of (functioning) co-operatives, e.g. in the 1960s (relative price stability and fairness, 2<sup>nd</sup> payment, bonus, building up of collective wealth such as cooperatives' assets, social programmes, collective action and identity).

As this research shows then, *neoliberalised* rural markets are not 'free' and harmonious, or merely zones for individual calculation and utility maximisation of (autonomous) economic actors as mainstream economists and neoliberal proponents tend to claim. They are instead

arenas of (political, social, cultural and economic) relations, interactions, struggle, power, deception and different views of morality. People also attach a historical connotation to them.

Further to the point, destructive norms and malpractices have also gained ground in other key sections of Ugandan society that have been 'modernised' according to neoliberal prescriptions, e.g. in the education, health and public administration sectors. Malpractice was also reported to be a problem in other sections of the private sector, for instance in parts of the industries that were in business concerning agricultural inputs, construction or logistics. Against this background, many respondents, and a growing public debate, invoked ideas like 'moral degeneration', 'moral decay' and 'kiwaani' ('fake', and the title of a popular song, which points to the role of false/deceptive/'unreal' behaviour and things in contemporary Uganda). Respondents thus noted a significant shift since the late 1980s regarding the way in which more and more Ugandans (are made to) think, feel and act. They also stated that the moral authority of many institutions (both state and non-state) has significantly diminished due to the dynamics of the reform process (corruption, money focus, empty promises, cooption). In sum then, notwithstanding the official rhetoric and statistics of reform success, many ordinary people actually experienced the day-to-day manifestations of neoliberal pseudo-development in several realms of their lives.

The research tries to track and explain these changes, especially the change in business practices and underlying moral norms, by exploring people's experiences, views and interpretations, and by tracing the history of rural trade relationships and practices in the country. The research also considers the part played in the shifting moral economy by a variety of institutions that affect people's daily lives, including councils, the police and judiciary, churches, financial institutions, advertising firms, NGOs and donors/aid agencies (which were particularly adamant in pushing for the neoliberal reforms). As well, it seeks to understand why sections of the population initially welcomed aspects of neoliberal economic reforms, such as new commercial opportunities, greater access to credit, increased consumer choice and emphasis on consumption, and privatised media and telecommunication services. Further, the research investigates events, activities and discourses that appear to run counter to spreading neoliberalism, such as the revival of the Bugisu Cooperative Union (despite significant political pressure against it) and the explicit decision of some traders to reject the spreading stress on short-term profit and related (mal)practices. The research is also sensitive to the activities of the state agencies (e.g. the Uganda National Bureau of Standards, the anti-corruption institutions and some agriculture-related offices) which try to counteract certain illicit practices.

More generally, the analysis captures the ways that embedding a neoliberal business culture changes not only the political economy but also the moral order of local markets, communities and the country at large. This political and societal process of moral restructuring seems to be mainly driven by the interests, norms, practices and projects of sections of the domestic power elite, as well as foreign donors, organisations, corporations and special interest groups, as these are shaped both by the particular setting and situation of Uganda, and by the broader context of neoliberal virtualism and economic globalisation. The process is ongoing, pervasive, speedy and contested, and has led to a range of connected problems for many (especially ordinary) Ugandans and for the society as a whole.

The changes and trends described in this research seem difficult to reverse. In part this is because of the dynamics and cumulative effects of the changes in morality that have been taking place, coupled with the country's political-economic situation (e.g. distribution of power and wealth, agenda of the powerful actors and the 'winners' of the reforms). In part also this is because of the radical reorganisation of the global political economy since around 1990, which fostered neoliberal moral economies and business culture in many places around the world. Mechanisms exist for strengthening a durable social morality in economic life and for limiting the 'malpractices' that concern the people studied in this research. Intertwined with a shift in the (cultural) political economy, such mechanisms (according to moral norm psychology) include those that would develop people's moral sensitivity, moral judgement, moral motivation and moral character strength as well as those of norm compliance motivation and, in relation to norm violation, guilt, shame, embarrassment and fear of external sanction. However, the institutions that historically have been the basis of these mechanisms seem significantly altered and weakened by the spread of neoliberalism in the country. The research findings raise a range of questions regarding the future trajectories of not only the neoliberal project (e.g. authoritarian neoliberalism), but also of modernity, development and existence in Uganda more general.

Field research was carried out from October, 2008, to March, 2009. In Kampala, about 75 interviews were conducted with elites from government, media, academia, donor organisations and churches, as well as some farmers and traders based there. In greater Bugisu about 105 interviews (including group interviews) were conducted with smallholder farmers, traders, middlemen, brokers, and elites, and market practices were studied (see final thesis for the exact interview count). In total, more than 250 people participated in the interviews. Samuel Bbosa, James Luyombya and Fred Guweddeko were Ugandan research colleagues who assisted in carrying out interviews and other activities at various stages of the research. These interviews and observations are complemented by attention to pertinent news and debates in Uganda's newspapers and periodicals. Together, these offer an account of the dimensions, dynamics, drivers, reasons, tensions and consequences of some of the main characteristics of moral restructuring in the rural economy/community in neoliberal Uganda.

This research touches on a large number of issues, reflecting the distinctive nature of Uganda and Africa more generally, as well as global processes associated with the spread of neoliberalism and global commerce. The main issues are neoliberalism, moral economy, embeddedness of markets/actors, market society, and the politics of accumulation. These are associated with a number of analytical debates, and the ones that are the primary focus of this research are cultural political economy, global capitalism, the West in Africa, development, power and social control. The foundation of the research is linked to the work of the following authors: Graham Harrison, Matthew G. Watson, James G. Carrier, James Ferguson, Edward P. Thompson, Jens Beckert, Monika Keller, Nikolas Rose, Daniel Miller and Michel Callon. The specific research findings on Uganda have synergies with the recent work of Sverker Finnström, Chris Dolan, Godfrey B. Asiimwe and Ben Jones. Preliminary findings of the research have been presented at conference, workshops and meetings in Kampala, Sheffield, London, Leeds and Basel. Any remarks or further information will be appreciated. I am very grateful to James G. Carrier for his helpful comments and suggestions on earlier versions of this summary. *Jörg Wiegratz, University of Sheffield, Department of Politics, March 2010*