

The Rationale of Taking Social Responsibility

Social Embeddedness of Business Owners in Uganda

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Akademisk avhandling för filosofie doktorsexamen i Freds- och utvecklingsforskning vid Institutionen för globala studier, Göteborgs universitet, som med vederbörligt tillstånd av Samhällsvetenskapliga fakultetsnämnden läggs fram för offentlig granskning fredagen den 5 juni 2015, klockan 13:15 i sal 302, Annedalsseminariet, Campus Linné, Seminariegatan 1A, Göteborg.



UNIVERSITY OF GOTHENBURG
SCHOOL OF GLOBAL STUDIES

Abstract

Nystrand, Malin J. (2015), *The Rationale of Taking Social Responsibility: Social Embeddedness of Business Owners in Uganda*, PhD dissertation in Peace and Development Research, School of Global Studies, University of Gothenburg (P.O. Box 700, SE-405 30 Gothenburg, Sweden)

Language: English, with summary in Swedish

ISBN: 978-91-637-8359-3

<http://hdl.handle.net/2077/38753>

This dissertation contributes to the research on small and medium sized businesses (SMEs) in Africa. It focuses on resource redistributions in social groups, a practice that often has been seen as an obstacle to business development in the African context. The aim of the study is to explore how this resource redistribution is manifested in relation to owners of SMEs and analyse its underlying rationale. Using social embeddedness as an overarching theoretical framework, the rationale is sought both in the business owners' social roles and positions and in their own motivations. By conceptualising resource redistribution as a social responsibility this study contributes to the conceptual and theoretical framework for social responsibility in SMEs.

The study builds on extensive empirical material from Uganda, including interviews with business owners as well as a household survey of patterns of resource redistribution.

It is shown that social responsibility of Ugandan business owners is primarily manifested in relation to the extended family and that community directed engagements are rare. The results of the household survey, in which help within the extended family is widely endorsed and expected while help within the wider community is not as widely supported, confirm that these are strongly held norms in the Ugandan society. Social responsibility in relation to the extended family is an integral part of what it is to be a business owner in Uganda to the extent that it is seen as a social given. The responsibility can be negotiated and strategies for how to handle it can be developed and implemented, but the norm cannot be ignored. This internalised responsibility of business owners has consequences for what could be expected from them in other domains, both in relation to the state and with regard to various types of community engagements.

Keywords: social responsibility; business; business owners; social embeddedness; Uganda; moral economy; SME; development; Africa; private sector