

The World Guide to Sustainable Enterprise

Volume 1: AFRICA AND THE MIDDLE EAST



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Uganda

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National context

The World Bank estimates Uganda's current population at 36 million with an average population density of 123 persons/km², of which 14.8% live in urban areas. The country's infant mortality rate is 76 per 1,000 live births, with life expectancy averaging at 50.4 years. The population is young (56.1% aged less than 18 years) and more than half of the population (51%) are females.

Located in East Africa, Uganda is a tropical country with 20% covered by open water and swamps. The country experiences a range of climatic conditions depending on topography, local relief and geographical location. Its annual rainfall varies widely by area, ranging from 500 mm to 2,200 mm. The rain supports the economy and the people, who rely heavily on the agricultural sector, which in turn is dependent on natural resources such as Lake Victoria and the forests.

Uganda is endowed with a rich biodiversity, including over 18,783 plant and animal species. It has at least 51% of the world's remaining mountain gorillas, about 1,000 bird species and over 7% of all mammal species. This rich natural heritage offers a comparative advantage in bio-trade and

national development. However, factors such as rampant corruption and a growing population are affecting the country's GDP rate, which fell from 6.6% in 2011 to 5.8% in 2013

Priority issues

Nearly 20% of the population still live below the poverty line, with rural poverty currently about 23.8% and urban poverty at 9.3% (MFPED, 2014). Uganda's population growth rate and prolonged life expectancy is set against falling annual GDP growth and unequal distribution of resources. For example, the income share of the bottom 40% fell from 17% to 15% between 2000 and 2012, while the top 10% increased their share from 34% to 37%.

Progress has been made on the country's unemployment rate which stands at 9.4% (MFPED, 2014). However, the national youth unemployment (5%) presents an economic, political and societal challenges to the nation (Elder and Koné, 2014). The youth unemployment rate rises to 13.3% when taking into account youth (young people aged 15–24) who are without work and available to work but not actively seeking work, with the majority living in urban areas. Youth unemployment means that the nation is making a loss on investment in its Universal Primary Education (UPE), reduced potential tax base, increase in crime rate and a critical constraint towards further economic growth.

Despite specific legal, policy and regulatory strategies – such as computerization of information systems to increase efficiency and strengthening of legal frameworks for ethics and integrity – Uganda's Corruption Perception Index score is 26, and ranked 142 out of 175 countries, where a rank of 175 is most corrupt (Transparency International, 2015).

The country has a poor track record of international standards for human rights. There are increasing threats to freedom of expression and assembly, and serious concerns about human rights violations, such as the recently passed Anti-homosexuality bill (Human Rights Watch, 2013). For businesses, the main issues are still fair wages, labour rights, child labour, equal opportunities, consumer rights, health and safety and non-discriminatory treatment.

Environmental degradation due to soil erosion, deforestation and pollution costs approximately 12% of Uganda's annual income (NEMA, 2010).

Most Ugandans (92%) rely on biomass for their energy needs, mainly charcoal and fuelwood, which has contributed to large-scale deforestation (FAO, 2010). Electricity remains unreliable and is a major constraint facing Uganda's businesses.

Trends

Social enterprise is a relatively new phenomenon in Uganda, since most academics, practitioners and politicians still focus on CSR and sustainable development agendas. Nkiko (2013) defines social enterprises as businesses with the potential to revolutionize business actions by creating new sustainable entrepreneurship opportunities. This understanding is very different from the tradition of shareholder value and philanthropy that goes back to the 1970s.

The 2000s have witnessed new trends in sustainability, such as environmental responsibility, mandatory requirements within the supply chain and voluntary sustainability reporting. Environmental protection and climate change are now included in some business strategies. In the absence of a national sustainability legal framework in Uganda (Nkiko and Katamba, 2010), some businesses are signing up to voluntary sustainability standards such as ISO 26000.

There is also a growing interest in various forms of social entrepreneurship and new models of enterprise (Nkiko, 2013). Whereas sustainability was previously viewed as a government responsibility in Uganda (Nkiko and Katamba, 2010), in the last ten years companies and entrepreneurs have become more active in trying out alternative models of social and technological innovation. Nkiko's (2013) concludes that sustainable entrepreneurs' beliefs, desires or experiences drive sustainability within small and medium-sized enterprises (SMEs). Businesses' creativity and responsiveness to the sustainability agenda (Katamba *et al.*, 2014) was also found to be influenced by sustainable entrepreneurs' self-interest.

Government policies

Despite a weak adherence and enforcement of laws (Nkiko and Katamba, 2010), Uganda has numerous policies and laws related

to sustainability. Environmental legislation includes: The National Environment Management Policy (1994); Uganda Wildlife Policy (1999); National Water Policy (1999); Uganda Forestry Policy (2001); National Fisheries Policy (2003); Uganda Food and Nutrition Policy (2003); Urban Policy (2011); National Environment Act (Cap 153); Land Act (1998); National Forestry and Tree Planting Act (2003); Petroleum Exploration and Production Act (Cap 150); Electricity Act (1999); Registration of Titles Act (Cap 230); and Atomic Energy Act (2008).

Relevant economic legislation includes: The Uganda Investment Code Act (Cap 92); Public Procurement and Disposal of Public Assets Act; Budget Act (2001); Uganda Revenue Authority Act (1991); Income Tax Act (Cap 340); Value Added Tax Act (Cap 349); Excise Duty Act; and East African Customs Management Act.

Social legislation includes: The HIV/Aids Policy (2011); National Gender Policy (2007); National Employment Policy (2011); National Equal Opportunities Policy (2007); Equal Opportunities Act (2007); National Council for Disability Act (2003); Land acquisition Act (Cap 226); National Women Council Act (2010); Universal Primary Education Act (1997); Labour Act; Workers' Rights to Labour Unions Act No. 7 (2006); Occupational Safety and Health Act No. 9 (2006); Worker's Compensation Act (Cap 225); and Minimum Wages Board and Wages Councils Act (Cap 221).

Case studies

AirTel Uganda Limited

Mobile phone operator AirTel has been operating in Uganda since 1995. The firm engages with rural schools under its "Esomero Lyaffe" (Our School) Project, by providing support in the construction of libraries, latrines, computer rooms and water harvesting tanks. It also engages school children on the topic of sustainable consumption, allowing pupils to use their ideas to build innovative environmental campaigns. Children are selected to act as champions for sustainability to encourage everyone, especially local businesses, to change their consumption habits by making greener, more sustainable choices. Collaboratively, they develop campaigns around energy use, water, hygiene, diseases and poverty eradication with the aim of communicating sustainability behaviour changes.

Kakira Sugar Limited (KSL)

KSL was established in 1985, employs over 7,000 people and has a crushing capacity of 6,000 tonnes of sugar cane per day. The firm initiated a programme for co-generation of electricity which uses bagasse (waste fibre from sugarcane) to produce renewable energy in the process of making sugar. The 160 tonnes/hour boiler is the largest installation in Africa. The plant now produces 50 MW of electricity, which is about 8% of the energy produced in Uganda. KSL uses 13 MW and sells 37 MW to the national grid. The firm also uses sunn hemp (*crotolaria*), a deep rooting green manure fallow crop that fixes nitrogen in the soil. After ploughing in, it decomposes rapidly, providing more nutrients and humus for the soil.

Roofings Limited

Roofings Limited employs about 2,000 staff and has been producing steel products since 1994. The company sources its product designs through a guild, to which it provides training, and information support. Roofings trains technicians (including consumers and stakeholders in the community) on how to use their products. Through its Forever Living Forest Project, the company encourages the practice of reforestation by rural families and local communities. To date, Roofings has planted over 5,000 trees

SESACO Limited

Serve To Save Company (SESACO) was established as an SME in 1987 and produces and improves various nutritious soy products. Soymilk, for example, is a healthy alternative to dairy products, being free of animal fats, cholesterol and lactose. The SME encourages skill-sharing, participation, exchange, innovation and empowerment with its customers, who are mainly mothers and their children. The firm employs creative solutions to enable marginalized mothers to make better health choices and works with communities to make greener, more sustainable local environments. SESACO's methods of producing its products fit the creativity principle (innovation, entrepreneurship) in response to increasing consumer demands for healthier foods. The company has a skills development initiative where it sends mothers and children to the USA to receive training on the benefits of eating nutritious food.

Uganda Breweries Limited (UBL)

UBL is one of the leading brewers in Uganda and has been located in Port Bell since 1946. It directly employs over 390 staff and indirectly creates employment for thousands more through the vast supply and distribution chain. The company adopts the responsiveness principle, using UBL's business strategy to directly tackle local "antisocial behaviour". For example, they launched a "red card campaign" together with Kampala Metropolitan Police to reduce accidents due to drunken driving. The campaign is aimed at creating awareness of the dangers of drunken driving. It has trained 168 bar owners and taxi drivers on the risks and 360 traffic officers on the use of breathalyser equipment.

Further resources

Institute of Corporate Governance Uganda – Builds the capacity of companies to implement corporate governance principles.

National Environmental Management Authority (NEMA) – Supervises, assesses, coordinates and monitors all aspects of the environment.

Uganda Chapter for Corporate Social Responsibility Initiatives (UCCSRI) – A voluntary initiative promoting CSR.

Uganda Manufacturers Association – Promotes, protects and coordinates the interests of industrialists.

Uganda National Bureau of Standards (UNBS) – Enhances the application of standards in trade, industry and consumer protection.

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The World Guide to Sustainable Enterprise is the first comprehensive global compendium that clearly describes the national approaches to sustainable enterprise. Through a systematic review of each country, this quick-to-access reference guide showcases the similarities and differences in each region. Each profile includes key information about the relevant history, country-specific issues, trends, research, best-practice case studies and the leading organizations operating in the field.

The Guide comprises four volumes, each dedicated to a specific region of the world: 1: Africa and the Middle East; 2: Asia Pacific; 3: Europe; 4: The Americas. In this first volume, 28 countries from Africa and the Middle East are presented, including Israel, Nigeria, Rwanda, South Africa and the United Arab Emirates.

In a world where organizations are working increasingly across national and regional boundaries and research takes a joined-up and international approach, this book is an essential guide for practitioners and researchers in the disciplines of business sustainability, social enterprise and corporate responsibility. The first of its kind, this reference book provides the reader with a unique insight into what is the current state-of-play in each country.

Each edited volume provides expert contributions from around the world; the contributors have been selected on the basis of their knowledge of the country and their clear experience in sustainable enterprise. Each regional/country profile includes the following subsections: Sustainable Enterprise in context; Priority issues; Trends; Government policies; Case studies; Further resources; and References.

WAYNE VISSER is the author of 24 books. He is Director of Kaleidoscope Futures and Senior Associate at the Cambridge Institute for Sustainability Leadership, Cambridge University. He has been listed as a top 100 Thought Leader in Trustworthy Business Behavior.



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