

## **The Social and the Economic in Business Practice in Uganda**

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This research project explores the intersection of the business actor and the social context within which he/she is embedded (Granovetter, 1985), with regard to social norms of sharing as conceptualised in the economy of affection (Hydén, 1983). The context within which this is studied is Uganda.

The study is both descriptive and explanatory and answers two broad sub-questions:

1) How is Ugandan business actors' embeddedness in informal institutions such as the economy of affection manifested? This question is primarily descriptive and involves finding out a) how the economy of affection is empirically manifested, i.e. what types of actions and transactions are involved and within/between which social groups these actions/transactions are played out, and b) to what extent are business actors involved in these actions/transactions and social networks.

2) What is the rationale for such activities, relations and transactions, in particular with regard to practices which (at least at first glance) seem to have more of a social than an economic content? The paper to be presented in Uppsala 2011 will focus on the results of primary data collected in 2008-09. The data includes interviews with 54 business owners on how and to what extent they are involved in the economy of affection and their rationale for such practices. In addition a household survey of 350 households was conducted which maps the extent and type of economy of affection related practices in general. Some of the results are:

- the economy of affection does affect the interviewed business persons, in terms of demands on their resources, often perceived to conflict with maintaining and developing the business enterprise
- on the other hand, according to the household survey, the economy of affection does not play a big role at the 'receiving' end, in terms of such tangible benefits as funding health, education, business start-up, etc.
- sharing resources in social networks are concentrated to kinship and family ties, and includes very little in terms of other networks, such as professional peer groups, local community, etc.
- ethnic and religious identities are much less important in business relations than is often assumed, for example with regard to employment