

## **International Business in the Developing World**

AFRS-3550 (3 Credits / 45 class hours)

SIT Study Abroad

**Uganda: Global Development Studies**

PLEASE NOTE: This syllabus represents a recent semester. Because courses develop and change over time to take advantage of unique learning opportunities, actual course content varies from semester to semester.

### **Course Description**

Relative to other countries in the region, the business sector in Uganda appears to be thriving. Diverse informal sector businesses are increasingly present, some eventually turning into large formally registered entities. And yet still others, large and small, fail within the first two years. What explains the mixed experiences of business success and business failure? How is the emergence of business reconstituting the urban scene, and how is it hindering or facilitating social relations? How do the various cultural forms shape business practices, and with what consequences? This course will examine the historical development of businesses in Uganda, formalization and informalization, and business finance in the developing world with Uganda as a case study for business turnover/failure, corporate social responsibility, and public-private partnerships. The two assigned texts provide students with literature and insights critical of the neo-liberal free market model that have largely driven economic policy in Uganda as a way to contribute to debate and critical perspectives.

### **Learning outcomes**

Upon completion of this seminar students will be able to:

- Describe the circumstances and factors that hinder or facilitate the success and failure of business endeavors in a context such as Uganda's;
- Describe the forces that have created the type of environment in which businesses presently operate;

- Identify models of business operations that are ethical and appropriate to Uganda’s local cultural context; and
- Describe Uganda’s capital and money markets and the factors that hinder and/or facilitate their growth.

### **Methods of Instruction**

The course, taught as a seminar, is taught in English, with selected site visits to various players in Uganda’s business sector. These are drawn from the informal sector, large foreign and indigenous banks, large corporations in the telecommunications industry, and large and medium size restaurants.

### **Required Texts**

Stiglitz, J. E., (2018). Globalization and its discontents revisited: anti-globalization in the era of Trump. New York, NY. W.W. Norton & Company.

Francais, A. (2016). Let's Get Rid of growth!: Moving Away from Capital-Led Globalization. Ariel Francais. North Charleston. SC.

### **Module One: Recent history and state of business development in Uganda**

Uganda’s business sector has grown and thrived over the last thirty years. Informal sector activity supplies a substantial proportion of employment, and similarly, the formal business sector has expanded exponentially. What factors explain this unprecedented business expansion? How did the structural adjustment programs shape the state of the business sector today? In addition to selected lectures, students will visit selected informal and formal business sectors, and through their “life histories” begin to obtain insights into the dynamics that have shaped Uganda’s business development.

*Required reading:*

- Wiegratz, J. (2010). Fake capitalism? The dynamics of neoliberal moral restructuring and pseudo-development: the case of Uganda. Review of African Political Economy. Vol 37, Issue 124, Pp 123-137.

### **Module Two: Uganda’s informal sector: trends, characteristics and dynamics**

What drives startups in the informal sector? How do they grow? What hurdles do they encounter in the process and how do they/could they overcome them?

*Required reading:*

- Darbi, W. Phanuel, K. Hall, C. M. Knott, P. (2018). The Informal Sector: A Review and Agenda for Management Research. International Journal of Management Reviews. Vol 20 Issue 2, Pp 301-324.

- Ackah, C. Bofah, R. Osei, Asuman, Derek (2017). Who are Africa's entrepreneurs? Comparative evidence from Ghana and Uganda. *Journal of Developmental Entrepreneurship*. Vol 22, Issue 4.
- Langevang, T. Namatovu, R. Dawa, S. (2012). Beyond necessity and opportunity entrepreneurship: motivations and aspirations of young entrepreneurs in Uganda. *International Development Planning Review*. Vol 34, Issue 4, Pp 439-459.

### **Module Three: Case studies in business success and failure**

Recent closure of several large supermarkets suggest that this sector has encountered significant challenges. And yet even as these large supermarkets fail, several smaller local supermarkets continue to thrive. Similarly, case studies, such as City Oil and Café Java provide interesting insights into the ways in which businesses can be creative to achieve success. What are some of the sources of business risk in Uganda and what are some of the ways in which business risk has been managed and mitigated? What factors account, comparatively, for business success and business failure? What lessons can we learn from successful and failing business endeavors in Uganda?

*Required reading:*

- Guma, P. (2015). Business in the urban informal economy: barriers to women's entrepreneurship in Uganda. *Journal of African Business*. Vol 16, Issue 3, Pp 305-321.
- Venter, E. Turyakira, P. Smith, E. E. (2014) The influence of potential outcomes of corporate social responsibility engagement factors on SME competitiveness South African *Journal of Business Management* Vol 45, Issue 4, Pp 33-43.
- Blattman, C. Fiala, N. Martinez, S. (2014). Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda. *Quarterly Journal Of Economics*. Vol129, Issue 2, Pp 697-752.

### **Module Four: Banking, interest rates and business success**

This module examines both the conventional and non-conventional lending/financing models in Uganda today. Students will also explore factors that influence bank interest rates, and why in particular, interests rates run so high (20%-30%) and how this affects business financing. Students will examine these issues by visiting and exploring the operations of selected commercial banks in Kampala.

*Required reading:*

- Beck, T. Hesse, H. (2009). Why are interest spreads so high in Uganda? *Journal Of Development Economics*. Vol 88, Issue 2, Pp192-204.

### **Module Five: Corporate social responsibility**

What models of corporate social responsibility do businesses employ and with what outcomes? What partnerships have businesses formed with civil society actors? What ethics inform CSR,

and with what effects? Student will examine CSR programs of large corporations, such as MTN, beverage companies, and others.

*Required reading:*

- Katamba, D. Nkiko, C. M. (2016). The Landscape of Corporate Social Responsibility in Uganda: Its Past, Present and Future. Corporate Social Responsibility in Sub-Saharan Africa: Sustainable Development in its Embryonic Form. Book Series: CSR Sustainability Ethics & Governance. Pp 153-171.
- Bagire, V. A. Tusiime, I. Nalweyiso, G.; et al (2011). Contextual Environment and Stakeholder Perception of Corporate Social Responsibility Practices in Uganda. Corporate Social Responsibility and Environmental Management. Vol 18, Issue 2, Pp 102-109.

### **Module Six: Public-private partnerships**

Public-private partnerships have become a common feature of social service provisioning. What are some models of public-private partnerships in Uganda?

*Required reading:*

- Golooba-Mutebi, F. (2012). In search of the right formula: public, private and community-driven provision of safe water in Rwanda and Uganda. Public administration and development Vol 32, Issue 4-5, Special Issue: SI Pp 430-443.
- Kostyak, L.; Shaw, D. M.; Elger, B.; et al. (2017). A means of improving public health in low- and middle-income countries? Benefits and challenges of international public private partnerships Public Health Vol 149, Pp 120-129.

### **Module Seven: Capital markets**

What is the structure of Uganda's capital market? What trends do we see in the sector? What is its potential for growth? What is the rationale, and expected impacts of Uganda's capital market model? Students do a case study of Uganda's Capital Markets Authority.

*Required reading:*

Oteh Arunma MAKING CAPITAL MARKETS WORK FOR SMEs in AFRICA.

<https://www.cmauganda.co.ug/files/downloads/Capital%20Markets%20and%20SMEs%20Blog%20articule%202.pdf>

Osano Evans (2017) Five reasons why capital markets matter in Africa. Capital Markets Authority.

<https://www.cmauganda.co.ug/ug/cnews/18/Five-Reasons-Why-Capital-Markets-Matter-in-Africa.html>

### **Assignments and grade distribution:**

All written assignments must be typed, double spaced, with one inch margins, in Times New Roman Font 12. Assignments are due by 5:00pm on the due date, to the office manager or the

student affairs coordinator. Late assignments will be deducted a point for every 24 hours that they are late.

1. *Bi-weekly reflection papers 30%*

The course instructor will assign a question or a set of questions to which the students will respond, in a three page typed paper, and in the format outlined above.

2. *Readings discussion 20%*

Each student is assigned at least one reading over the course of the semester that they summarize to the group and then facilitate discussion around the key/critical issues that the reading raises.

3. *Participation 10%*

- Participation in class refers to attendance, punctuality, attentive listening and active engagement in all lectures, discussions, field trips and other activities. It also means polite and respectful behavior. In addition, the following are expectations of all participants:
- Show up prepared. Be on time, have your readings completed and points in mind for discussion or clarification. Complying with these elements raises the level of class discussion for everyone.
- Ask questions in class. Engage the lecturer. These are often very busy professionals who are doing us an honor by coming to speak.
- Comply with academic integrity policies (no plagiarism or cheating, nothing unethical).
- Respect differences of opinion (classmates', lecturers, local constituents engaged with on the visits). You are not expected to agree with everything you hear, but you are expected to listen across difference and consider other perspectives with respect.

4. *Final Term Paper 40%*

Students respond to one question from a set of four, and write a 6-8 page reflection paper. The set questions are derived from the key themes of the course. Additional assignment instructions will be provided by course instructor.

### **Grading Scale**

94-100% A Excellent

90-93% A-

87-89% B+

84-86% B Above Average

80-83% B

77-79% C+

74-76% C Average

70-73% C

67-69% D+

64-66% D Below Average

Below 64 F Fail

### **Grading Criteria**

An “A” grade for an assignment entails superior (not just “very good”) performance in terms of structure and organization of assignments, analysis, logical argumentation and consistency, and the provision of factual, numerical and/or historical evidence. In terms of class participation, an “A” grade refers to full attendance, punctuality, evidence of having completed assigned readings, attentive listening and active engagement in all lectures, discussions, field visits and other activities. It also means polite and respectful behavior. The level, frequency, and quality of the students` participation will be monitored and taken into account.

**Please refer to the SIT Study Abroad handbook** for policies on academic integrity, ethics, warning and probation, diversity and disability, sexual harassment and the academic appeals process. Also, refer to the specific information available in the Student Handbook and the Program Dossier given to you at Orientation.

**Disability Services:** Students with disabilities are encouraged to contact Disability Services at [disabilityservices@sit.edu](mailto:disabilityservices@sit.edu) for information and support in facilitating an accessible educational experience. Additional information regarding SIT Disability Services, including a link to the online request form, can be found on the Disability Services website at <http://studyabroad.sit.edu/disabilityservices>.