

CAPTURING THE GAINS



*economic and social upgrading
in global production networks*

**Economic and social upgrading in tourism
global production networks:
findings from Uganda**

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Abstract

Over the last decade, Uganda has re-emerged as a global tourism destination after years of instability. The growth of Uganda's tourism global production network, however, is slow and is characterized by a few elite firms and highly controlled travel through tightly coordinated distribution channels. Capturing the Gains research asked how and if economic upgrading in the tourism global production network was happening in Uganda, and if social upgrading followed, by exploring one tourism location: Murchison Falls National Park. The findings suggest that tourism firms pursued vertical and horizontal economic upgrading strategies, but the social upgrading outcomes were mixed. Social upgrading for permanent workers followed economic upgrading for hotels and tourism service providers in Murchison Falls National Park, but not for community members outside the Park. Several aspects, such as the role of Uganda Wildlife Authority concessions, distribution access, and local labour market dynamics, are motivating factors in influencing upgrading dynamics.

Keywords: Uganda tourism, Murchison Falls National Park, tourism global production network, economic and social upgrading, community exclusion, distribution access

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Introduction

Uganda has all of the natural endowments to successfully pursue tourism product development. It is home to the endangered mountain gorilla in Bwindi Impenetrable National Park and to more than 1,000 bird species. The relatively undisturbed natural environment, represented by 10 national parks, 12 wildlife reserves, seven wildlife sanctuaries, five community wildlife areas and a potential for water-based sports along the River Nile, distinguish Ugandan tourism markets from more advanced African tourism markets.

Despite strong natural endowments, Uganda has struggled to position itself in the tourism global production network. During the 17 years of political unrest beginning in 1971, international tourism stopped. The sector began to grow slowly in the early 1990s, with the end of political crisis (Reinikka and Collier, 2001), but the persistent image of instability continues to challenge the sector's growth (Teye, 1986). The national government, nonetheless, views tourism as a vehicle for reducing the 31 percent of the population that survives on less than US\$1 a day (UTB, 2012). It has prioritized the sector as one of eight top productive sectors that will facilitate transformation of the country to a modern and prosperous nation within 30 years (GoU, 2010).

In this working paper, we document how one tourism destination in the country, Murchison Falls National Park (MFNP), is attempting to harness tourism growth. We highlight how accommodation providers were able to economically upgrade, and explore whether this has assisted social upgrading for workers and community members outside the Park. Field research was conducted in Kampala, Masindi, and Murchison Falls National Park in March 2012. Over 138 stakeholders were interviewed or participated in one of three community village focus groups. Interviews included private sector, government, workers and institutions.

The findings suggest that social upgrading for permanent workers followed economic upgrading for hotels and tourism service providers in Murchison Falls National Park, but not for community members outside the Park. The role of Uganda Wildlife Authority concessions, financial capital, distribution access and relational industrial governance, union activity, firm labour strategies, training and local labour market dynamics are motivating factors in shaping outcomes. The social upgrading findings for permanent workers, however, are qualified by issues related to low base wages and national and regional divisions of labour.

Tourism global production network – Murchison Falls National Park

Uganda has shown growth in tourism-related national statistics over the last 10 years (see Table 1). International visitor arrivals, national park visits, total employment, and tourism contribution to gross domestic product (GDP) has grown (UBoS, 2011). Although documented figures are difficult to uncover, hotel beds and tour operators have increased as well. Hotel construction experienced a boost in 2007, when the Commonwealth Heads of Government Meeting (CHOGM) was held in Kampala. The visitor arrival figures can be deceptive, however, because roughly over 50 percent of visitors come to 'visit friends and relatives' and only 16 percent are there on holiday (UTB, 2012). The occupancy rate is also low, while hotel prices are high because of high overhead costs.

Table 1: Uganda tourism national statistics

Uganda			
	2000	2011	Percent changes
Visitor arrivals ('000)	200	1,084 (2009)	442%
Number of hotel beds	1,789 (2001)	1,656,089 (2008)	>1000%
Hotel occupancy rate	44.6% (2005)	30% (2008)	-15%
Number of tour operators	N/A	164+	–
Tourism contribution to GDP*	0.526 USD	1.695 USD	222%
Proportion contribution of tourism to GDP	8%	9%	1%
Total employment ('000)	338	523	55%
Contribution of tourism to total employment	7.3%	8%	0.7%
National Park visits	128,810 (2005)	151,059 (2009)	14%

Note: * unit USD billion.

Sources: World Travel and Tourism Council; Uganda Wildlife Authority; Uganda Ministry of Tourism, Trade and Industry; Uganda Tourism Board.

Murchison Falls National Park has emerged second to Queen Elizabeth National Park as the most frequented national park.¹ The Park is Uganda's largest, encompassing 3,893 square kilometres (UWA, 2001), in a remote location in northern Uganda (Mann, 1995) that was once ravaged by civil war uprisings with the Lord Resistance Army. The Victoria Nile cuts through the Park, with its spectacular and roaring white water rapids and cataracts, before the water forms into a mist as it falls from 40m at Murchison Falls. The local populations surrounding the Park are mostly of Bagungu, Alur, Banyoro and Acholi ancestries. Unlike the Maasai in Kenya, these communities are not marketed, nor have they turned their cultural traditions into tourism products. International tourists that travel to MFNP come for wildlife and nature. There are over 400 identified species of mammals in the Park, including elephants, buffaloes, giraffes, lions and leopards. Excursion activities consist of game drives, bird watching, boat rides to Murchison Falls, and sport fishing (UWA, 2001).

Figure 1 shows the tourism value chain in MFNP. The arrangement of firm activity and the availability of business development are governed by landscape and public regulation (see Figure 1). The Park is 305km from Kampala and is only accessible via all-terrain vehicles. There are no forms of public transportation to the Park itself, only to Masindi, the largest town in the vicinity and about 18km from the Park. Once inside the Park, there are no walking trails or foot-accessible routes between accommodation facilities. There are 11 accommodation facilities in the Park, just on the outside, or on the way to the Park, and six types of 'excursion' or organized activities in

¹ Bwindi Impenetrable National Park draws international visitors to view mountain gorillas, but restricted visitation is practiced, whereby only 12 visitors are allowed per day.

which tourists can participate – boat trips up the Nile to see Murchison Falls, game drives to see wildlife, chimpanzee tracking, sport fishing, rhinoceros viewing (at Ziwa Sanctuary on the route to the Park), and visiting cultural *bandas* (traditional Ugandan home structures). Tourists also often stay at transit hotels in Masindi as part of the trip to or from MFNP, or at Ziwa Rhino Sanctuary as part of an organized tour. The Uganda Wildlife Authority (UWA) which oversees the Park and all other wildlife estates in the country runs a budget hostel and operates one of the three boat tour options. In order to open and run a private tourism facility inside the Park, businesses need to obtain a concession from the UWA. This process regulates and controls development inside the Park and has maintained a minimal amount of accommodation and excursion facilities.

There are multiple distribution channels for tourists to make their way to MFNP tourism providers, but the remoteness, terrain, and the limited number of providers has supported the importance of bundled tour products and logistics, which have helped to concentrate and consolidate firm activities. Most tourists experience MFNP as part of a coordinated tour product. In Figure 2, we illustrate four common distribution routes that highlight the significance of firm vertical integration strategies. All of the accommodation providers inside and outside the Park (except for UWA, Boomu Women’s Group, and the Ziwa Rhino Sanctuary) own a national tour operator business (channels 2-4) and three accommodation providers are vertically integrated in all of the upstream activities – distribution, accommodation and excursions. The Marasa Holdings owns Paraa and Chobe Safari Lodges, who also operate boat and game excursions. Budongo Eco-Lodge, part of Great Lakes Safaris, operate chimpanzee tracking in the Budongo Reserve that falls under the jurisdiction of the National Forest Authority (NFA). One other excursion provider, Ziwa Rhino Sanctuary, opened accommodation facilities, but does not have a tour operator business.

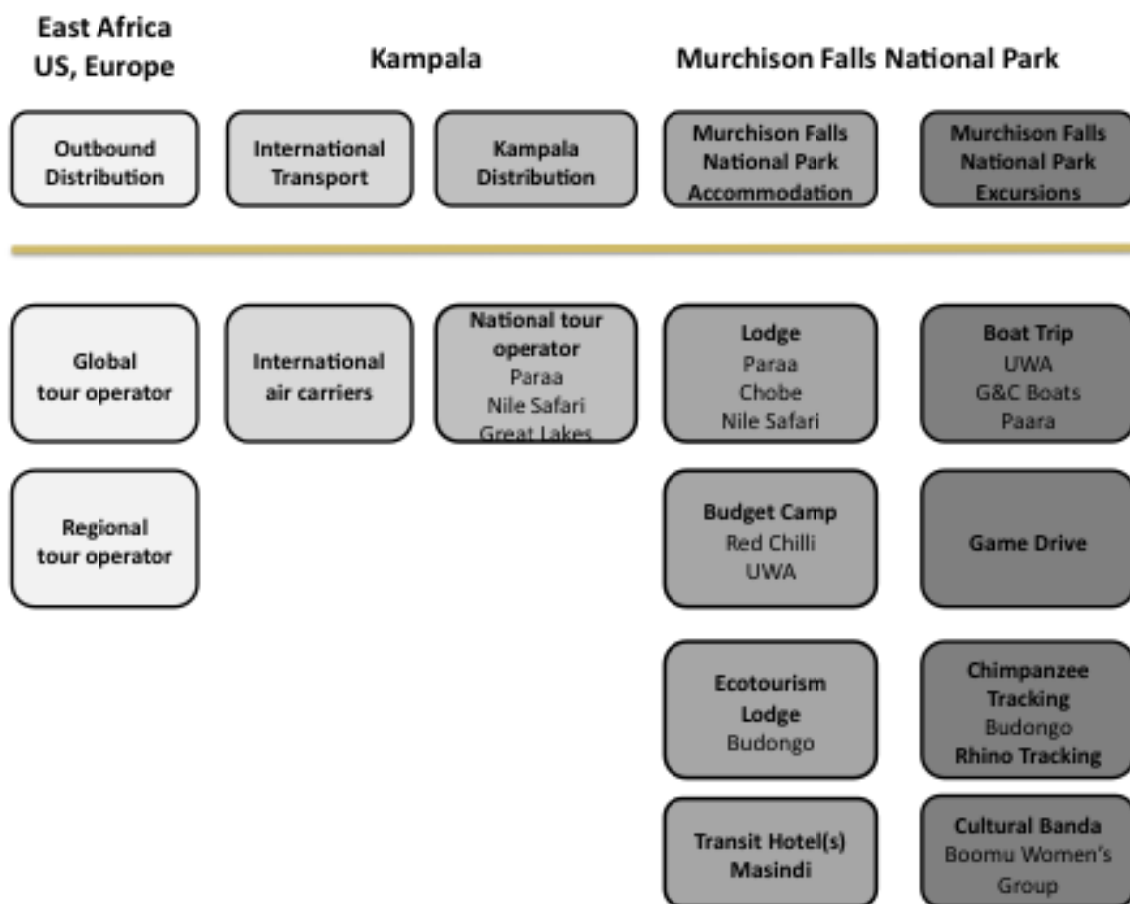


Figure 1: Tourism global production network in Murchison Falls National Park

Thus, for many tourists, the in-country destination providers may be only one or two firms. Even option 1, where the national tour operator is different from the accommodation provider, it is still a highly controlled experience by a limited number of firms. Lead firms in this production network represent these regionally based Asian Ugandan and foreign-owned hotels that also run tour operations. Global and regional, and national tour operators, from whom the hotels receive contracts, hold access to international tourists and still dictate standards and price to hotels; but because of the hotels' strong domestic base they have more negotiating power, and hence, a relational governance structure. Nevertheless, the challenge to increase international tourist visitation to Uganda and occupancy rates remains.

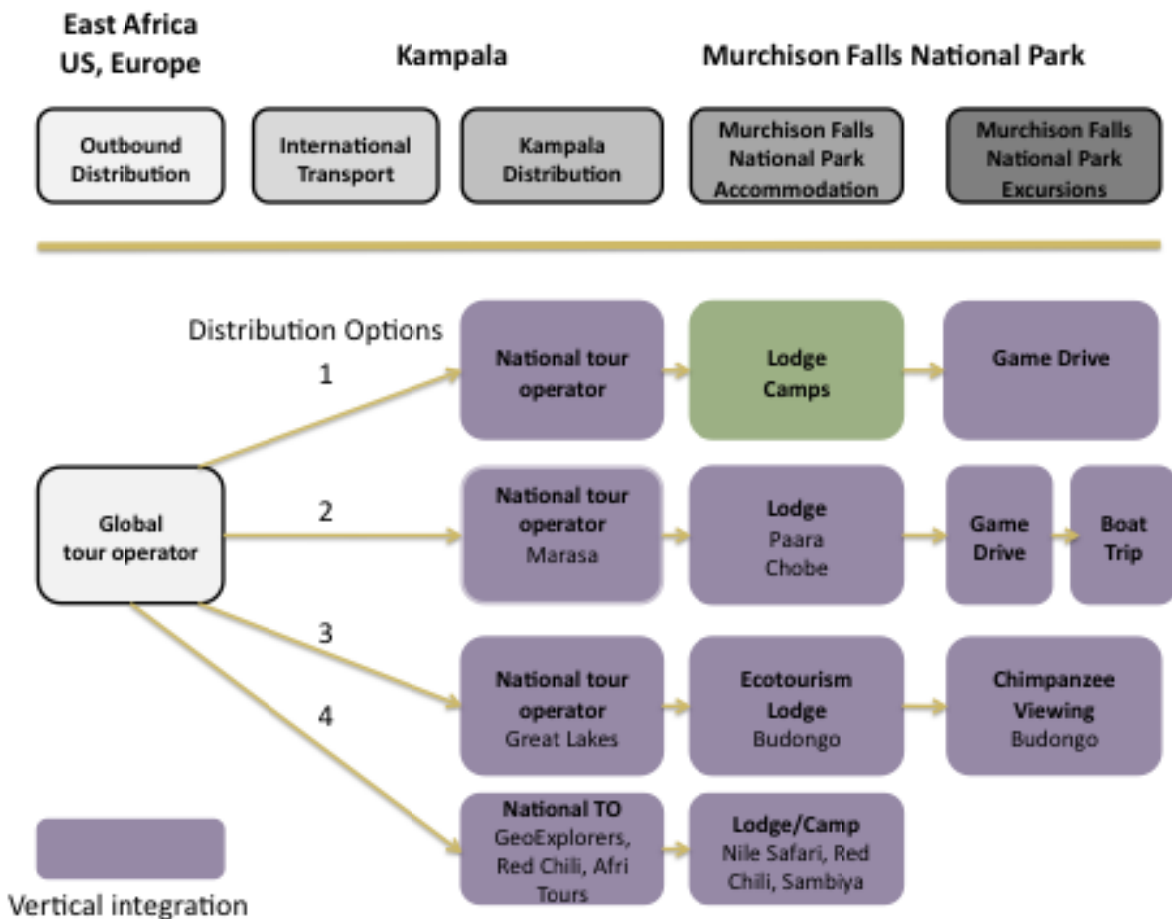


Figure 2: Distribution channels to Murchison Falls National Park

Economic upgrading – hotels

As we visualized in Figure 2, by showing the vertical integration strategies of firms through outlining distribution channels to MNFP, tourism firms have functionally upgraded to additional services. More common was for accommodation providers – Paara, Chobe, Nile Safari and Red Chilli – to open national tour operators to fill the gap of the need to transport visitors to their sites. Two accommodation providers, Sambiya River Lodge and Budongo Eco Lodge, were opened by the national tour operators, Afri Tours and Travel and Great Lakes Safaris, respectively. In addition to functional upgrading, all the hotels have product upgraded in terms of the infrastructure of the hotel and some are in the process of adding new properties in other Ugandan tourist destinations. For the MFNP properties, most have added on, for example, new rooms, amenities

such as air conditioning, and/or upgrades to pool facilities. The product and functionally upgraded accommodation facilities in and just outside of MNFP represent a few trends. First, most own other accommodation facilities. Second, most are Asian-Ugandan or foreign-owned; and third, except for Red Chili, they cater to a more luxurious safari market.

Paraa, Chobe and Nile Safari Lodge opened as 'luxury' hotels, with Nile Safari positioning itself as a form of 'eco-luxury'. In the mid-range level are Sambiya and Budongo, with the latter separated by their eco-credentials. Red Chilli is the only 'budget' camp option in the Park for international tourists. The UWA campsite and hostel is used mostly by Ugandans or students.

Paraa and Chobe Safari Lodges properties are part of Marasa Holdings, which has four lodge properties in Uganda inside National Parks and three more in Kenya. Marasa Holdings is part of the Madhvani Group, one of the largest private family business entities in East Africa. Its industrial enterprises also include agriculture, sugar, packaging and steel. Nile Safari Lodge is also part of a private family's business conglomerate working in similar industries: the Alam Group. The Alam family, like the Madhvanis, are Asian-Uganda. The Madhvanis were one of the first families to return to Uganda after Amin expelled Asian-Ugandans in the 1970s. In contrast, the Alam family were one of the few Asian-Ugandans who remained. Nile Safari Lodge is part of Alam Group's GeoLodges. GeoLodges own and operate seven other lodges in or outside National Parks in Uganda. Sambiya River Lodge is also owned by an Asian-Ugandan family and they were one of the first Murchison Falls concession holders with UWA.

The remaining owners of the accommodation facilities, except for Budongo and Boomu, are foreigners. Red Chilli was opened in 1999 by an English couple, who opened the first budget backpacker camp in Kampala. They then took over the management of the budget campsite at MFNP in 2002. A new accommodation facility owned by an Englishman, Murchison River Lodge, recently opened just outside the Park close to Nile Safari. The Ziwa Rhino Sanctuary is run by a South African family. The Sanctuary began as an excursion site to track rhinos in 2008, before it added on accommodation facilities. The Sanctuary is part of the Rhino Fund Uganda, a non-governmental organization set up in 1997 that promotes, protects and educates about endangered rhinoceros populations in Uganda.

Budongo Eco Lodge and Boomu Women's Group are the only facilities owned by indigenous African Ugandans. Amos Wekesa is Managing Director of Great Lakes Safaris, of which Budongo is part. Great Lakes also operates Primate Lodge Kibale in Kibale Forest National Park and Simba Safari Camp in Queen Elizabeth National Park. Boomu Women's Group, which began as a cultural excursion site for tourists to witness basket weaving, take nature walks, or participate in traditional meal making, is located outside the park close to Budongo Central Forest Reserve. It is the only locally-owned property and community tourism accommodation product by the Park. With these MFNP lodges and camps (with the exception of Ziwa, which is on the way to Masindi), there are also a small group of four hotels in Masindi that mostly struggle to attract tourists. They represent a mix of a new group of hoteliers who are indigenous African Ugandans from Kampala.

Determinants of economic upgrading

There are three main factors that support upgraded hotels in the Park: (1) the firm's ability to be granted a concession; (2) financial capital and prior business experience; and (3) distribution access to national tour operators and marketing capabilities that support relational governance dynamics. Of the three, the first factor is the most important, because it provides the legal

framework for private tourism investment in the Park and also limits competition. The second and third support the first, because the more financially strong and well placed influence how concessionaires are chosen.

The Uganda Wildlife Authority (UWA) chooses concessionaires based on the management plan that is created for each protected area (UWA, 2001). Management Plans dictate which tourism activities can be developed, such as tented camps, lodges and excursion activities. Originally, the accommodation facilities first developed in the National Parks were owned and run by the government through Ugandan Hotels Limited (UHL). UHL was disbanded in 1998 as a result of a policy shift to liberalization and privatization of the government's business entities (Reinikka and Collier, 2001). At one time, Uganda Hotels owned Paraa, Chobe and Pakuba Safari Lodge inside MFNP. During the 1990s, after the reigning government of the National Revolution Movement (NRM) took power, it attempted to build tourism business capabilities within the parks, but the northern region still faced civil war outbreaks headed by Joseph Kony of the Lord's Resistance Army. It was a risky investment to operate facilities in the region. Paraa Safari Lodge is strategically placed on the Park's prime game drive zone and hence its concession has attracted controversies. The Sarova Group of Kenya was the first concession holder, but their unsuccessful attempt to revive the Lodge forced them to transfer the concession to the Madhvani Group in 1995. The Madhvani's took the risk of managing the Lodge and attempting to develop tourism. This decision was favoured by the government, which was desperate to attract investors in the Park. As part of their concession, the government through UWA agreed to grant them a 25-mile Exclusive Zone Agreement, which forbids any other investor from setting up facilities within that radius for both Paraa and Chobe (and Mweye in Queen Elizabeth National Park).

The only other accommodation concessionaires in the Park are Sambiya River Lodge (which is about 15km from Paraa) and Red Chilli, offering budget tent accommodation. Budongo Eco Lodge has a concession, but with the National Forest Authority. Criticism of the concession process has centred on concession procedures and favouritism. The concession process follows first the Management Plan of a specific wildlife estate, which designates investment opportunity for the estate, the type of investment and the number. Upon identification of investment opportunities, the following steps take place: tender advertisements in local and regional media; an application process; and, lastly, a decision on who to allow to invest and offer tourism services inside parks. Although tenders are open to all interested investors, criteria for choosing a concessionaire are weighted by financial and human resources capacity, experience in product development, investor plans (feasibility and applicability of the plan, considering the characteristics of the protected area); and the investor's proposal for financial contribution and benefits to UWA. The UWA receives five dollars per person per night from accommodations. Guests at Red Chilli are charged UGX3,500 (US\$1.4) by UWA unless they stay in *bandas*. These low charges are because Red Chili is considered to be a budget accommodation.

The UWA states that they prefer to work with Ugandans, and that foreigners need to go into partnership with Ugandans on bids. So far, the concession process has supported the biggest business companies in Uganda, because of clauses that stipulate high turnover rates for potential investors. The UWA concessions do not proactively encourage or create concessions with community groups, and community groups' products are often in competition with the UWA's own products, such as craft shops at gate entrances. Some respondents have also suggested that familiarity with political leaders has supported concession choices.

Importantly, the firms that invested in tourism accommodation came to the sector with prior business and financial capital and foresight for the potential for the sector's growth. The Madhvani Group and Alam Group are hugely diversified business conglomerates that were in business for decades during colonialism and post-independence. They are part of the Asian-Ugandan business establishment. The Madhvani Group has a turnover rate of over US\$100 million and Ugandan assets of over US\$200 million (Madhvani Foundation, 2012). These Groups and the Malik family which received the Sambiya River Lodge concession come from elite families, with financial resources, and political connections that assisted their upgrading process. Red Chilli was started by a foreign couple, who although they lacked the level of financial capital, had a form of cultural capital to identify a market trend – the need for budget, backpacker facilities – and the tourism marketing and product know-how to position themselves.

Indigenous Ugandans have lacked the financial resources, industry know-how, and networks in outbound markets to facilitate and compete in tourism. Great Lakes Safaris is the exception. Its Managing Director, Amos Wekesa, has become the 'face' of Ugandan tourism as the President of Uganda's Tourism Association. His ascent is somewhat of a 'rags-to-riches' story, because he started doing odd, low-end tourism jobs, slowly gaining experience and making contacts. It was the latter that truly propelled him, as he was 'discovered' by a World Bank employee and was subsequently profiled in the *Washington Times*, which gave him a potential global customer base.

Gaining access to international clients directly and positioning themselves as proper tourism service providers is one of the strongest challenges that indigenous African tourism service providers face. They cannot afford to travel to external markets and they lack the networks to secure and negotiate with clients. Several indigenous African and foreign tour operators mentioned that perception and trust either hindered or supported their ability to secure a contract. Indigenous Africans also lack the marketing capabilities and brand placement to secure clients. Marasa Holdings and Geolodges have multiple properties and direct relationships with booking agents and do not rely solely on tour operators. Their properties are distinguished (and have competition limited), which places them in a more relational contract and bargaining positions with tour operator buyers. They also can handle all in-bound segments of the value chain. Therefore, some indigenous African Ugandans are making in-roads into the tourism production network. They are concentrated mostly in the low-end tour operator and hotelier segment and have not functionally upgraded to compete against the vertically and horizontally integrated hotel groups.

Social upgrading – workers and communities

The growth of MFNP as a tourism destination was an instant social upgrading phenomenon for workers and communities, because prior to tourism no economic activity existed in the region, except for subsistence farming. Thus, broadly, economic upgrading has led to social upgrading for permanent workers, but challenges exist pertaining to low base wages, cost of living, wage discrepancies, transportation and hardships. Social upgrading for community villages surrounding MFNP is less apparent. Although communities receive a percentage of Park receipts, few of the closest villages have members who work inside the Park or supply hotels and all struggle under extreme poverty. Their subsistence agriculture is constrained by wildlife vermin from the park that destroy crops, livestock and even kill community members (Mwaura, et. al., 2011).

Workers

Permanent workers at accommodation facilities in and around MFNP (including in Masindi and at Ziwa) have mostly socially upgraded. In comparison to our Capturing the Gains comparative site location in Mombasa, Kenya, casualization is less rampant. Out of our sample of ten accommodation/excursion facilities located in MFNP, just outside, or in or close to Masindi (see Table 2), three facilities employ only permanent workers and the remaining are contract workers. When casual work was used, it was for specific projects, such as extra help needed for cleaning, building new features, or catering. Casual work was prevalent in Kampala, however, where some of the largest hotels employ over 100 casual workers. As we address below, the lack of casual workers may have more to do with local labour market dynamics, rather than national trends. Furthermore, contract work is a form of casualization, since it is a fixed term, but contract status confers benefits, unlike casual status. At two facilities there was also a discrepancy between what management labelled 'permanent', but what workers told us were actually 'contract.' We also found more women workers and limited gender job segregation, although female employment was less common.

Table 2: Category of worker designations at sample accommodation in and around MFNP

Accommodation	Total workers	Permanent	Contract	Casual	Women
Hotel 1	18	6	6	6	11
Hotel 2*	12	12			
Hotel 3*	50	30	20 [^]		over 10
Hotel 4*	129	129			
Hotel 5	32	32			15
Hotel 6*	20		most	a few	14~
Hotel 7*	49				49
Hotel 8*	25		25 [^]	x	12
Hotel 9*	28	20		8	3
Hotel 10*	110	110			33
TOTAL	473				

* interviewed worker(s)

[^] discrepancies between worker and management statements

~estimation

Source: Field interviews.

Although we may broadly classify permanent workers as socially upgraded, the minimum wage base is very low (see Table 3). Up-country wages are lower than in Kampala, but the increased costs of living make it difficult to survive on the going rate, which averages around UGX100,000 a month – roughly US\$40. Expenses include housing, school fees, food, clothing, health, entertainment and other social obligations. Two facilities, however, start their lowest wage above UGX200,000 a month, which is considered more appropriate to cover expenses. If casual workers are used, the range is between UGX3-4,000 (US\$1.2-1.6) a day, to UGX60,000 (US\$24) a month. Most of the worker complaints centred on the challenges they face with low wages and what they perceive to be unfair wage discrepancies. Workers at a few different hotels complained that workers from different parts of the country who did the same job as them were paid different wages. One worker further mentioned that he had trained the new worker, who was paid better.

Mid-level management and department heads, who were Ugandan, had relatively high wages. Managers were typically paid over UGX1 million (over US\$400), and one was paid UGX2 million. Department heads made between UGX400,000 (US\$161) and UGX900,000 (US\$362). Although these mid-level positions received higher wages, some workers with higher skill-sets complained that their training and experience were not compensated appropriately. For example, some workers who were also tour guides objected to their wage of UGX200,000, because they had training certificates and years of experience. One had worked for over five years at the facility.

Table 3: Wage range for accommodation workers

	Wage range UGX*	Perm.	Contract	Casual
Hotel 1	150,000-300,000	x		
Hotel 2	60,000-120,000			
Hotel 3	100,000-150,000	x	x	60,000+ a month
Hotel 4	250,000 - 400,000+	x		
Hotel 5	100,000-300,000	x		
Hotel 6[^]	100,000+		x	60,000+ a month
Hotel 7	130,000-230,000	x		
Hotel 8	140,000+		x	
Hotel 9	150,000+	x		3,000-4,000 a day
Hotel 10	250,000+	x		

* low-mid skill positions

[^] discrepancies between worker and management statements

Source: Field interviews.

We uncovered more mixed findings regarding other social upgrading measurable standards surrounding benefits (see Table 4). Most hotels, except for those in Masindi, provided housing accommodation on-site, food while working, gave paid leave, and paid medical bills, although at low levels. Service charges (guaranteed tip percentage), transportation and other worker needs, such as fees for family burials and schooling, were less apparent. Only one facility gave an automatic monthly service fee to all employees. Transportation was also very challenging. The Park is in a very remote region of the country and lacks any local transportation option, apart from a *boda boda* (motorcycle). Workers are cut off from their families for months and if they choose to live locally, it can take them hours to get to work on foot or by bicycle. The accommodation facilities are also mixed. Most share a small concrete room and communal bathroom and shower facilities. One hotel, however, had a store and game room for workers.

In our interviews with management, several mentioned that they thought that the going wage rate was low and were examining avenues to make it fairer, but it is unclear if they would take action and what these would be. They also highlighted challenges they perceive that they face: a workforce with a lack of training, a poor understanding of tourism, and where stealing exists. Others highlighted, though, that if workers were better trained by the employer and were compensated fittingly, challenges would lessen. High levels of absenteeism and cost of burials was also a concern of some managers. Attending family and community funerals is very important among Ugandans, due to strong communal ties. Workers expect to attend and contribute to the burial costs, and they go further, to request the employers make donations. Managers are aware of the custom and support it to varying degrees, but some fear abuse from workers.

Table 4: Accommodation worker benefits

	Housing	Medical	Service charge	Transport	Food	Leave >	Other
Hotel 1		Pay bills			On-site		
Hotel 2	On-site				On-site		
Hotel 3*		Pay bills			On-site	21 days	
Hotel 4	On-site	300,000			25 kg posho, 12 kg beans		Christmas bonus; children's school
Hotel 5	3 mo^	Hotel doctor		At night			
Hotel 6	On-site	100,000			On-site		Burial fees
Hotel 7	On-site	200,000 +			On-site		
Hotel 8	On-site				On-site	21 days	Burial fee
Hotel 9	On-site	x		For annual leave	On-site	21 days	
Hotel 10	On-site	Clinic on site	UGX 150,000 +	2x week	On-site	21 days +	Breakage fees

* Hotel used to have housing, transport, and service.

> Law dictates 21 days off. Most hotels presumably give this leave, even if they did not specifically mention it.

Source: Field interviews.

Communities

In contrast to permanent workers with hospitality facilities, community members outside the MFNP have not socially upgraded. Although the seven districts surrounding the Park participate in revenue sharing of 20 percent of gate receipts from UWA, the impact from these funds is limited. They are distributed first to the district, then down to the sub-county level, parish, and lastly, village. At the parish level, committees make proposals of what to do with the funds. The most common funded projects are schools, clinics, livestock purchases, digging trenches and putting in pit latrines. Due to low return from park entry fees (Mwaura et al., 2011), local community targeted projects are slow in materialising and sparse in their impact. Furthermore, the size of the Park and the pattern of settlement of communities minimize the impacts of these projects. There are too many villages sharing the limited revenue. The agricultural system, the main economic activity of the local communities, is poorly developed and hence does not offer the opportunity for welfare empowerment. Most locals subsist on cassava as a food crop and some grow cotton as a cash crop. Some local communities addressed their belief that revenue-sharing projects should prioritize supporting more health facilities and water provision.

Other forms of gaining from tourism development, such as: (1) becoming a worker, (2) becoming a supplier, or (3) creating a tourism business, were minimal. Managers of accommodation facilities stated that 'most' of their workers are locals. 'Local' is a broad term, however, and can mean

anywhere within the vast northern Ugandan territory that borders the Park. In the immediate villages surrounding the most utilized part of the Park, there is little evidence of the impacts of tourism on the communities. In three focus groups conducted in three different villages, we found only two villages² that had a member who worked at a hotel. Some members stated that they thought they might be treated differently because they were from 'the village'. Those who knew about employment relations in the hotels suggested that workers from other parts of the country did not treat them fairly.

We also identified few community members supplying goods or services to hotels – artisan products, dance performances, or agricultural produce. A few hotels acknowledged that, although they strive to purchase locally, products assembled locally are not consistent in quality and supply. Dancing troupes also perform, but only sporadically. There are only a few products that locals can produce, and facilities have vast food preparation needs that are mostly met in Kampala through bulk purchase. Transportation constraints, quality standards, and lack of purchase guarantee hindered local producers from benefiting from any supplier relationship. One farmer stated that he had to transport the product to the hotel at a prohibitive cost and that the hotel then attempted to drive the price down and ultimately declined to purchase. He stated that it was not economically feasible to try to sell to hotels.

We found only one community tourism product outside the MFNP. Boomu Women's Group is located just outside the park entrance and makes baskets and honey, conducts walking tours, cooking and basket weaving demonstrations, takes in laundry, and provides accommodation facilities. The group began its operations in 1999 at Kihaguzi, with the aim of fighting poverty in the area by creating economic and social development projects. Ninety percent of the proceeds earned from baskets go to the artists and 10 percent goes to the Group. They receive training and marketing support from the Uganda Community Tourism Association. The Group, however, are not visited by any tour packages and only supply intermittently to two facilities. One hotel uses their laundry service. They have upgraded their functions and products mostly by gaining financial support from foreign volunteers, who have made financial donations over the years. While the Group is a 'success', it struggles to remain sustainable. They, more than other facilities, make important contributions to their community – they started a nursery school, pay for five children's school fees, and their facilities are used for child immunizations.

Communities face other challenges pertaining to human-wildlife conflicts. Locals are concerned about wildlife ruining their crops and their inability to protect their livelihoods and their families. Several wildlife-related deaths were reported in 2011 and, when deaths occur, no compensation is given. Hence, in many regards, communities have not experienced the benefits from the Park and the growth of international tourism. Their exclusion only further fuels frustration, which can lead to drastic action, such as poaching activities.

Determinants of social upgrading

We found six determinants that dictate social upgrading outcomes for workers and communities:

- 1) Structure and implementation of the labour code
- 2) How employee relations are addressed in UWA concessions
- 3) Activity of the hospitality union
- 4) Firms' labour strategies

² The first village focus group had 36, the second 32, and third 18 members who participated in the discussion.

- 5) Training facilities and programmes
- 6) Role of social governance actors, such as NGOs, and their donor-supported activities.

The first two of these are public governance-based, whereas (3) and (4) are private. The inadequate training facilities and programmes (5) are private and public. Lastly, the role of social governance actors, such as NGOs and their donor supported-activities (6), highlights the dynamics surrounding community tourism development. All of the determinants point to a confluence of factors that support upgrading for permanent workers, but in a limited capacity for local communities. Moreover, upgrading is qualified within a context of prevalent low wages and hardship issues and larger labour challenges at the national level.

The Ugandan labour code is centred on the Employment Act (2006) and Labour Union Act (2006). The Labour Union Act stipulates the rights of employees to organize themselves in labour unions; assist in running the union; bargain collectively through representatives of their own choice; engage in other lawful activity in pursuit of collective bargaining; and withdraw their labour and industrial actions when necessary. Although the laws are in place, there are several problems that hinder their implementation and effectiveness. The Uganda Hotels, Food & Tourism and Allied Workers Union (UHFTAWU) has documented the lack of a proper stand-alone labour ministry, and found that the Department of Gender, Labour, and Social Development, which is charged with implementing and overseeing the laws, is understaffed (only around 20 employees) (Mauku 2012). These factors severely affect national implementation. Moreover, supposedly, only 20 Districts out of 112 have an appointed Labour Officer, and the Labour Officers may have conflicts of interest. Even when labour grievances are reported and documented, the Industrial Court is not operationalized to hear complaints.

In 2011, the Uganda National Employment Policy was adopted to address some of these administration issues and larger labour standard themes. The Policy acknowledges the prevalence of employment casualization, which it reports leads to low pay and poor working conditions and is an inadequate route out of poverty. The Policy recommends 11 strategies for ensuring effective labour administration that would contribute to protection of workers' rights, including establishment of a Minimum Wages Advisory Board (MWAB), with a view to researching and studying wages trends; implementation of the labour laws; and setting up a monitoring mechanism on wages in different sectors. The MWAB has been established and the Employment Regulation (2011) has abolished casualization of employees for periods of more than three months. While Uganda Hotels, Food, Tourism and Allied Worker's Union reported an improvement in workers' welfare after the introduction of employment regulations, the low participations of workers in the Union's activities is a major concern, along with the continued challenges of implementation (Mwaura and Ssekitoleko, 2012; NOTU, 2010).

UHFTAWU, nonetheless, has filled a labour advocacy role that has benefited permanent workers. They had 24,000 members as of 2011, up from 7,500 in 2006. Male membership outnumbers female at 60 percent to 40 percent, but female membership has gone up each year. For several years they have had annual collective bargaining agreements (CBAs) with the Uganda Hotel Owners' Association that covers over 150 hotels. At least three lodges inside MFNP are members. The CBAs stipulate working conditions, grievances and mediation, but not wages. Due to the lack of a minimum wage law in Uganda, the union has to negotiate individually with every hotel regarding a 'Schedule C', which addresses issues of employee allowances, benefits and compensations. Some hotels are more available for negotiations than others. In 2011, UFTAWU

registered 87 grievance cases, of which 45 were handled. This figure is over 50 percent lower than the previous year.

Union activity to encourage labour law implementation and their established CBA history has encouraged firms to provide stronger labour guarantees. Yet, given that there is a lack of minimum wage standard and that costs of living are high, firms pursue advanced labour strategies which may or may not be based on their individual business policies. Firms that have concessions are not necessarily under obligations to hire locally. Concession documents are loosely worded to encourage hiring from communities, but there are no required limits or training programmes. Hence, firms choose individually whether to pursue supplemental labour standards, such as hiring locally, at higher base wages, providing better living accommodation, food subsidies, 'family days', and burial fees. No pattern emerged regarding what types of firm did or did not pursue such standards, with owners or managers giving personal business philosophies to explain their rationale. A couple of firms prided themselves on their employee opportunities and standards. Their supplier decisions, however, were more varied, and few sourced locally or had a proactive local sourcing strategy. Some firms identified one or two projects that they were supporting (e.g., hiring dancers or procuring artwork), but nothing was systematic or a guarantee of regular orders.

In comparison to other African destinations, casualization rates at MFNP are lower, even with a loose Ugandan labour market. This may partly be explained by training challenges for the sector and by the local labour market. In all of our interviews, a lack of adequate human resources – particularly for hotels and restaurants, tours and travel, and promotion – was identified as a constraint in tourism development. The government runs the Hotel and Tourism Training Centre (HTTC) in Jinja. The Centre, however, is criticized for its lack of adequate training equipment, courses and qualified teaching support. Training facilities lack sufficient classes, laboratories (computer and language), a library, and hospitality equipment (e.g. laundry machines, cookers, etc). The government's failure to provide the expected support for the HTTC notwithstanding, the Centre has been reporting annual enrolment of about 300 students (UBoS, 2011). Other government bodies, like The National Forestry Authority (NFA), have undertaken tourism-related training, such as wildlife habitat protection and guiding, and the private-led Uganda Safari Guides Association began a guiding certification programme in 2011.

The lack of a properly trained and available workforce may support the use of a less casual work base, because employers want to keep workers once they have internally trained them. It has, however, limited the role, positions and incentives available to Ugandans in the tourism sectors. Several firms employ foreigners (Europeans and Kenyans) in management and Ugandans from urban areas in mid-range skill positions, while Northern Ugandans are in low-skill positions, with limited employment from the villages closest to MFNP. Both the government and private sector actors acknowledge the poor placement of Ugandans in tourism, especially in the hospitality sub-sector. UHFTAWU claims that, even when Ugandans are university trained and have experience, they are less likely to be placed in an upper-level management position, and that there is a perception that hotel management positions should be filled by foreigners. Hence, there may be some subjective rationale connected to what tourism service providers, from outbound markets, as well, perceive to be Ugandans' lack of hospitality and service capabilities, with an objective lack of training indicators. Thus, stereotypes regarding Ugandans' perceived inability to meet tourist needs and the lack of quality training are both barriers. One accommodation firm stated that a regional white-African tour operator objected to their hiring a local Ugandan as general manager.

The last factor – that was the biggest influence on community upgrading – was activities by donor communities and tourism non-profit organizations. USAID is funding a programme called STAR, which focuses on conservation in the Southern Albertine Rift by increasing communities' participation in tourism activities, generating funds for conservation, and creating alternatives to natural resource depletion. They are working in collaboration with Uganda Community Tourism Association (UCOTA) on marketing and on a product development initiative called 'Pearls of Uganda'. This assists community groups in marketing materials and helps facilitate linkages with private enterprises. STAR helped to create a marketing booklet, entitled 'Pearls of Uganda', to showcase artisan and community tourism products. The accommodation facilities in MFNP displayed the book for guests, but it was unclear whether any more promotion was given. The only community group outside MFNP – Boomu Women's Group – was supported by UCOTA and STAR, but struggled with access to production network actors and sold their artisan work to only one hotel, in an intermittent fashion. Overall, donor communities are mostly focused on tourism entrepreneurship and product development. This focus is important, but funding for labour specific initiatives, and ways to support workforce development and upward mobility tracts, may be just as effective as a means of support.

Other challenges – image and oil

There are two additional challenges to tourism development in Murchison Falls National Park: image and the future of oil extraction in the Park. All of our respondents addressed the challenges that Uganda faces in expanding global tourism due to ignorance about Uganda on the part of tourists and northern markets. Uganda has been safe and stable for over a decade, but the perception is one of instability. The most prevalent images of Uganda are Idi Amin, civil war, and anti-gay legislation. International governments also promote the image of instability, with travel advisory warnings. The northern region is further highlighted because of the history of civil war and the activities of the Lords Resistance Army (LRA). The Lords Resistance Army has been out of the region for several years, but the belief that they are still in Uganda continues. While conducting field research, a video made by an American advocacy group, Invisible Children, about the leader of the LRA, Joseph Kony, and his use of child soldiers attracted wide global attention, especially among internet users. Ugandans admonished the video and the perception it created of continuing insecurity in the country. A targeted and effective marketing campaign is needed to combat these images. Effective marketing is constrained by insufficient funding to the Uganda Tourism Board (MoFPED, 2012). The tourism sector in Uganda receives the lowest marketing budget of all its East African competitors. Uganda invests US\$300,000, while Kenya spends US\$23 million, Tanzania US\$10 million, and Rwanda US\$5 million. Although the government associates low financing with a limited national budget (MoFPED, 2012), duplication of roles and competing interests are not the prudent way to manage resources. For example, the Presidential Initiative on Sustainable Tourism (PRESTO), initiated in 2012 appears to be duplicating roles of the Uganda Tourism Board, the UWA, and Ministry of Tourism Wildlife and Heritage.

Uganda is in the process of exploitation of the oil and gas reserves that have been discovered in the Albertine Graben region (GoU, 2010), an area which coincides with a very sensitive biodiversity ecosystem in Africa (NEMA, 2010). The Albertine Graben is a major tourism destination and, among others, includes the MNFP. There is a major dilemma as to how the oil and gas industry will impact on both the wildlife estates and the tourism sector. The future of MFNP as a tourism destination is threatened, as its intensive tourism attraction zone (UWA, 2001) has been found to be rich in oil and gas deposits (Mwaura et al. 2011). There is a lot of concern among tourism service providers about the impact and potential damage that exploration and drilling may cause

the Park (NEMA, 2010). The Uganda Wildlife Authority has put in place policies and guidelines to ensure Park protection, such as designated areas outside of the Park for waste, while it waits for the National Environment Management Authority (NEMA) to determine final disposal guidelines. The implications for tourism growth and wildlife protection are still unknown. The fear of oil exploitation impacts on tourism notwithstanding, the government has attempted to initiate a number of activities that will hopefully curb negative environmental impacts on the tourism sector and other productive and facilitative sectors (MEMD, 2008).

Conclusion

This study documents the patterns of economic and social upgrading in the tourism global production network in Murchison Falls National Park Uganda. Hotels in Murchison Falls National Park pursued functional upgrading strategies by taking on tour operations, transportation and, in some cases, excursion activities. Most hotels are owned by Asian-Ugandan business groups or foreigners. The ability to gain concessions, having financial investment capital, and having direct access and networked relationships with global buyers all assisted economic upgrading. Economic upgrading led to social upgrading for permanent workers, but upgrading is still limited, due to a low wage base and divisions of labour between local communities, city residents, and foreign management. Little upgrading occurred for local communities. The gains for communities from Park revenue sharing and potential tourist-related income, as workers or suppliers, were weak to non-existent. The tourism sector seems to employ locals only to a limited extent, and this, coupled with the poorly evolved agricultural system, means there is a high prevalence of persistent poverty among the local population (Mwaura et al., 2011; UBoS and ILRI, 2007). Social upgrading outcomes and constraints were influenced by labour code challenges and the advocacy of the hospitality union. A minimally educated local labour market and a lack of training buttressed against casualization but proliferated an outside workforce. The lack of trained workers meant that service providers wanted to maintain the workers they trained in-house, because they were hard to replace.

Our findings point to the importance of key actors – the UWA, hotel groups, and the hospitality union – in dictating upgrading opportunities. A lot can be done to further strengthen social upgrading outcomes, such as creating minimum wage and sector standards with adjustments for cost of living; providing transportation options for workers and potential community suppliers; and by placing minimum local employment and sourcing recommendations into concession requirements. The UWA can also increase their community outreach. One of the most basic services they can provide is granting game drives through the Park for schools and community members. Despite the fact that the Park is on their doorstep, most local people have never had the chance to experience it. Community members want to see tourism and the Park prosper, but they want to understand what they are preserving, and to be equal recipients of the gains from its prosperity.

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