

The elusive quest for development

By Paul Busharizi

In recent weeks, the press has been awash with updates on ongoing projects.

The Entebbe Expressway is months away from completion. East Africa's biggest hydro-electric power dam, the 700MW Karuma Dam, will in 12 months bring 200MW to the grid. The 185MW Isimba dam will come online by the end of next year.

In addition, a revamping of the health system's infrastructure is coming to a head with the completion of renovation and expansion of Mulago Hospital. One of the centrepieces of the new development is a 320-bed maternal and neo natal complex.

Meanwhile, there is an ongoing exercise to revamp secondary schools too.

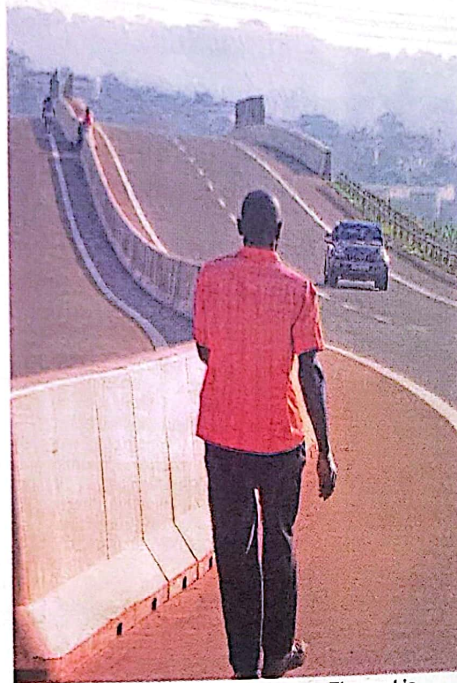
There is also work going on on roads, bridges, flyovers, railways and ports. A veritable explosion of activity that if completed on time is bound to change not only the way the country looks but the economy as well.

Improvements in infrastructure should lead to the quicker movement of goods and services around. These efficiencies translate into economic growth.

Given the benefits of such infrastructure – any economic student can count them off his fingers, why has it taken so long to get around to it?

There are many reasons but financing is at the top of the list.

Two things have happened. Locally, our revenue collections have grown. Secondly and related to the first, the financing options have increased with the rise of China as a major financier of development across the globe. In the early 2000s, the Government wanted to build



A section of the Entebbe Expressway. The road is expected to be opened for public use soon

Beautiful buildings, roads and airports are all very nice, but if they are not manned then we will be as good as having done no work

a difference of perspective of what drives growth and, therefore, development as they had had first-hand experience from 1978. The Western donors' experience with driving development around the world is far from laudable.

A graph of the growth of Chinese GDP per capita shows a curve inching up, only hitting \$2,000 in 1990, where a tipping point seems to have been reached, with per capita GDP quadrupling over the next three decades to the current \$8,000. No Western economy mirrors such progress in the careers of existing development aid democrats.

As if the statistics are not enough, previous experience with telecommunications, road networks and even power consumption suggests that there is huge suppressed demand in the population for the services that come with infrastructure.

That being said, it is important that we get value for money in all these new projects; that costs are not inflated, good quality work is done and works are completed.

However much infrastructure can spur economic activity, the challenge still remains that this growth is spread equitably across the population.

If there is growth but widening disparities in income and wealth, it is often an indictment of the government of the day, and jeopardises the chances of long-term growth too.

Government, through effective taxation of the wealth created, finances not only the infrastructure to keep the wealth growing but also social

services such as education, health and social security to ensure that more people benefit from the growth, than the captain of industry and their lieutenants. An educated and healthy population is a more productive one.

What gets in the way of this service delivery is corruption. Corruption has the effect of concentrating resources in a few hands.

A few years ago, it was reported that at least sh500b is lost annually through corruption. That would have been the equivalent of treating about three million in-patients at Mulago. Currently, Mulago budgets for less than 200,000 in-patients annually.

Even if 5,000 corrupt officials and their accomplices helped themselves to sh500b, it means that each was wolfing down the resources of a thousand Ugandans in need of urgent medical care.

Related to that all this spanking new infrastructure is good to show off on social media but it needs to be manned or optimally used for all of us to benefit.

During a tour of Mulago last week, the ruling National Resistance Movement officials were told that nearly half of the 3,000 staff complement of the "new" Mulago remained unfilled.

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EXPRESSION OF INTEREST

International Hospital Kampala wishes to outsource the hospital's café services on a percentage shared revenue basis.

Interested parties are invited to share quotes and proposals by close of business **Wednesday 16th August 2017.**

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