



Technical engineers at one of the steel machines at the Uganda Industrial Research Institute in Namanve. Factories require reliable energy, logistics networks, worker housing, skills aligned with industrial demand, and financial institutions capable of long-term investment. PHOTO/MICHAEL KAKUMIRIZI

Inside Uganda's industrial future

Many initiatives are small and isolated, failing to generate the depth and integration for structural transformation.

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For decades, the central question confronting economies like Uganda has been: why has so much effort not translated into broad prosperity?

On the surface, the country does not lack entrepreneurial drive. Across cities and rural trading centres, small enterprises open early and close late, traders navigate thin margins, and farmers adapt to unpredictable markets.

But incomes remain relatively low, industrial credit is limited, and many domestic successes struggle to scale regionally or globally.

Even where progress exists, in infrastructure, technology adoption, or financial inclusion, the pace of structural transformation lags behind the ambitions of a rapidly growing population.

Much of the past several decades of development policy in emerging economies have focused on managing poverty rather than engineering prosperity, according to research notes from the World Bank Group.

"Managing poverty is designed to soften hardship at the margins; through targeted programmes, safety nets and incremental interventions. Engineer-

ing prosperity requires something more fundamental: transforming the productive base of the economy itself. It means raising productivity, deliberately building industrial capacity, and creating enterprises capable of competing in regional and global markets," explains Arshad Rab, a development economist who also serves as chairman of the International Sustainability Council and chief executive officer of the European Organisation for Sustainable Development.

This distinction highlights a paradox. Economies can be highly active yet structurally constrained.

Activity exists; effort exists. But productivity does not increase fast enough to fundamentally change economic positions.

Economists sometimes call this a poverty equilibrium: the economy works relentlessly yet struggles to move decisively up the value chain.

Breaking that cycle requires scale, coordinated, deliberate interventions that reshape entire systems rather than isolated projects.

Fragmentation has long undermined industrial ambition. Many initiatives are small, isolated, or charity-driven, failing to generate the depth and integration necessary for structural transformation. →