



Uganda's future in industry and how we can achieve it

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Uganda is currently grappling with a historic paradox – growth without transformation. Uganda is known for some robust growth domestic product (GDP), particularly in the period 1990–2010, although in recent years, this growth has become sporadic.

Much of the current government policy is targeting recovery. However, we should not forget that even when the economy was growing rapidly, the growth profile remained jobless and barely sustained. Over three-quarters of Ugandans remained stuck in low productivity subsistence agriculture.

The few Ugandans who escaped subsistence and joined commercial farming, industry and formal services prospered. This led to rising inequality to the extent that the richest 20% of Ugandans shared half of the national income, while the poorest contemporaries shared only 6%.

Since Uganda's growth has been happening in low productivity sectors,

particularly informal services, it did not create jobs. We heard from authorities how growth was robust as joblessness, particularly among educated young Ugandans, increased to the point where one job had 500 qualified applicants. Did we learn any lessons?

Why not services?

Economists teach us that transformation occurs when production and employment shift from agriculture and other primary sectors such as mining to manufacturing and finally to services – in that order.

Empirical researchers have always told us that "all countries that transformed their economies have done so by industrialising". We seem to have jumped from agriculture to services. Yet, services have never acted as an escalator sector. Why?

First, services such as information technology require high skills – long years of education and institution building are required before farm workers can be



A fruit factory in Arua district. Experts say investing in manufacturing will help transform Uganda's economy

transformed into programmers or call centre operators.

Secondly, services are less tradable (less exportable), with some exceptions such as cell phones and tourism. Uganda's

growth is driven mainly by non-tradable activities (things we do not export) such as construction and real estate, public sector investment, mobile telephony, transport, banking, education and health services.

Our government must learn to sack people who fail to deliver, and reward performers

Manufacturing sector

If you engage in non-exportable activities, your capacity to create jobs is limited since you are relying on the low domestic demand, itself vulnerable to internal political business cycles and other shocks – macroeconomic shocks, weather, demographic changes.

Although it would be wrong to think that the past will necessarily look like the future, I would not want to think that Uganda, or Africa in general, will be the first to reinvent the wheel. If we want to transform our economy, we are going to do so by investing in manufacturing.

It has stagnated at about 7% of GDP for the past 40 years. Its share in total employment has also stagnated at 5.7%. It has been left to small and medium enterprises that make up over 93% of firms operating in the manufacturing sector.

Research shows that industrial upgrading has never happened through market forces. The market gave all industrialised countries unambiguous signals that they should not promote the industries they dominate today.

Carrots and sticks

When Toyota's attempt to export its first passenger cars to the US in 1958 flopped, many Japanese economists argued that the country should stop subsidising the 'wrong industry' – car manufacturing – and stick to silk.

Imagine what the world

people who fail to deliver, and reward performers. Agencies that fail to perform should be closed instead of creating parallel ones to circumvent the non-performing ones.

Capitalise UDC

Most importantly, leaders must understand that policy documents alone will not industrialise Uganda. We shall need to act and learn from the mistakes and failures.

For instance, now that the governance at the revived Uganda Development Corporation (UDC) has been strengthened with a new board and a new strategic and investment plan, let the government capitalise its investment arm.

The economic ideological dogma that used to worship markets and private sector-led models as if they were magical wands has been globally disproved.

Any well-meaning person now agrees that the state, despite its shortcomings, popularly referred to as government failures, has a role to play, particularly when it comes to experimenting with industries where the private sector is disinclined.

The past three decades must also have taught us that a number of market failures impeded industrialisation. Information externalities, for example, are everywhere for us to notice. Markets are sending wrong signals to entrepreneurs invest here, not there; yet they should have invested there, and not here.

Minimise 'learning costs'

To solve this, the Government must minimise "learning costs" for the private sector. The learning process for manufacturing is too long and often involves huge financial losses. That is why the private sector has avoided manufacturing (both as an investment and financing area).

Let us use UDC to experiment with industries with uncompetitive cost structures. Once the private sector is assured of a return on investment, it will not wait for invitation or 'facilitation'.

Since in today's globalised world it is no longer practical to use conventional industrial policy instruments – such as tariffs, exchange controls, and import licensing – to nurture infant industries, we should use UDC to incubate these industries with a view of passing the mature industries on to the private sector.

In principle, although private firms, not state-owned enterprises, must be the engine of industrial production and management, the state should directly invest in the experimentation stage of industries – iron and steel, petroleum, agro-manufacturing, and other export-oriented manufacturing.

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VACANCY ANNOUNCEMENT

FHI 360 is a nonprofit human development organization dedicated to improving lives in lasting ways by advancing integrated, locally driven solutions. Our staff includes experts in health, education, nutrition, environment, economic development, civil society, gender, youth, research and technology – creating a unique mix of capabilities to address today's most complex development challenges. FHI 360 serves more than 70 countries and all U.S. states and territories.

We are currently seeking qualified candidates for the following positions for an anticipated USAID Uganda Feed the Future program that aims to increase incomes and improve livelihoods of households through agricultural economic growth. Activities will increase the institutional capacity of government institutions, the private sector and civil society organizations and will create incentives for businesses to invest in market systems and be more responsive to changes.

Gender and Knowledge Management Specialist

The Gender and Knowledge Management Specialist will provide overall guidance and technical expertise to ensure the integration of gender, youth, disabled ethnic minorities and other marginalized populations who are often excluded – or even exploited – by traditional market systems. He/She will generate, document, share and apply knowledge to make change happen for gender equality and women's empowerment ensuring that both are incorporated in all aspects of programming and social and behavior change communications.

Minimum Qualifications:

- Minimum 6 years' experience in Gender and Youth programming and Knowledge Management.
- Previous experience conducting gender related assessments and demonstrated experience developing and integrating inclusive-related content and messaging in communications, tools and training materials, and in project activities across all technical components.
- Experience in training capacity building, advocacy and outreach.
- USAID experience preferred.
- University degree in women's studies, anthropology or international development relations.
- Excellent oral and written English communication skills. Experience in Uganda an asset.

Nutrition Specialist

The Nutrition Specialist will oversee and provide technical leadership to promote the uptake of high impact practices to improve maternal,

newborn, and child health. These practices include improved nutrition practices address malnutrition and stunting, increased uptake of family planning management of postpartum hemorrhage and hypertension, among others. The Nutrition Advisor will play the lead role in guiding the implementation of technically sound and innovative approaches, in close collaboration with Government of Uganda stakeholders, to increase optimal nutrition and related maternal and child health, improve the quality of nutrition services, build nutrition capacities of frontline health staff, strengthen nutrition competencies in maternal child health and health teaching institutions, and strategically incorporate nutrition objective into multi-sector policies.

Minimum Qualifications:

- Masters (MSc) in Nutrition or related field, with an emphasis on community nutrition, public health nutrition, SBCC or other relevant sub-specialty.
- Minimum of five years' experience designing and implementing multi-sector nutrition programs.
- Demonstrated significant expertise providing technical assistance to project host country government staff working on nutrition and SBCC activities.
- Demonstrated ability to work effectively with a wide range of partners with varying interests and priorities in the fields of nutrition.
- Prior experience in the Ugandan nutrition sector desirable, including experience at the community, district, sub-national and national levels.
- Field experience in the prevention of malnutrition and under-nutrition and a strong understanding of nutrition and related policies, strategies and programs.
- Excellent interpersonal, communication and facilitation skills. Written and oral proficiency in English.

Social and Behavior Change Communications (SBCC) Specialist

The SBCC Specialist will oversee and provide technical leadership in the design, implementation and monitoring of appropriate communications interventions across program technical areas in close cooperation with technical staff, the Chief of Party implementing partners, stakeholders, USAID and other donors operating in Uganda.

Minimum Qualifications:

- Minimum 6 years' experience working in communications or behavior change in Uganda.
- Experience developing behavior change initiatives in a combination of health and nutrition, livelihoods, gender, and agricultural



development or similar Feed the Future initiatives.

- Applied knowledge/use of evidence-based behavior change practices.
- Experience as a trainer and demonstrated success in sharing information to target populations and communities, as well as for stakeholders, implementing partners, USAID and other donors.
- Demonstrated capacity to develop and disseminate information through a variety of behavior change-oriented communications channels tailored to literate, semi-literate and illiterate populations.
- Written and oral proficiency in English.

Economic Strengthening and Financial Literacy Specialist (ESFL)

The ESFL Specialist will work with informal financial groups and institutions to foster savings and develop financial products and digital financial services that are tailored to target populations, including women, youth and marginalized groups. In addition, the ESFL Specialist will provide overall guidance and technical expertise on capacity building of service providers that serve households in the targeted districts and financial education initiatives for delivery through savings groups, cooperatives, women and youth groups, farmer associations and community-based groups, and through awareness raising and SBCC.

Minimum Qualifications:

- Minimum 6 years' experience in financial education/literacy and household-level economic strengthening initiatives, especially for smallholder farmer groups, women and youth.
- University degree in finance, economics, business, international relations or related field.
- Knowledge of and experience in financial product development (informal) in cooperation with Savings Groups, SACCOs, and with mobile banking.
- Demonstrated experience developing and integrating inclusive-related content and messaging in communications, tools and training materials.
- USAID experience preferred. Excellent oral and written English communication skills.

To apply please send your resume/CV cover letter, and the job you are interested in, stated in the subject line of your email to Ugandafeed@fhi360.org not later than Friday 22nd June 2018.