

# More firms than farms needed, says Oxford don

By Samuel Sanya

Enterprise and not agriculture is the silver bullet that will deliver Uganda to middle income status and prosperity, Paul Collier, a University of Oxford professor of economics and public policy, has said.

Collier pointed out during the Bank of Uganda and International Growth Centre Governors Public Lecture that with an annual population growth of 3.3%, land for agricultural activity is quickly running out.

During the lecture at the Kampala Serena Hotel, the don said instead of

focusing on farms, the Government should create conditions for firms of at least four employees each for the economy to thrive.

"Modern firms perform the miracle of productivity. Uganda must look beyond agriculture because with the 3.3% population growth annually, land is becoming scarcer," Collier said.

Earlier, BOU governor Tumusiime Mutebile said the country was still greatly tilted towards agricultural production despite successful liberalisation.

And according to Collier, Uganda needs cities with the right population

## BETWEEN THE LINES:

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density, electricity, and modern physical infrastructure linking firms, human resources and customers.

It also needs a culture of saving as well as trust and confidence in the state and regulatory powers.

He noted that due to Uganda's location and distance from key global markets for manufactured goods in Europe and the US, as well as the relative high cost of electricity and labour, the country is unlikely to be globally competitive in manufacturing.

However, he said, if the country insists on its manufacturing plan, the focus should be to feed the abundant landlocked markets in the countries surrounding Uganda, such as DR Congo, Rwanda and Burundi.

He rooted for food processing and the construction sector for Ugandan enterprises

## Views on cities

Collier advised that there is need for a land registry to facilitate development of land into small units of production. The registry would facilitate transfer of land rights and transformation of the means of economic production every 50 or so years. He said the urban land could then be taxed since its value appreciates

He said urban authorities would then require firms and land owners to develop buildings of about five storeys because they are cost effective, create the required population density for firms to thrive.