

Lack of Entrepreneurship Policy will phase out SMEs - Hon. Edward F. Babu

Jane Nafula, The Daily Monitor, Tuesday January 3, 2006

Housing State Minister, Capt. Edward Francis Babu has said failure by African governments to put in place a policy on Small and Medium scale enterprises (SMEs) is threatening their survival. "The absence of an entrepreneurship policy in Africa is still jeopardizing the existence of SMEs. Governments usually pick a few big companies and give them support while small ones have to struggle on their own", he said.

Mr. Babu was addressing entrepreneurs, academics and practitioners who attended the 2nd entrepreneurial conference at Makerere University Business School (MUBS) recently. The conference held under the theme, "Entrepreneurship and Economic Growth" was organized by the MUBS in conjunction with Southern University College of Business, USA. He said in the case of Uganda, failure by government to come up with right policies have forced most commodities to lose value and become less competitive in the international commodity markets.

Mr. Charles Ocici, the Executive Director of Enterprise Uganda while presenting a paper on "Promoting Entrepreneurship" argued that of all the five factors of production: land; access to capital and markets; Information & Technology; labour and entrepreneurship, entrepreneurship was central.

He traced the historical interventions and incentives schemes implemented in the Ugandan economy like transfer of departed Asians' assets and properties by locals; ad-hoc financing schemes (*entandika*); preferential treatment in international markets; Privatization programmes where local acquired government assets; revolution in telecommunications & Information and Communications Technology (ICT); improvement of infrastructure etc. which had dismal achievements because entrepreneurship was the missing link. He said Uganda entrepreneurs have tended to point at external factors to explain their plight without doing any soul searching on their attitudes. Mr. Ocici emphasized that entrepreneurship is what shapes attitudes and is the major differentiator between the rich developed Western countries and the least developed countries. (Additional reporting by Editor)