

BANK OF UGANDA



Remarks

By

Louis Kasekende (PhD.),
Deputy Governor, Bank of Uganda

.....

At the Networking Dinner for Saints, Peter & Paul Katale
Catholic Sub-Parish, Lweza Parish

Theme: “The Church, Business and the Economy”

.....

June 22, 2017 at Hotel Africana, Kampala

His Eminence Cardinal Emmanuel Wamala,

All Clergy present,

All Captains of Industry and Businesses present,

Ladies and gentlemen,

Good evening!

I am greatly honored to be chosen as a key note speaker at such a gathering of men and women that have superintended many successful businesses and enterprises. I want to make a few remarks this evening on the topic of our attitudes towards doing business and how they affect our ability to take advantage of the opportunities within our economy. I know that many of you own or manage businesses; so I hope that you will find something of interest in what I have to say.

The theme of this dinner is “the church, business and the economy”. Most of us here are Christians and we take our faith seriously and try to live our lives in line with the teachings of the church. I thus would like to argue that, unlike what our history has taught us, it is possible to run a successful enterprise while living true to the teachings of our faiths.

Let us recall the periods when an economy has distortions such as high unemployment, high inflation, low growth rates, and episodes of scarcity of

goods or services. In such circumstances like the recent global financial crisis, the first group to be blamed by the public are the business people and it is rare that the public will step back to evaluate the distortions in public policy as a plausible source of their predicament. May I also remind you that human behaviour has an element of greed, most times, where maximising profits irrespective of means and processes, tends to be the driving force for most businesses.

Combining the economic distortions and greed has often implied, rather unfortunately, that religion and business are in conflict. Our history as a country is littered with many of these bad practises where business is synonymous with such tag labels as “*bamulaze ekibuga*”, “*Bamutomeza*”; and has been labelled as unworthy of people with values. Yet this is far from the truth. Business is a calling and religious beliefs can support rather than disable business. One such example is Centenary Bank which has successfully embedded its core religious foundation in its business model and yet maintained steady growth with a diversity of clientele and employees, irrespective of faith.

Ladies and gentlemen, ethics are crucial in the world of business. Ethical business practises are essential if a business is to flourish in the long term and if the business sector is to command the support and confidence of the public.

Unfortunately, ethical standards in business often fall far short of what is desirable. This can be seen in the way in which businesses sometimes evade taxes and wilfully default on bank loans, contributions to the NSSF or even paying salaries of employees. It is not uncommon for the owners and managers of businesses to divert business revenues or loans contracted by the business for their own personal use. To build a thriving market economy in Uganda, dominated by private sector firms, major changes in the ethos and culture of business will therefore be necessary.

Unless businessmen and women conduct their business in an ethical manner, they will never build trust with their employees, their customers, their creditors and their suppliers. In the long term, trust is essential if businesses are to thrive, because a lack of trust raises the costs of transacting businesses and this makes it much harder for businesses to make profits. Opportunities like securing funds through the capital markets cannot be optimised if we do not run our businesses ethically, with clear books of accounts and transparency. There are also opportunities in business partnerships to pool financial and human resources, and gain economies of scale; to compete favourably for large scale projects. However these partnerships cannot be sustained without ethical practises and respect to contractual obligations.

This event was termed as a networking dinner. Networking in my view entails leveraging personal and professional contacts to grow the business through such avenues as securing a market for goods or products; optimising each other's knowledge and expertise including information on possible sources of funding or raw materials; management competencies; or access to skills. Without a doubt, the church is best placed to teach us the key tenets of human relations such as accountability, self-respect and respect for others; and taking into considerations the interest of others and not only our own as espoused in chapter 2 of Philippians.

I also think that the Catholic Church and its history teach businesses one critical thing – that is inculcating the vision, goals of the entity in each individual involved in the business or institution to ensure sustainability and survival beyond the life or tenure of the initial vision bearer. There is a paucity of enterprises in Uganda that transcend generations. For example, do any of the giants of the past like Sanyu Tissue; Suleiman Serwanga's Bus Company or Kizito block factory exist today? Therefore, I would like to implore all of you to put ethics at the heart of your work; establish credible governance structures and systems for your firms; and treat all of your employees, customers and suppliers in the same way as you would hope to be treated yourself. This after all, is the teaching of books of Mathew 7:12 and Luke 6:31.

Having underscored the importance of ethics; I need also to emphasize the need for our working lives, to be guided by the best professional practises of our chosen vocations. If we work in the business sector, business decisions must be guided by objective, commercial criteria if our businesses are to be successful. For those of us who have the privilege of managing a business or an institution, the best way we can contribute to our society is by ensuring that our business or institution is managed well, so that it is successful and serves the interests of our community and provides employment for the people of this country.

I think that we have to accept the reality that many of the problems of the business sector in Uganda can be traced to weaknesses in the way in which firms are managed. Bringing our religious values to bear in our personal and professional lives coupled with adherence to commercial principles should be potent tools in addressing business failure.

Your Eminence and distinguished guests; we however live in a multi-faith and multi-ethnic society. Successful businesses cannot afford to discriminate between people of different religious faiths in their dealings with customers, suppliers and employees. While the teachings of our faiths are essential guides for our inter-personal relations and values, we cannot allow sectarianism to influence the way in which we make business decisions.

I will conclude with these words of wisdom from Pope Francis; “Business is a vocation, and a noble vocation, provided that those engaged in it see themselves challenged by a greater meaning in life; this will enable them truly to serve the common good by striving to increase the goods of this world and to make them more accessible to all.”

Thank you for listening.