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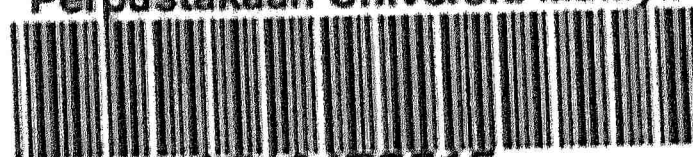
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**FOREIGN DEVELOPMENT FINANCE
IN ROAD DEVELOPMENT PROGRAMMES
IN MALAYSIA AND UGANDA, 1960 - 1999**

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SUMMARY

As the title suggests, this research study focuses on the application of one of the components of official development aid, development finance, towards the construction and development of roads in Malaysia and Uganda in the period 1960 – 1999.

When development studies emerged in the 1950s and 1960s its main attachment was that development in the Third World (especially in the newly independent developing countries) "should be sponsored as an industry – based process of structural transformation; aided by inflows of resources from developed countries" (Corbridge, 1993 : 98). Until now, this belief has largely remained unchanged although it has been attacked from both the right and left.

The attack from the right has focused on modifying it, easing the conditionalities attached, solving the debt crisis, issues related to utility, efficacy and to be applied as a short-term measure for the Third World's development. Yet the attack from the left has been launched by those against the idea of utilizing external assistance to promote development. This group includes authors like Bauer (1993) and Cheru (1989) and the advocates of the dependency approach like Samir Amin, Raul Prebisch and Theotonio Dos Santos (Blomstrom and Hettne, 1984).

The study also draws some lessons from the Malaysian successful story which could be applied in the Ugandan context to improve the utilization of development finance towards road development.

However, the main objective of development finance has been to facilitate economic growth and uplift the living standards of the population in the recipient country by supplementing the local resources for investment. In addition, financial aid has been extended to create a firm foundation for self-sustenance in the Third World.

Hence, this study explores the contribution of multilateral and bilateral financial aid towards the development of roads in Malaysia and Uganda in the post-independence period. It reveals that while Malaysia has managed to establish a good, well maintained and modern road network with some external financial assistance, Uganda has largely failed to realize it.

Additionally, Uganda's initial benefits from development finance were greatly eroded by political instability (1971-1986). During that period, most of the country's road network was left un-maintained due to institutional collapse, lack of road equipment and spare parts.

While Malaysia's good economic performance has enabled it to relax the application of development finance towards road development, Uganda's poor economic performance largely explain its continued pursuance of development finance to rehabilitate, improve and upgrade her road network.