TOWARDS A DYNAMIC AFRICAN ECONOMY

ADEBAYO ADEDEJI

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Selected Speeches and Lectures 1975–1986

Compiled and arranged by

Almost three decades after most African states achieved independence from European colonial powers the goal of promoting rapid socio-economic development remains a challenging task. No doubt, in all these countries, leaders have, in varying degrees, initiated policies and actions to deal with the multiple obstacles to the achievement of that goal. The results, however, have not been encouraging. Rather, the continent is today plagued with a vast range of problems which make the task even more daunting.

The speeches, lectures and addresses of Professor Adebayo Adedeji deal with all aspects of the African development experience. Part One focusses on global dimensions of the experience. A primary concern is the nature of the experience – the dominant features, the causes of declining performance since the late 1970s and efforts to grapple with problems involved. Particular attention is paid to relationships between African economic development and the functioning of the international economy. In this connection attempts, at the multilateral and bilateral levels, to influence the development process in Africa are critically evaluated. Similarly, strategies evolved collectively by African states, especially the Lagos Plan of Action, are the subject of extensive discussions.

Part Two deals more closely with the contributions of the various development sectors to overall African development. In this, agriculture and industry are the main areas of concentration, but equally noteworthy are the analyses of the performance of other sectors, the linkages between sectors and the cumulative negative impact on prospects for socio-economic development. Again, as in Part One, concrete policy measures and actions, at both regional and country levels, are clearly spelt out.

The volume provides a comprehensive picture of the past, present and future of development in Africa. It contains a wealth of empirical information, perceptive analysis of trends and insightful prescriptions.

Professor Adebayo Adedeji has had a distinguished career as an academic, civil servant, and Government minister in Nigeria. He was educated at London and Harvard universities. Since 1975 he has been United Nations Under-Secretary-General and Executive Secretary of the UN Economic Commission for Africa, based in Addis Ababa, Ethiopia.

Jeggan C. Senghor holds degrees from McGill, London and Yale universities. He worked at Makarere (Uganda) and Dakar (Senegal) universities before joining the United Nations.

Jacket photograph: Adebayo Adedeji
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Selected Speeches and Lectures 1975–1986

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CONTENTS

Adebayo Adedeji *frontispiece*

Forewords President Abdou Diouf, Senegal xiii

President Kenneth Kaunda, Zambia xvii

Biographical Note xxi

Abbreviations xxix

Preface xxxiii

General Introduction 1

PART ONE – GLOBAL PERSPECTIVES

1. On the Crisis in Socio-Economic Development 15

I The African Development Problematique: Demography, Drought, Desertification, Dependency, Disequilibrium, Debt and Destabilization, or, The Paralysis of Multiple Debilitating Crises
24 March 1985 15

II Address to the 20th Session of the Assembly of Heads of State and Government of the Organization of African Unity
12 November 1984 39

III The African Economy at the Crossroads
17 April 1986 47

IV Statement at the Opening of the 44th Ordinary Session of the Council of Ministers of the Organization of African Unity
22 July 1986 53

2. On Africa in the World Economy 58

I Development Policy: New Perspectives in International Cooperation for Economic and Social Change
8 October 1975 58

II Africa in a Divided and Inequitable World Economy: The Permanent Underdog?
3 December 1980 65

III Perspectives on Development and Economic Growth in Africa up to the Year 2000
12 February 1979 91

IV The Deepening International Economic Crisis and its Implications for Africa
27 April 1982 104

V Some Reflections on Nigeria's Economic Performance since Independence and Thoughts on Future Prospects
27 September 1985 113

VI Pluralism as a Factor in Africa's Development and Modernization
18 December 1975 140

VII Africa and the South: Forging Truly Interdependent Economic and Technical Links
21 May 1979 160

VIII The Multidimensionality of the Ecological and Environmental Aspects of Development
24 October 1986 184

3. On International Responses 192

I Africa and the New International Economic Order: A Re-Assessment
19 December 1979 192

II The Crisis of Development and the Challenge of a New Economic Order in Africa
24 February 1977 224

III The Social Implications for Africa of the New International Economic Order
19 January 1976 246

IV Statement to the Sixth Session of the Conference of African Planners
21 October 1976 258

V Address at the Opening of the Meeting of the Organization of African Unity's Council of Ministers
24 June 1976 263

VI Africa and the International Development Strategy for the United Nations Third Development Decade
20 June 1979 268

VII Address at the Symposium on African Perspectives on the New International Economic Order
5 May 1981 279

4. On African Responses 286

I Collective Self-reliance in Developing Africa: Scope, Prospects and Problems
23 August 1976 286

II After Lagos and New York What Next?
10 May 1981 299

III The Evolution of the Monrovia Strategy and the Lagos Plan of Action: A Regional Approach to Economic Decolonization
23 March 1983 321

IV The Lagos Plan of Action: Main Features and Some Other Related Issues
26 March 1984 341

V Statement at the Eighth Summit of the Authority of Heads of State and Government of the Economic Community of West African States
4 July 1985 351

PART TWO – SECTORAL PERSPECTIVES

5. Agriculture and the Rural Sector 359

I Address to the Conference of the Association for the Advancement of Agricultural Science in Africa
10 April 1978 359

II Background Notes on Africa's Food Situation and Policies and Programmes
24 July 1981 372

III A Structural Approach to Africa's Food Crisis
17 January 1986 390

IV Managing Rural Development in Africa
28 November 1977 399

V Statement to the Regional Meeting on Problems and Needs of Africa in Community Water and Sanitation
4 August 1980 412

VI Address to the Meeting of African Intergovernmental Group of Experts on Aspects of Application of the Provisions of the United Nations Convention on Law of the Sea
17 September 1984 415

6. Industry 421

I Speech to the Third Conference of African Ministers of Industry
17 December 1975 421

II Speech at the Third Meeting of the Follow-up Committee on Industrialization in Africa
4 November 1976 426

III Speech at the Extraordinary Meeting of the Follow-up Committee on Industrialization in Africa
10 March 1980 431

IV Address at the Meeting of the African Regional Meeting on a Common Fund Under the Integrated Programme for Commodities
6 October 1977 436

V Statement to the 7th Meeting of the Conference of African Ministers of Industry
26 March 1984 440

VI Statement at the Joint OAU/ECA Meeting of African Experts on Energy
24 March 1980 446

VII Speech to the Intergovernmental Meeting of Experts on an African Regional Centre for Consulting Engineering and Management
14 September 1981 454

7. Trade 459

I Statement to the Fourth Meeting of the African Ministers of Trade
24 November 1975 459

II Address to the Joint Symposium of Presidents and

Secretaries-General of African Chambers of Commerce
16 June 1981 463

III U.S. Trade Policy and Developing Countries: Special Measures for the Least Developed and Other Low Income Countries
28 September 1984 467

8. Banking and Finance 487

I Speech to the Working Party of the African Group at IMF/World Bank
21 July 1975 487

II Speech to the High Level Intergovernmental Group of Experts on the Establishment of an African Monetary Fund
4 October 1982 494

III Towards an African Monetary Fund
16 June 1984 497

IV The African Development Bank and Africa's Current Economic Crisis: The Perspective of the Economic Commission for Africa
10 May 1984 503

V Foreign Debt and the Prospects for Growth in the Developing Countries of Africa in the 1980s
5 March 1984 511

9. Science and Technology 527

I Address to the Intergovernmental Meeting of African Experts on Aspects of Technology Development in Africa
3 October 1977 527

II Statement to the Regional Meeting of the United Nations Conference on Science and Technology for Development
24 August 1978 532

III Keynote Address at the International Symposium of Commission VI of the International Society for Photogrammetry and Remote Sensing
22 September 1986 540

10. Transport and Communications 549

I Address to the Conference of Ministers of Transport of Central Africa
8 September 1976 549

II Statement to the Fourth Conference of African Ministers of Transport, Communications and Planning
7 February 1984 552

III Statement to the Joint Seminar on Regional Co-operation in the Use of Satellite Communication for Education and Development
28 September 1976 555

IV Address to the Port Operations Seminar
2 August 1982 558

V Statement to the PADIS Intergovernmental Meeting of African Computer, Documentation and Information Scientists
19 October 1981 561

11. Public Management 565

I The Political Class, the Higher Civil Service and the Challenge of Nation-Building
4 March 1981 565

II African Public Services and Prospects for the 1980s
31 July 1978 589

III Statement to the Conference of Ministers Responsible for Human Resources Planning, Development and Utilization
5 October 1981 593

12. Education 603

I Speech to the Conference of Ministers of Education of African States
27 January 1976 603

II The Role of Higher Education in Development
1 January 1981 610

III Address to the Conference of Vice-Chancellors, Presidents and Rectors of Institutions of Higher Learning in Africa and the Lagos Plan of Action
25 January 1982 625

13. Social and Environmental Development 632

I The Prospects of Family Planning in Africa
29 August 1976 632

II Speech to the Second Conference of African Ministers Responsible for Social Affairs
10 January 1977 642

III Speech to the International Conference on Assistance to Refugees in Africa (ICARA II)
9 July 1984 645

IV African Youth and the Challenge of Socio-Economic Development in Africa
8 December 1984 649

V Address to the Regional Intergovernmental Preparatory Meeting for the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace and Third African Regional Conference on the Integration of Women in Development
8 October 1984 654

VI The Impact of Development, Modernization and Social Change on the Style and Quality of Life in Africa
8 September 1982 660

VII Statement to the Third Meeting of the Intergovernmental Regional Committee on Human Settlements and First Meeting of the Joint Intergovernmental Regional Committee on Human Settlement and Environment
28 June 1982 671

Notes 676

Appendix:
Selected Publications of Professor Adebayo Adedeji 686

Index 689

FOREWORD

The initiative taken by Dr. Jeggan C. Senghor to compile in a collection accessible to a wide public a judicious selection of speeches and lectures given by Professor Adebayo Adedeji, deserves to be hailed by all those who, in one way or another, are involved in building the future of Africa. My contribution to this worthwhile initiative through this foreword, gives me not only personal pleasure but also an opportunity to pay tribute to the work of a man who has played a considerable role in propagating an authentically African way of thinking about economic and social development.

This way of thinking is formulated with the rigour that characterizes the eminent scholar, and with the down-to-earthness of the chief executive of the United Nations Economic Commission for Africa, who has to face the realities of today's world. Three specific central themes need to be highlighted.

First Africa has come of age. It is capable of choosing its options in full exercise of its sovereignty and of mapping out the way it intends to overcome the obstacles it is up against, namely, malnutrition, illiteracy, parochialism, technical under-development and over-dependence on the outside world.

There is certainly no denying the contribution made by Western researchers and experts to the analysis of constraints on development in Africa. This work, which has been ten years in the making, now belongs to the public at large and should be a source on which all may draw. However, it is important to note that from Professor Adebayo Adedeji's exemplary intellectual and professional journey, there is a whole generation of African economists concerned with a better appreciation of the situation in order to take action. Freedom of thinking comes with political and economic emancipation. Such thinking is taking place in all areas today: rural development, industry, monetary matters, education, health, habitat, trade and public administration, to name only a few. It is gradually being reflected in development plans and programmes more solidly rooted in the social realities of Africa.

Perhaps Professor Adebayo Adedeji's essential contribution is to

affirm relentlessly that Africa has come of age and that it is for that reason capable of expressing, in loud and clear terms, the type of development it wishes to have, and that it can achieve such development with its own resources.

Second, Africa has solidarity. This collection devotes an entire chapter to the various African regional organizations. Such pride of place is significant in that over the last twenty-five years Africa has created a complete network of structures for collaboration and co-operation which may perhaps be the most elaborate in the world. The reason for this painstaking construction of that network will be found in the preparedness to preserve the spirit of solidarity that is the hallmark of the African temperament. Each State is taking part in a joint effort to build a vast autonomous entity in which available resources should first of all be developed for the benefit of Africans. The constraints borne of initial specialization or restricted national markets must be removed through the liberalization of those barriers to trade and through the implementation of regional integration projects based on complementarity.

Beyond the cleavages proposed by such international bodies as are constituted by oil-producing countries, middle-income countries and least developed countries the Lagos Plan of Action, which is Africa's genuine development charter, and in whose preparation Professor Adebayo Adedeji remains one of the great artisans, spells out in no uncertain terms the principle of African co-operation through solidarity.

Third, Africa should have its place in the world economy. Building a New International Economic Order is one of the essential struggles that Africa would have to wage. The need to set new rules for commercial, economic, financial and monetary relations is vital both for South and North. With its 440 million inhabitants (as of 1980) and its billion inhabitants by the turn of the century, Africa can make an undoubted claim to a place in the organization of productive activities and in the propagation of ideas and technologies. It will continue to combat all those strategies and development patterns which deprive its population of the benefit of scientific and technological progress.

I am still impressed by the convergence of ideas that Professor Adebayo Adedeji and I exchanged in the course of his visit to Dakar in February 1985. Those ideas can be summarized in the preparedness to fight for a more equitable international order, for an order which does not periodically bring to nought the efforts being made by African Governments and people on the road to development.

This collection of Professor Adebayo Adedeji's speeches will remain for decision-makers and research workers alike an indispensable reference tool. It will invite decision-makers to exercise courage and lucidity, and it will foster a sense of rigour among research workers. Far from maintaining an attitude of fruitless dogma, it avoids the traps of ideological incantation. Professor Adedeji knows how to express things convincingly, to advance his theories intelligently and modestly and, finally, to give hope without resorting to demagogy.

Abdou Diouf
President of the Republic of Senegal

FOREWORD

I am particularly pleased to provide a foreword to this edition of *Towards a Dynamic African Economy*, which is a collection of selected speeches and lectures of Professor Adebayo Adedeji, United Nations Under-Secretary-General and Executive Secretary of the United Nations Economic Commission for Africa. I do this with pleasure because of the magnificent work that Professor Adedeji has done for Africa over the years in his various capacities as an eminent scholar, and an administrator. This selection of speeches and lectures records the evolving ideas and preoccupations of Professor Adedeji. These ideas and preoccupations are shared by all of us who have known Professor Adedeji throughout his relentless endeavours to find solutions to the enormous economic problems that have overwhelmed Africa since its political awakening almost three decades ago. Africa will forever be grateful to him for the analytical and objective approach that he has adopted in his work.

In these selected speeches and lectures, Professor Adedeji shares our concerns and hopes for a better Africa. From the outset, our primary concern has been one of achieving political liberation as a pre-condition to all-embracing African development. With the political independence so gained, our hopes lie in a type of wholesome development which will give our people more control over all areas of human endeavour, including programmes of action and institutions to cater to and fulfill their needs.

The speeches and lectures immediately remind us that one of Africa's basic problems of development is the absence of an effective infrastructure to which a century – in some cases centuries – of colonialism has contributed immensely. As a result of this colonial legacy, Africa has continued to depend on preindependence colonial markets for most of her primary agricultural and mineral exports. In certain cases, the coming of political independence has brought about little or no change in favour of the newly independent African countries as the exploitative cycle remains unbroken and former colonial metropolitan powers continue to derive more benefits from this setup.

In his speeches and lectures, Professor Adedeji discusses in more detail the African social and economic crisis that, for almost two decades now, has shown little or no signs of improving. Apart from unveiling once more the failures of the international community, particularly those of the former Western colonial powers, to embark on measures to bring about the New International Economic Order, he highlights the genuine efforts by African countries towards the fulfilment of the Lagos Plan of Action and Final Act of Lagos. As will be recalled, the Lagos Plan of Action was adopted by the OAU Summit in Nigeria in 1980 against a background of two decades of developmental problems such as sluggish economic output, worsening balance of payments, widespread unemployment, devastating poverty, accelerated desertification, unsustainable population growth rates, drought etc.

The timing of the publication of these selected speeches and lectures, is therefore, of great significance. Firstly, because of the decision of the OAU Heads of State and Government to review their countries' efforts in the implementation of the objectives of the Lagos Plan of Action in the wake of a drought-induced emergency and, secondly, because of an ardent urge on the part of Africa to look at those natural factors which have contributed greatly to an intensification of the economic and social crisis.

In both cases, the reader will be offered an adequate source of well documented reading material. Therefore, it is merely sufficient to add that the thrust in Professor Adedeji's speeches and lectures is to emphasise the imperative need for African countries themselves to push for an acceleration in collective selfreliance and development through national and sub-regional co-operation.

Professor Adedeji, like most of us, seems to have no illusions as to the enormity of the task of overcoming the current African economic and social crisis. For instance, from his vantage platform, he has observed that in the five years since the signing of the Lagos Plan of Action and the Final Act of Lagos, Africa has witnessed the spread of adverse natural conditions, such as drought and desertification, and a deepening of her international economic crisis, as indicated by a rising external debt and a drastic decline of Africa's trade with industrialized countries. To her dismay, she has even witnessed the lamentable failure of the North–South dialogue.

However, like many of us, Professor Adedeji also harbours great optimism in the ability of Africa to overcome her economic and social problems in the future. In this respect, one has to look at the enormous reservoir that Africa has in her natural and human

resources. As has already been proved, Africa has both the capacity and ability to overcome her problems. First, the potential for rapid growth exists in Africa. Second, changes in economic and social policy have indicated willingness on the part of many Governments to re-examine and cope with the continuing economic crisis. In fact, Africa does not need to be classified as a hopeless case with a future of permanent crisis – certainly not one without the quality of courageous persistence. Africa has the largest store of mineral resources in the world. Despite widespread hunger and poverty, Africa is a Continent of great promise. For instance, it has been estimated that a few countries with good soils could feed the whole of Africa if their agricultural sectors were fully exploited. This argument is adequately supported by the existence in several African countries of an enormous hectarage of fertile land, watered by great rivers and lakes.

Africa's other hope lies in her human resources. Since the beginning of the political wind of change, in most cases barely two decades ago, African educational facilities have doubled, health care has improved as an increasing number of doctors and nurses are being trained and, in many countries, life expectancy has risen as infant mortality rates have declined. Development in Africa cannot be measured by statistical indicators alone. For, behind those statistics and indices, are the people of Africa themselves who, even under undeniably harsh circumstances, continue to exhibit resourcefulness, initiative, hard work and dignity. Put in another way, popular conceptions notwithstanding, the majority of Africa's people are not helpless victims with begging bowls in hand. They are people who have hope and, indeed, people who want to make something of themselves. This, in essence, is the real story of development in Africa, that is, what is happening to the people themselves, the shift in outlook, awareness and consciousness to act on their own initiative and a desire to take care of their lives so as to rise above their poverty, their history and their environmental circumstances.

In real terms it means that Africa's survival depends upon evolving programmes for exploiting her human and natural resources to the fullest extent in her fight against hunger, poverty and underdevelopment. It means that Africa's focus should be on an immediate review of her agricultural policies. It is a well known fact that at the root of Africa's economic backwardness is the poor performance of her agricultural sector. Needless to say, if Africa is able to feed her increasing population, she must strive towards achieving a green revolution, as a matter of urgency, with the help of research and

technology in agriculture, particularly in food crops, and in the proper utilisation of land and forestry. All in all, we fully agree with those who assert that in her efforts to rehabilitate, revitalise, rejuvenate and rationalise, Africa should endeavour to consider industry, agriculture, manufacturing, mining etc. as critical parts of the economy which should be properly co-ordinated and integrated in all national and sub-regional development programmes.

Professor Adedeji's speeches and lectures are certainly a useful guide to scholars and policy makers alike. It is true that the agenda for African development is a complex one as African countries are at various levels of development. It is equally true that unity of purpose and collective self-reliance are ingredients of prime importance in African development. But, above all, Africa as a member of one world bound by human interdependence, will inevitably look to the international community for prompt and active support if she is to succeed, not only to maintain the momentum she has set for herself through programmes such as the Lagos Plan of Action and the Final Act of Lagos and others at sub-regional levels, but also to play her role alongside the rest of the world in achieving a New International Economic Order.

Kenneth David Kaunda
President of the Republic of Zambia

BIOGRAPHICAL NOTE

1. ACADEMIC BACKGROUND

Born on 21 December 1930, Professor Adedeji had his elementary and secondary education at St. Saviour's School, Ijebu-Ode, Nigeria, and Ijebu-Ode Grammar School, from 1940–1943, and 1944–1949 respectively. He began his university education at the University College of Ibadan, where he took a Diploma Course in Local Government Administration in 1954. He proceeded to University of London in 1955 on Government Scholarship, and obtained a Bachelor of Science (Economics) degree with honours, in 1958. He was awarded Faculty Prizes at the end of his first and second years as the best student in his class. In his final year, he was elected President of the University's Economics Society.

In September 1960, Professor Adedeji went to Harvard University, U.S.A., to read for a Master's degree in public administration (M.P.A.), on a Ford Foundation Fellowship. He subsequently obtained the degree of Doctor of Philosophy in Economics from the University of London. His doctoral thesis, entitled *Nigerian Federal Finance: Its Development, Problems and Prospects*, was published by Hutchinson Publishing Company of London, because of its value for public policy.

In 1976, Professor Adedeji was awarded the Doctor of Literature degree (D. Litt.), Honoris Causa, by Ahmadu Bello University, Zaria, Nigeria. In 1984, he had the singular honour of being awarded two degrees of Doctor of Laws (LL.D.), Honoris Causa, by the University of Zambia, and Delhousie University, Nova Scotia, Canada.

2. PROFESSIONAL BACKGROUND

(a) In the Public Service of Nigeria

Professor Adedeji served in the public service of Nigeria for a period of over 15 years. He started as a Research Assistant in the West African (now Nigerian) Institute for Social and Economic Research, immediately after completing his secondary education in

December 1949. One year later, he joined the Department of Lands as a Sub-Inspector of Lands and served as a Local Government Officer till September 1955. In this post he assisted in the setting up of local authorities in different parts of Nigeria, as part of the democratization process leading eventually to independence.

On graduating from University of London in June 1958, Professor Adedeji returned to Nigeria and assumed the post of Assistant Secretary (Planning) in the newly established Ministry of Economic Planning in Western Nigeria. His responsibilities included preparation of macro development plans and sectoral development programmes, as well as undertaking policy-oriented research. Industry and transport were the two sectors for which he was specially responsible. It was in this connection that he prepared the first comprehensive study of highway development in Western Nigeria which was published under the title, *A Survey of Highway Development in the Western Region of Nigeria* (Government Press, Ibadan, 1960).

On returning from Harvard University Professor Adedeji was, after a short spell in his old Ministry of Economic Planning, moved in 1962 to the Ministry of Finance as Senior Assistant Secretary in charge of revenue matters and fiscal policy. At this higher level of responsibility, he was one of the principal advisers to the Minister of Finance.

(b) University Teaching and Administration

In 1963, the University of Ife established an inter-disciplinary Institute of Administration, to provide post-graduate degree courses and in-service short-term professional courses for senior public service officials. Professor Adedeji was appointed, in December 1963, as the Institute's Associate Deputy Director. In 1966, he took over as Deputy Director and, the following year, he was appointed the first full-time Director. The Institute quickly emerged as one of the major centres of development and administrative studies in Africa, with high national and international standing in both academic and professional circles. Many of the graduates of the Institute now hold top-level positions in Nigeria and in many other African countries.

In October 1968, Professor Adedeji was appointed Professor of Public Administration at the University of Ife, thus becoming the first African to hold a Chair in public administration in any university in newly-independent Africa. In 1969, he was made an Officer of the University – same status as the Vice-Chancellor and

the Registrar of the University – and, in October 1970, he was elected by the University Senate to serve on the Governing Council of the University as its representative. During his years as a University Professor, he also was a Visiting Professor and External Examiner in several Nigerian, African and overseas universities.

(c) Ministerial Service

At the end of Nigeria's three-year long civil war in 1971, the need for reconstruction and rehabilitation of the war-devastated economy became the country's top priority. In October of that year, Professor Adedeji was appointed Federal Commissioner (Minister) for Economic Development and Reconstruction by General Yakubu Gowon, Head of the Federal Military Government. Among the many contributions he made during his tenure as a member of the Government the following are the most outstanding: the rehabilitation and reconstruction of the economy of Nigeria; the preparation and launching of Nigeria's Third National Development Plan, 1975–1980; the introduction, in 1973, of the National Youth Service Corps Scheme; initiation and direction of activities which culminated in the establishment of the Economic Community of West African States (ECOWAS) in May 1975; promotion of international cooperation, bilaterally and multilaterally, between Nigeria and other countries in the world.

(d) Service in the United Nations

In June 1975, Professor Adedeji took over the leadership of the United Nations Economic Commission for Africa (UNECA), at a time when there was an urgent need for the Commission to re-examine its role in Africa, with a view to making it more relevant to prevailing conditions and realities. African countries were beginning to experience deteriorating economic performance, due primarily to such factors as adverse climatic conditions, high costs of energy, inappropriate domestic policies, and fallouts from the emerging economic recession in the industrialized countries. It was also a time when the restructuring of the economic and social sectors of the United Nations was a burning issue. In this regard, it was fortunate that before his appointment as Executive Secretary of ECA and whilst still a member of the Nigerian Government, Professor Adedeji had served, in a personal capacity, as a member of the Group of Experts on the Restructuring of the Economic and Social Sectors of the United Nations System. The report of the Group of Experts was the basis for negotiations in the United

Nations General Assembly in 1976 and 1977, which resulted in the passing of the now-famed resolution 33/197.

On assuming the office of Executive Secretary of ECA, Professor Adedeji adopted a five-pronged approach aimed at turning the Commission into an organization that has credibility among member States and enjoys their total support and full confidence. The first prong was, through carefully designed and executed research studies conducted in ECA, to persuade Governments to re-examine existing development strategies. The second to turn ECA into an economic think-tank for Africa with a growing volume of operational activities. The third was to re-evaluate relations between ECA and the Organization for African Unity, and intergovernmental organizations in Africa, with the aim of maximizing the contributions each could make to African development. The fourth was to promote closer cooperation between ECA and the rest of the United Nations system based on a recognition that ECA would have to play a lead role in the economic and social development of Africa. Fifth, to strengthen bilateral relations between the Commission and non-African member States of the United Nations. To a great extent these goals have been achieved. To date, the most noted achievements have been the following:

(i) The streamlining of the organs of the ECA and decentralization of its structures through the establishment of the Multinational Programming and Operational Centres (MULPOCS);
(ii) The establishment of the United Nations Trust Fund for African Development (UNTFAD);
(iii) The launching of the United Nations Transport and Communications Decade for Africa;
(iv) The emergence of ECA as a major executing agency within the United Nations system;
(v) Preparation of the Monrovia Strategy for the Economic Development of Africa and the Lagos Plan of Action, the African Priority Programme for Economic Recovery, and the African Submission to the UN General Assembly Special Session on the Critical Economic Situation in Africa;
(vi) The launching of the Industrial Development Decade for Africa and the establishment of the African Industrial Development Fund;
(vii) The promotion of regional cooperation, through the setting up of appropriate organizations and institutions in the

Western, Eastern and Southern Central African subregions and for the Great Lakes States;

(viii) The establishment of the Pan-African Documentation and Information System (PADIS);

(ix) The creation of a network of specialized sub-regional and regional training and research institutions, in many of which Professor Adedeji serves as Chairman of the Governing Council.

Africa's socio-economic conditions worsened considerably in the late 1970s and early 1980s. In January 1984, the Secretary General of the United Nations, Mr. Javier Perez de Cuellar, decided to focus international attention on the depth of the crisis and appointed Professor Adedeji as his Special Representative on the African Economic and Social Crisis, in addition to his duties as Executive Secretary of ECA. And, following the recent General Assembly Special Session on Africa, the Secretary General appointed him Vice-Chairman of the Steering Committee for the implementation of the United Nations Programme of Action for African Economic Recovery and Development, 1986–1990.

3. RESEARCH AND PUBLICATIONS

Since the publication of *Nigerian Federal Finance: Its Development, Problems and Prospects* and *A Survey of Highway Development in the Western Region of Nigeria*, to which reference has already been made, Professor Adedeji has written and/or edited 10 books and monographs on economic development and on development administration. In addition, he has published over 30 articles in learned and professional journals in Africa and overseas, and contributed chapters in a number of books and encyclopedias.* In 1966, he founded the *Quarterly Journal of Administration*, of which he was Editor-in-Chief until he left Nigeria in 1975.

Even though Professor Adedeji has left the hallowed halls of the university for some years now, his interest in research is still intense. He remains a prolific writer. Indeed, he has earned for himself a remarkable reputation as a thinker and a leader of thought on contemporary problems in Africa and the Third World.

*A selected list is given in the Appendix.

4. PROFESSIONAL ACTIVITIES

Throughout his career as a University don and administrator, Professor Adedeji was involved in a wide range of extra-curricular intellectual activities throughout Nigeria such as public lectures on topics of national interest, and regular broadcasts on radio and television. He served on a part-time basis in many advisory capacities and in executive positions as Chairman, Director and/or member of the Boards of Directors of many public institutions and parastatals in the country.

At the international level, the demand for Professor Adedeji's expertise was no less pressing than the demand for his services in his country, Nigeria. He has held a variety of offices in international professional organizations and institutions. As a highly-reputed and sought-after international figure in his own right, he has been invited to give some of the most important African and Third World Special Lectures. These include: the Tom Mboya Lecture under the auspices of the Kenya Institute of Management (1975); the Turkeyen Third World Lecture instituted by the Government of Guyana (1976); the National Bank of Egypt Diamond Jubilee Commemoration Lecture (1979); the Tenth Anniversary of the International Development Research Centre of Canada Special Lecture (1980); Distinguished Lecturer, Nigerian Institute of Social and Economic Research (1983); Keynote Address, International Conference on Perspectives in Afro-German Relations (1975); Keynote Address at the International Conference on 'OAU ECA, the Lagos Plan of Action and the Future of Africa', University of Ife, Nigeria (1984); Convocation Address, Dalhousie University, Canada (1984); Convocation Address, University of Zambia (1984). In 1986 he delivered lectures and keynote addresses at the Institute for Social Studies (The Hague), the International Symposium on Photogrammetry and Remote Sensing (Badagry, Nigeria), the World Council of Churches Consultation (Lanaca, Cyprus), the Enabling Environment Conference (Nairobi), and appeared before the Subcommittee on Africa of the Committee on Foreign Affairs of the United States Congress.

5. NATIONAL HONOURS

Professor Adedeji is a Grand Officer of the Order of Mono of the Republic of Togo, a Commander of the Order of Merit of the

Islamic Republic of Mauritania, and a Grand Commander of the Order of Distinguished Service of the Republic of Zambia. He is also a recipient of the International Gold Mercury Award (ad personam).

ABBREVIATIONS

AATPO	– Association of African Trade Promotion Organization
ACARTSOD	– African Centre for Applied Research and Training in Social Development
ACP	– African, Caribbean and Pacific (Group of States)
ADB	– African Development Bank
ADF	– African Development Fund
AFCAC	– African Civil Aviation Commission
AFFC	– African Federation of Chambers of Commerce
AFRAA	– African Airlines Association
AIDF	– African Industrial Development Fund
AMF	– African Monetary Fund
ARSO	– African Regional Standards Organization
ASEAN	– Association of South East Asian Nations
BADEA	– Banque arabe pour le développement économique Africain
BCEAO	– Banque Centrale des Etats de l'Afrique de l'Ouest
CARICOM	– Caribbean Community
CDP	– Committee for Development Planning (United Nations)
CEAO	– Communauté Economique de l'Afrique de l'Ouest
CEPGL	– Communauté Economique des Pays des Grands Lacs
CILLS	– Comité Permanent Inter-états pour la lutte contre la sécheresse dans le Sahel
CIMMYT	– International Centre for Improvement of Maize and Wheat (Mexico)
CMEA	– Council of Mutual Economic Assistance
CODESRIA	– Council for the Development of Economic and Social Research in Africa
CPCM	– Comité permanent consultative maghrébien
CTNC	– Centre on Trans-national Corporations (UN)

DAC	– Development Assistance Committee (OECD)
DAU	– Organization of African Unity
ECA	– Economic Commission for Africa
ECCAS	– Economic Community of Central African States
ECDC	– Economic Cooperation among Developing Countries
ECE	– Economic Commission for Europe
ECLA	– Economic Commission for Latin America
ECOSOC	– Economic and Social Council (United Nations)
ECOWAS	– Economic Community of West African States
ECWA	– Economic Commission for Western Asia
ESCAP	– Economic and Social Commission for Asia and the Pacific
FAL	– Final Act of Lagos
FAO	– Food and Agricultural Organization
GATT	– General Agreement on Tariffs and Trade
GSTP	– Generalized System of Trade Preferences
IBAR	– Inter-African Bureau for Animal Research (Nairobi, Kenya)
IBRD	– International Bank for Reconstruction and Development
IDA	– International Development Association
IDEP	– Institut Africain de développement économique et planification
IDRC	– International Development Research Centre (Canada)
IFAD	– International Fund for Agricultural Development
IGO	– Intergovernmental Organization
IITA	– International Institute for Tropical Agriculture (Ibadan, Nigeria)
ILCA	– International Livestock Centre for Africa (Addis Ababa, Ethiopia)
ILO	– International Labour Organization
ILRAD	– International Laboratory for Research in Animal Diseases (Nairobi, Kenya)
IMCO	– Intergovernmental Maritime Consultative Organization
IMF	– International Monetary Fund
ITC	– International Trade Centre
ITU	– International Telecommunications Union

LDC	– Least Developed Countries
LPA	– Lagos Plan of Action
MULPOC	– Multinational Programming and Operational Centres
NICs	– Newly Industrializing Countries
ODA	– Official Development Assistance
OECD	– Organization of Economic Cooperation for Development
OETB	– Ocean Economics and Technical Branch (United Nations)
OMVS	– Organisation de mise en valeur du fleuve Sénégal
OPEC	– Organization of Petroleum Exporting Countries
PANAFTEL	– Pan African Telecommunications Network
PTA	– Preferential Trade Area (for Eastern and Southern Africa)
SADCC	– Southern African Development Coordination Committee
SDR	– Special Drawing Rights
SNPA	– Substantial New Programme of Action (for Least Developed Countries)
TCDC	– Technical Cooperation among Developing Countries
UAR	– Union of African Railways
UDEAC	– Union Douanière et Economique de l'Afrique centrale
UNCTAD	– United Nations Conference on Trade and Development
UNDATS	– United Nations Development Advisory Teams
UNDP	– United Nations Development Programme
UNDRO	– United Nations Disaster Relief Organization
UNEP	– United Nations Environment Programme
UNESCO	– United Nations Educational, Scientific and Cultural Organization
UNFPA	– United Nations Fund for Population Activities
UNHCR	– United Nations High Commission for Refugees
UNIDO	– United Nations Industrial Development Organization
UNICEF	– United Nations International Children's Emergency Fund
UNTACDA	– United Nations Transport and

	Communications Decade
WARDA	– West African Rice Development Association (Monrovia, Liberia)
WFC	– World Food Council
WFP	– World Food Programme
WHO	– World Health Organization
WMO	– World Meteorological Organization

PREFACE

The decades of African independence have been full of challenges of multiple dimensions. If the euphoria of the earlier years has now given way to a sense of helplessness, and even hopelessness, it has not been because of any delusions as to the scale and magnitude of the task of transforming the backward societies inherited from the colonial administrations into societies in which basic standards of welfare are taken for granted by the African masses. Rather, the African development experience has revealed how complex is the process, how potent the domestic and external forces impeding the realization of this fundamental objective. For an increasing proportion of those who have lived through, and are living through, this experience the gains have been marginal. Aspirations against which prevailing conditions are measured are constantly changing whilst, at the same time, the available intellectual, physical, economic and other resources for closing the gap have declined, and are declining, both quantitatively and qualitatively. The obvious conclusion, then, is that there is a pressing need for new approaches, new strategies, new methods if there is to be a radical turn-around.

Many have joined in the search. For his part, Professor Adebayo Adedeji has, both in his personal capacity and in his capacity as Executive Secretary of the United Nations Economic Commission for Africa, been a loud voice presenting to the world the development experience of Africa. For the most part, this has been in the form of over 300 speeches and lectures to a wide range of audiences. These speeches and lectures describe and analyse the African condition from different perspectives. They discuss extensively the factors and forces that have given rise to this condition and still stand in the way of escape to a more tolerable condition. They dissect the condition into its component parts – economic, social, cultural – show the status of each, how each relates to the whole, and to developments at national, regional and international levels. And, focussing more sharply on the economic, they discuss the contribution of major sectors to welfare, or the absence of it. The African condition is clearly unsatisfactory. But, these speeches and lectures show that it is far from hopeless. There is an implicit or explicit

conviction that it is still within the ability and capacity of African leaders and people to change directions, albeit if the international environment is less hostile and more accommodative.

This collection contains only a small selection of Professor Adedeji's speeches and lectures. The period covered, 1975–1986, has seen dramatic developments at the international and regional levels and, indeed, have been years critical to the future of the African continent. For the UN Economic Commission for Africa (ECA) in which Professor Adedeji serves as Chief Executive, this period has also witnessed a redefinition of purpose and raison d'être, an expansion in level and scope of operations, and a more activist role in influencing socio-economic development in member States.

Given the number of speeches involved, it was necessary to follow certain guidelines, however flexibly, in determining which to include and which to exclude. First, the relevance of the contents to the overall theme of the collection. Second, the type of target audience to which addressed. Third, the need to minimize repetitions. As regards arrangement, it is to be noted that the speeches and lectures are organized around specific topics; this means lesser concern about chronological order than about a broadly common focus on a particular subject and theme.

Part 1 examines the African development experience in its global dimensions. In the first chapter the socio-economic crisis, which has recently been at the centre-stage of world attention, is comprehensively discussed including the recent UN Special Session on Africa and its outcomes. The multiple causes of the crisis are spelt out, and are best summarized by Professor Adedeji as 'the Seven D's of Africa's development problematique i.e. demography, drought, desertification, dependency, disequilibrium, debt, and destabilization'. From the speeches it is clearly demonstrated that the roots of the crisis go back to the 1960s and 1970s. The factors that have aggravated the situation are critically assessed. From this, several proposals are advanced on how to deal effectively with the economic disaster confronting the continent and build a sound foundation for future economic growth and development.

This chapter sets the framework for the speeches and lectures included in the rest of the volume. The basic question addressed in chapter 2 on 'Africa in the World Economy' is, 'Need Africa be the permanent underdog in a fragmented, divided world with an unjust and inequitable international economy?' The speeches dealing with the issue detail major characteristics of the post-independent

African economy and how these have been shaped by developments in the world economy. On the basis of projections on variables such as population, employment, literacy, gross national product, several elements of an Africa oriented development strategy for the future and the policy implications, both at the level of African nations and international institutions, are extensively considered.

Chapter 3, on International Responses, focuses on the New International Economic Order and the United Nations International Development Strategies for the First, Second, and Third Development Decades. The major concern is with such issues as how the old international economic order emerged and Africa's role in it, the prerequisites of a new international economic order and the consequences of failure to deal with them, the relevance of the agenda for negotiating a new international economic order to Africa's real socio-economic needs. And, following from all these, Africa's agenda for negotiations for the establishment of such an order. Quite aptly, there is emphasis on the imperative of creating a new national economic order and a new regional economic order, both based on principles of self-reliance and self-sustained growth.

The final chapter in Part 1 looks into Africa's responses both to its own development experience and to confounding forces in the international economy. Against the background of economic decline in the past and dim prospects for significant changes in the future two priority goals are advocated, viz., increased commitment to collective self-reliance and regional integration, and more concerted efforts at promoting technical co-operation among developing countries on a regional and South–South basis. On each, supporting arguments are elaborated and closely related to prevailing objective socio-economic conditions in the continent. Of special interest are the author's views on the Monrovia Strategy for the Economic Development of Africa and the Lagos Plan of Action and Final Act of Lagos.

Whereas the thrust of the speeches and lectures in Part 1 is on Africa's development experience from a macro viewpoint, those included in Part 2 concentrate on specific development sectors. These are:

(i) Agriculture (also including rural development, water and sanitation, seabed resources).
(ii) Industry (also energy, engineering).
(iii) Trade.
(iv) Banking and Finance.

(v) Science and Technology.
(vi) Public Management (also employment, human resources development).
(vii) Social and environmental development (also family planning, refugees, youth, women, human settlements).

Aspects considered are past developments and future trends, achievements, problems encountered, local and international programmes, and most important, policies and actions to be adopted at national, regional and international levels to improve performance and increase sectoral contributions to overall socio-economic development in Africa.

These lectures, when put together, provide a wealth of information on the African development experience. There is, in them, much food for thought and prescriptions for action. And, at this juncture in Africa's history, there is nothing more important than informed analysis, no matter how critical, of the past and present. For researchers, students and laymen interested in Africa's development and for policy makers this collection is an invaluable source of ideas which are, henceforth, also preserved for posterity.

Finally, acknowledgements to all those who have contributed, in different ways and at different stages, in this taxing but exciting enterprise. The enthusiasm with which President Abdou Diouf and President Kenneth D. Kaunda received the idea of publishing the collection was as much of a fillip as was the promptness with which they responded to my invitation to contribute Forewords. Professor Adedeji was practically cajoled into giving his blessing to the project. But, characteristically, once convinced of its worthiness, gave his full support and encouragement. The first phase of typing out the collection, a rather arduous and demanding task, was ably handled by Bassey Ekat, Christine Kiwia, Dina Kigga, Almaz Negussie, and Esperanca Dilama. And, when it was decided that a more proficient mode of handling the job was to put the collection on the word processor Jane Zziwa, Betty Tsigie and Abonesh Tamrat rose to the challenge and gave of their private time, under the expert technical guidance of Citoyen Mavuba Kue Tusukina. To all these colleagues, my sincerest and most profound gratitude.

My wife, Trudy, and the children, have the last word of acknowledgement for their tolerance of my many hours of absence in the office and for not giving in to the reams of computer printouts in the competition for my attention.

If this work inspires renewed determination to work towards a better future for Africa and its peoples, its fundamental purpose will have been achieved.

Jeggan C. Senghor
Addis Ababa, Ethiopia

GENERAL INTRODUCTION

In responding to the invitation of the publishers that I write an introduction to this book, which its editor, Dr. Jeggan Senghor, has thoughtfully and diligently put together from among the various speeches and lectures which I have given since 1975 when I became the chief executive of the United Nations Economic Commission for Africa, I do not intend to add to the already formidable task which readers of the book face in reading through its pages. This introductory note will therefore be brief. It is not intended to be a summary chapter. Rather, it is simply intended to put the contents of the book in a sharper historical perspective and to bring home to its readers their contemporariness and abiding relevance to any realistic understanding of Africa's persistent economic crisis and underdevelopment. I shall therefore highlight what trends have become discernible and examine the basis for thinking that there is a flicker of hope in the African development firmament. As the book was being prepared for publication, the African economic saga continued to unfold itself in its manifold ways. It is therefore also relevant in this General Introduction to focus on those factors that are likely to become significant in this unfolding process.

What are these factors? First and foremost is the wide and growing recognition by the African people, their leaders and governments, that the independence and credibility of the African polity is seriously endangered because the economy is on the verge of collapse. They are no longer embarrassed to admit that they do have very grave economic problems which call for urgent solutions. The pretences of the past which wished or assumed away these problems, appear to have disappeared; one hopes, for ever. The recent development of governments admitting openly their past mistaken policies and undertaking critical self-examination, not secretly or furtively but openly and publicly, even before the international community, is a very encouraging sign indeed. There is a growing shift in African thinking toward a pragmatic approach to development. The question may of course be posed that if the Lagos Plan of Action (LPA) was not a response to that recognition

then what was it? This is indeed a fair question. The difference between 1980 – when the LPA was launched – and now is that the Great African Drought Disaster of 1983 to 1984 has driven home more pointedly and in a devastatingly tragic manner some of the consequences of inaction on the part of our governments and people.

The widespread and tragic disaster which resulted from the drought together with the humiliation it has brought to Africa in having to go round with the begging bowl for food aid, medical assistance etc. appears to have led or to be leading to a new determination coupled with a new political will which had unfortunately failed to manifest itself between 1980 and 1985. Those who used to think that one was being unnecessarily alarmist, that one was crying havoc where there was none now know better. Thus, today, all African governments accept that the very survival of their economies – and, needless to add, their polities – is at stake. And, more importantly, they accept the challenge and are beginning to manifest their determination to face and overcome it.

Africa's Priority Programme for Economic Recovery 1986–1990 (APPER), which was adopted by the Assembly of Heads of State and Government of the Organization of African Unity in July 1985, is the latest manifestation of that renewed determination. Although APPER is firmly and incontrovertibly rooted in the LPA, it however translates the broad principles of the LPA into practical sets of activities and policies for implementation within a five-year period in order to halt and reverse the economic decline and to lay the foundation for recovery and development. APPER is notable for the seriousness manifested by the African governments in bringing about structural transformation in the agricultural-cum-rural sector. Realizing that Africa's continued main source of humiliation is the growing inability of the continent to feed its rapidly burgeoning population (one out of every four Africans depends on food imports and food aid for subsistence), APPER recognizes (i) that declining trends of productivity in the rural areas must be reversed; (ii) that only through rapid improvement in the level of rural incomes can the alleviation of the problem of growing mass poverty and the subsequent dynamization of internal demand forces take place; (iii) that development is a systemic and interactive process. Therefore, for Africa's agricultural-cum-rural transformation to take place, the linkages between agriculture and the other sectors – notably industry and physical infrastructures – have to be strengthened and fully exploited. Consequently, APPER

establishes strong structural linkages between agriculture and industry through the provision of agricultural implements and tools, fertilizers and pesticides and the processing of food and other agricultural products. Linkages with the economic infrastructures are emphasized with special reference to feeder and access roads, storage, marketing and distribution, health and education facilities, research in agricultural technologies and in high-yielding and weather-resistant crops; (iv) a commitment on the part of all the governments to raise the level of investments in agriculture to between 20 to 25 per cent of total public investments; (v) a commitment to utilize efficiently existing resources and to make a tremendous effort to mobilize additional domestic resources; and, (vi) a commitment to sharpen all the policy instruments that are required for the implementation of the structural reforms called for by APPER. These reforms include remunerative produce pricing policies, timely supply of agricultural inputs at reasonable prices, improvements in the efficiency of the marketing systems, easier access to credit, and an adequate supply of essential consumer goods to the broad mass of the people.

The second factor of considerable significance is the realization by the entire international community that the African development problematique is grave and continues to deteriorate and that it is in the interest of the world to assist Africa to arrest and reverse it. Indeed, and thanks to the humanitarianism of the people of the world and the effort of the media, particularly television, in bringing the African emergency situation to the homes of everyone, the international community responded positively and, in large measure, generously in providing emergency assistance which contributed in no small measure to the considerable reduction of the dire consequences and impact of the calamity of famine and hunger that accompanied the widespread drought and desertification. In order to ensure that the African emergency situation does not become a structural one, it is imperative that the international community accepts fully the responsibility of cooperating with Africa in meeting the challenge of economic recovery and development. The fact that the international community accepted that the United Nations General Assembly should convene at a special session exclusively to consider the African economic crisis was a decision not only of historic significance but also a measure of international solidarity.

As is well-known, that special session was duly held from 27 May to 1st June 1986 and it ended with the unanimous adoption of

the United Nations Programme of Action for Africa's Economic Recovery and Development (UN–PAAERD).

This leads me to the third factor of significance which in the years ahead may have quite an impact on Africa's development process and on the continent's cooperation with the rest of the world, particularly with the major donor community and trading partners. One of the factors that has consistently dogged Africa's economic progress has been the considerable gulf that has existed between Africa's perception of its development strategies and priorities and what the donor community has always thought was good for the continent by way of development policies and programmes. This incongruity has led not only to manifold misunderstandings but, more seriously, to distortions of priorities and development goals in terms of allocation of resources. The donor countries and financing institutions have always given preference to projects that accord to their perception of African priorities rather than those identified by African governments as likely to contribute to the achievement of the development goals that they have set for themselves.

This is why I strongly believe that if for no other reason, the commitment of the international community to a common point of reference with the African countries in terms of the basic policies and measures that need to be pursued if the fundamental development objectives African countries have set for themselves – namely, self-sustaining socio-economic development and growth – are to be achieved in the not-too-distant future was a major breakthrough. The policies and measures to which the international community committed itself at the end of the United Nations General Assembly Special Session are none other than those which the African governments had previously defined. If the international community is true to its word, this commitment to a common point of reference is the beginning of the recognition of the sovereignty of African countries in the economic domain. For, as the contents of this book will amply demonstrate, the refusal by the major donor countries and international financing institutions to accept Africa's economic priorities and development objectives and provide assistance on that basis has been a sore point with us in ECA for years. Indeed, Africa felt greatly insulted when within months of the Heads of State and Government launching the Lagos Plan of Action and the Final Act of Lagos, the World Bank published with a lot of fanfare its *Sub-Saharan Africa: An Agenda for Action*, which was an antithesis of the Lagos Plan of Action. It was as if, try as the Africans may to put their house in order, the last word must always come from outside.

In a number of the speeches which have been presented in this collection I have, *ad nauseam*, made very strong pleas to the international community to give Africa the elementary respect that sovereign states should enjoy in the freedom to decide how they order their social, economic and political affairs. Let me quote from the one I delivered in Washington, D.C., in October 1982 at the opening of the Cooperation for Development in Africa Conference:

> If Africa is to develop the necessary self-confidence to pull its economy out of the shadows of backwardness and underdevelopment, it is essential that our partners-in-development respect our priorities, perceptions, goals and strategies. It also means that the provision of financial and technical assistance from such partners must reflect those African priorities and goals. It is only by so doing that the ghost of the suspicion, that the African economy is being manipulated by outside powers with a view to frustrating the achievement of national and regional economic objectives, can be laid to rest.

If this commitment is a response to these appeals and pleas, then the General Assembly Special Session has been worth all the trouble. Those who took part in the entire negotiating process will remember that at the beginning the collective view of the developed countries was that they could not underwrite the goals and priorities embodied in APPER.

The fourth factor of potential long-term significance is the acceptance by the international community that unless exogenous factors that have aggravated Africa's development crisis are squarely and imaginatively addressed, all the domestic efforts will come to naught. In other words, unless the problems posed by the collapse in commodity prices, the adverse terms of trade, the decline in real terms in official development assistance (ODA), increased protectionism, high interest rates and the heavy burden of debt and debt servicing obligations are ameliorated, African economic recovery and development could be well-nigh impossible.

The UN–PAAERD spells out details of what is expected of the international community. Of particular importance are:

> (i) improvement in quality and modality of external assistance and co-operation; (ii) improvement in the external environment; and, (iii) support for Africa's recovery policy reforms. Seven measures were agreed to under (i). These are (a)

> emphasis on programme (as distinct from project) support; (b) improvement of procurement policies and delivery of production inputs; (c) speedier disbursement of funds; (d) increased concessionality in development assistance; (e) use of indigenous competence and expertise in the implementation of assistance programmes; (f) assistance with meeting the recurrent and local costs of programmes and projects in certain circumstances; and, (g) improvements in the effectiveness of technical assistance.

As regards (ii) – improvement in the external environment – two broad groups of concessions were made by the developed countries. One group includes the elimination of protectionism, particularly non-tariff barriers, the adoption of measures which encourage African exports and diversification programmes and improved market access, especially for tropical products within the framework of GATT. The other group of concessions is mainly an undertaking

> to deal urgently with commodity issues, taking into account the special interests of the African countries, in the framework of an overall approach, embracing commodity agreements/ arrangements, adequate compensatory financing, and also to increase the capacity of African countries to process, market, distribute and transport their exports and in this context, to stress the importance of sufficient ratifications of the agreement of the Common Fund for Commodities for it to quickly become operational.

Regarding the flow of resources in support for Africa's policy reforms, the response and commitment of the international community included (a) agreement to enable multilateral development institutions to increase their concessional assistance to African countries; (b) agreement to work towards the rapid implementation of the IMF Structural Adjustment Facility; (c) agreement to bring about the speedy eighth replenishment of IDA and the fifth ADF at levels which should take into account the need to fully support African recovery and development; (d) increased support for IFAD's special programme for African countries affected by drought and desertification; (e) increased support for LDCs within the framework of the Substantial New Programme of Action for Least Developed Countries and renewed invitation to all countries to give priority consideration to the implementation of UNCTAD

resolution 165 (5–IX) which calls upon all creditor countries to convert their loans to LDCs into grants; and, (f) most important of all, agreement to strive to ensure that no individual bilateral donor becomes a net recipient of official capital flows from African countries that undertake adjustment programmes during the period 1986–1990.

The open and frank admission by the international community in the United Nations Programme that many exogenous factors aggravate the African economic crisis was quite a significant development in Africa's economic relations with the international community. Hitherto the attitude has been that the Africans are responsible for the economic mess in which their countries find themselves, that it was their economic mismanagement, incompetence, avarice and corruption that are primarily the causes of their perennial crisis. Moreover, the industrialized countries have argued that the dirigist approach to development which paralyses private enterprise and encourages the spread of the public sector and the refusal to allow market forces to determine prices and allocation of resources and production patterns have aggravated the crisis. For these countries to be signatories to a document which bluntly admits that external factors have led to major economic and social distortions and have brought about new types of maladjustments and imbalances in the African economies is a manifestation of a new type of economic relations. To agree to evolve and implement policies conducive to the elimination of protectionism, particularly non-tariff barriers, to accept to deal urgently with the commodity issues and to adopt measures which encourage African exports and diversification programmes and improved market access, especially for tropical products give one cause to be hopeful about future development in Africa and the likely emergence of some kind of a new international economic order.

In the light of these emerging factors that are likely to influence the course of Africa's economic recovery and development in the years ahead, we must focus the rest of this introductory note on three principal questions. What are the prospects for economic recovery during the next five years? What are the prospects for Africa's political economy that must manifest themselves immediately if the continent is to will for itself and its people a normative development path that will bring about both self-sustained growth and self-reliant development?

First let us address the issue of the prospects for economic recovery. As already indicated both APPER and UN–PAAERD

jointly provide an adequate basis for economic recovery – if both the African governments and people and the international community honour their commitments. The continent's capacity to translate this determination into operational terms at national, sub-regional and continental levels has already been demonstrated when in its preparation for the Special Session of the General Assembly and at the request of the ECA and OAU each country translated APPER into operational terms, and projected the total investment requirements for implementing the programme. The calculations show what proportion of the projected investment requirements in each country will be mobilized domestically on a year by year basis, and how much will be receivable from donors annually on the basis of available indications by donor countries and agencies. From the calculations emerged the gap which will have to be filled by external assistance.

The total projected investment requirements of APPER for all African countries have been estimated at US$128.1 billion at 1985 prices for the five year period, 1986–1990. Of this sum, US$82.5 billion or about two-thirds is to be raised by African governments from domestic resources while the balance of US$45.6 billion i.e. 35.6 per cent is to come from external sources. Thus, the determination of African governments to make extraordinary efforts in mobilizing domestic resources in the face of the low level of the standard of living of their people has been clearly manifested.

There is clear and growing evidence of Africa's determination to respect the priorities of APPER and to accord the highest priority to food and agricultural development and the revitalization of the rural sector. There is no gainsaying the fact that if the African economies are to undergo major structural transformation, it is from this sector that the movement must begin. Africa's excessive dependence on a rain-fed agricultural system, its outmoded agricultural techniques and inadequate application of science and technology, the continuing and persistent land degradation and inefficient utilization of land, the poor incentives given to farmers and the absence of efficient marketing and distribution systems, the constraints posed by the lack of adequate institutional support and the neglect of women farmers who are responsible for between 60 and 80 per cent of Africa's food production and about 90 per cent of its food processing activities all have to be removed.

Indeed, the key to Africa's economic rehabilitation and recovery is with the food and agriculture sector. The food self-sufficiency ratio which had declined from an average of 102 in the 1967–1970

period to 72 during the 1978–1982 period must be pushed up steadily until Africa regains its position of the 1960s not only in terms of self-sufficiency but also as a net exporter of food. The sector also holds the key to the rehabilitation of Africa's ailing industrial sector as producer of agricultural raw materials for industry.

In earnest of their desire to achieve these objectives, 44.8 per cent of total planned investment under APPER has been allocated to the food and agriculture sector. Next to the food and agriculture sector are other productive sectors supportive of agriculture to which 46.9 per cent of total investment has been allocated. These supporting sectors include (i) the rehabilitation of the industrial sector; (ii) rehabilitation and maintenance of existing modes of transport and communications particularly by feeder roads that are so essential for rapid agricultural developments and the production of spare parts; and (iii) improvement of the distribution channels for domestic trade and greater availability of rural credit facilities. The third and fourth priority areas are human resources development and combating drought and desertification which have been allocated 5.6 and 2.7 per cent of the projected investment under APPER respectively.

In addition to these consistencies between planned capital investments and the agreed priorities, there is also a marked determination to continue to undertake supportive and appropriate policy reforms and adjustments as well as make genuine efforts to improve the management of their economies, rationalize public investment policies, reform their public services and generally promote the most efficient use of resources including reducing substantially and progressively foreign exchange leakages and ensuring better management of foreign debt and external assistance. In other words, what African governments have decided to do during the period of APPER and UN–PAAERD, i.e. 1986–1990, is to impose a great deal of self-discipline and sacrifices on their people and on themselves. It must be appreciated that undertaking sweeping reforms, such as Africa has embarked upon, is far from being an easy task. It is full of social costs as well as great political risks particularly in the prevailing circumstances of low growth and falling *per capita* incomes in Africa. Besides, these policy reforms and adjustment exercises require a great deal of financing for their implementation, while at the same time calling for the use of foreign exchange resources, some of which are beyond what the average African country can afford. Therefore, unless the necessary financial assistance is forthcoming at the appropriate time and in

adequate quantum, policy reforms rather than leading to recovery may end in disillusionment.

While the imaginative response of the international community and the successful outcome of the UN Special Session give cause for optimism, some developments in the countries of the major donors encourage pessimism if not cynicism. For example, in the United States, the single most important donor country, foreign aid budgets have been under severe attack in the Congress. In three successive years – 1985, 1986 and 1987 – foreign budgets were severely cut by Congress from US$18.4 billion to US$11.6 billion. Given the fact that aid to the Middle East, to countries with U.S. military bases and the quick-disbursing aid to Pakistan and Central America always have top priorities for funding it has meant that the effective cuts in development assistance to Africa were as high as between 32 and 60 per cent during these years. There is no doubt that these reductions have given the wrong signals from Washington to the capitals of Africa's other development partners at a time when what Africa needed and needed badly was a substantial increase in the development assistance it is receiving. This is a point that both ECA and the World Bank have made again and again. Thus, the ability of Africa to achieve economic recovery depends on effective and adequate supplementation of its domestic efforts by the international community in accordance with UN–PAAERD.

Another factor on which African economic recovery very much depends is the action that the international community takes in providing debt-reliefs for the hard-pressed African economies. The burden of the African debt is such that unless effective debt-relief measures are assured, domestic resources being mobilized to finance APPER will perforce be diverted to service debts. In fact, even if all the domestic resources being mobilised to finance APPER are utilized in servicing debt, African countries will still not be able to meet their debt obligations, let alone have resources left to finance APPER.

It can be concluded from our analysis so far that the answer to our question 'What are the prospects for economic recovery in Africa during the next five years?' is that it depends on Africa's willingness and determination to pursue the implementation of APPER and UN–PAAERD resolutely as well as on the determination of the international community, particularly the major donor countries and development and financing institutions, to honour their commitments. And to the extent that Africa succeeds in bringing

about economic recovery along the lines of APPER, to that extent will it be laying the foundation for long-term development.

As I have said and written many a time before, the two pillars around which structural transformation of the African economy must be built are the principles of self-reliance and of self-sustainment. The achievement of an increasing measure of self-reliance will bring about (i) the internalization of the forces of demand which determine the direction of development and economic growth and the patterns of output; (ii) increasing substitution of indigenous factor inputs for expatriate factor inputs; and, (iii) increasing mass participation in the development process accompanied by a more equitable distribution of the social product. On the other hand, self-sustainment involves the installation of patterns and processes of development and economic growth in which different components mutually support and reinforce each other so that when related to the internalization of the forces determining demand and supply, the whole system develops its own internal dynamics. Thus, self-sustainment implies changes in the structure of the economy with regard to inter-sectoral balances, inter-sectoral links, resources flows, the spatial organization of socio-economic activity, and substantial decentralization of decision-making in production, consumption, savings and investment. Profound and fundamental changes of policy, strategy and instrumentation would be required in regard to agriculture, industry, the services sector and institutional organization.

The principal objectives of APPER are to start a process of structural transformation and self-sustainment. Though food and agriculture constitutes priority of priorities of APPER, its structural linkage is clearly established with the industrial sector, the transport and communications sector, infrastructural facilities, research and development and human resources development. Therefore, a successful implementation of APPER means the implementation of the LPA and the laying down of a firm and solid foundation for structural transformation and the birth of a dynamic African economy.

The international community similarly has hard decisions to make in so far as Africa and its future is concerned. The signals which have become increasingly clear since the drought-induced emergency situation of 1983 to 1985 and particularly after the Special Session of the UN General Assembly on Africa's economic crisis in May/June, 1986 appear very positive. The unanimous adoption of UN–PAAERD has given the international community

a framework for action to co-operate positively with Africa in its battle for economic survival, in its struggle to achieve an economic turnaround. But will the international community act promptly before it is too late? Will it continue to perceive Africa simply in political, strategic or commercial terms? Or will it join hands with the Africans in the true spirit of international co-operation and solidarity? The cynics may think that an economically weak and weakened Africa will continue to be the easy prey for exploitation but this will be short-sighted in the extreme because there is no gainsaying the fact that the current development crisis in Africa is not an exclusively African problem. It concerns the whole of mankind. In an increasingly interdependent world, a stagnant and perpetually backward Africa is a threat to the security and stability of the world. It is therefore in the mutual interest of all to assist Africa in avoiding the terrible spectre of increasing mass poverty and social and political instability that will inevitably follow in its trail. Helping Africa to recover economically and to lay the foundation for an enduring dynamic and prospering economy is therefore a *conditio sine qua non* for creating a more tolerable environment for all the peoples of the world.

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PART ONE

GLOBAL PERSPECTIVES

The totality of the African development experience, covering a span of almost three decades of political independence, is the subject of the speeches and lectures in this section. The perspective is comprehensive and all inclusive, ranging from historical evolution of the experience to factors and forces impinging on African development, macro implications and consequences, potentials and possibilities for socio-economic transformation in Africa. In terms of arrangement, the socio-economic crisis in Africa, whose magnitude and deleterious effects on the quality of life and well-being in the continent has recently been the focus of attention of the international community, sets the tone for discussion of the place of African economies in the world economy. How several major international responses relate to the African development experiences and Africa's own prescriptions for frontally attacking its underdevelopment, is considered in Part Two.

CHAPTER ONE

On the Crisis in Socio-Economic Development

I The African Development Problematique

Demography, Drought, Desertification, Dependency, Disequilibrium, Debt and Destabilization

or

The Paralysis of Multiple Debilitating Crises

Washington, D.C. 24 March 1985

I. INTRODUCTION

A look at the present desperate situation in Africa, an analysis of the evolution of the African economic crisis during the past decade or two, and an extrapolation of the present trends, are enough to force one into the usual conclusion of a bleak and unenviable economic future for Africa – a future of permanent or structural emergencies. The facts as they are today unfortunately support such a prognostication. The present crisis, particularly the drought-induced emergency, is but a symptom of the general malaise that has been afflicting the African economy for many years.

The current drought-induced emergency situation which prevails in many countries of Africa is only a dramatic indicator of the continent's poverty and underdevelopment. Africa's economic crisis has been intensifying over the last decade. The optimism that surrounded Africa's economic prospects in the 1960s – the first decade of independence – was soon replaced in the 1970s by increasingly poor performance in many countries as substantial gaps began to appear between hopes and achievements, between promises and performance and between expectations and realities. Meanwhile, the international economic system, on which Africa is so much dependent, became increasingly hostile.

There can now be no doubt about the scope and magnitude of the current drought-related emergency in sub-Saharan Africa. What-

ever doubt might have lingered in the minds of some people should, I hope, have been dispelled by the recent United Nations Conference on the Emergency Situation in Africa which took place in Geneva on 11 and 12 March 1985. According to the basic documents prepared for the Conference by the United Nations Secretary-General, 20 sub-Saharan African countries are still drought stricken – 9 of these are severely affected.

The drought which has devastated many countries for three years or more in succession has persisted – unabated – in most of Eastern and Southern Africa and in the Sudano-Sahelian region. Six of the twenty countries (Angola, Mozambique, Botswana, Lesotho, Zambia and Zimbabwe) are in Southern Africa; four – Ethiopia, Kenya, Somalia and the United Republic of Tanzania – are in Eastern Africa while eight of the remaining ten – Burkina Faso, Chad, Mali, Mauritania, the Niger, the Sudan, Cape Verde, and Senegal – are in the Sudano-Sahelian region. The only two Central African countries on the list are Rwanda and Burundi.

Of the 150 million people living in these drought-affected countries, 30 million may be seriously affected. And of this number as many as 10 million have become displaced persons because they have had to abandon their homes in search of food, water and pasture for their herds. It is estimated that the unmet emergency needs in 1985 of these 20 drought-stricken countries for food and water, for essential medicines and relief survival items and for logistical support amount to US$1,534 million, with food-aid requirements alone accounting for US$893 million of this total.

The continuing battle to save lives, to ameliorate suffering and to reduce the impact of hunger and famine on the affected population remains the first level of concern, the immediate focus in mastering the hunger and poverty that now envelops sub-Saharan Africa. This is as it should be. However, this is not and cannot be our only focus. Even in these days of emergency we would be making a grievous mistake if we were to confine ourselves to the humanitarian aspect only. Such a limited focus would not only be superficial, but would also be unwittingly contributing to making the emergency a permanent phenomenon or to converting it into a structural one and this will be counterproductive to all concerned.

We must therefore go beyond the current emergency situation and get to the root of the crisis. This will require that we identify the underlying fundamental factors behind the African development problematique which consists not of one crisis but of a multiple of debilitating crises.

In order to facilitate our analysis, I have identified what I have christened the seven Ds of Africa's development problematique, the seven root causes of the debilitating paralysis of the African economy. They are: Demography, Drought, Desertification, Dependency, Disequilibrium, Debt and Destabilization. In our search for ways and means of arresting the present and persistent economic and social deterioration in Africa, reversing it and laying the foundation for an internally-generated self-reliant process of development, it is they we must attack at the root not only in the long run but also in the medium-term and short run as well.

2. DEMOGRAPHY

Now let us begin with the first of the Ds – demography. Unfortunately, Africa faces a major population explosion in the near future. Africa's population which was estimated at 257 million in 1960 had increased to 482 million by 1983. The average annual growth rate during these two decades was 2.9 per cent – the highest among third world regions. The ECA projection for the year 2008, based on the high variant assumptions, is that total African population will be about 1.1 billion, implying an annual growth rate of 3.2 per cent during the next 25 years (1983–2008). The associated numbers of urban dwellers will be 472 million; children (0–14), 479 million; active population (15–64), 546 million; and school age 178 million (primary), 152 million (secondary) and 124 million (tertiary).

Even under the medium variant of the population projections by ECA, a 2.9 per cent annual growth rate is envisaged, thus bringing the total population to 997.3 million instead of 1.1 billion as projected under the high variant assumptions. Thus the prospects of a new and better demographic setting that will not bring about unsustainable pressures and tensions but will rather ensure the progress and prosperity of all African countries seem rather remote during the next 25 years, as drastic structural changes in the demographic situation take a long time.

Hence demographic factors will constitute a daunting challenge for Africa in the years ahead as the race between population and economic growth will intensify during the remainder of the century and the first decade of the next. How can Sub-Saharan Africa cope? How can it produce enough food for an additional 15 to 20 million people each year when it is unable to feed its present population?

In a continent which has been continuously plagued by open unemployment and underemployment since independence and

before, and whose unemployment problems have recently been aggravated by worsening climatic, agricultural and overall socio-economic conditions in the rural/subsistence sector, how can it be expected to create 200 million additional productive jobs – more than 10 million annually – between now and the year 2000?

Can Africa provide primary education to 137 million children that will require it in the year 2000? This is more than twice the primary school age population in 1980. Can it provide secondary education for the 70 million that will require it by the end of the century? And with a projected urban population of 472 million in the year 2008 how can Africa hope to cope with the accompanying fast expansion in urban services like water and sewerage, transport, health and housing? How will this massive urban population – which in a little over 20 years from now will be more than Africa's total population in 1980 – be fed and clothed?

These demographic phenomena constitute the heart of the African development problematique. They are the data that lead most analysts to project a continuing and deepening crisis in Africa. There is no doubt about the imperative and urgent need for a far reaching population policy to be adopted and vigorously implemented by African Governments. The Kilimanjaro Declaration on Population adopted by the ECA Second African Population Conference held in Arusha, the United Republic of Tanzania, in January 1984, is a step in the right direction but it is only a beginning. But this declaration has to be translated into national action programmes. While such actions will have an impact on the demographic phenomena, particularly on birth rate during the early 21st century, we have during the next ten to twenty years to contend with the grim race between population and economic growth. We shall, in later sections, discuss the mix of policies required both in the short run and in the long run.

3. DROUGHT

Our second D is drought, to which I referred in the introductory remark. Indeed, the Africa of 1984 was invariably associated in the minds of the public with drought and drought-induced emergency which has resulted in famine and hunger, diseases and deaths for both human beings and livestock, and in a massive displacement of population from drought-affected regions in search of food, water and pasture.

Let me say at this juncture that this current drought-induced

emergency situation is both a consequence and a cause of the African development problematique. It is a most dramatic indicator of the continent's poverty and underdevelopment. And, as we shall see later, the drought is both a consequence and a cause of the increasing desertification of Africa through the cumulative effect of man-made degradation of land until it not only loses its fertility and capacity to provide economic returns under cultivation or grazing, but also brings about ecological changes. Over-cultivation, overgrazing and deforestation are also themselves due to population pressures. The frequency of the recurrence of drought, its intensity and its ability to ravage the African countries for many years at a time, not to speak of its widespread nature throughout most of Africa – North, West, East and South – shows the close linkages among drought, desertification and demography. Indeed, Africa cannot combat its drought problem successfully without addressing itself to these Ds simultaneously.

4. DESERTIFICATION

We have already stated that drought and desertification are closely inter-linked and mutually reinforcing, but while drought is a result of weather systems, desertification is principally man-made. There are four causes of desertification, each made more acute by increasing human populations – over-cultivation, overgrazing, deforestation and unskilled irrigation. Thus man, by his actions, is contributing to the advancement of the deserts.

Of course, desertification, like drought, is not a unique African problem. It is global. Two-thirds of the world's 150 nations are affected by it. What makes the African case so glaring is that not only are the countries of Africa the least organized to combat it, but also that it is spreading very fast and Africa's hunger for food to feed its rapidly growing population may contribute towards the further acceleration of the desertification process. Currently, UNEP estimates that desertification on the fringes of the Sahara is spreading at 1.5 million hectares (3.7 million acres) each year.

Unfortunately, combating desertification has not been given any high priority by African Governments. Given the generally urban bias of government policies, more lip service than action has been paid to stopping the growing encroachment of the deserts. The people who live in arid zones wield very little political power. Nor has the performance of aid donors been any better. Otherwise the process of desertification would have been halted in the Sahel and

the current drought would not have happened, for since the 1968–73 drought in the Sahel, the donors have been very busy there combating desertification. For instance, UNEP reckons that tree planting – for fuel, for timber and to prevent desertification – is proceeding fifty times slower than what the Sahel really needs.

5. DEPENDENCY

One of the unenviable legacies at independence was an overly dependent African economy and during the past 25 years this economic dependence has intensified. Today, the African economy is a dependent economy par excellence. It is dependent on foreign factor inputs and this has serious repercussions on Africa's cost structure, production efficiency, exploitation of natural resources, development of domestic technology and the comparative advantage of surplus labour relative to capital. Thus most capital goods acquired are neither consistent with the factor endowments of the African region nor oriented to its basic needs.

The dependence of the African economy is also glaring in the external trade sector. African exports consist of a small number of primary agricultural and mineral commodities. This dependency on primary raw materials exports continues to have negative effects on Africa's export earnings because of the highly inelastic supply of these products and the price instability in international markets.

The weakness in the demand for African exports continues to manifest itself over the years, particularly during the 1980–84 period. The volume fell by 18.6 per cent in 1981, by 7.6 per cent in 1982, compared to an increase of 2.5 per cent in 1981 and a decrease of 2.5 per cent in 1982 for developing countries as a whole. During the 1980–84 period, Africa experienced, as a whole, a decline of 22.9 per cent in the volume of its exports. This low performance may, unfortunately, turn out to be the beginning of a long-term trend, in view of protectionist measures in the developed countries against some of these exports, and in view also of the development of synthetic substitutes and the growing prospects of bio-technology in producing in factories many of these products. Unfortunately the domestic demand for them is extremely small.

This dismal prospect for export underlines one of the main difficulties that is in the way of African development. Because of their dependence on exports not only for foreign exchange earnings but also for government revenue and household incomes, the present critical resource situation in Africa is likely to persist.

One other effect of diminshing earnings from exports is a decline in imports. Partly because of this and partly because of stringent adjustment programmes enacted by a growing number of African countries, there have been significant contractions in imports. These adjustment programmes include devaluation which makes imports very expensive, or direct limitation of certain categories of imports, or the reduction of import-generating expenditures. Thus between 1980 and 1984, total imports are estimated to have declined in volume by 7.8 per cent. This was the first time that such a development had taken place since 1967 and the second time since 1961. This is symptomatic of the current debilitating crises confronting Africa.

Indeed, it is the poor performance in the export and import sectors that has adversely affected the manufacturing sector which has been deprived of imported raw materials, machinery, spare parts and high-level personnel. Today many manufacturing plants remain closed and essential commodities (such as toiletries and detergents) which depend on foreign inputs are in scarce supply in Africa. Thus between 1980 and 1984 the rate of growth of manufacturing value added at 1980 constant prices fell by 1.6 per cent. The rehabilitation and revitalization of existing manufacturing enterprises will face difficulties unless external support is forthcoming.

As I have said again and again, dependent development will lead Africa nowhere. Africa marching towards the future hand-in-hand with its colonial past and with the present excessively externally oriented and dependent economy has no dignified future at all. Africa has to remove the yoke which it has fastened on its economic system, which inhibits the range of national resources it can utilize, which puts the continent into a straitjacket of producing what its people do not consume and of consuming what it does not produce, and which makes it an exporter of raw materials at low and declining prices in order to import semi-finished and finished products at high and rising prices. There is no doubt that what Africa needs – and needs most urgently – is the complete decolonization of its economies, a total and sharp break with its colonial dependent economic past.

6. DISEQUILIBRIUM

The African economies have been, as it were, in a permanent state of disequilibrium where there is a growing gap between promise and

performance and between expectation and realization. Whereas the revolution of rising expectations has whetted the appetite of the population, the abilities of the governments in particular and of the economies as a whole to respond to these expectations are severely circumscribed. Hence the series of serious disequilibria suffered by the economies.

As we have already noted, the rate of growth of population is far in excess of the growth in the capacity of the agricultural system to cope. The welfare programmes which governments have perforce introduced in order to satisfy, at least in part, the revolution of rising expectations are beyond their capacity to finance. Budgetary deficits have been growing wider and wider for many a year in economies where there is hardly any room to manoeuvre. Indeed, a growing number of governments are unable to meet their recurrent expenditure, let alone finance new investments.

The African economies are also full of rigidities. They are unable to adapt to changing circumstances. The monocultural economy with over emphasis on production of one or two primary commodities or minerals for exports has persisted in spite of all the difficulties which have been and are being faced. All developing countries have suffered from the generally depressed conditions of the world economy since the first oil shock of 1972/73. Prices of traditional commodities have slid downwards, interest rates have shot up drastically increasing debt servicing charges (a point we shall come back to shortly when we discuss our sixth D) and concessional flows have stagnated. However, while the developing countries in other regions have been responding in one way or the other to these problems, the rigidities and discontinuities of the African economies have led to a near state of hopelessness and paralysis because of the sense of helplessness generated. For instance, in Asia, economic growth has continued unabated in spite of the international economic crisis. But this has not been the case with Africa whose response mechanisms to shocks, whether external or internal, are extremely weak. This is no doubt due to the fragility of the economies. But, whatever the reasons, their impact is to exacerbate the perpetual state of disequilibrium of these economies and thereby aggravate their underdevelopment.

After all, Africa is not resource-poor. On the contrary, the continent is endowed with considerable resources – both natural and human. Even in spite of the desertification menace, the land/population ratio is the highest; vast hydroelectric resources remain untapped; and, Africa's mineral wealth is still virtually unexplored.

In addition, since independence, sub-Saharan Africa has made considerable strides in developing its human resources: literacy, which was limited to a few percentage points in the early 1960s, has now reached around 40 per cent and there has been considerable development in the field of education, with primary schooling now almost 80 per cent of the population of children of primary education age. And in the field of training of high-level manpower, impressive pools of professionals and technicians now exist in Africa.

What is needed and needed urgently is the development of the capacity to tap these resources for the benefit of the population and to create an environment that encourages enterprise, innovation and ingenuity. We also need to keep our priorities under constant review and ensure that allocation of resources is consistent with our declared goals. We also need to develop an incentive system through the price mechanism and government support arrangements that will accelerate the rate of growth and development by making it worth the while of producers, manufacturers and workers to work hard, to save as much as possible and to invest.

It is only by doing all these that we can narrow the gap between production and consumption, between plans and implementation, and between expectations and realities with a view to eliminating the imbalances and the disequilibria.

7. DEBT

This brings me to the last but one of the seven Ds – the worsening external indebtedness of African countries. Since ECA, in collaboration with ADB and OAU, organized from 18 to 20 June 1984 a Regional Ministerial Conference on this subject and that Conference came out with the 'Addis Ababa Declaration on Africa's External Indebtedness' I shall not deal with this very important problem at any length. I would simply like to make four points.

First, on the face of it, Africa's external debt, which is currently estimated at about $US150 billion, might seem small when compared with the corresponding figures for other third world regions, particularly Latin America. It is, however, a very heavy burden for the fragile economies of Africa to bear. By the reckoning of the World Bank, Africa's debt represented about 36 per cent of its total GDP. Conclusions reached by the IMF are even more alarming. According to the latest data provided by the IMF for non-oil-exporting African countries, debt represents near to 55 per cent

of GDP, so that its relative weight is greater than that in all other developing areas. In fact, debt service for non-oil-exporting countries is estimated by the IMF to rise to 27 per cent of exports of goods and services during the current year (1985). This puts Africa second only to Latin America. In fact, in some countries – notably the Sudan, Zaire and the Côte d'Ivoire – debt has become a crushing burden on the balance of payments, practically choking off growth.

The second point I wish to make on this issue is that the rapid accumulation of external debt is in itself due to the disequilibrium between resource needs and resources domestically available. In other words, external debt has been used to supplement declining domestic savings, augment foreign exchange receipts and smooth the consumption path over time. Particularly, as we have already indicated, fiscal deficits have been growing in many countries.

Thirdly, important as these endogenous factors are, there are even more crucial exogenous factors that have contributed to the debt crisis. These include the slow growth in world demand for primary commodities, aggressiveness of foreign banks in their lending behaviour to African countries considered credit-worthy, structural changes in the flow of financial resources to Africa, the hardening of terms of external borrowing and the appreciation of the currencies in which external debt is contracted and serviced.

Finally, the emergence of external debt crisis has contributed in a large measure to the decline in the growth of GDP in Africa. The inability of the countries to service their debt has eroded their credit-worthiness and stemmed the inflow of new resources or at best has led to higher borrowing costs and more stringent conditions for import payments.

8. DESTABILIZATION

The social and political consequences of continued poor economic performance are so grave that it will be unrealistic to continue to ignore this as one of the major factors in the debilitating crisis that has engulfed sub-Saharan Africa. There can be no doubt that riots, crimes and misery will be the order of the day in Africa if the present crisis persists. And with these, the fragile socio-political systems will be undermined and the political sovereignty of the countries concerned will be severely threatened.

If sub-Saharan Africa continues for too long to be the sick child of the international economy, it will pose a threat to world peace and stability as the temptation to interfere in its affairs will become too

great to resist and this, as likely as not, will lead to confrontation and even conflicts between the super-powers. In order to avoid such a development, it is imperative that the international community, particularly the major donors, come fully to the assistance of Africa and help it to break the vicious circle of poverty and lay the foundation for growth and development and stability and peace so that it can become a true partner of the international economy.

There is, however, the other side to the political destabilization problematique. We have talked about political destabilization arising from continued poor economic performance. However, we must not forget that poor economic performance can also be the product of political instability – whether endogenous like the frequent military coups d'état that have afflicted sub-Saharan Africa since independence or exogenous like the policy of political destabilization being flagrantly pursued by South African authorities against the front-line States of Southern Africa.

9. ACTION FOR IMMEDIATE FOCUS BY AFRICAN GOVERNMENTS

What, in the light of the foregoing analysis of the seven Ds of Africa's development problematique, should constitute the main thrust of the immediate focus in the fight against hunger, poverty and underdevelopment? What mix of programmes and policies, in addition to humanitarian assistance, needs to be urgently designed and vigorously implemented in the immediate future, i.e., the next three to five years? Before we put a package of programmes and policy for immediate implementation together, let us review, albeit briefly, the agricultural sector in Africa and the main causes of its backwardness and poor performance.

At the root of economic backwardness, stagnation and decline in many African countries is the poor performance of the agricultural sector, which is also the most predominant sector. Annual average growth rates of agricultural production decreased sharply from 2.7 per cent during the 1960s to 1.6 per cent in the 1970s. But the deterioration is even more serious in food production which increased by only 1.5 per cent per annum during the 1970s when Africa's population was growing at an average annual rate of about 3.0 per cent. As a result, the food self-sufficiency ratio dropped from 98 per cent in the 1960s to 86 per cent in 1980. Meanwhile cereal imports escalated threefold due to the combined effects of increasing population and changing food habits, especially in urban

areas. Between 1980 and 1984 agricultural performance further deteriorated. It was as low as 0.1 per cent for the period as a whole with negative growth rates in 1983 and 1984. According to ECA/FAO projections, Africa's self-sufficiency ratio in cereals will drop to about 71 per cent by the year 2008 implying an import bill of $US14 billion at 1980 constant prices.

The root causes of the rapid decline in food production are well-known. First, domestic policies with regard to agriculture have often constituted a disincentive for producers. Pricing policies have turned domestic terms of trade against agriculture in general and food production in particular. Moreover, the intervention of government parastatals in input distribution, marketing and consumer-oriented price setting has also greatly contributed to the deterioration of agricultural performance together with inadequate land tenure policies which do not provide landowners with the necessary security that encourages long-term land improvement. The high rate of rural-urban migration, which has now reached an estimated level of 6 per cent per annum, has aggravated the situation as it has resulted in shortage of rural labour force while at the same time increasing rapidly the population of urban dwellers who have to be fed by the rural people.

Secondly, the poor performance in agriculture is also due to very low productivity per unit of land. For cereal the annual average was, in the 1980–1984 period, only 917 kg per hectare or less than half the world average. According to FAO, the annual average of fertilizer used during 1978–1982 was only 17.3 kg per hectare of arable land compared to a world average of 77.4 kg. Large areas are thus currently underproductive. Some others are unusable because of disease-carrying pests such as tsetse fly which affects 10 million square kilometres in 23 countries south of the Sahara. Lack of adequate support to agricultural research especially the traditional food crops has also hampered the development of improved technologies particularly in rainfed small holdings.

Thirdly, agriculture in Africa, particularly in sub-Saharan Africa, is over-dependent on rains. Hence, the effects of each successive failure of seasonal rains have led to the present situation whereby about two-thirds of the land area is permanently short of water, either for the whole year or for large parts of the year. Even in the wetter areas, inadequate water management, conservation and utilization has left the countries concerned very vulnerable to the vagaries of the climate as was the case in 1983 in some coastal West African countries and in 1984 in some Eastern African countries.

Water conservation policies such as sub-surface storage in the form of natural and artificial impoundments have been given very little attention in sub-Saharan Africa.

Fourthly, the advance of the desert in sub-Saharan Africa constitutes a growing threat. Some factors underlying the desertification phenomenon are essentially man-made. Scientists have long ago established links between desertification and man-induced changes in ecology, such as poor cultivation practices, deforestation for fuelwood consumption and timber export, overgrazing of rangelands and overuse of marginal lands for unsuitable cultivation. It has been estimated that more than 2.5 million hectares of savannah in Africa have been destroyed in the last year. The same assessment shows the extension of desert conditions around the Sahara, Namibia–Kalahari and the Horn of Africa, and the increase in dry season in forest countries.

Fifthly, the increase in agricultural production cannot be substantial if not supported by adequate transport infrastructure, especially feeder roads, and by the availability of necessary inputs such as fertilizers and agricultural tools. Unfortunately, as the current emergency situation has amply demonstrated, the transport and communications system in sub-Saharan Africa is far from being adequate which makes it difficult to ensure a quick distribution of agricultural inputs and the efficient marketing of agricultural products. For example, post-harvest food losses are as high, in some countries, as 40 per cent of total production due to poor or lack of storage and transport facilities.

What in these circumstances should be Africa's immediate focus in combating the triple enemies of poverty, hunger and underdevelopment? There can be no doubt that Africa can only break the vicious circle of poverty that engulfs it through the achievement of an agricultural revolution. Given the rapid rate of population growth, Africa urgently needs a green revolution if it is not to continue to be plagued by hunger and famine, and if its poverty is not to persist. There is no other way in which Africa will be able to feed its projected total population of 1.1 billion and an urban population of 472 million by the year 2008.

Our immediate focus should therefore be concentrated on how to bring about an agricultural revolution or a green revolution in Africa. This requires, first and foremost, the creation of a stimulative environment for agricultural production through the provision of (i) adequate farm credit facilities; (ii) appropriate producer prices regularly kept under review for adjustments; (iii)

sufficient supply and timely delivery of agricultural inputs; (iv) effective extension services which must reach the real food producers who are mostly women; and, (v) adequate marketing, infrastructural and storage facilities.

As we admitted openly and frankly in the ECA/ADB *Economic Report on Africa, 1984*, 'what we see as the most urgent task at this juncture is not so much large increases in government expenditures which have proved wanting by past experience, but appropriate policy changes affecting factor remunerations, the system of exchange and trade, domestic resources mobilization, conditions for investment, particularly private investment, the regulations concerning operation of producers particularly small businessmen, farmers and the like. ... Once a stimulative environment is created, it will be possible to revitalize investment and production.'

Secondly, if Africa is to achieve a green revolution in the immediate future, high priority needs to be given to research and development (R and D) in agriculture, particularly food crops, in agricultural implements, and in appropriate food storage and preservation technology. Without R and D breakthroughs in these areas agricultural revolution will continue to elude Africa. Fast dissemination of successful R and D work is also one of the requirements of internalizing the green revolution.

The second area of focus for immediate concern is the need to formulate urgently and execute vigorously a policy of direct intervention in the husbandry practices of farmers and herders with a view to putting an end to overcrowding, over-production, overgrazing and soil erosion. This we must do if we are to increase the productivity of our farm land. The devastation that could be brought about by erosion of the soil was forcefully demonstrated by the experience of North America in the 'Dust Bowl' of the 1930s which had turned the rich farm land of the central plains of the United States into an agricultural waste land. The growing aridity in Africa together with the dust clouds of the expanding desert makes our situation comparable to that of the areas affected by the Dust Bowl in the 1930s where land became parched from an extended drought and the wind kicked up dust as it now does in areas of the Sahel.

Our immediate task is to do what the Americans did in the 1930s to reclaim our once productive land, not only by combating desertification but also by adopting a far-reaching soil conservation policy, and by strengthening research work into the methods of arable and pastoral production in Africa. We need to establish in

each African country a soil conservation service which will be as effective as the United States soil conservation service in the 1930s. Our mounting concern about the worsening degradation of the environment must impel us to a mounting commitment to act. This is an area where massive transfer of the techniques used by the United States in the 1930s to Africa – with, of course, due modification to accommodate local conditions – will prove extremely beneficial and cost effective.

Our third area of immediate focus is the rehabilitation and resettlement of the 10 million displaced persons and the millions of others who are still dependent on parched droughtstricken land for their livelihood. These people will need new arable land to settle on, farm inputs and seed supplies; animal health supplies and equipment; animal feed supplements, construction materials for small-scale irrigation and for storage facilities; and some technical assistance. The resettlement and rehabilitation of people away from the drought-prone areas is thus a major exercise which also has serious implications for the organization of large-scale relief operations especially during the first few months of a rainy season and until the first harvest. But it is an exercise from which the affected countries cannot shy away for long. Emergency assistance is not enough to keep people going. There is over and above this the imperative need to give people faith in their own abilities and capacities and new opportunities to translate that faith into operational realities.

Fourthly, there is the urgent problem of sound management of the economies of Africa. It is essential that this problem be addressed as part and parcel of the package of issues for immediate focus. Specific actions are required in four areas: (i) Priority attention must be given to the problems of maintenance of public assets and properties. The standard of maintenance of public works and utilities has fallen very low because of the inadequate resources allocated for this purpose; (ii) It is becoming increasingly clear that the inadequate use of investment fund has contributed more to poor economic performance than inadequate investment resources. Efforts must therefore be made to increase significantly the productivity and profitability of investment; (iii) Public institutions need to improve on the efficiency of their management. The scope for this is tremendous; and (iv) All the leakages and sources of wastage in the economy need to be plugged. Our preliminary analysis at ECA shows that the annual quantum of foreign exchange leakages and wastage amount to some $US5.00 billion. If this could

be saved and put to productive use, the impact on achieving both the short-term and long-term development objectives will be immediately felt.

Fifthly, the rehabilitation, revitalization, rejuvenation and rationalization of Africa's manufacturing enterprises, so as to make them more supportive and integrated with the other sectors in the economy, particularly the agricultural sector, and be less dependent on foreign factor inputs should be on our agenda for immediate focus.

The poor performance of the industrial sector is no doubt aggravating the problems in the agricultural sector. Ordinarily, agriculture should feed industry with required inputs, particularly raw materials, while industry on its part supplies agriculture with its requirements – fertilizers, equipment, insecticides, etc. Unfortunately, the industrial sector in Africa is mismatched with resource endowments and, therefore, has weak linkages with the rest of the economy. Indeed, the heavy reliance of the manufacturing sector on imported inputs is too glaring. Not only does it depend on foreign capital and on foreign technology but more often than not it also depends on foreign raw materials. And this is in a continent which is 'pro tanto' an agricultural economy. In any case, the manufacturing sector is overly oriented towards producing consumer goods or mere processing of agricultural commodities or materials for export. The capital goods industry is terribly underdeveloped.

The heavy reliance of industrial enterprises in Africa on imported inputs has meant that rather than becoming a growing source of foreign exchange (what the Zambians now call FOREX for short) earning or saving, they have become a veritable bottomless pit of 'forex' expenditure and drainage. In the circumstances it is not surprising that with the current extreme shortage of 'forex' resources, most factories have, one after the other, either been closed down or have been operating at below capacity. The irony of the African situation is that there is considerable and growing excess industrial productive capacity at a time where there are serious shortages of essential and basic commodities. This is why the rehabilitation, revitalization, rejuvenation and rationalization of Africa's ailing manufacturing enterprises must be attended to as a matter of priority.

As we have already indicated during our analysis of the African development problematique – the seven Ds – the fight against desertification has been half-hearted. This fight has to be stepped up and executed aggressively if Africa is not to become, before long, one vast desert interspersed here and there by oasis. The magnitude

of the effort requried before we can achieve a breakthrough has been indicated by UNEP which has judged that current efforts at reforestation are proceeding fifty times slower than what the Sahel really needs. In other words, we must step up our reforestation effort by at least fifty times. This means that Africa must introduce social (mass) forestry which has proved successful in as diverse places as South Korea and China. Our governments must also encourage millions of farmers to raise trees as crops and make it remunerative for them to do so as is the case in some Indian states. Although tackling the desertification menace requries a long time effort, the beginning cannot be delayed any further. Hence, it is featuring as our sixth agenda item for immediate focus. As we had earlier indicated, drought and desertification are so closely intertwined that we cannot successfully deal with one without tackling the other. And the battle against desertification can only be successfully fought through subregional co-ordinated effort. This is a good example of where a concerted regional approach is required for national survival.

Seventh on our agenda of actions for immediate focus is the tackling of the debt problem. We have already discussed the magnitude, scope, and the cause of the huge debt burden that Africa now carries and the contribution of the debt crisis to the decline in the growth of GDP. There can therefore be no doubt about the need for urgent actions to be taken at the national, regional and international levels to ameliorate the debt crisis. While there is some truth in the 'Addis Ababa Declaration on External Indebtedness' that national efforts have their limits, there is no doubt that there are many measures that can and must be taken immediately at the national level. These include (i) the adoption of more stringent fiscal policies to keep public expenditure under control; (ii) the adoption of more realistic exchange rates for African currencies; (iii) aggressive export promotion; and (iv) the adoption of better and more efficient external debt management practices.

At the regional level, the 'Addis Ababa Declaration' talked of the establishment and/or strengthening of subregional and regional financial institutions to deal with African monetary problems such as the payments and clearing arrangements that ECA has been establishing in different subregions of Africa, and an African Monetary Fund on which action is proceeding slowly but surely. Meanwhile, African countries should do everything possible to encourage exchange of information whether bilaterally or through African multilateral bodies, between interested countries on re-

financing and rescheduling terms under negotiations or already agreed upon with international financial bodies and institutions. The secretiveness of African Governments is hurting them more than they realize.

As already indicated, the immediate causes of the debt problem have been exogenous, beyond the control of African countries. Therefore, the principal and immediate solution must come from the international community, from the creditor nations and financing institutions. We shall make specific proposals when we deal with the contributions expected from the international community in tackling the African development crises.

Africa can no longer afford to ignore the tremendous cumulative impact of destabilization – whether endogenous or exogenous – from its agenda for immediate action. To do so is to be unrealistic, and to cut off our nose, as it were, to spite our face. Too much of our extremely limited resources is going to defence expenditure which does not even feature in our priority list in the Lagos Plan of Action but which absorbs several times more resources than food and agriculture which we openly proclaim as our priority of priorities. Political instability, civil wars and border disputes are some of the justifications for the heavy defence expenditure. Yet we know or should know that these are precisely issues which no war has ever settled. They have to be resolved through appropriate policies that put emphasis on justice, equity, equality of opportunities (to avert political instability) and negotiations based on give and take and on the principle of 'quid pro quo' (in the case of civil wars and border disputes). It is the irony of history that we are not unwilling to shed African blood to protect borders that were arbitrarily put up by the buccaneering imperialists and to this end we expend a lot of our extremely limited resources on acquiring modern weapons of war.

This is regrettably an area where the OAU has proved extremely ineffective yet it is one that calls for a regional approach to national survival. Political instability, civil wars and border disputes sap the energy not just of the countries engaged in them but also of the entire continent. They weaken our resolve to work together, to grapple with our economic crises. They undermine our fragile unity and make the difficult task of economic and technical co-operation virtually insuperable. The most important contribution that the OAU can make in the immediate future in solving the African development problematique is to become a positive agent for stability and stabilization in Africa so that the resources now absorbed by unproductive defence expenditure can be released for

productive purposes. Africa is spending more every year on defence expenditures than all the external financial assistance it receives annually. It must be added that this is a development that donor countries not only appear to welcome but also to encourage as three quarters of resources outflows to developing countries are absorbed in the purchase of armaments either for defensive or for offensive purposes.

When we discuss the supportive actions required from the international community, we shall refer to the exogenously induced destabilization being practised by South Africa against the front-line States. Meanwhile, let us deal with our ninth and final immediate action agenda – demography.

The donor countries have always criticized African Governments and ECA for neglecting population factors in their development problematique. In a way, the lack until very recently of a well-articulated population policy has been due to the belief that Africa's underdevelopment is not due to overpopulation. Indeed, in terms of ratio of population to cultivable land and to potential mineral resources, Africa is well endowed. It is one of the most endowed continents in the world. However, the fact that people are dying of hunger and famine, and the prevalent and widespread poverty and underdevelopment, have driven home the realization that until these resource potentials are turned into wealth for the welfare of the people, they are of only theoretical interest. Meanwhile, as we indicated in the earlier sections of this lecture, there is a race between population and economic growth which, as likely as not, will intensify during the remainder of this century and the first decade of the next. How can we survive during this period? Can we step up the rate of growth in our food production to match the population growth rate of over 3.0 per cent per annum? Since this seems unlikely in the short run while we are working hard at achieving a green revolution, we must perforce include in our immediate focus specific policies and programmes for curbing the rate of population growth. True enough, drastic structural changes in the demographic situation take a long time but the seeds must be sown now.

As already indicated, the Kilimanjaro Programme of Action for African Population and Self-Reliant Development adopted by the ECA Second African Conference held in Arusha, the United Republic of Tanzania, in January 1984, is a step in the right direction provided it is translated into specific national action programmes. Many of the recommendations addressed to governments in the

fields of development strategy and policy, fertility and family planning, morbidity and mortality and urbanization and migration require immediate attention.

These then are the contents of our package of actions for immediate focus in the fight against hunger, poverty and underdevelopment. Needless to add that they are far from being exhaustive or comprehensive. The mix of policies and programmes that has been identified constitutes priorities among priorities.

And the emphasis is on the word 'immediate'; on what Africa must do now to save itself from imminent economic – and inevitably political – collapse and at the same time lay the foundation for economic revival and recovery. Consequently, the focus of our immediate action programme is only on five out of our seven Ds – drought, desertification, demography, debt and destabilization. By attacking these at the root, we shall be laying the ground-work for mastering the remaining two – dependency and disequilibrium – which pose a long-term challenge.

But can we agree on an immediate action programme as fundamental and basic, yet ambitious, as the one suggested in these pages? If we do, if a consensus does emerge, do we have the will to pull it through, to fully implement it within a given time frame with the sense of urgency that it deserves? I remain optimistic that we have the guts and the grit to rise to the challenge and that our leaders are determined to lead us along the narrow but challenging path of putting our devasted economies back on even keel. Of course the pessimists will no doubt think differently but as the saying goes:

Twixt optimist and pessimist
The difference is droll:
The optimist sees the doughnut,
The pessimist, the hole.

Although the African economic condition is grave, there is no room for despair. In fact, if our leaders and people can make a virtue of necessity, nothing can stop them from turning the present situation into the springboard for action and inventiveness. It is unbelievable what a people can do if and when they know that their very survival is at stake. Fortunately, African leaders are not only gravely concerned by the very alarming economic and social conditions, they have also expressed unmistakably their determination to take drastic measures.

10. SUPPORTIVE ACTIONS FOR IMMEDIATE FOCUS REQUIRED OF THE INTERNATIONAL COMMUNITY

One thing which should have become abundantly clear by now is that the African development problematique is multidimensional and complex in nature and that it is beyond the capacity of African Governments and their people to tackle unaided. That is why the ECA Conference of Ministers in its Special Memorandum appealed to the international community 'to respond positively, magnanimously and speedily ... so that Africa can be assisted to cope effectively with the crisis'. 'We are convinced', the ECA Ministers went on, 'that given the necessary support from the international community, we are capable, in the not-too-distant future, of establishing at national, subregional and regional levels truly dynamic, self-reliant and interdependent economies, capable of functioning as effective partners in the international economic system'.[1]

It is however essential, if the African Governments and the donor countries that are helping them are not to work at cross purposes, that all concerned should understand that a one-panacea approach is not going to be helpful. The growing tendency on the part of some well-meaning donors to put forward one general doctrine such as 'getting the prices right' or 'allowing for more privatization of the economies' or 'instituting policy reforms' is an oversimplification of the nature and scope of the crisis.

We have already commended the growing positive responses to the humanitarian aspects of the crisis but, as we have made abundantly clear, this is not enough. To limit support only to humanitarian needs, important as these are, is simply not enough. If anything, it can be counter-productive as it might lead to the conversion of the emergency situation into a permanent or structural one and institutionalize the 'esprit de mendicité permanent de l'Afrique'.

The question then is: will the international community, particularly the major donors, commit themselves to helping fully in the economic recovery of Africa? Or will the international community content itself with continuing to make mere symbolic gestures because it sees Africa only in terms of commercial, strategic, ideological and/or political interests? What role will the United States choose to play? Will it show its solidarity with Africa by providing the long-awaited leadership to the rest of the donor

community in making long-term commitments to African economic rehabilitation, reconstruction and development?

On the assumption that the answers to these questions are positive, let me put down very briefly some of the contributions of the donor community in support of the African effort. These include (i) the improvement of export earnings; (ii) increase in multilateral concessionary financing and improvement in the international monetary arrangements. The ongoing efforts of the World Bank to raise $US2.0 billion special fund for sub-Saharan Africa deserves the full support and participation of the United States; (iii) the undertaking of specific debt relief measures including such measures as (a) the total or partial cancellation of external debts of sub-Saharan African countries particularly the least developed countries and the most adversely affected countries; (b) a moratorium for at least three to five years on debt servicing of both public and private lenders; and (c) the conversion of a substantial part of the debt service obligations into grants; (iv) provision of balance-of-payments support; (v) taking measures against rising interest rates which are hurting the poor countries of Africa very badly. It is not generally known that a one per cent increase in the interest rates raises the debt servicing liabilities of African Governments by as much as $US1.5 billion every year which is exactly equal to the unmet humanitarian needs for 1985; and (vi) the cessation of the acts of destabilization being flagrantly undertaken by South Africa against the front-line States which have negative impact on their development.

All these problems and more must be addressed by the international community in general and by the main donor countries in particular, especially the United States. For if African countries are to recover from their deep economic crisis and if the problems of hunger, poverty and underdevelopment are to be effectively tackled, this is the minimum package of immediate actions that has to be supported by the industrialized countries in support of the African efforts.

It should be the collective primary objective of the international community, in collaboration with African Governments and peoples, that, not later than within the next ten years, the present desperate situation in Africa will have given way to one of hope; that Africa not later than 1995 will have achieved self-sufficiency in food production. Let us hope that the development saga of Africa during the next ten years will follow closely that of South Asia in the 1960s so that by the 1990s we can truly say that Africa has made substantial

progress against poverty and the nightmarish picture of starving children and dying women will have become a thing of the past.

11. LONG-TERM DEVELOPMENT OBJECTIVES AND PROGRAMMES

Let us now address ourselves to the remaining two Ds – dependency and disequilibrium – which by their very nature constitute Africa's long-term development problematique. The fight against dependency and disequilibrium necessitates a sharp break from Africa's unenviable colonial economic legacy and the initiation of a process of long-term structural transformation. There is no doubt that the successful implementation of our nine-point programme of action for immediate focus will constitute a major step in the process, but a lot more will be required to be done in all the economic sectors and in all spheres of human endeavour.

The Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL) have elaborated the long-term measures required for the transformation of Africa from its present dependent situation to a fully self-sustained and self-reliant economic community. Indeed both LPA and FAL are based on the fundamental principle that long-term growth and development are concomitant upon the adoption of structural transformation measures and the promotion of regional and subregional economic and technical co-operation. As I recently wrote, 'given the balkanization of Africa during the colonial era, with the consequential large number of miniscule states that, with the best will in the world and the most favourable domestic and external economic environment, cannot but have an uphill task in achieving socio-economic transformation, intra-African economic penetration, co-operation and integration have perforce to become an integral part of national economic policy in all African countries'.[2]

While both the LPA and the FAL have set down the measures required to bring about the economic transformation of Africa, the ECA Silver Jubilee perspective study entitled 'ECA and Africa's Development, 1983–2008' has, *inter alia*, spelt out the orders of magnitude of the efforts that are required if they are to be implemented faithfully and successfully. This study totally rejects the continuation of present socio-economic trends and patterns because rather than lead to the structural transformation of the African economies, it will result in Africa being more dependent by the year 2008 than it was in 1980. Since the future that emerges from

the historical trends scenario is horrendous, the ECA perspective study proposed the adoption of the normative development scenario or a willed future. But, as the study points out, the normative scenario can only be achieved 'if and only if (a) the region succeeds in internalizing the development process, in the spirit of collective self-reliance and self-sustainment; (b) the development process is democratized at all levels so that factors of development – human capital and natural resources – can effectively and productively interact; and (c) subregional co-operation is strengthened, 'inter alia', to overcome the present balkanization of the region and to permit a proper and co-ordinated exploitation and utilization of Africa's vast human, mineral and energy resources'.[3]

12. CONCLUSION

It will have thus become crystal clear why, throughout this lecture, we have emphasized again and again that the African development problematique must be attacked at the root. The economic transformation which is required to undermine Africa's current dependent situation as well as its permanent state of disequilibrium calls for daunting efforts – a willed future. But the challenge posed by the immediate-focus programme is no less daunting. This takes us back to the question, that given the magnitude of what has to be done, of what must be done, can the dream of an Africa free from hunger, disease, unemployment and poverty, social and cultural imbalances, external domination and racism come true? The history of mankind and that of many other regions persuade one to be unequivocal about the potential of the African region in rising to the challenge.

However, Africa requires the commitment of the international community to its long-term development objectives. There is no doubt that the magnitude of the task is far beyond Africa's capacity alone. But will the international community make such a commitment? This is a question which must be answered urgently.

II Address to the 20th Session of the Assembly of Heads of State and Government of the Organization of African Unity

Addis Ababa, 12 November 1984

As you are no doubt aware, the emergency aspects of the crisis relate mainly to drought with its disastrous consequences on food and water shortages resulting in massive starvation, deteriorating health and nutrition conditions, population displacement and loss of livestock which is the mainstay of large groups of population. Overall, 36 countries are now classified as drought-affected countries out of which 27 were identified by the Food and Agriculture Organization as abnormally food-aid dependent countries.

I must pay special tribute to the concerted action by the African governments themselves and the understanding and generosity of the international community which had made it possible to avert a real catastrophe in most of the food-aid-dependent countries. Indeed, about 90 per cent of the food-aid required in 1983/84 have been met by donor countries and institutions including non-governmental organizations. However, for the 1984/85 marketing year, the crop situation remains very critical, as many affected countries have experienced another major crop failure in 1984 while additional countries which were not affected in the early onslaught of the crisis have now been hard-hit by the spread of the drought. As a result, food aid requirements for the 1984/85 marketing year will be substantially higher than during the previous year. Thus whereas the estimated cereal food aid requirements for 1983/84 marketing year were 3.1 million tons, our rough estimate of the needs for 1984/85 is 5–6 million tons. It is therefore essential that food relief efforts should be increased in order to alleviate the serious and prolonged human suffering in the region.

There are in addition, the requirements for such non-cereal food-aid as dried skimmed milk, vegetable/butter oil, fish, either canned or dried, pulses, dried fruits and sugar to mention only a few.

However, important as the food-aid no doubt is, I must stress that the transportation, storage and distribution of such food assistance and other emergency supplies remain critical in many

African countries. Several bottlenecks such as congested ports, weak logistic planning capacities, unsuitable equipment for handling bulk shipments, lack of spare parts for both road and railway transport equipment etc., make it difficult for relief assistance to reach the affected population quickly, safely and at the lowest cost. Taking into account such a situation and in view of the projected increase in cereal import requirements, it is essential for African countries to put greater emphasis on the improvement of logistic facilities, but such efforts from the affected countries will need to be supported by further international assistance in such areas as the purchase of additional rail rolling stock, locomotive and road trucks; the construction of storage facilities; logistic planning and the provision of spare parts and the financing of transport cost.

With respect to health and nutrition, available information indicates that for several countries, a quick and effective response has helped to prevent the threat of very rapid deterioration. However, reports from a few countries indicate that large communities are still at serious risk. Indeed, various vulnerable groups, including children, pregnant women, lactating mothers, elderly and chronically undernourished labourers continue to be exposed to various diseases. The general nutritional status also continues to be critical as the average diet in some affected countries does not satisfy individual energy and protein requirements, particularly for mothers and pre-school children. As a consequence, serious outbreaks of contagious diseases such as cholera and meningitis continue to be reported in some countries. We are grateful that in complement to domestic efforts, the response of the donor community has appropriately focussed on supplementary feeding programmes, special medical protection, prevention of epidemics among concentrations of drought victims and provision of potable water supply and sanitation. Still, for many countries, these relief efforts need to be expanded, given the rapidly evolving drought conditions which I referred to earlier. Moreover, it is also essential to give due attention to other pressing areas such as the rehabilitation of basic health infrastructure.

Water supply, both for human and animal consumption, is in a very precarious situation and urgent actions are called for. Firstly, it seems imperative to speed up the implementation of the International Drinking Water Supply and Sanitation Decade, for which more than 30 drought-affected countries have prepared 220 projects requiring financial assistance totalling $800 million. Secondly, there is need to expand those programmes dealing with the digging

of more wells and boreholes and rehabilitating and maintaining existing ones. Thirdly, the current efforts of African countries in the development of small-scale water development schemes to supply people and livestock and for irrigating crop lands represent a commendable step towards a long-lasting solution towards food security at community level. The lack of water has negatively affected power supplies in those countries which operate hydro-power, thus resulting in low levels of operation of basic industries and services. Given the decline of export crops which has drastically reduced earnings necessary to pay for the importation of petroleum products, it is clear that assistance is required in the form of budgetary or balance of payments support to ensure that emergency operations are not hampered.

In several cases, the drought has also contributed to further complicate the situation of Africa's 3–4 million refugees, most of them living in or coming from drought-affected countries. In addition to the population of refugees and returnees, it is also important to note that large groups of people, presently estimated at about 5.7 million, have been forced by drought conditions to leave their homes, in search of food and water for themselves and their herds. In many countries, the encroachment of deserts on usable land has led to unusually extensive migrations of cattle herders and their emaciated animals within national boundaries. These trends have resulted in extensive displacements of people and communities including those moving from rural to urban centres looking for job opportunities and those who have crossed national borders and are living in refugee-like circumstances. Such massive population displacements have placed increased strains on governments' resources. While the prime responsibility for addressing the question of population movement rests with African governments themselves, the international community, including in particular non-governmental organizations, should support their efforts as well as those of organizations such as UNHCR, WFP, UNICEF and ILO which are very active in this area.

I need not repeat to this august assembly that drought and its immediate effects on population and livestock have exacerbated the environmental situation of the continent. In their struggle for survival, population and livestock have degraded and destroyed more vegetal cover and soil by the extension of unsuitable cultivation in marginal lands and overgrazing of range land. It has been estimated that 2.5 million hectares of savannah were destroyed in the last year. Ecologists and meteorologists have started to express

the fear that deserts might permanently claim an expanding part of arable land all over the continent. While the desertification phenomenon should be dealt with in the medium and long term perspective, efforts which are underway in many African countries to plant drought resistant trees could be speeded up if further international support is provided. In this regard, I must express my profound appreciation and full support to the initiative taken by 21 African countries during a conference held in Dakar, Senegal, in July 1984, to launch a comprehensive programme against drought and desertification. Similar initiatives have to be taken in all the other regions and subregions of Africa so that the desertification menace can be combated. It is only through collective action that this objective can be achieved as this great threat to our survival is not a respecter of national boundaries.

With regard to national preparedness for emergency situation, it is heartening to note that most of the affected countries have set up mechanisms and structures for assessing needs, launching appeals to the donor community and coordinating relief efforts. Unfortunately, many of these structures and mechanisms are working under severe financial constraints and cannot cope with large-scale relief operations such as those resulting from the current crisis. While assistance has been provided by UN Resident Co-ordinators and UN agencies and by non-governmental organizations, it is essential for the affected countries to develop internally-located capabilities for the management of relief operations through, *inter alia*, the creation of stand-by capacities with self-contained financial and logistical elements. In this connection, the establishment of effective national Early Warning Systems for crop forecasting represents an important aspect of strengthening national preparedness.

For the African countries and, indeed, the entire international community, the current emergency situation, dramatic as it is, is only one aspect of the African crisis. It is essential to deal simultaneously with the symptoms and the causes of crisis. The very roots of Africa's present social and economic difficulties lie primarily in the structural weaknesses of the African economy, as clearly pointed out in the Lagos Plan of Action. The most critical structural deficiency, in many African countries, is their inability to feed their populations although the potential to do so exists. For the region as a whole, *per capita* value added in agriculture declined by more than 1.5 per cent per annum in the 1970s. Africa's food imports have, therefore, been growing steadily, rising from $2.4 billion in 1981 to $8.8 billion in 1983. In spite of the growing food aid, African

countries are also financing large amounts of commercial food imports, thus consuming resources needed for investment in agriculture. This very poor performance in agriculture is a result of many factors, including in particular, insufficient price incentives, a very low rate of growth in rural labour force at only 1.3 per cent, ineffective marketing by government parastatals, difficulties in the procurement of inputs and the lack of the necessary infrastructure. As indicated in the ECA/ADB 1984 joint economic report, other structural causes include the predominance of subsistence production, characterized by rudimentary food production, conservation and processing technologies, which render Africa's food security severely susceptible to adverse weather conditions, diseases and pests. The situation has been further aggravated by consumer preferences which have tended to shift away from traditional African staples in favour of imported products. No doubt the severity of the drought has exacerbated the crisis of very low agricultural production especially as it has spread all over the region. Actually, I cannot adequately express how the drought-induced crop failures which have been superimposed on the structural economic deficiencies have brought about an unprecedented economic recession and increasing mass poverty.

To redress such a situation, a concerted effort is required. Our countries themselves have to make the necessary adjustment programmes. However, the international community has also to contribute to the efforts of the African countries. Already, many countries are implementing agricultural policies which address most of the basic issues which I referred to earlier, particularly the provision of more incentives to individual farmers through more renumerative prices relative to those in urban-based activities, improved agricultural inputs distribution, land tenure policies which provide security to land-owners and encourage long-term land improvements, and more flexible marketing systems. They are also giving increased priority to the agricultural sector in the allocation of public investment especially for rural infrastructure, including water resources development. It is therefore hoped that such action would not only increase food production, but would also create the jobs and income gains that can overcome the root causes of hunger, poverty and ill health especially in the rural areas.

But, in their efforts to mobilize resources for the implementation of effective agriculture policies, African countries must receive the full support of the donor community in the form of increased financial and technical assistance. An important step in this direc-

tion would be the successful and speedy second replenishment of the International Fund for Agricultural Development (IFAD).

In order to enable African countries to devote the necessary domestic resources commensurate with the importance of the agricultural sector, it is also important to improve the performance of the export commodity sector which is the main foreign exchange earner for most African economies. The devising of short-term arrangements which will ensure the stabilization of Africa's export earnings at remunerative levels, constitutes an important step in enhancing the import capacity of the affected countries. This would, *inter alia*, speed up the reconstruction and rehabilitation efforts currently underway in African countries. Hence, the speedy entry into operation of commodity arrangements such as the Common Fund, as well as the improvement of existing ones, will bring about a stabilization in the export earnings of African countries, thus enabling them to properly plan their recovery and development programmes.

While the agriculture sector is, by far, the most important area for structural adjustment in the current crisis, there are other important aspects that need to be addressed both by African countries and the international community. Given the serious resource constraints of African governments, there is an obvious need for more effective management of the available resources so that non-productive endeavours – both public and private – cease to constitute unnecessary financial drains on the meagre resources of the African countries. But, along with such national efforts, it is essential that adequate external resources be provided with increased concessionality so that Africa's rehabilitation and recovery processes are carried out with effectiveness and at minimal costs.

I must also draw your attention to another important aspect of Africa's current crisis which relates to Africa's external debt, estimated to have reached $150 billion at the end of 1983. Although such an amount might seem small when compared to the external debt of other developing regions such as Latin America, it should be emphasized that important shifts have taken place in recent years. The share of Africa's total outstanding debt at concessional terms has dropped from 45 per cent in 1975 to only 36 per cent in 1983. With the hardening of the overall terms – higher interest rates and shorter amortization periods – and the stagnation in exports, the debt service ratio has grown from 11 per cent in 1975 to over 22 per cent in 1983. Indeed, it is presently estimated that Africa's debt-service payments will double during the period 1985/1987. Thus, if

the present disbursements trends do continue, it is likely that the projected debt-service payments will constitute a negative net transfer from oil-importing African countries.

The above brief characterization of Africa's indebtedness shows the need for debt relief programmes that would facilitate a structural adjustment process in African countries. In the Special Memorandum,[4] the ECA Conference of Ministers spelled out specific debt relief measures including *inter alia*:

(i) total or partial cancellation of official debts of developing African countries, in particular the least developed countries and those most seriously affected by natural calamities especially drought;
(ii) longer amortization period for official debt so as to provide sufficient time over which structural adjustment measures can be implemented;
(iii) a moratorium for at least 3 to 5 years on debt servicing of both public and private lenders including the conversion of a substantial part of the debt service obligation into grants;
(iv) the limitation of the debt services to a reasonable percentage of the export earnings and the gross national product of African countries;
(v) the introduction of fairer and more far-reaching multilateral arrangements for reorganizing African countries' debt servicing obligation, including increased disbursement from multilateral institutions.

At this juncture, I must emphasize the fact that the issue of Africa's external indebtedness should be seen in a broader framework of resource flows to Africa. In this respect two sets of actions are required, namely, increased balance-of-payments support and increased net official development assistance. For balance of payments support, African Ministers of Finance have made three specific proposals which need to be seriously considered. These are:

(i) the relaxation of IMF conditionality for balance-of-payments support taking into account the current crisis;
(ii) the extension of the present period over which IMF contemplates the adjustments required; and
(iii) the liberalization of the Extended Fund Facility by extending the repayment period to more than 10 years and integrating it with the World Bank's Structural Adjustment Programmes.

With respect to longer term concessional financing, measures suggested by the Special Memorandum include:

(i) increased resources to the African Development Fund;
(ii) expanded World Bank's Structural Adjustment lending both in scope and duration;
(iii) the increase of resources at the disposal of the International Monetary Fund; and
(iv) a supplementary funding of at least $3 billion to the Seventh IDA.

It was a great achievement at the second regular session of ECOSOC last July in Geneva, for the international community to agree that the current crisis in Africa is not only an emergency but also a structural crisis involving short, medium and long-term adjustment issues. Such a general agreement is reflected in the 74 positive statements that were made at the general debate by member states as well as intergovernmental and nongovernmental organizations. Although a consensus declaration was not agreed upon, it was unanimously recommended that the current session of the General Assembly should come up with a concrete framework for action to effectively deal with the survival and development problems of the affected African countries. Indeed, the discussions which took place on 2, 5 and 6 November 1984 at the Plenary of the General Assembly have clearly demonstrated the determination of Africans to cope effectively with both the emergency situation and the longer term requirements of structural adjustment. Statements were also made by several countries, including major donors, expressing their full support to African countries and their commitment to provide the necessary assistance. While a consensus framework is still being ably negotiated by the African group with their development partners in other regions of the world, I am confident that the current session of the General Assembly of the United Nations will come up with effective measures that will address the emergency, short and medium term aspects of the African crisis.

III The African Economy at the Crossroads

Statement

at the opening of the twenty-first session of the Commission and twelfth meeting of the Conference of Ministers held at Yaounde, Cameroon, from 17 April 1986.

Only three weeks ago – to be precise from 28 to 30 March – African Ministers of Economic Planning and Development convened at the first extraordinary session of the Commission ever to be held during the 28 years of the Commission's existence. The purpose of the session was to enable the Commission to consider *Africa's submission to the special session of the United Nations General Assembly on Africa's economic and social crisis* before it was submitted to the OAU Council of Ministers which also met in extraordinary session on 30 and 31 March 1986.

The fact that both the OAU and ECA Ministerial Councils had to meet in extraordinary sessions, and the fact that a special session of the United Nations General Assembly is convening next month, upon the request of our Heads of State and Government, on Africa's economic crisis, should make all of us ponder. Without mincing words, all these developments reflect the profound crisis that has gripped our social and economic structures, a crisis which threatens the very survival of millions of our people and, worse still, the very survival of our respective member States as sovereign and independent nations.

The dramatic events of the past three years – the drought-induced emergency situation in a large number of African countries from 1983 to 1985 with the attendant famine, malnutrition and loss of lives, and the international publicity which it brought in its trail – have deepened the apprehension of many people, particularly members of the international community, about the unenviable future of the African economies. Indeed, even before the crisis had come to a head, many economic prognostications about Africa have seen nothing but continuing deterioration.

With the African economies typified by a vicious interaction between excruciating poverty and abysmally low levels of productivity, in an environment marked by serious deficiencies in

basic economic and social infrastructures, by persistent poor performance of the dominant agricultural sector, by the heavy dependence of domestic production on imports of factor inputs, by the failure to diversify and the absence of domestic linkages, and by the paralysis of multiple and persistent debilitating crises, this gloomy view of Africa's development perspective is far from being surprising. Indeed, it appears at first sight rather inevitable.

All the major economic and social indicators support this pervasive gloom and despair. Gross domestic product at constant prices grew at an average annual growth rate of 1.0 per cent during the period 1980 to 1984. In the face of an annual average population growth rate of about 3.0 per cent, GDP per capita at constant prices declined annually at an average rate of 1.9 per cent during the same period. For many years, particularly since 1980, African countries have experienced serious problems of stagnation of exports not only in terms of declining prices but also, and more particularly, in terms of lower quantities exported – a situation which has been aggravated both by recession in the world economy in the 1980s and by production failures, which have been intensified by persistent drought and an accelerating process of desertification.

The rapidly escalating magnitude of Africa's external debt and debt servicing obligations have exercised major debilitating effects on the economies of the continent. Between 1974 and 1985, Africa's external debt grew by more than sevenfold to reach over $US 175 billion and debt service ratios have soared so fast and have become so unmanageable that there have been no less than 32 debt reschedulings in a period of less than three years. The gap between debt servicing capacity, on the one hand, and servicing obligations on the other, has approached the 50 per cent mark in many countries and if total debt servicing obligations including arrears are taken into account, this ratio would exceed 100 per cent in many countries. The gravity of Africa's debt burden is such that unless immediate remedial measures are taken, many countries in the continent will face immediate economic collapse, particularly as the expiration of grace periods associated with recent debt restructuring is expected to raise total debt service payments from the annual average of $US 4.3 billion in 1980–1982 to an annual average of between $US 14.6 billion and $US 24.5 billion in the period 1986–1990.

In the circumstances, it is not surprising that there has been a steady decline in investment in the region. In non-oil exporting countries, investment has either fallen or, at best, stagnated since 1980. Consequently, these countries have been forced to cut their

expenditure. And in recent years even the oil-producing countries have come to experience severe declines in investment – both public and private. Associated with the fall of investment is the steep drop in imports of goods and services. These are estimated to have declined by as much as 18 per cent between 1981 and 1984 and by a further 1.5 per cent in 1985. Inevitably, this has affected the supply of imported raw materials, imported factor inputs, spare parts and components. Is it any wonder that capacity underutilization in the manufacturing sector has become a widespread phenomenon, to the extent that in several countries installed plants are producing at far below 50 per cent of feasible economic production capacity?

Since the food and agriculture sector constitutes the heart of the African economies – the provider of activities for the transport, distribution and industry sectors and hence the sector that should animate general employment and thus guarantee markets for the products of other sectors, as well as being the leading foreign exchange earner for many African countries and the bulwark of government revenue – its revitalization must be given topmost attention by our Governments and people. For, at the heart of Africa's continued underdevelopment lies our failure to achieve a significant structural transformation and the necessary economic diversification that are required to move the continent away from inherited colonial economic structures. The principal reason for this failure is the pervasiveness of structural disequilibria in the agricultural sector which, even now, is characterized by subsistence production, antiquated technology, by a pervasive dualistic and fragmented economic system, with cleavages between the export enclaves and the subsistence sector, between the rural sector and the parasitic urban areas, and between industry and agriculture. The agricultural sector, and indeed the whole African economy, are characterized by a pervasive low level of productivity. Our major challenge in the years ahead is, therefore, to achieve a major and sustained structural transformation of that sector as well as the supportive sectors and to raise the general level of productivity.

Africa's Priority Programme for Economic Recovery, 1986–1990 (APPER), adopted in July 1985 by our Heads of State and Government, provides the basis for facing the future and meeting its challenges. Deriving as it does from the Lagos Plan of Action and the Final Act of Lagos, the *Priority Programme* is sharply focused, time-bound and highly selective in its objectives and targets. There is no doubt that its adoption represents Africa's collective deter-

mination to make a frontal attack on the problems of economic rehabilitation, reconstruction, recovery and development. Our capacity to translate this determination into operational terms at national, subregional and continental levels, and to pursue with singleminded purpose their implementation, will be practical manifestations of the degree of our seriousness.

There can be no doubt about the fact that the African economies are today at the crossroads. Perhaps the most significant and peculiar attribute of being at the crossroads is that one is forced to make a deliberate and calculated decision as to the turning which one should make. Being at a crossroads provides one not only with a staging post for introspection, general reappraisal and crucial decision-making as to desirable or imperative change in direction, but also with an urgent necessity to make a choice and pursue that choice to its logical conclusion. In other words, having adopted the *Priority Programme* we must answer the question, what do we do with it? Where do we go from here? Just as people at crossroads are confronted with conflicting choices, our Governments and people at crossroads are confronted with a number of hard choices. We could toy with the *Priority Programme* and face the subsequently dire economic and political consequences or we could pursue faithfully its full implementation at all levels and thus lay the foundation for a dignified future for our people.

And our choice must be made now, today, and not tomorrow. For Africa this year, 1986, is a fateful year. It is our year with destiny for three principal reasons. Firstly, 1986 marks the beginning of the second half of the first decade of the adoption of the Lagos Plan of Action. As already indicated, the first half of the decade has been typified by setbacks and frustrations arising not only from our own inactions and inertia but also from the futile efforts and attempts in certain quarters outside Africa to derail us from our main course, by designing for and presenting to us alternative plans and strategies.

Secondly, the year 1986 is the first year of the implementation of the *Priority Programme*. It is the year that we must show how resolute we are in ensuring that under no circumstances will we allow ourselves to be cajoled or shaken away from our commitment to its full implementation. Thirdly and finally, 1986 is the year that Africa has convened the assembly of the international community to present its case for support and understanding and for solidarity and assistance.

Therefore, it is in this year, 1986, that African Governments and people must put into action the following six commitments. Firstly,

they must in deed and in fact give the highest priority, in their rehabilitation and recovery programme, to the rural sector in general and to agricultural development in particular. Secondly, they must continue to make genuine efforts to improve the management of their economies, to rationalize their public investment policies and promote the most efficient utilization of resources. Thirdly, they must accept to impose greater sacrifices on themselves by adopting appropriate austerity measures, so as to achieve greater mobilization of domestic resources. Fourthly, our Governments must continue the process of undertaking essential policy reforms, difficult and painful as they are. Indeed, Africa must demonstrate in every practical way, its recognition of the need to bear the burden of its development. It must convince the sceptical and increasingly cynical world of its commitment and determination by tightening its belt and putting in place appropriate austerity measures as well as by accepting the self-discipline required to achieve an economic turnround.

As far as the international community is concerned, Africa should receive in return, first and foremost, its full commitment to the full implementation of the *Priority Programme*. This will require that the international community should reorder their assistance and co-operation programmes to ensure their consistence and complementarity with Africa's *Priority Programme*. Secondly, the international community must accept to improve the environment, and structures for international cooperation with Africa so as to achieve a shift from project support to programme support, and from *ad hoc* short-term assistance to medium-term support. Thirdly, there is an urgent need to bring about an improvement in the external environment, including the adoption of policies in the rest of the world that are conducive to growth rather than contraction of the world economy; elimination of protectionism through, *inter alia*, the removal of barriers, especially non-tariff measures, that restrict the entry of African products to specific important markets; refrain from agricultural and trade policies which will have a detrimental impact on Africa's export and diversification programmes; and, create and strengthen structures that aim at effectively reducing the instabilities in the prices and earnings of African commodity exports.

Finally, the international community will need to take urgent measures to alleviate the debt burden of African countries. Given the acuteness of Africa's debt problem, it is necessary for the international community to support a package of measures that will

free African countries from the present excruciating debt burden. As already indicated, the annual debt service obligations will be in the range of $US 14.6 billion to $US 24.5 billion annually during the next five years. This will be in addition to the gap between the cost of implementing the *Priority Programme* and the quantum of domestic resources which Africa will mobilize to finance it. While the former is estimated at about $US 128.0 billion, the latter – i.e., domestic resources to be mobilized – is estimated at about $US 82.6 billion – thus leaving a gap of approximately $US 45.5 billion for the whole period 1986–1990, i.e., an annual average of $US 9.1 billion. It is certainly beyond the means of our fragile economies to continue to service its excruciating debt burden. It is also beyond its capacity to finance fully the implementation of the *Priority Programme*. The task of Africa's economic recovery cannot be performed single-handedly. Nor can it be delayed without serious consequences to African and world peace and stability. It is therefore important that the international community must not only help Africa but must also act quickly by providing the resources required to relieve Africa of its excruciating debt service burden and by meeting the investment gap required to implement the *Priority Programme*.

From what I have said so far, it should have become crystal clear in which direction Africa should move and which role the international community can be expected to play in enabling Africa to move along the desired path. I sincerely hope that next month's special session of the General Assembly will turn out to be such a 'special session' that this and future generations of the African people will remember it as the one during which the world joined hands with Africa to get the continent out of the quagmire of poverty. I also equally sincerely hope that 1986 will come to be regarded as the turning point in Africa's economic development, as the year when the African people, finding themselves at the economic crossroad, took the path of honour and integrity to will an economic future of recovery and growth for themselves.

IV Statement at the Opening of the 44th Ordinary Session of the Council of Ministers of the Organization of African Unity

Addis Ababa 22 July 1986

It was my privilege to address, on the 30 March 1986, the 15th Extraordinary Session of your Council when it convened to adopt *Africa's Submission to the Special Session of the UN General Assembly on Africa's Economic Situation.* Since then a lot of water has passed under the African economic bridge. Unfortunately, that water continues to be muddy and turbulent. The economic and social crisis which was the subject of your concern this time last year, and which culminated in the adoption by our Heads of State and Government of *Africa's Priority Programme for Economic Recovery 1986–1990 (APPER)* and led to the request that the General Assembly of the United Nations should hold a special session thereon, remains unabated. If anything, it has become aggravated since your 42nd Session of July 1985.

Although the return of normal rains has broken the back of the Great African Drought of 1982–1984 and has revived food and agricultural production somewhat, the African economic crisis is far from over. Indeed, the evidence which is currently available to us at ECA clearly indicates that the road to economic rehabilitation and recovery and to long-term development will be long and hard. The process of bringing about a fundamental structural change in the African economy, particularly in the food and agriculture sector, is yet to begin in many countries. Until this process takes place in all African countries and is firmly rooted, excessive dependence of our food and agriculture sector on good weather conditions will continue.

For our economies, even the modest rise in domestic output in 1985 was rendered ineffectual in the face of the prevailing weaknesses in most other development parameters. The average debt service burden was at an all-time high in 1985 and has continued to rise. Debt service ratios have soared so high that they have become increasingly unmanageable. The gap between debt servicing

capacity and debt servicing obligations has approached the fifty per cent mark in quite a number of countries. Compounding this is the general slide in world prices of most commodities of export interest to Africa. Since the beginning of this year, the world has been experiencing its Third Oil Price Shock which, this time, has manifested itself in a process of sudden and steep slump in the prices of petroleum, whose longterm consequences on both oil-producing and non-oil-producing countries are yet to be fully assessed. When one then adds to these the external payments gap which continues to widen for virtually all African countries, the fiscal deficits which have become the norm everywhere in Africa and the contraction in capital outlays, it becomes crystal clear why the African crisis has continued to be serious. And this worsening economic situation makes the need to implement APPER faithfully and vigorously increasingly imperative.

A year after the adoption of APPER can each of our governments answer in the affirmative (i) that the strategy and priorities spelt out in it have become integrated into individual national development plans and economic policies; (ii) that the 1986 annual budgets, both on recurrent and capital accounts, reflected these priorites and that the 1987 budgets will be equally focussed almost exclusively on APPER; (iii) that the process of achieving the commitment of increasing the share of investment in agriculture to 20-25 per cent of total public investment has begun in all the member States; (iv) that the policy reforms which have been explicitly and implicitly stated in APPER in the four priority sectors of food and agriculture, other sectors in support of the food and agriculture sector, combating desertification and human resources development have been and/or are being put in place and that measures for their implementation have been identified and evaluated; and, (v) that the mobilization of domestic resources and the most efficient utilization of such resources is proceeding in accordance with the undertaking which we gave? It is only an unequivocal affirmative answer to each and every one of these questions that will show how dead serious we are and will enhance our credibility with the international community, particularly as all our governments have reaffirmed again and again their primary responsibility for the development of their countries.

Quite frankly, what should be of primary interest to all African governments now that the special session is over, is not to indulge in an endless debate as to whether or not the session was a resounding or a partial success, or a failure, but to explore fully all the ways and means of exploiting to the fullest advantage possible the response of

and commitments entered into by the international community; to give precision to the commitments where they are of a general nature; to give them concreteness where they are vague; and, above all, by our respective governments implementing their own commitments, to give lie to the prevailing belief that Africans have generally failed to put their money where their mouth is.

We cannot but admit that the *United Nations Programme of Action for African Economic Recovery and Development 1986–1990* (UN–PAAERD) does provide a reasonable basis for future negotiations between individual African governments and the donor community. The Plan provides the framework and the necessary guidelines on which such negotiations can be conducted in order to achieve specificity and firmness in commitment.

Let me illustrate the point which I am making by specific reference to three key elements in the response of the international community as contained in UN–PAAERD. First, the international community accepted that the process of development being initiated by APPER needs to be supplemented by complementary actions at the international level, through intensified cooperation and substantially increased support and by finding lasting solutions to the serious exogenous constraints over which Africa has no control. Second, the international community, recognising that African countries need additional external resources, has committed itself 'to making every effort to provide sufficient resources to support and supplement Africa's development effort'. It has also 'appreciated that the realization of Africa's development efforts would be greatly eased if the flows of external resources were predictable and assured'. Third, the international community recognises the magnitude of Africa's debt and the severe and restrictive burden which this has placed on many African countries. It realizes that measures have to be taken to alleviate this burden so as to enable those countries to concentrate on the full implementation of priorities.

True enough, these commitments are not couched in specified dollar terms – as we had hoped in the African Submission – yet these and the other commitments contained in the UN–PAAERD have tremendous potentials which each country should exploit in earnest. In other words, instead of engaging in the rather futile exercise of 'what should have been', we should devote our energies to taking full advantage of 'what is' and thereby put to test the genuineness and seriousness of those commitments. Africa's considerable political energies should be devoted to obtaining maximum mileage from what we have i.e. the UN–PAAERD.

And timing is of essence in our follow-up actions. The momentum generated by the Special Session should be maintained by each country initiating prompt follow-up actions. The national level is the most crucial level at which such follow-up actions must be initiated without delay. Each country must enter into immediate discussions and negotiations with its development partners at the highest possible level, with a view to giving concreteness and precision to these commitments. Each country must put in place immediately whatever machinery it deems appropriate to achieve this purpose. African countries must start exerting pressures on donor countries and multilateral financing institutions to honour these commitments, limited as they may be and inadequate as some quarters may consider them, before they (the commitments) are forgotten. However, I cannot overemphasize the fact that the non-fulfilment by Africa of its own part of the bargain will provide the excuse to the international community to renege on its own.

It will have become abundantly clear from what I have said so far that the course of African development after the Special Session depends partly on actions that African countries and governments take to pursue vigorously the implementation of APPER, and partly on the sustained individual and collective efforts of African governments to ensure that the commitments entered into by the international community in UN–PAAERD are fully honoured. We will have to await the unfolding of events in future months to see if these conditions will be fulfilled. Indeed, it is my earnest hope that when the time comes for the distinguished Secretary-General of the United Nations to present the first progress report on the implemenation of the Programme to the General Assembly, he will be able to report that both sides have begun in earnest to honour their commitments.

In this connection, let me share with you the conclusions reached by a colleague and friend of mine, who was one of my main collaborators in the preparation of the draft of *Africa's Submission* and who was therefore in a vantage position to assess accurately our common concern of the aftermath of the Special Session:

> If the next few years witness major new initiatives in Africa on national development and on the implementation of regional and subregional programmes; and if the response and commitment of the international community is translated as quickly as possible into concrete measures of increased financial support, alleviation of debt burdens, and supplementary measures to

reduce the external constraints to African development, then the whole exercise would have been worth the time and effort, and the international community would have gained valuable new experience in tackling major international economic problems within a framework of mutual agreements and commitments. However, if things turn out to be business-as-usual, if in Africa two years from now we are still going to be talking about lack of political will and failure to fulfil commitments and agreements within subregional and regional institutions, and if the response of the international community has not resulted in substantially increased financial assistance, major programmes to arrest the instability in primary commodity markets or to compensate for its consequences, and serious approaches to the problem of debt, then the sceptics would have won the day, and a real opportunity would have been lost to improve the living conditions of millions of people, achieve a greater realization of the rich physical and human potential of a vital area of the globe, and save the African continent from economic collapse. Indeed, in that eventuality, Africa would have moved much closer to the nightmarish situation described so graphically in the ECA perspective study, *ECA and Africa's Development 1983–2008.*[5]

CHAPTER TWO

On Africa in the World Economy

I Development Policy: New Perspectives in International Cooperation for Economic and Social Change

International Conference on Perspectives in Afro-German Relations
Bonn, 8 October 1975.

Never before in the history of mankind have the nations and peoples of the world become so conscious of their inter-dependence as at present. An analysis of the events of the recent past reveals an ever-escalating evolution of the concept of international co-responsibility and interdependence from a rather abstract idea to one of practical necessity. The Declaration and Programme of Action for the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States are founded essentially on this practical reality and on the awareness of the member States of the United Nations not only of their inter-dependence and solidarity but also of the danger and futility of imposed solutions by one state or group of states on another. They are also founded on the need to reorganize international economic relations on bases which are both realistic, just and equitable.

Indeed, the adjustment of relations between the industrialized countries of the North and the developing countries of the South of this planet of ours is now the dominant issue that faces mankind. A few weeks ago a well-known international magazine spoke of 'the new cold war'. While this phrase is no doubt an extravagant one it reflects the great challenge which faces mankind in the years ahead. Can the nations of the world reconcile their competitive goals on the basis of equality and co-operation?

Fortunately, the spirit of confrontation which marked the beginning of the debate on the restructuring of the world economic system appears to be yielding to a process of creative tension. Perhaps we should at this juncture re-examine some of the broad propositions

on which the debate has centred and which makes confrontation appear an inevitability and see whether different interpretations of these propositions would not open the way to an imaginative and constructive dialogue.

Our first proposition relates to the habit of placing 'the haves' and 'the have-nots' in opposition. The only possible reason for this is habit. It does not correspond to reality since the Third World has raw materials and potential markets that the advanced world needs and the advanced world has the technology, the technical managerial skills and the capital goods that the Third World wants to acquire. The crucial issue is thus the terms on which these resources and interests are traded. For Africa, the even more fundamental issue is how and what she receives in exchange. I hope to return to this point later.

The preceding point might seem to support a second proposition: that trade is the engine of growth. Today we are much more fully aware of the massive internal social and economic changes which precede and accompany accelerated development and economic growth. I make a distinction between development (that is, the widespread improvement of technical and managerial skills, increased knowledge of natural resources, re-orientation and improvement of research capabilities and so on) and growth (that is, the increased and diversified output of goods and services which development makes possible). We now know that the availability of capital and foreign exchange, however ample, by itself does not bring about development and economic growth. A close analogy with employment may be helpful. For years economic experts spent time calculating the astronomical volume of capital that was necessary to provide employment for the swelling stream of migrants to African cities but hardly anyone took the trouble to ask where the employers were to come from or whether the environment in which they were to operate was favourable to the creation of employment on a large scale.

Yet another proposition was that if only incomes could be redistributed. Fortunately, we now recognize that what needs to be widely redistributed is not income per se but the capability to generate income; that is to say, that within each developing country major alteration in the socio-economic structure is mandatory; that industry needs agriculture as much as agriculture needs industry; that a structure which is partly a foreign enclave and partly an urban enclave in a vast sea of rural backwardness is ill-suited to dynamic growth and change. And as between developed and

developing countries the capability to generate income and the wherewithal to do so is what needs to be redistributed.

A fourth proposition was that governments should encourage private (mainly foreign) investment by generous provisions of fiscal and other incentives. These, combined with high protective duties, would somehow lead to the gradual emergence of a dynamic self-sustaining industrial sector. African countries are, in consequence, today littered with heterogeneous collections of high cost industries often of quite trivial significance. We now realize that industry has an inner structural logic, that linkages within the industrial sector are as important for its vitality as linkages between industry and other sectors. Moreover, we have come to perceive that the importance of a sector depends not so much on its size as on its growth-promoting impact on other sectors.

If agriculture is to be expanded and modernized the internal demands for its products must expand, i.e. people must move out of agriculture. When people move out of farming they tend to congregate in towns. If the towns are few and far between, marginal groups settle in the outskirts, develop a sub-culture and raise acute social and economic problems not the least of which is urban unemployment. What we may need is not policy and measures for persuading people to remain on the farm but to plan urban networks as relay centres for promoting innovation, creating new skills and providing employment nearer to home, associated with the development of rural infrastructure and adequate systems of marketing and distribution.

To this we would, of course, have to add fiscal and monetary policies and measures to expand and encourage the use of money in rural communities. It hardly needs to be pointed out that the expansion of rural infrastructure – roads, telephones, television, water supplies, health centres, schools, electric light and power – presents the first major challenge to the industrial sector and that this expansion of publicly-provided consumer durables must rest on such basic industries as metals, engineering, chemicals and petro-chemicals, building and construction. We might add that the extent to which the mass character of this market can be exploited will depend on the adoption of policies and measures for standardizing designs. It is not unusual to find in a single residential apartment four or five different designs of electric plugs and sockets performing identical technical functions. If we extend the composition of demand backwards from the industries I have just listed we come to capabilities in exploration, mining or extraction.

You may have noticed that what I have done is to take the by-now celebrated article of His Excellency Dr Helmut Schmidt and expand it somewhat.[1] What we face is little more than a struggle for the world product; it is, in addition, a struggle for the capability to generate and to hold on to an increasing share of the world product. These strategy propositions seem to me to be a realistic interpretation of the increasing emphasis which African States now place on self-reliance. They run counter to the latest prescription of our advisers from abroad: the development of manufactures for export to advanced countries. This prescription fails to recognize the fallacy of composition which underlies the bilateral character of international trade to which I referred earlier. If all developing countries were to take this advice seriously the result would be to reproduce on a larger and more disastrous scale the agricultural surplus problems that now plague us. Liverpool, Marseilles, Hamburg and Rotterdam would soon be choked with ships trying to unload textiles, fountain pens, canvas shoes, tooth brushes, toys, exotic arts and crafts, and what have you.

Whilst this approach fits very well the global strategy of foreign transnationals seeking to exploit particular comparative advantages in particular locations, it is clearly inconsistent with any effort at establishing properly structural industrial sectors with links to other sectors. It also encounters almost intractable political, social and economic forces opposed to the process of adjustment in developed countries. It is difficult to see how such adjustments can be accommodated by advanced countries now grappling with inflation, unemployment and the inexorable limits of producing and selling the same goods and services to each other. It would seem to me also that a policy of manufactures for export (in the present context) would parallel the agricultural export problems in another sense. The African Region has now at last arrived at the somewhat awkward position of exporting agricultural products (already in surplus supply) in order to pay for imports of food. She is now invited to export a miscellany of mainly light manufactures in order to pay for bottles, agricultural implements and tools, electric cable wire, water pumps, soft drinks and the like. The least that can be said about this policy, when interpreted in concrete terms in the context of today, is that it is odd.

We may now return to the requirements of dynamic and substantially self-sustaining social change and economic growth. I spoke at the beginning of the skills, technology and capital goods that advanced countries can exchange for the raw materials and

access to markets of the developing countries, and would like to examine these three a little further. There are three dimensions of the skill supply problem to which I particularly wish to draw attention. The first is that our institutions of post-secondary education do not seem to be fully geared to supplying, in numbers, technical mix and quality, the manpower that Africa needs (a) for conceiving, designing, installing and managing productive enterprises successfully; and, (b) for the exploration, evaluation and conversion of semi-finished and finished products – for this, after all, is what industrial development means. Without basic education in the appropriate disciplines (in technology and management) it is difficult to see how programmes for high-level on-the-job training can work. One consequence is, naturally, the perpetuation of dependence on non-African sources for high-level manpower at a time when such sources are subject to pressures from both advanced countries and from other developing regions. The situation is made worse by the second, i.e. the large outward flow of actual or potential high-level manpower from developing to advanced countries. An even more dismal aspect of this problem – our third dimension – is the prospect of graduates leaving the university for the labour exchange so that we have graduate unemployment accompanying acute shortage of high-level technological and managerial manpower. Some measure of the shortage may be gained by the volume and skill mix of manpower involved in bilateral and multilateral aid to the Region. No meaningful contribution to sustained African development can, I feel, exclude those critical issues.

The debate on technology has centred on the choice, costs, mechanisms and efficacy of transfer of imported technology. Important as these issues are, there are others even more fundamental when we come to dynamic, self-sustaining growth. For example, transfer of what? and transfer to whom? Even so my main concern on this occasion is with the factors which affect the domestication and development of technology and the working of the technological multiplier. I will here limit myself to such concrete matters as technology for the metallurgical, the chemical and petrochemical, heavy engineering, building and construction, machine tools, and electronic industries – to name only a few; to the training of African research personnel and the development of research institutes and to assistance in establishing what has been described as 'focussing devices and inducement mechanisms' without which the process of technological innovation is easily stultified.

Earlier I drew attention to the problems of socio-economic adjustments which advanced countries would face if the policy of concentrating on manufactures for export of these countries were widely adopted by the 70 per cent of the world's population that live in developing countries. Here I want to point towards a different kind of adjustment that the advanced world must make if it is to meet some of the needs of the developing world for capital goods. The myth that technology has only one way to go will last only for as long as governments and business – under whatever ideological banner – insist on trying to preserve the past. The mini-steel mill is only one, I suggest, of many breakthroughs of the future as businessmen and design engineers come face to face with the challenge to share their products to meet real situations. Already the aircraft manufacturers have begun to take a hard look at reality. The automobile industry in the West, in spite of its great size, economic significance and R & D capabilities, seems to be still sitting on the fence. This appears to be largely true also of the agricultural engineering industries. There are other challenges. For example, solar energy, geothermal energy and small-scale hydro-power generation. In food processing, new scaled-down technology may be required for many products widely produced and consumed but with unfamiliar mechanical and chemical processing characteristics. Let us take educational scientific supplies, a frequently overlooked and unexciting subject. This may seem negligible but I have no doubt of its growth potential as governments and autonomous education institutions attempt to answer the demand for technicians and engineers in the years to come.

What I have been pressing on this occasion is that the advanced world is faced with many of the same problems as the developing world: market saturation for those goods commonly produced for sale in traditional markets; unemployment of people and wider utilization of resources; inflation; the difficulties of social and technological innovation. In respect of these problems the differences between advanced and developing countries seems to be more of degree than of kind.

Until now we find leading thinkers on world economic and political problems arguing that the welfare of the developing world must wait upon increasing output and greater stability in the advanced world. More and more, the evidence suggests that the argument is the other way round: increased output and stability in the advanced world depends on development, economic growth and diversification in the developing world and the expansion

of effective demand in the Third World for the products of the advanced world is only one of the factors which link the progress of one with the progress of the other. If the processes of development and economic growth in the developing world are spurious or short-lived, the benefit to the advanced world will be equally spurious and short-lived. Unless the advanced world is interested in producing and selling baby foods or their equivalent, the permanent infancy of the Third World cannot be of long-term interest to them. Thus for this link to be sustained there must emerge in the Third World dynamic, diversifying economic growth and social change.

Since therefore both advanced and developing countries are 'haves' and 'have-nots', since each must depend on the other, capabilities (whether of technology, skill, raw materials, or finance) must be so recycled and distributed as to ensure that both the developing world and the advanced world maintain their social and economic vitality. Since nothing worth having is free, both must be prepared to meet inevitable costs. But we must resist the temptation to knock the other side down.

The African States have neither the need nor the time for self-pity but as I understand the decisions which they promote or support in international forums, they intend to be masters of their own houses. Accordingly, advanced countries and transnationals must expect to find a large role allocated to the public sector and must be prepared to participate to a considerable extent in joint ventures genuinely directed towards national and multinational economic and social goals.

No government in Africa can hope, in the years to come, to retain power if, for whatever reason, it permits the principal levers of social and economic change to fall into or remain in foreign hands. This is a political fact with which the rest of the world has to live.

In conclusion, the need to restructure the world economic order along the course chartered in the Declaration and Programme of Action for the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States is now universally accepted. What is needed is the development of a sense of urgency in working out sensible new rules for monetary affairs, trade and economic co-operation consistent with the new perspectives in African development policy. A sense of urgency the world must develop as time is running short. Otherwise social and political storms which could seriously jeopardise world peace may soon engulf us all. If this were to happen the so-called 'new cold war' will be like a child's play. Fortunately, there is growing evidence that

industrialized countries north of our planet with their high-level of prosperity have a great preference for peace. As for the countries of the Third World, their preference is for increased wealth; a capability to generate and hold on to an increasing share of the world product. I share with His Excellency Dr Schmidt the belief 'that there must be a level on which a convergence of preferences would stabilize the international political situation at a higher level of prosperity for both the wealthier and currently poorer countries'.[1a]

II Africa in a Divided and Inequitable World Economy: The Permanent Underdog?

Lecture delivered in Commemoration of the 10th Anniversary Celebration of the International Development Research Centre of Canada, Ottawa 3 December 1980.

The President of IDRC was kind enough to leave the choice of the title of my lecture to me, having informed me of the general theme of the series which is 'The Third World: Must It Always Be Third?' In response to this gesture, I have chosen to ask a pertinent and, to us in Africa, a most fundamental question which is *Need Africa be the permanent underdog in a fragmented, divided world with an unjust and inequitable international economy?* My main objective in posing this question as the sub-theme to the general topic of the lecture series is not simply because Mr Head, in his kind invitation, expressed the hope that I might be willing to share with the audience my perceptions and expectation based on experience in Africa, but also because it is a question that is being asked increasingly by a growing number of people and institutions – African and non-African – in different forms, and to which varied answers have been and are being given.

Let me also add that I have chosen this topic, because I firmly believe that Africa constitutes the heart of the Third World; that her problems and perspectives are, in more senses than one, symptomatic of those of the entire Third World. This IDRC Lecture series does provide me, an African, with a unique opportunity to share with you our frustrations, our concerns, our aspirations and our perspectives for if we accept that Africa constitutes the heart

of the Third World, that its problems are the core of Third World problems, then my question has to be answered first before we can provide an answer to the general theme. In other words, if Africa can wrench herself from her present state of underdevelopment, and transform her economy into a dynamic, self-sustaining one, then we can say with a lot of confidence that the Third World need not always be third, at least in the economic sense, and that Africa need not always be the economic backwater of the international economic system.

As President Shehu Shagari of the Federal Republic of Nigeria recently put it in his historic statement to the 35th session of the United Nations General Assembly, 'Africa bears the scars of a long history of spoliation and deprivation, of the ravages of slave trade and foreign aggression, and of both political and economic injustices. The current crisis in the world economy is wreaking havoc in Africa. For some areas of the Third World, the ongoing negotiations may mean growth through effective participation in key international markets and institutions but for most of Africa, these negotiations are about survival itself. The very existence of some of our nations is being critically threatened by adverse economic forces and natural disasters. The economic transformation of Africa is therefore central to the socio-economic resurgence of the Third World.

I shall come back to this point again. Meanwhile, let me say a word or two about our divided world and its unjust economic system. Thereafter I shall discuss the challenges which face the African people in their effort to engineer the socio-economic transformation of their continent and ask the question whether they are trapped in their low level of economic development or whether they are capable of moving up the economic ladder. Finally, I shall examine the role of the other 'worlds' in assisting Africa in the realisation of this objective.

II. A WORLD OF MANY UNEQUAL WORLDS

There is no gainsaying the fact that ours is a divided world. When we talk of our one planet we can only mean this in the geophysical sense, for in the political and economic sense, ours is a divided world – a world consisting of many little worlds. The pre-World War II planet was one dominated by the West. The world, right after World War II, was characterised by a political bi-polarity which lasted until the middle 1950s. Nowadays, we are accustomed to the growing

number of differentiations among states based on their political, economic and social systems as well as on their level of economic and technological development. In the fifties and sixties, the world economy was simply divided into two: developed and developing. Today we have the developed market economies (or industrialized countries of the West including Japan), the centrally-planned economies, the oil importing developing countries which can in turn be subdivided by income level into middle- and low-income countries and then we have the oil exporting countries. There is another classification which groups all the developing countries together into the Third World set against the developed market and the centrally-planned economies. And since the Paris Conference on International Economic Co-operation of 1975/1977, we have once again reverted to characterising the world by an economic bi-polarity consisting simply of North and South. As the Report of the Independent Commission on International Development Issues under the chairmanship of Willy Brandt has quite correctly pointed out:

> There are obvious objections to a simplified view of the world as being divided into two camps. The 'North' includes two rich industrialized countries south of the equator, Australia and New Zealand. The 'South' ranges from a booming half-industrialized nation like Brazil to poor land-locked or island countries such as Chad or the Maldives. A few southern countries – mostly oil-exporters – have higher per capita incomes than some of the northern countries. But, in general terms, and although neither is a uniform or permanent grouping, 'North' and 'South' are broadly synonymous with 'rich' and 'poor', 'developed' and 'developing'.[1b]

It is perhaps worth noting, in order to show the newness of the currency of some of these terminologies, that not once was any of them used in the famous Pearson Report entitled *Partners in Development*, which was published on the eve of the dawn of the 1970s.

The term Third World applies to all the nations that did not become, during the historical process of the establishment of the present World Order, industrialized and wealthy. In other words, the Third World is defined in relation to the developed countries much more than in relation to itself. As the recent OECD report entitled *Facing the Future: Mastering the Probable and Managing the Unpredictable* puts it, the Third World comprises 'all the human societies which could not or did not want to adapt to the shock

imparted by Georgian England and which, as a result, now display common characteristics both as to their present reality and in their dynamics'.[2]

It is fashionable nowadays for Third World leaders to emphasize its homogeneity and for the leaders of the industrialized market economies to emphasize its diversity, its lack of unity. Yet the truth is that throughout the 1970s, the Third World countries have exhibited a remarkable degree of unity vis-a-vis the North in international negotiations despite differences in their levels of development, in their economic performance and development approaches and despite their varying needs. These differences are so wide and varied that a writer once stated that 'the term Third World envelops in a semblance of unity what is in reality a multiplicity of worlds'.[3]

The countries of the Third World differ markedly in their size, their population, national resource base, their average per capita national income, their average rate of economic growth and in their internal income distribution. And over the years, there have been marked increases in the economic differentiation. Indeed Third World countries have been divided into four categories – the 'wealthy' poor, the 'well-to-do' poor, the 'less' poor and the 'rock-bottom' poor countries. These four groups having respectively per capita incomes of more than US$2,000, between US$1,000 and US$2,000, between US$300 and US$999 and less than US$300.

The last group consisting of the thirty-five poorest developing countries constitute the 'wretched of the earth'. Their economic conditions and prospects have changed relatively little over the past decade. These poorest countries of the globe are located for the most part in sub-Saharan Africa, on the Indian subcontinent and in the Caribbean region. These countries are being grouped by some writers into a separate world of their own – The Fourth World – because of their distinct and separate form of economic features and very poor prospects. But these countries have not themselves accepted this classification nor have the other Third World countries which have always argued that all Third World countries including the poorest of them are in the same boat. But as I have said elsewhere, while this may be true it is also true that some countries are first class passengers while others – the 35 poorest countries designated by the United Nations General Assembly as being either least developed among developing countries and/or being most seriously affected or both – are deck passengers. Since these countries account for 35 per cent of Third World total popula-

tion, there can be no enduring solution to Third World economic problems if their problems are not tackled. Whether and how this can be done is our next concern in this lecture.

III. AFRICA'S SOCIO-ECONOMIC PERFORMANCE DURING THE SIXTIES AND SEVENTIES AND PROSPECTS FOR THE 1980s AND 1990s

However, before we can provide a realistic answer to this question, it is necessary to remind ourselves of the present state of the African economy in the light of its performance during the past twenty years; review some of the major factors and historical causes which account for the situation as it is today; and, critically examine some of the prognostications on the African economy from now until the year 2000 and in particular during 1980s.

(a) Africa's poor socio-economic performance – 1960–1979

It has been rightly said that the ultimate purpose of development and economic growth is to improve the lot of individuals. Hence, in discussing the socio-economic conditions of countries, it is more instructive to do so at the level of individuals since it is individuals that are well-fed or hungry, sick or healthy, literate or illiterate, happy or miserable. This means that it is more instructive, for instance, to look at indicators of needs satisfaction in terms of the shares of individuals and/or groups of individuals and the growth rates of such shares. Of course, the examination of the situation when such personal approach is not possible should also be undertaken. This is particularly in relation to the indicators of the means of needs satisfaction. These two approaches will be used in our desire to be acquainted with the present state of the African economy in the light of its performance in the past twenty years; the course and causes of such performance and the examination of the prognostications on it up to the year 2000.

In this context, what has been the impact of planned development and economic growth on African individuals since the beginning of the first decade of political independence in the 1960s? Before giving the indicators that are available, I should like to remind you that one of the characteristics of underdevelopment in Africa is the paucity of statistical information and the poor quality of what is available. The result is that statisticians and researchers are forced to introduce a lot of assumptions invariably using information available from the developed countries in preparing their data.

Therefore, the indicators only represent orders of magnitude that provide some useful information for policy formulation and action.

Taking these reservations into account, it is to be noted that of the forty-three African countries on which information is available, the World Bank has classified twenty-seven of them as low-income countries; that is, countries whose gross national product per inhabitant in 1977 was US$360 and under; fifteen as middle-income countries, that is countries whose gross national product per inhabitant in 1977 was between US$360 and US$3,500 and only one (Socialist Peoples Libyan Arab Jamahiriya) as capital-surplus oil exporter with per inhabitant gross national product US$6,680 in 1977. If depreciation allowances which are usually high are taken away from these figures, net national product per inhabitant in the low-income countries can be seen to be very low indeed. The growth rate of gross national product per inhabitant for the forty-three countries ranged from –0.9 to 7.8 per cent per annum between 1960 and 1977 and from –3.6 to 9.9 per cent per annum between 1970 and 1977. In fact, between 1960 and 1977, seven countries recorded negative growth rates while between 1970 and 1977, fifteen countries recorded negative growth rates. Overall, the growth rates for twenty-six of the countries declined between the two periods 1960–1977 and 1970–1977. In other words, for the countries as a whole the situation worsened between the decade 1960–1970 and the first seven years of the 1970s.

A greater part of the poor performance which the gross national product has exhibited has been due to the poor performance of the agriculture and food sector. Indeed, over the past two decades, the food and agriculture situation in Africa has deteriorated very rapidly. Today, each person in the region has, on the average, considerably less access to food than was the case ten years ago, and average dietary standards have fallen below nutritional requirements. Average annual growth rate in agricultural and particularly food output has consistently been lower than the annual population growth rate in many countries of the region. In fact, of the thirty-eight countries on which information is available, only ten were able to improve upon their food production in 1976–1978 period compared to 1969–1971 period. Yet agriculture still accounts for about 40 per cent and more of the gross domestic product in twenty-one of the thirty-eight countries. The situation in industry, including mining, energy and manufacturing, is no better. This is despite the fact that the continent is noted for its possession of very valuable mineral and energy resources. Why is this situation? The answer

to that question will be given soon. Meanwhile, I want to say more about needs satisfaction and other indicators of economic performance.

A while ago, I affirmed that the ultimate purpose of development and economic growth is to improve the lot of individuals. Such an improvement depends not only on the availability of goods (agricultural and industrial products) but also on such important services as health, education and housing and participation in the development process as a worker. There is no doubt that significant progress has been made between 1960 and 1977 in the field of education particularly in primary education. But the situation still leaves much to be desired. Thus, while twenty-two of the thirty-eight countries on which information is available enrolled between 50 and 148 per cent of the relevant age group in primary school in 1977 as opposed to 40 and 96 per cent for nineteen countries in 1960, some countries still had as low as only 16 per cent of the relevant age group in primary school in 1977 even though such a figure is double what it was in 1960.[4] The percentages for secondary and third-level education are in most cases lower. The related result is that only in seven countries was adult literacy rate between 50 and 66 per cent of the relevant age group in 1977 as opposed to none in 1960. The question of quality and relevance is not covered in the preceding figures. But there is sufficient indication that there were a lot of drop-outs, and unemployment among primary school leavers attests to the fact of lack of balance between development and economic growth needs and the products of primary education.

The situation with respect to health is no different. And unfortunately in this case, the indicators which are available do not distinguish among recipients of health services and do not measure the quality of the services received. Despite all these deficiencies, there is no doubt that the health situation in 1977 as compared with that of 1960 has improved a bit. Thus, there were fewer persons per physician and per nursing person in 1977 than in 1960 in almost all the countries on which information is available, even though health facilities and personnel are still concentrated in the urban areas. In general, in the more populous countries population per physician still number over 9000 and in some cases between 50,000 and 80,000 and per nursing person over 20,000. With respect of access to safe water, an area in which data in respect of Africa are scarce, the percentage of the population having that access in 1975 ranged between 6 per cent at one end to 100 per cent at the other.

In terms of daily calorie supply per head, only eleven of the thirty-

eight countries on which information is available met 100 or more per cent of the internationally determined requirements in 1977. Two countries met only about 70 per cent of the requirements. In all these comparisons I must remind you that we are only talking about averages which ignore the wide differences that exist in inter-personal and inter-country distributions. The end result of this situation is that while life expectancy has increased in a significant number of African countries, the average is still quite low in comparison with the other parts of the world. In fact, the un-weighted average life expectancy for thirty-eight African countries on which information is available for 1978 is 47 years as against 39 years in 1960, an increase of 20.5 per cent in a decade.

Such an improvement has implications for population growth and labour force increase and the analogous requirement for jobs. The percentage of population of working age, that is, 15–64 years age group, in African countries ranged between 50 and 58 in 1960 and between 48 and 56 in 1978. This slight drop clearly reflects the increase in the number of children and youth in the population, with serious implication for dependency ratio and productivity in the economy. Similarly, the average annual growth rate of labour force in the period 1970–1980 increased slightly over that of the period 1960–1970 and is projected to increase slightly in the period 1980–2000, an indication of increasing unemployment which is bound to affect the female sex more than the male.

Another result of our type of development and economic growth in the past two decades has been unprecedented rate of urbanization. While the African region remains the least urbanized part of the world, it is the most rapidly urbanizing region, with all that that implies for rural–urban migration, urban population growth and the housing, health, water, electricity and transportation problems, land use and urban ecology, the tension between town and country class structure and the labour market, squatter settlements and employment and social amenity problems.

So far I have talked about the domestic impact of our development and economic growth efforts. What has been our impact on the external environment as far as production activities are concerned?

As is well known, the final picture of any element of external relations is the net effect of the interactions between domestic and external policies. This, the structure of our merchandise exports, may be the result of our ability or inability to produce and export and/or of the policies pursued by the governments of our trading partners to encourage or discourage the importation of our goods

and services. Similarly, the structure of our imports will reflect our ability or inability to import and the policies of our trading partners to provide us or not with the goods and services which we require. Of course, balance of payments and debt service ratios, and external public debt and international reserves are reflections of our trading activities. One surprising feature of our exports and imports over the past two decades is the persistence with which we have clung to the western world in general and the former metropolitan countries in particular. Moreover, our exports remain dominated by minerals and metals and other primary commodities, mainly agriculture and food products, dominating the external trade of twenty of the thirty-eight countries on which consistent information is available to the tune of 70 per cent and over in 1977. Similarly, our imports remain dominated by machinery and transport equipment and other manufactures. In effect, there have not been significant structural changes in the components of trade, their destination and provenance. The results of this situation as reflected in our balance of payments, the related debt services, external public debt and international reserves are quite disturbing. Current account balance before interest payments on external public debt went from bad to worse situation for twenty-two of the thirty-eight countries under discussion between 1970 and 1978. For eight of them, it went from a favourable to an unfavourable situation. Only one country retained its favourable position. In 1978, debt service as percentage of the meagre receipts from the exports of goods and services was over 10 per cent for thirteen of the countries, rising to over 20 per cent for four of them. Of course, this summary presentation does not reveal the true picture. When the components of external transactions are examined, the picture emerges that the villains of the piece are the increasing payments under the so-called invisibles: shipping, banking, travel, and consultancy services. Thus, when some countries do achieve some surpluses in merchandise exports and imports, such surpluses are eventually washed out by debits on the invisibles payments. The main result of all this is that external public debt has continued to pile up while international reserves have been declining. In any case, we must realize that international reserves do not necessarily mean earnings from exports of goods and services. They usually comprise (apart from earnings from trade) loans, aid and so on and so forth.

It is clear that our performance over the past two decades has not been satisfactory both to us and our aid partners although the picture which I have presented, while not encouraging, is far

from being dismal. But in order to ensure a more satisfactory performance in the years ahead, we must examine those specific factors which have been responsible for this situation. Since the agriculture and food sector constitutes the largest sector of most African economies, not only in terms of output but also of employment, our examination should start there. In this connection, why has agriculture and food been so stagnant in Africa? In answering this question, it is in order to isolate such *forces majeures* as drought and flood, both of which have had their great share particularly in the groups of countries known as the Sahelian countries and others with similar experience, and concentrate on the measures under the control of governments. Of these, the most deficient have been price and investment policies which have discriminated against farmers. Similarly, it has been found that support services including extension, capital and credit, marketing and information have not been quite effective.

However, it is now widely accepted that the modernization of the agriculture and food sector depends on the critical factors that initiated and supported the 'Green Revolution', namely, improved seed varieties, fertilizer, irrigation and money capital. Unfortunately, that revolution is yet to come to Africa. Why? Well, while the costs of fertilizer, inputs into the construction of irrigation works and of obtaining money capital have been increasing at an alarming rate, the important problem of high yielding seed varieties, taking into account the climatic conditions of Africa, the characteristics of the soil and the related methods of cultivation, remains to be solved. It is true that research and development constituted the foundation of the 'green revolution'. But it is also true that if such research and development were to be useful, they had to be 'area specific'. For whatever else we may say, tropical agriculture is circumscribed by ecology.

Indeed, 'most African countries, but especially the Sahel zone (as well as Sudan, Ethiopia, Somalia and Tanzania), have much of their farming within semi-arid tropics where vapotranspiration is exceedingly high and rainfall can vary by 40 per cent from year to year.'[5] 'Without irrigation and water management, they are afflicted by droughts, floods, soil erosion and creeping deserts, which reduce the long-term fertility of the land. Disasters such as drought intensify the malnutrition and ill-health of their people and they are all affected by endemic diseases which undermine their vitality'.[6] Similarly, 'farmers' crops are in constant danger of being devoured by insects and pests. Nature is host to thousands of species

that are hostile to the endeavours of farmers ...'[7] Still 'African agriculture is a different and perhaps more complex, particularistic, and difficult case. It does not, for example, appear to have as much potential for gains from improved water management as that still remaining in south Asia. On the other hand, the need for (and the gains to be had from) building infrastructure including basic farm-to-market linkages as well as the research and extension system, is greater, and so is the scope for improving on recent performance'.[8] Indeed, 'there are many reasons for the generally backward technology of cultivation in the region: the high incidence of diseases (especially trypanosomiasis) that kill draft animals; the poor soils and scanty and uncertain rainfall that have discouraged land-intensive, settled agriculture in many parts of the region; the abundance of land, that permitted shifting cultivation relying on bush fallowing and slash-and-burn techniques to restore soil quality; the importance of root crops and coarse grains in which, unlike wheat, rice and maize, genetic research has not yet proceeded very far; and the high cost of irrigation because of the scarcity of ground water. The distinctive and varied agro-climatic and socio-economic environments in Africa make it difficult to introduce agricultural technologies from elsewhere. This applies particularly to the biological and chemical innovations that are needed to increase crop yields by introducing intensive systems of continuous cultivation and replacing the bush fallow systems with other and more productive ways to maintain soil fertility. Innovations developed in one area may not be transferable on any broad scale, since there are drastic differences in rainfall, soils, and other ecological factors, not to mention cultural diversities, which have produced wide variations in the dominant food crops of different areas. Hence, research to generate and test innovations in materials and practices must often be tailored to specific locations'.[9]

Finally, the proper contrast is not 'North–South' but rich temperate zone – poor tropics. The right metaphor is important because unless people recognize that it is countries in the tropics that are poor and less developed, research and policy decisions to meet the different problems that agriculture faces in the tropics will continue to be neglected as they have been for too many years. The research and the technologies developed in the temperate zones in agriculture were designed to minimize the weaknesses and exploit the strong points of farming in the temperate countries and were not directly appropriate to the tropics. The refusal to recognize the different conditions faced by countries in the tropics, first by the

colonial powers and then by the newly independent governments, led to inadequate research and the use of wrong technologies. In fact, the refusal to perceive and appreciate the real difficulties and the real assets of the tropics is probably one of the worst hangovers of the cultural imperialism from the colonial era'.[10]

The foregoing review of the causes of our poor performance in the agriculture and food sector, in addition to natural disasters which are direct consequences of the geographical location of our continent, indicates not only the magnitude of the problems which we faced in the past but also the dimension of those we face now and are to face in the future. In particular, while we must agree with the 1979 Nobel co-prize-winner Professor Schultz that while land is not a critical factor in being poor and that the human agent especially in agricultural research is, we should like to remind ourselves that the modernization of agriculture in Africa has not transformed raw land into a vastly more productive resource than it was in its natural state and agricultural research has not yet provided adequate substitutes for cropland.

While the agriculture and food sector has contributed largely to our overall poor performance, industry, including energy and manufacturing has not played that role which it has played in the development process of the developed countries as provider of inputs to itself and to other sectors. The hope placed on it as the provider of jobs has not been fulfilled. Similarly, it has failed to spearhead the initiation and sustenance of indigenous technology relevant to the development problems facing African countries. The fact is that our industrialization has been based on import-substitution strategy which made us more dependent on external sources for real factor and financial inputs, one of the causes of our balance of payments problems.

Such a situation is, of course, the result of the way we started our development efforts. Instead of relating the industrial goods which we wanted to produce to the raw materials which we had and their capability to sustain our industrial process, we went on to plan to import-substitute final goods for which we had to import the raw material inputs, capital services such as those of technology, managerial, technical and marketing manpower, financial, insurance and shipping services. Some deleterious effects resulted from this approach: (i) the payment for the raw materials and the services from the meagre earnings from the exports of agricultural and mineral resources whose prices in the nature of things are unstable; (ii) the neglect of the use of the raw materials which were

available from agricultural and mineral sectors; (iii) the failure to develop our cheap energy resources; and, (iv) the failure to relate our manpower and technology development to our raw materials. The price which we are paying for this mistaken strategy of ours is enormous. And what I said five years ago on this, is unfortunately still valid today. 'African countries are', I said, 'in consequence today littered with heterogeneous collections of high cost industries often of quite trivial significance. We now realise that industry has an inner structural logic, that linkages within the industrial sector are as important for its vitality as linkages between industry and other sectors'.[11]

Overall, when we take into account the low productivity in agriculture and food due to natural disasters, unfavourable government policies, seemingly intractable problems created by climate, the poor import-substitution strategy of industrialization, high and increasing payments for factor services, chronic balance of payments deficits and increasing debt burden, is it surprising that Africa, particularly sub-Saharan Africa today presents the most acute problems of poverty? Worse still, it is faced with a development crisis of great portent, which is daily assuming alarming proportions. We at ECA have been crying, as it were, in the wilderness during the past five years that the African economic conditions are deteriorating fast. Today, they have become desperate and are still on the decline. I have already referred to the factors accounting for persistent adverse terms of trade, the chronic foreign exchange deficits, mounting debt service burdens, etc. The worrying factor is not merely their continuation and intensification in the 1980s but the greatly reduced capabilities of the African economies to sustain and accommodate the pressures they exert. These pressures are expected to affect most adversely least developed countries, the countries that are drought-prone and the countries that are land-locked. The immediate causes appear to be the extreme reliance on imports of food and oil which are such that in some cases outpayments for these two items now account for 75 per cent of current export earnings. Even countries enjoying substantial earnings of foreign exchange from oil and mineral exports are unlikely to wholly escape the squeeze.

(b) Perspectives of Development and Economic Growth in Africa up to the Year 2000

Not only are the forecasts for the immediate future very gloomy, the perspectives of development and economic growth in Africa up to

the end of this millennium are heart-rending and have continued to give cause for increasing uneasiness. Very bleak prospects are foreseen for Africa in global projection of the world economy. Indeed, if these projections are to be believed, if the prognostications come true, the 1960s and the 1970s may by end of the century appear in restrospect to have been golden age for Africa! Ridiculous as this may sound, it is not far from the realm of possibility if the present mix of public policies were to persist. According to the World Bank,

> ... Sub-Saharan Africa has the most disturbing outlook. Even in the High Case, its growth in 1985–90 would be a meagre 1 per cent per person – far below the average for the oil importers; and in the Low Case average incomes would actually be lower in 1990 than they were in 1980.[12]
>
> ... The situation for low-income Africa is worse. These countries face a desperately hard adjustment period – coming on top of the economic stagnation of the 1970s. Even under the comparatively optimistic assumption of the High Case, their growth would be negligible in 1980–85.[13]

It is important to emphasize that the authors of the World Bank Development Report say that whether the outcome will be closer to the High or the Low Case will depend on the policies pursued by industrialized countries, the capital-surplus oil exporters and the developing countries themselves and that there were some disturbing signs that the seeds of the Low Case were already being sown. In any case, it is clear beyond any doubt that adjustments by African countries to the energy and balance of payments problems will be difficult.

I have already referred to the OECD's view that Sub-Saharan Africa, together with South Asia, is the Third World area which today presents, and will continue to present over the next two decades, the most acute problems of poverty. It goes further, 'The probable acceleration in population growth, the weakness of its economic and political structures and the absence of any counterweight to foreign influence are the main obstacles to long-term development'.[14] And the OECD adds, 'the impact of colonization remains more enduring in Sub-Saharan Africa than anywhere else, not only as regards the economic production and consumption structure, but also, and much more deeply, as regards the *political and social structures* and the cultural domination phenomena underlying these structures'.[15]

In concluding, the authors of OECD's *Facing the Future* study

envisage three types of evolution for sub-Saharan Africa: '(i) *increased foreign impetus given to economic growth* with the Continent's resources being exploited more intensively by the world economy, and Africa more fully integrated in the world economy, permitting more rapid growth but in the absence of complementary measures benefitting only a minority in the continent and remaining entirely dependent on outside initiative; (ii) *'self centred' development*, giving priority to domestic requirements over demand by the world economy, which although desirable in principle for the future of the Continent, comes up against practical problems of implementation in terms of the definition of priorities, mobilization of resources and organization of trade and the obstacles represented by existing socio-economic structures; and, (iii) a continuation of the present situation of virtual economic stagnation particularly with regard to agriculture, with escalating local conflicts and external interference, unless, as a result of choosing the first alternative, the conditions required for the second were gradually to be created'.[16]

Our own ECA projections based on similar assumptions indicate plainly that unless the orientation of the African economy changes, there is a danger that poverty and the attendant problems of political and social instability will become considerably worse in Africa in the next two decades.

IV. CAN THE AFRICANS ENGINEER THE SOCIO-ECONOMIC TRANSFORMATION OF THEIR COUNTRIES OR IS THE CONTINENT DOOMED TO OPERATE FOREVER AT A HIGH LEVEL OF UNDERDEVELOPMENT AND ECONOMIC BACKWARDNESS?

Given these portentous prognostications, the question that comes to mind is what, if anything, can the Africans and their Governments do to avert the impending doom, to prevent the arrival of their doomsday? Or as some well meaning and a few not-so-well-meaning people have asserted from time to time, is Africa doomed to operate in perpetuity as the world's economic underdog with its economy operating at a high level of underdevelopment and economic backwardness and at the periphery of the international economy? My honest answer to these questions is that Africa has the capacity and the capability to change the tide of her economic fortune in her favour and to emerge from her present economic

doldrums and lay the foundation of an internally-generated, self-sustaining and self-reliant process of development.

The hazards of socio-economic prognostications are well-known to all, particularly to social scientists. No one other than a prophet can predict what historians call 'turning points' in the lives of man, nor for that matter, of nations – those events which can move nations in new directions and lead them to the attainment of new and commanding heights. Who but one with the gift of prophecy could have predicted by the end of World War II the emergence between 1947 and 1961 of scores of politically independent countries in the Third World? Who but a foolhardy prophet would have dared to speak aloud of the possibility of a virtually independent Africa even in the early 1950s? Wasn't it only relatively recently, at the time of the unilateral declaration of independence that Ian Smith boasted that a majority-ruled Zimbabwe could not be in a thousand years? Yet today there are fifty politically-independent African States. While it is true that for some countries, independence has been won on a platter of gold and that a number of the new states were set up within a neocolonial framework by the departing colonial powers, it is also true that the whole independence movement constitutes one of the revolutions of our time – something that was regarded as a pipe dream only a quarter of a century ago became a reality only five years later.

The lesson of history is clear. Given the leadership of a few countries (in this case Ghana, Guinea, Nigeria and Kenya), the other countries were determined not to be left out. This is what in Schumpetarian terms one can call the entrepreneurial innovations followed by imitative swarmlike reactions – all leading to a higher level of development through a process of creative destruction. What has been lacking in the socio-economic development fields is the absence of two or three African countries that have managed to achieve a breakthrough or are on the verge of achieving one.

The second lesson from our political experience is the involvement of the masses in the struggle. For many countries where a fight including armed struggle was needed to wrench independence from the colonialists, there was mass mobilization by the nationalist parties. The anticolonial struggle, though long and bloody was waged with such unity of purpose and determination that the achievement of independence became a question of time as the colonial powers could not break the spirit of the nationalist movements and the unflinching support they had received from the

masses. Finally, the international climate of opinion was generally favourable – anticolonial and pro-self-determination.

The extreme vulnerability of the African economies, the deepening economic crisis or series of crises and the disenchantment with the international economic system including the growing belief that it is colonial and exploitative in its effects on the African economies are all factors which are making an increasing number of people wonder whether the struggle for economic emancipation would not need to adopt and adapt some of the strategies and tactics of the nationalist movements. Consequently, there is increasingly widespread acceptance by African leaders that the continent has no choice but to adopt a development strategy based on achieving an increasing measure of self-reliant and self-sustaining development (or what the OECD Interfutures study termed 'self-centered development') based on the internalisation of the factors of development, distribution and consumption. There is also a growing awareness of the fact that this kind of development can only take place if the following conditions are satisfied: (i) the democratization of the development process; (ii) the initiation of a process of dealienation; (iii) the creation of the right political and social environment; (iv) the recovery of self-confidence by the peoples of Africa in themselves; and, (v) the willingness to achieve effective and meaningful intra-African co-operation.[17] In order to bring about the socio-economic transformation of Africa, the Governments need to mobilize the entire population, release the latent energies of the people, and galvanize such energies by interacting them with material resources through the intervention of the application of technology.

Africa today presents a remarkable paradox: on the one hand, an increasing population of mostly young, energetic people, eager to learn and to work but without jobs, sinking gradually into poverty and despair and, on the other hand, a staggering regional endowment of resources. The missing factors are not simply the know-how, the self-confidence and the will to co-operate but the lack of purposeful, single-minded development-oriented leadership that is determined to engineer the socio-economic transformation of each country with minimum of delay.

It is thus clear that my view that Africa, once it properly organizes itself, is capable of taking off the yoke of economic backwardness and underdevelopment, just as it succeeded in taking off that of political subjugation, is based on the striking evolution of thinking among African political leaders and policy-makers about the nature

of development in Africa. Indeed, this evolution of new approaches and new attitudes and thoughts has been strenuously promoted by the Economic Commission for Africa, particularly since 1976 when it came out with the *Revised Framework of Principles for the Implementation of the New International Economic Order in Africa, 1976–1981–1986.*

The philosophy behind the proposals contained in this document is that international order is a reflection of national orders with the resultant features of the international order being those finally arrived at through the interaction of the national ones. Thus, the old order was the result of the interaction between the national orders of the participants in nineteenth and twentieth centuries world economy in general and the Bretton Woods Conference in particular. Similarly, the developing countries in general and the African ones in particular will only participate in the birth and sustenance of a new international order provided they understand this basic truth. Therefore, as far as African countries are concerned, they have to go back to first principles of development and economic growth – knowledge of natural resources which underlie all development efforts, knowledge of the population and its dynamics as basis for factors of production, distribution and consumption; development of technologies appropriate to the use of these resources; establishment and management of relevant institutions for organizing production and distribution, and providing the necessary factors of production and distribution; and acceptance of the relevance of political and social stability.

The foregoing ideas form the basis of the Strategy for the Development of Africa in the Third United Nations Development Decade, formulated and adopted by the Conference of African Ministers of Development and Planning at its meeting in Rabat, Morocco in March 1979 and which was approved and named 'the Monrovia Strategy for the Development of Africa' by the Assembly of Heads of State and Government of the Organization of African Unity at its meeting in Monrovia, Liberia in July 1979. After adopting the Strategy, the Heads of State and Government directed that their Ministers of Development and Planning should translate the strategy into practical terms in the form of an implementable Plan of Action. The Ministers performed this duty at their meeting in Addis Ababa in April 1980 and recommended it to the Heads of State and Government for approval at their extraordinary meeting devoted to the discussion of the economic problems of Africa, in Lagos. The Plan of Action, as recommended by the Ministers, and

amended with an introduction containing the political support of the Heads of State and Government, was adopted as the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa.

The Strategy and the Plan have received various comments from different sources. Some have called them unrealistic and over ambitious. Others have tried to interpret them to suit their own interests and have invariably distorted them. As far as I am concerned, I have no illusion about the enormity of the tasks involved. But I believe that both, if used consistently as the general framework for action at national level as well as at subregional and regional levels, will enable Africa to lay the foundation of a sound and dynamic genuinely African economy.

Can we achieve the objectives and programmes contained in the Strategy and the Lagos Plan of Action? There is no doubt that we can once the conditions which I stipulated earlier exist. In saying this, I am not unaware of the difficulties and costs that are involved especially when the task is the orientation of the concept of development and economic growth in the face of widespread poverty and rising expectations with regard to the basic needs of life: food, clothing, shelter, health, safe drinking water and education, for the masses of our peoples. Yet, I do not see a viable alternative if we are to achieve finally those objectives which we have set ourselves: independence, reduction of mass poverty, self-reliance at the national, subregional and regional levels, sovereignty over our natural resources, holding our destiny in our own hands and being masters in our own house; and, equal and equitable participation in the management of international relations and institutions. Mistakes we are going to make. Blunders we are going to commit. But we shall learn from them. We know, as Lee Kuan Yew, the Prime Minister of Singapore, recently put it, that 'there is no instant cure for it (achieving self-reliant and self-sustaining development). It is easy to let a country down as so many countries have discovered to their cost after they won independence. It is very difficult to assemble the elements to build up the components within a society in order that it can climb the technological ladder. It is not just so many human beings in an agricultural society suddenly transformed into so many skilled workers, technicians, engineers, accountants, managers, entrepreneurs of an industrial society. It is a very painful business, of educating them, training them, bringing out the best in them. And the West can help in that.'[18] I should like to add: not only the West but also the East, China and the South. The best and most

enduring friendship is that based on equality and mutual respect. And the best way to achieve it is for the strong to help the weak in the best interest of all.

V. AFRICA AND THE INTERNATIONAL COMMUNITY

I have earlier argued that our past efforts in planned development and economic growth have not been properly focussed on the essential factors of self-reliant, self-sustaining and endogenous development, that our present predicament whether in the area of improving the standard of living of our people or in stabilizing our external political and economic relations is a result of the bankruptcy of past policies and that if we are to achieve all those objectives which we have set ourselves including effective participation in the birth and sustenance of a new international economic order, we have no alternative to reorienting our development and economic growth policies. I have even gone further to give the main elements of such a reorientation which has now been accepted at the highest level of decision making in Africa. Overall, it would appear, as some observers have already indicated, that this auto-centred approach to development and economic growth is a plea for turning our back to the rest of the world. But this is far from being the case. This is because our twentieth century world is such an interdependent world (even though there are a lot of inequities and inequalities) that any attempt by any part of it to turn its back on the others is not likely to be beneficial to such a part. Indeed, it is because of our determination to make that interdependence meaningful and to redress existing inequities and inequalities that we have chosen the only viable path open to us taking into account the lessons of the past, the ongoing efforts of the developed countries to reorient their own development activities to satisfy the changing needs of their peoples, and the perceived futility of pursuing the old path. Therefore, there is no question of our turning our back on the rest of the world. All we are striving for is to change our present economic dependency into a truly interdependent mutually beneficial relationship. Accordingly, the rest of the lecture will be devoted to a painstaking examination of what the relationship between Africa and the rest of the world should be in the future particularly in connection with the implementation of our strategy and the Lagos Plan of Action.

Our point of departure should be the OECD countries in general and the Western European countries in particular. There are many

reasons for this approach and in view of the shortage of time, we shall only be able to mention a few of them. First, our contact with the rest of the world was through Western Europe and most of the institutions which we now have were imported from that part of the world. Second, there is the question of geographical proximity. The third reason arises from the fact that as a result of the first two reasons, the greater part of our international relations is conducted with Western European countries and their allies in the OECD. Thus, whether we are talking of trade, aid, technical assistance or political, social and cultural intercourse, our greatest contact has been with the Western World. The steadily growing association with centrally-planned economies of Eastern Europe and China has not changed that fact. Indeed, the operations of such institutions as the transnational corporations and economic co-operation arrangements like Yaounde I and II and Lome I and II have actually strengthened this influence. Therefore, it is natural to ask the pertinent question of how this intimate association is likely to help us to achieve the goals and objectives underlying the African Strategy and the Lagos Plan of Action.

On a preliminary observation, one is bound to feel that such association is not in the best interest of the new path which we have chosen for ourselves. This is particularly so when one recalls the attitudes of the Western World to a call for a new international order that will not only guarantee to the Third World the right to participate equally and equitably in international economic relations, but will also enable them to have sovereignty over their natural resources and produce the greater part of the goods and services for the satisfaction of the needs of their own peoples. Each time I remember the positions of the Western World at UNCTAD IV and V, at UNIDO III and the recently held eleventh special session of the United Nations General Assembly, I become increasingly sceptical about the genuineness of their declaration of intention to assist us in attacking our mass poverty. Let me ask you the question: will it be possible for any African country to achieve self-sustaining development, committed to concentrated attack on mass poverty and achievement of mass participation, if such a country is to continue the present approach of exporting one or two raw materials, importing the services of managers, administrators, scientists and technologists, bankers, insurers and shippers, machinery and equipment and the associated parts and components and inappropriate technologies, while open urban unemployment, rural underemployment, pathological urbanization and rural degradation

continue at home unabated, and of incurring external debts and the associated obligations to repay the capital and pay the interests and the dividends? I do not believe so. Indeed, a continuation of past policies in the face of the burgeoning populations and their rising expectations is bound to lead to political, social and cultural suicide. Yet all the activities and suggestions of the representatives of the Western World indicate clearly that they want the past pattern to continue. Whether one is reviewing the provisions of economic co-operation arrangements or the activities of the transnational corporations, one is convinced that the advice is more of the past. But this will not work.

In this connection, I want to remind you all about what development and economic growth have meant and still mean to the countries of the West. It has meant the organization of productive and distributive enterprises in all fields by nationals and national enterprises for the purpose of producing and distributing goods and services for the satisfaction of the needs of their people. When entrepreneurs in the Western World talk about producing for the market, they invariably have in mind the domestic markets. When they venture into foreign markets, their main aim is to sell with a view to procuring those goods and services which they do not have at home. Such goods and services do not constitute the bulk of their activities so that when the external markets are no more viable, they can fall back on the domestic markets. In our case, the situation is the reverse. We do not even have a fall-back position since the goods and services which we produce at present are complementary to those of international markets. This trickle-down approach to development and economic growth will not serve our purpose. Up to now, we have usually caught more of the cold of the sneezing of the rest of the world. More of it will lead to chronic pneumonia.

Therefore, there must inevitably be a change in the present arrangements. Yet, if our objectives of self-reliance and self-sustaining development are to be vigorously pursued, we have no choice but to make more use of our agricultural, forest and mineral resources at home. They demand more use of our energy resources at home. But, unfortunately, these are the very resources that interest the Western countries who would rather see us continue to export them than use them for diversifying and industrializing our economies. I have heard the complaints made several times, by no doubt well meaning but misguided Westerners, that Africa should not try to industrialize when industrial capacity in Europe is under-utilized and/or that technology is the oil of the Western World and so

if Africa wants it, it must pay exorbitantly for it. All these to me are reminiscent of colonial economic policy.

Let us be frank with ourselves. The diversification and the industrialization of the Third World in general, and of Africa in particular, should not and cannot mean the end of the prosperity of the West. Indeed, a dynamic African economy cannot but have beneficial effects on the economy of the West. It will for once relieve the West and the rest of the world of the present burden of giving aid and technical assistance, subsidizing loans, providing various arrangements for the entry of the goods and services of the developing countries into foreign markets and of guaranteeing export credits. A lot of benefits normally accrue from the efforts devoted by friends in helping friends to become independent and self-reliant. The United States and your blessed Country, Canada, did this for Western Europe and Japan. What prevents the Western World as a whole from doing it for Africa?

In this connection, I should like to add that the greatest constraint on the development and economic growth of Africa is on the supply side – critical and inadequate production and distribution capability. Such shortage runs through the whole gamut of the production and distribution process – from entrepreneurs to research and development personnel, from managers to high skill engineers, marketing specialists and project analysts. And these are areas where quick profits are not to be realized. Therefore, the West, and indeed the rest of the world, need to concentrate their assistance on those areas that require long gestation periods before the products can be finished but in which the products are usually catalytic once they are out. We will need assistance in research and development relevant to tropical conditions not only for our agriculture and food but also for our industrialization since machines and equipment do feel the impact of climate. We will need assistance in the establishment and maintenance of laboratories. We will need assistance in the provision of places for formal, informal and on-the-job training particularly in institutions of excellence in terms of relevance to African problems. We will need assistance in establishing relevant institutions and institutes in Africa at the national, subregional and regional levels as well as assistance in running effectively those already established. And it is ridiculous for the West to suggest that such assistance would only be forthcoming after it had succeeded in overcoming its present economic difficulties.

Let me now turn briefly to the responsibility of our friends of the centrally-planned economies of Eastern Europe. While it is true

that these countries have only been in effective contact with Africa in the past twenty years this cannot be used to justify the argument sometimes put forward that the centrally-planned economies of Eastern Europe were not responsible for the present economic predicament of Africa, and so cannot be called upon to assist in rectifying the situation. This to us is a most untenable argument unbefitting the very countries that have played a crucial role in assisting nationalist movements in achieving political independence. Surely, these countries did not support our political struggle in order to see us perpetuate our colonial economy with its high level of underdevelopment and economic backwardness.

Accordingly, we would like to see the USSR and its allies play a more active role in the initiation and sustenance of self-reliant, self-sustaining and endogenous development and economic growth process in Africa. Indeed, we would like to benefit from their experience in rising from a low level and rural economy to an internationally-recognized industrial power. In particular, we would like to benefit from the facilities available for the training of scientists and technologists in natural resources exploration, evaluation, exploitation and development. We would also like to see a liberalization of trade. It is true that exchange of goods for goods may sometimes be necessary. But it is also true that excessive dependence on such an approach makes it difficult for African and other developing countries to explore various sources for the acquisition of urgently-needed goods and services. Similarly, insistence on payment by African countries in hard currencies of the West also slows the development rates of these countries since they have to export to the countries of the West and Japan to earn such currencies before they can then import from socialist countries. In effect, what we are asking for is some flexibility in trading arrangements between African countries and socialist countries.

In general, our approach to international relations with the centrally-planned economies of Eastern Europe is going to be guided by the same principle that will guide our future economic relations with the West, Japan, China and the rest of the world – namely, the relevance of the goods and services which we will obtain from them to the achievement of our goals of self-reliance, self-sustainment and effective attack on mass poverty. Therefore, the assistance which we will obtain from them will be that which will enable us to upgrade our productive and distributive capabilities.

Let me now end this part of my lecture by mentioning briefly our expectations from the rest of the Third World.

As I stated at the beginning of the lecture, Africa is an integral part of the Third World and its existence cannot be divested from that of the Third World. Therefore, the implementation of the Lagos Plan of Action has implications for the whole of the Third World. It must, above all, lead to the intensification of Third World economic co-operation. Since only 18 months ago, I had the honour and privilege of giving a lecture on African and South–South economic and technical co-operation in New Delhi, I do not intend to dwell at any length on this vital subject.[19] Suffice it for me to quote the concluding remarks which I made at that lecture:

> Africa's commitment to such co-operation is not merely a political gesture. And it goes beyond the mere calculation of gains. To us it is an integral part of the historical process of forging unity among the peoples of the world. There is no Third World region with which the people of Africa have not got ethnic and cultural ties and affinities of longstanding – not to mention similarities in geographical and ecological conditions and a common colonial heritage. Thus, with Latin America and the Caribbean we have a large and rapidly growing population of people of African origin and thanks to colonialism we have countries such as Angola, Mozambique, Guinea Bissau, Cape Verde, Sao Tome and the Principe who speak a common language – Portuguese – with some of the countries of Latin America. Africa's links with Western Asia are even stronger. The Arabs of North Africa, Mauritania (in West Africa) and Somalia and Djibouti (in East Africa) account for more than three quarters of total Arab population – the predominant ethnic group in Western Asia. As far as South-Eastern and Southern Asia is concerned, some of our Indian Ocean island countries have strong ethnic and cultural affinities with the continent. In addition, there are today millions of Africans of Asian descent. Thus, forging closer economic and technical ties in addition to developing intimate political and cultural relations with the rest if the Third World is to us in Africa an imperative of our time. All we ask for is that such economic and technical ties must be developed on a truly interdependent basis.

VI. CONCLUDING REMARKS

I must now bring this lecture to an end. I have rested my proposition on the fact that Africa, though the present economic underdog of

the world – as indeed she was politically until twenty years ago – need not remain as such, provided that her peoples and governments are determined to pursue the path which I have tried to outline with singleminded determination and effort and provided also that the international community is willing to assist and not hinder and abort the process. The Lagos Plan of Action provides the basis for meeting the first proviso. In this connection, I cannot do better than to quote once again from the Introduction to the Plan by the ECA Conference of Ministers responsible for Economic Development:

> The Plan the Conference is putting forward is to the Conference the only means by which the anticipated crisis in the year 2000 can be averted. The Conference wishes once again to recall that the population of the region is expected to increase from 406 million in 1975 to 827 million in 2000 and to stress that even the maintenance of the existing levels of mass poverty and unemployment, not to say their amelioration will call for heroic and concrete efforts to build the region's economy on a new basis. In the face of the many adverse powers in front of it – industrial power, technological power, financial power, market power, transnationals' power and food power – the region will have once more to call upon its inner resources of fortitude, sacrifice and political will which have enabled it to confront and overcome the forms of political colonialism on which economic colonialism has thrived for centuries.[20]

With regard to the second proviso, it is my conviction that the role of the international community will manifest itself in the following six critical areas:[21]

(i) international effort to enable Africa to achieve effective sovereignty over its natural resources;
(ii) international support for the physical integration of Africa through full co-operation in the implementation of the United Nations Transport and Communications Decade for Africa 1978–1988;
(iii) international co-operation to achieve a breakthrough in manpower development in Africa;
(iv) decolonization of Africa's colonial monetary managements and the setting up of an African monetary system;
(v) respect for Africa's political independence and the elimination of outside manipulation of the African economy by outside

powers with a view to frustrating the achievement of national and regional economic objectives; and,

(vi) acceptance by the entire international community that Africa's continued economic backwardness constitutes a danger to world peace and stability and consequently an international agreement to provide Africa with the wherewithall to enable her to achieve a new national and regional economic order by the year 2000.

At this juncture, one is naturally pensive and doubtful about such outside help. However, with African countries pulling up their socks, determined to make the sacrifices needed for the achievement of these objectives and with their leaders providing the political will without which they cannot be achieved, the necessary external assistance should not be late in coming. And with the objectives achieved, Africa should not remain for ever the underdog of the world. Since African problems constitute the heart of the problems of the Third World, the Third World will not always remain at the periphery of the international economic system. It is our hope that the whole world will rise to this challenge.

III Perspectives on Development and Economic Growth in Africa up to the Year 2000

OAU/ECA Symposium on the Future Development Prospects of Africa towards the Year 2000

Monrovia 12 February 1979

The uniqueness of the Symposium lies in the questions which have been put before it. For the first time ever, we are asking ourselves a basic question: what kind of development does Africa need, and how it can achieve that kind of development? Underlying this question is the fundamental assumption that we are no longer satisfied with mimicking other countries or other economic systems; that we have come to realise that African countries cannot continue to pursue economic policies and strategies as if all they want to be is a poor imitation of America, France, England, USSR, or China; that the time has come for us to think seriously of evolving a genuinely

authentic African strategy for development, a strategy for development that is not externally oriented, that is not based on copying other societies hook, line and sinker, and that does not lead to acculturative modernization. In other words, that the time has come for African governments and peoples to begin to evolve their own uniquely African pattern of development and life styles which is built on their rich cultural heritage, their social structure and economic institutions and their considerable natural resources – a pattern of development and life styles which, while borrowing from other societies and other countries, is neither imitative nor alienates us, the Africans, from our cultural heritage.

The challenge before this Symposium is, therefore, to find appropriate answers to the questions posed. The extent to which it is successful in answering these questions will determine its place in the history of the long struggle of the peoples and governments of this continent to grapple with their socioeconomic problems. In this introductory statement, I will confine myself to doing three things. Firstly, present a vivid picture, as a sort of reminder, of the African economy as it is today. Secondly, to present a resume of the preliminary projections of the African economy by the year 2000, assuming no fundamental changes in the mix of public policies which has been pursued during the past two decades and that the past and present trends continue (which God forbid!).* And thirdly, to indicate very briefly but concretely some of the measures by which the Africa region might be saved from the dire consequences implied in these projections. I hope that by thus limiting my opening statement, this Symposium will be provided with the necessary background data on which to base its work and deliberations during the rest of the week.

The African Economy Today

The reality of today is that after two decades of political independence for most African countries the economic emancipation which had been expected to follow closely on the heels of political independence and which was to result from the economic transformation of the continent and thus bring about a significantly higher and progressively increasing standard of living to the masses of the people has still remained a hope. Although during the past

*This section has been omitted as the major elements have been covered in several of the statements in this volume. For those interested in gathering this information see: 'What Kind of Africa by the Year 2000?', Addis Ababa, OAM, 1979, pp. 64–79.

two decades there have been some structural changes in the African economies, the fact is that today the African economy is still basically underdeveloped: low income per head, a very high proportion of the population in agriculture, low levels of productivity, a circumscribed and fractured industrial base, a high dependence on a vulnerably narrow spectrum of primary export commodities, a transport network geared largely to the export sectors, a sharp bifurcation between the traditional and modern sectors, a high degree of illiteracy, low levels of life expectancy, and predominance of expatriate business enterprise in banking, commerce, finance, industry and management. Although these are merely some of the pointers to Africa's underdevelopment they suggest the magnitude of the challenges confronting African countries.

Thus, the African economy today, is the most open and the most exposed economy in the world, overly dependent on external trade and other stimuli, foreign technology and foreign expertise. The very strategies of development which African governments have been pursuing since independence, have come from outside derived as they have been from theories of economic development which have been developed during the colonial and neo-colonial periods to rationalise the colonial pattern of production in Africa. Not unexpectedly, these foreign theories of development and economic growth reinforce the economic dependence of Africa. They link the rate and direction of internal socio-economic change with export markets and with the imports of skills, of technology and capital goods, of services and modern consumer products. These theories focus attention on such parameters as savings and investments, imports and exports, the balance of payments and foreign aid and investments. Insufficient attention is paid to natural resources availability, to local entrepreneurship, skilled manpower and technology and to the character and dynamics of the domestic market. The policies, programmes and projects formulated on the basis of these theories and strategies simply reinforce the existing pattern of production with the resulting instability in export prices (as demand for African primary commodities lagged behind the supply) and a corresponding reduction in the ability of African governments to finance the implementation of their development programmes.

The cumulative result of all this is that, today, neither high rates of growth nor of diversification nor an increasing measure of self-reliance and self-sustainment has been achieved in the African economy.

Unfortunately, the North-bound vertical orientation of the

African economy has also made effective intra-African economic co-operation difficult. Many African countries are still conditioned by strong attachment to pre-independence colonial economic ties whatever the rhetoric giving the contrary impression may be. This attachment to pre-independence colonial ties even 20 years after independence has inevitably militated against the development of policies and instruments essential for bringing about effective intra-African economic cooperation at regional and subregional levels.

But it would be less than honest if we were to put at the doors of others the entire responsibility for our failure to achieve a breakthrough in regional co-operation. For in spite of our many declarations and, indeed, in spite of the overpowering case for closer economic co-operation, the preoccupation of individual African governments with urgent day-to-day national problems has meant that there has been little time and attention devoted either to a full grasp of the fundamentals of socioeconomic change or to the recognition of the imperative of economic co-operation in a region composed of so many relatively small and economically weak nations. Our rather fragile political unity has aggravated the difficulties of fostering effective co-operation particularly as our governments have not yet learnt how to insulate economic co-operation institutions and arrangements from the vicissitudes of political differences.

Thus the lack of progress at both national and regional levels has combined to keep the African economy in its state of underdevelopment, with the structure of production being largely what it was in colonial days. We continue to devote our resources to produce for export rather than for our own domestic needs because that was the colonial economic order. In the meantime, we depend on the outside world for the supply of our requirements and, more often than not, of our basic needs. We seem to have forgotten that agricultural production for export, if I may use this as an example, was encouraged, nourished and sustained by the colonial administration because this was in the interest of manufacturing industries in the metropolitan countries. Why must we, two decades after independence, continue to sustain this aspect of colonial economic policy? Isn't it high time that we started producing for the needs of our economies, for the needs of our people and for the selfsustaining development of the African economy?

Let me recall to mind some of the visual manifestations of the conditions to which we have been reduced. A casual walk through some of our urban centres reveals the existence and worsening

situation of the very things which governments have indicated in their statements of development policies and in their development plans as objects of correction and socioeconomic change: shanty towns, congested traffic, beggars, the unemployed, both old and young, in desperate search of the means of living side by side with the manifestations of wealth and high income and conspicuous consumption. Our department stores and boutiques are full of imported consumer goods for the better off, thus demonstrating that our urban distribution networks continue to be an extension of the marketing system of advanced industrialized countries.

But conditions are even tolerable in the cities when compared with the situation in the rural areas where the majority of our people work, live and have their being. Not only are electricity and potable water not available, education and health services are inadequate; the environment is hostile to human dignity; and, the support services for productive activities are deficient. Pathological urbanisation goes on unchecked associated with the exodus of the young to the town, leaving behind an ageing population of farmers. Today we are faced with the alarming fact of our inability to feed ourselves so we add food imports to the drain of foreign exchange and to our external dependence.

How have we come to this sorry state of affairs in the post-independence years which seemed at the beginning to have held so much promise?

It seems to me that, first, our development goals and objectives have not been properly guided by our values and perceptions of needs, resources and possibilities. It is here that there is a dire need for clarification of concepts and definitions, of understanding of processes and consequences, of mechanisms for monitoring outcomes and correcting processes and consequences. For example, economic growth as conventionally measured tends to lead to emphasis on the wrong factors of development. This is no doubt why emphasis has invariably been placed on 'investment' and on foreign exchange as a constraint on development. I should not like to be misunderstood. Investment in terms of conversion of money into fixed and reproducible assets which in the final analysis are the embodiments of technology is of crucial importance in development. But having said that, we should not forget that the relevant questions which should accompany emphasis on investment such as: What type of investment? Could it be made at home or does it have to be imported? etc., have not always been asked and answered. Moreover, while economic growth can to a certain extent

be achieved through the employment of foreign factor inputs, serious costs accompany such an approach. There is the inevitable need to pay for the services of such factor inputs, an important source of resource leakage in Africa and other developing countries. There is the fact that while attention is concentrated on external factor inputs, the need to develop local factor inputs is neglected. Lastly, there is the fact that a high dependence on external factor inputs reduces the capacity to establish sovereignty over natural resources and control over domestic development policies.

There is hardly any analysis of the status of and the probable change in the factors that condition development – availability, composition and quality of natural resources; level, composition and quantity of human resources, including such crucial agents of change as entrepreneurs; the state and characteristics of domestic markets; the technology to be used and its capacity to absorb the most precious resource which African countries have – namely manpower, etc. The situation is compounded by the fact that the explanatory variable which is used for projections is invariably the rate of growth of external economies.

We accepted as reasonable the expectation that trade with advanced countries would somehow bring about the massive internal socio-economic changes which underpin genuine self-reliance and self-sustaining processes of development and economic growth, in spite of the narrowness of the potential for exported raw materials for the generation of a broad spectrum of managerial, technological, production and marketing skills, for the transfer, local adaptation and development of capital goods and services.

We did not recognize the limits to which a large part of the world – the Third World – could go on trying to export increasing quantities of the same range of products, whether food products, agricultural or non-agricultural raw materials, manufactures and semi-manufactures, to the much smaller group of advanced countries.

It was not clear to us that there had taken place several major shifts in the life style and consumption patterns of advanced countries with consequential changes in their demand for imports. As a result the share in the world trade of advanced countries' trade with each other rose sharply since only they possessed the technologies, production and marketing capabilities that shifts in demand required. Partly for this and partly for the other reasons there followed a concentration of effective demand for inter-

nationally traded goods and services in the hands of those countries and the beginning of the aid and debt problems of Africa and the rest of the Third World.

Even now we still do not fully understand the mechanism of debt accumulation so that I feel that the cancellation, today, of all external debts owed by Africa would be followed, tomorrow, by the resumption of the debt accumulation processes, probably faster if the World Bank's analysis is valid.

Elements of a genuinely African-oriented development strategy and their policy implications

What kind of development does Africa need? While I do not pretend to be able to provide a comprehensive answer to this question, I do believe firmly that whatever answer we may come out with must contain certain basic elements. These are self-reliance and self-sustaining development, democratisation of the development process, de-alienation, the creation of the right political and social environment, the recovery of self-confidence by the peoples of Africa in themselves, and the willingness to achieve effective and meaningful co-operation among African States.

None of these elements is new. And in the various declarations of the African governments many of these concepts have been lauded to the skies. But the time has come to constitute them into the main pillars of an African development strategy, to transform them from political slogans into a framework for policy and action.

Before commenting in turn on each of these elements as the basis for a framework for an African strategy for development, let me make it clear that, as far as I am concerned, the ultimate purpose of development must be the development of man – the realisation and unfolding of this creative potential through improvement not only in his material conditions of living which enable him to fulfil his physiological needs but also through the satisfaction of his psychic needs. In other words, development is a process by which man's overall personality is enhanced. And development for society means development of the collective personality of society. Thus, economic development cannot be treated as an independent variable divorced from its social and political bearings. 'Development of a society is social development, a process in which 'economic' and 'non-economic' elements interact organically with each other. Attempts to isolate the 'economic' elements and fit them into any hypothetical model of 'economic development' are, therefore, unscientific. Development thus defined is a multi-variate

quantitative and qualitative change and may not be immediately measurable cardinally'.[22]

In other words, the first basic proposition which has to be accepted by African policy makers and planners is that development is for the people and there is more to it than the economists' analytical 'toys' and jargons such as capital/output ratio, savings/investment gaps, commodity exports and imports and gross domestic product, etc. which because of their quantifiability are the variables econometricians play with. I know that some of you may be thinking that planners and policy makers are no longer that limited in their perception of the dynamics, meaning and scope of economic development plans of African governments to appreciate how pervasive and persistent that confusion between 'growth' and 'development' has been.

In practically all national development plans, as well as in the declarations of our leaders, the goals and objectives have often been stated in development terms. However, when it comes to translating these into policies, programmes and projects, we revert to growth variables and parameters – increased GDP and GNP, capital/output ratios, savings/investment ratios, foreign aid, etc. There is usually scant analysis of the status of and the probable changes in the factors that condition development – availability, composition and quality of human resources; the state and characteristics of domestic markets; the technology to be used and its capacity to absorb manpower; and the values, culture, aspirations and preferences of the people to mention only a few.

This leads me to the next of the elements in this new framework – self-reliance and self-sustainment. We in Africa have been most vociferous about the need for achieving an increasing measure of national self-reliance. No doubt we are sincere in our declarations. But have we asked ourselves what the policy and programme implications of this are? Have we tried to identify in practical terms the linkages between self-reliance and self-sustainment on one hand and internally-generated development process on other? Had we done this, we would have realised that all other variables stand in a dependent relationship to population. 'The way that population interrelates with other variables will depend in large measure on the structure and functioning of the society, on its institutions, the political system and the relative influence of different social groups. Attitudes, values and norms of political, economic, social and cultural behaviour will help to determine how, for example, resources are used; which types of technology are employed; what

ranges of products are provided for consumers; and how economic activity and human settlements are distributed spatially throughout the society'.[23]

In other words, the type of development which will be self-reliant and self-sustaining is a process of interaction between human and material resources through the intervention of the application of technology for the purpose of producing goods and services to satisfy the needs of all the people. In such a development, population (including skills, inventiveness, creativity and business initiative as well as their propensity to consume and to provide adequate and growing markets), natural resources (the availability of fertile land, forests, minerals, water, marine products, energy), wealth (aggregate income levels and their distribution, savings and their conversion into the stock of capital goods in the economy) and technology (the result of human ability to devise methods for solving problems more efficiently) have fundamental roles to play. In other words, population is the initiating and operating factor as well as the end to which all development is directed.

If the population is to play this dynamic role in the development process, the individuals that make up the population must develop the values of self-reliance. To quote *Development Dialogue* once more, 'of all the new values to be created, self-reliance is the single most important. (Africa) has depended too long on external masters. The rural poor have been subservient too long to the rural rich and to the 'officer' sent from the city, a subservience that has been forced upon them. In the process, their own initiative and vitality have been sapped. The result is a history of exploitation of the 'dependent' by the 'master'. The dependent, appearing to have no self-respect, commands no respect from others. He is laughed at by the world and despised at the same time as he is squeezed'.[24]

There is no doubt that Africa cannot develop until she absolutely resolves to be self-reliant. This means developing in the individual as well as in the society such attitudes as the will to succeed in life through productive labour, to experiment, to be resourceful and to conquer new frontiers. Self-reliance implies undertaking economic activities that enhance the capacity of the society to function over the long-term for the well-being of all its members. It must be emphasized that self-reliance and self-sustainment do not necessarily mean self-sufficiency.

Of course, self-reliance can only be fostered in an environment which promotes the democratisation of the development process, i.e. the active participation of the people in the development

process. While governments must be in control of the commanding heights of the economy, while they must lay down policies and guide the direction of change, unless they provide ample opportunities for the active participation of the people in the development process – i.e. in the conception, planning and programming and implementation – development will continue to be regarded as something that concerns them (i.e. the government) and not us (i.e. the people).

Associated with this is the question of the equitable distribution and use of the social product. The only model I can readily recall which illustrates my point is the Peoples Republic of China where everyone participates at the local level not only in decisions on production and disposal of produce but in the identification and solution of technical and organisational problems of all kinds. If we wish to escape from the centralist, trickle-down concepts and methods which are likely to lead us to the kind of year 2000 depicted in the tentative projections outlined earlier, I fear we shall need to reconsider the feasibilities of a people-centred rather than a things-centred approach to development and economic growth. What is clear beyond doubt is that the policy of promoting very widely dispersed efforts at identifying, defining and solving development and economic growth problems at the local level has bred a remarkable sense of self-confidence in the population as a whole.

Indeed, this development of a sense of self-confidence in the population is closely linked with self-reliance and self-sustainment. But it is linked with more else: de-alienation and re-discovery of national self-confidence. At the beginning of this statement, I warned against acculturative modernization which is a process of alienation. Today, the African, thanks to colonialism, is alienated from his society and transformed into a superior-inferior being. Therefore, one of the essential requirements of a uniquely African approach is de-alienation; that is, 'liberation from all inhibitions derived from the structure and superstructure of society that thus dehumanize its broad masses and prevent them from consummating their full potentials'. In other words, all the factors inhibiting the fullest expression of 'man's natural self-identity with work in which he should find pleasure and fulfilment, and with society in which alone he discovers his self' must be completely removed.[25] In its place must be created a sound system that can constantly innovate without falling apart, and a society that while differentiated is flexible and provides for social mobility based on ability which in turn is the product of equality of opportunity.

All these elements should lead to the recovery of self-confidence

by the peoples of Africa in themselves – a most important asset which was lost during the colonial era. So great has been the down-thrusting impact of colonial rule on African values and modes of life style, that the Africans themselves came to share this denigration of their history and culture. Although a lot of ground has been recovered, there is still a long way to go before Africans recover fully self-confidence in themselves and in their capacities to initiate and organize their own concepts, policies and instruments essential for engineering socio-economic transformation for the achievement of a grassrooted self-sustaining growth.[26]

One factor affecting individual and national self-confidence is the astonishing and increasing number of African scientists, technologists and specialists of all kinds who, seeking refuge from intolerance at home or discouraged by uncongenial conditions of work at home, choose to remain abroad, thereby strengthening the ranks of skilled manpower on which so much of the strength of advanced countries rests.

I do not see how we can expect to bring the structural changes in our economies and societies or avert the dangers of stagnation or decline and of mounting poverty and unemployment without some realistic efforts to retain or attract back the agents of change in which member States have themselves invested so much. I have reason to believe that the creation of conditions for making meaningful contributions to national development and for appropriate recognition of such contributions will prove far more effective weapons than mere financial rewards.

This is a subject of growing importance and a problem to which it is easy to devise the wrong answers. It will, of course, be well known that there are brain drains at the national level (from public services to the private sector) and at the regional level. It is true that in respect of the latter one may regard such movements of skilled Africans as a form of involuntary technical assistance from one country to another but this is only true where the losing country is not seriously harmed in its efforts to develop.

The emigration of highly-trained and skilled Africans from the region enlarges the requirements for technical assistance from the very countries which now take advantage of their talents and skills. We believe that a large and increasing part of both bilateral and multilateral aid is in the form of personnel, many equipped with skills the region could easily acquire, develop and multiply for its own uses. Similarly, we all know that a substantial and growing part of foreign exchange expenditures by member States – whether

incurred in the public or in the private sector – is on outpayments for imported personnel and that frequently the failure to organize the effective transfer and multiplication of the skills they embody leads to repeated imports and to a steady drain of foreign exchange acquired through export earnings or debt.

Perhaps the most enervating of all the legacies of colonialism is the belief rooted in the consciousness of colonial peoples – and reinforced and sustained by the contents of formal and non-formal education as well as by various forms of mass media – that they face insuperable odds in trying to promote self-reliance and self-sustainment and that there is virtually nothing practical they can do without direction and support from the advanced countries or from what sometimes seem to be their surrogates and successors, the (Western) transnational corporations. I firmly believe that educational authorities have a significant duty to assist in removing this adverse factor.

Indeed, it is remarkable how closely connected with the arrival of what historians call the 'turning point' in the history of a nation, in terms of the achievement of self-sustained development, is the internalization of the process of recovery of self-confidence in identifying, defining and solving problems of substance and relevance to socio-economic development. And this self-confidence is, to a large extent, a function of mobilizing national talents and capabilities and creating the right type of environment and motivation for unleashing inventive and innovative abilities.[27]

My answer then to the question: what kind of development does Africa need? is that we need to set in motion a development process that puts the individual in the very centre of the development effort; a development process that is both human and humane without necessarily softening the discipline that goes with development but which enhances man's personality; a development process that does not alienate man from his society and culture but rather develops his self-confidence in himself and identifies his interest with those of his society and thereby develops his ability and willingness for self-reliance.

How do we achieve this type of development? The answer to this question lies in action at three levels – domestic, African multinational and extra-African multinational. In this connection it is important to bear in mind the central role of the nation-State. Whether we like it or not, 'the twentieth century has been an age of nationalism. Nibbled at on the one hand by subgroups within it, and on the other by aspirations, concerns and organizations transcend-

ing it, the nation-State goes on as the main engine of organized human action. For more of the world's population than ever before, the nation-State in which they live is one that they regard as their own, however much they may dissent from its policies or even suffer its repressions'.[28] Therefore, the nation-State must assume the greatest responsibility for assisting its citizens to achieve most of their needs for improved standards of living. However, this does not in any way mean autarky. In fact, throughout human history, it has never been possible for any nation-State to be completely self-sufficient in all its needs. This is why there have always been international trade and other forms of international economic relations. Hence, what is important for us is the degree and form of interdependence. And in the search for this, we must always bear in mind that the more self-reliant a country is the higher will be its capacity to withstand the effects of external adverse economic conditions and to define and implement autonomous decisions *vis-à-vis* other nations.

As far as African countries are concerned, there are many reasons why concentration on domestic factors of production, distribution and consumption will not be sufficient if self-reliant, endogenous and self-sustaining development is to be achieved. Firstly, many African countries are too small in terms of geographical and economic life and variety, and size and income levels to assure a self-reliant, endogenous and self-sustaining development. Secondly, there are those countries which are land-locked and whose development is inevitably tied to the opportunities for economic co-operation with other countries. Finally, even in those countries with reasonable geographical size and respectable income levels, economic cooperation arrangements can be very beneficial particularly when such arrangements are made with countries with different climatic and socio-economic conditions. Therefore, an important complement to national self-reliance is *regional collective* self-reliance which can and should be approached at different levels – bilateral, multilateral, subregional and regional – as we are already doing.

IV The Deepening International Economic Crisis and its Implications for Africa

Seventeenth Session of the Commission and the Eighth Meeting of The Conference of Ministers

Tripoli, Socialist People's Libyan Arab Jamahiriya
27–30 April 1982

As many of you may recall, when we met about this time in Freetown, in 1981, on the occasion of the opening of the 16th session of the Commission and the 7th meeting of the Conference of Ministers – that is to say, a year after the Lagos Plan of Action had been adopted – not only was the thrust of my opening statement directed at the question of the strategies, modalities and mechanisms essential for the implementation of the International Development Strategy, the Monrovia Strategy and, above all, the Lagos Plan of Action itself but so also were your deliberations. Needless to say, that this fundamental topic is still very much with us, and is indeed destined to be with us for a long time to come, as it is at the very heart of our current and future development efforts at the national, subregional and regional levels.

This year, I should like, with your indulgence, to share with you my perception of the deepening international economic crisis that we now face throughout the world, especially in the last two years and, in particular, to share with you my concern on the implications of this crisis for the economies of African member States, its impact on the way and quality of life of our people and what have been and should be our reactions to it in terms of short, medium and long term strategies.

Whatever differences or divergence of views may exist among economists as regards the nature of the factors behind the present disarray in the international economic system, the relative weight thereof, and the possible way out of it, there is, at least, unanimity on one key point: namely, that we are facing a crisis of exceptional proportions and persistence. At the global level and, in particular, at the level of the developed world, almost all the known indicators point in the same direction. That is to say, a decline in world economic activity, coupled with still heavy inflationary pressures

and growing unemployment. It is currently estimated that in the developed countries more than 25 million workers are now without jobs, as compared to about 16 million in 1978, without any reversal of the trend beginning to appear. The volume of world production grew, in 1980, at a slower pace for the fourth year in a row; that is to say, at 1 per cent, compared to $3\frac{1}{2}$ per cent in 1979, with the corresponding figures for world manufacturing production being 1 per cent and 5 per cent. As for world trade, after an increase of 1 per cent in 1980, the latest data available from the GATT secretariat indicate that the volume of world trade, for the first time ever since 1958, actually declined in 1981. In so far as inflation is concerned, it stands at about 12 per cent in the OECD countries. While there has been some improvement recently, the rate of deceleration of inflation even now is far from matching the marked slow-down in world economic activity. The high interest rates in developed countries, including the United States of America have of course destabilized even further the world monetary system and have aggravated the international economic crisis.

In the centrally planned economies of Eastern Europe, net material product increased by an estimated 2.9 per cent in 1980 as against 2.5 per cent in 1979, but growth remained very low in comparison with the historical records of these countries. Due to a number of factors, the growth rate of the Eastern European economies has, in fact, been continuously falling since the middle of the 1970s. There has been significant reduction in the growth of investment and official plans now indicate growth rates well below the average level of the first half of the 1970s; that is to say, a little more than 3 per cent in 1981 as against 6.3 per cent in 1971–1975.

In so far as African economic conditions are concerned, some of you may recall that in my 1980 end-of-year assessment I tried to summarize them as follows:

> In addition to sagging and sluggish economic growth, escalating inflation and growing unemployment and mass poverty, the African continent has continued to face four devastating and debilitating problems in 1980: chronic food deficits; pernicious droughts; the impact of inexorably rising costs of imported energy; and, deteriorating terms of trade, chronic balance of payments deficits and mounting external debts.

These worsening economic conditions in Africa have persisted since that statement was made. Thus, on the basis of currently available information, the African economy has grown by only

about 3 to 4 per cent in 1981, a rate of growth which is only slightly higher than that of population growth and which, therefore, means that there has been no improvement in the living conditions of the people. Whereas in 1980 the economy of the oil exporting African countries achieved respectably high rates of growth, in 1981, poor economic performance struck both oil exporting and non-oil exporting African countries, because the oil exporting African countries have had to cope with a very sharp fall in demand for oil in industrialized economies. In fact, despite severe cut-backs in production, oil prices have had to be lowered in order to boost demand. Indeed, it is a matter of public knowledge that, as recently as some weeks ago, a number of oil companies tried to force one of our member States to lower its prices still more by refusing to buy from it – a manoeuvre which was fortunately foiled, at least for the time being, through the active solidarity shown by other OPEC members.

In quite a large number of our countries including, in particular, the least developed ones, the impact of the crisis has, in fact, been very severe to the extent that their *per capita* income has been reduced, sometimes quite substantially. For developing Africa as a whole, with the possible exception until recently of the oil exporting countries, another effect of the crisis has been a widening gap between government revenue and expenditure because of the heavy reliance of most countries on revenue from external sources, including taxes on imports and exports, and grants and loans.

Many countries had perforce to effect different kinds of adjustments, some of which were frankly of the negative kind. Measures adopted ranged from attempts to borrow at very high commercial rates of interest and on short-term basis to rescheduling of external and internal debt obligations, to utilization of new foreign exchange loans and grants designed to maintain on-going projects rather than to launch new ones. In addition, a number of member states were obliged to turn to the IMF for assistance and accept such painfully conditional prescriptions as the introduction of stabilization programmes which entail cuts in expenditure and painful income losses particularly for the low income groups and, more often than not, cutting down essential imports.

Africa's total outstanding debts have now reached $47.8 billion which amounts to 11 per cent of the total outstanding debt of all developing countries. While our region is still the least indebted one and the rate of growth of its total outstanding debt for the period 1979–1980 is still below the average one for all developing regions, it

should be noted that such global figures are far from reflecting the actual predicaments of many individual countries. Also the high interest rates coupled with the prevailing stagflation in the OECD countries have had a negative effect on the flow of resources to developing Africa. In fact, while the 'stagflation' limited the capacity of the Development Assistance Committee (DAC) countries and related sources to extend credit on a concessionary basis, the high interest rates of the capital market have placed this source of finance beyond the reach of most member states, including the least developed ones. Furthermore, as pointed out in our *Survey of Economic and Social Conditions in Africa, 1980–1981,* the debt servicing burden of the region represented, in 1980, 12 per cent of its total outstanding debt and 14 per cent of its exports of goods and services.

What is of greatest concern to us in the ECA Secretariat, in view of all these developments, is not only that economic growth is being delayed or slowed down, but that the prospects for future economic development itself, in countries that stand very much in need of it more desperately than any others, are very dim.

In other words, what is at stake, and what we should seriously worry about, is not just the short-term consequences of the present crisis, as we are being advised or forced to do so often, but also their impact on long-term economic development, and the extent to which our future capability to generate such development may be compromised because of the deepening international economic crisis that currently engulfs the world.

There is a fundamental question concerning the real nature of the present crisis to which we must now address ourselves. The first temptation, and somewhat the natural inclination of those of us who have had both personal and academic experience of the cyclical vagaries that have affected developed market economies is to believe that the present crisis is a temporary one stemming either from a single factor or from various factors, but of a transient nature, and that this crisis is basically similar to the others that have preceded it and are, for that matter, likely to follow it.

Is this, however, a crisis of a transient nature? I doubt it. Although economists have been known to make many false predictions, I must state that many of us see increasing evidence that we are facing not only a serious disequilibrium in the world economy, but also one which is of a structural nature, linked to long-term factors.

One of these factors stems from the clearly noticeable downward shift in the long-term growth of output of the industrialized

countries which in turn is largely accounted for by what has been called the problem of the 'declining economic performance' or of the 'declining adjustment capacity' of the industrialized countries.[29] These boil down, in fact, to the same: namely, that the developed countries have been facing and are still facing a number of obstructions and deep-seated rigidities which tend to impair their ability to exploit and realize growth opportunities. The result, for instance, is that progress made in fighting inflation seems almost inevitably to lead to growing unemployment, and the temptation is great to restore equilibrium and 'adjust', as it were, through recourse to protectionist policies.

In view of this situation, it seems most doubtful that we can expect a speedy recovery of the developed countries' economies which, as we are being conditioned to believe, would inevitably result in parallel improvement in our own economic situation and prospects. Indeed, I submit that, even if such a recovery in the economies of developed countries were to take place in the foreseeable future as was recently predicted by OECD, I have my doubts if in the considerably weakened situation that the industrialized market economies now find themselves, such a recovery will not be slow and painful and, in so far as Africa is concerned, continue to destabilize our economies.

In the circmstances, what should be our reactions to the international economic crisis in so far as economic policies for internal development and the ordering of external economic relations are concerned? Let me say quite frankly that we could take either the soft option or the hard option. The soft option would involve our acceptance of the view that the international economic crisis is a transient one; that recovery is around the corner; that once that recovery is achieved, its spread effects would reach the economically dependent Africa with some significant improvement in commodity prices, in the demand for such export commodities, in the volume of aid available and in their conditions. This option might also lead us to the conclusion that our external economic relations should continue to be organized in future as they had been in the past. In other words, we would continue to press for commodity price stabilization; for the strengthening of STABEX when Lome II becomes due for revision; for the liberalization of trade; and for more aid in kind and cash etc. Apart from the fact that such a set of options would freeze and perpetuate the historical patterns of our dependence on the industrialized economies, it is based on the unreasonable expectation that our economic survival,

let alone our economic prosperity, depends more or less wholly on exogenous factors.

The *raison d'être* for the second set of options – the hard option – is the realization that the world economy is faced with a serious disequilibrium which calls for fundamental structural changes and that in the course of bringing about such structural changes many hard decisions would have to be made by both the developed and developing countries. For us in Africa, it is therefore reasonable to expect that, in the process of such structural changes, the developing countries of Africa will continue to be faced with sluggish demand for export commodities; with unfavourable terms of trade; with high cost of imported manufactured goods; with minimal foreign aid and technical assistance; with the conditions and terms of the limited volume of loanable funds available in the international money and capital market being such as to place them beyond the reach of most African countries; with multilateral aid and loans becoming less and less in volume and the conditionality terms of the IMF becoming more and more stiff and rigorous; with food aid becoming less and less generous as the political leverage of food aid and not humanitarian considerations dominate its availability and allocation; and, with protectionism becoming even more marked and widespread in industrialized countries than it is at present.

In such a situation, can we even imagine what the plight of our people will be and what will happen to our fragile economies if we pursue the soft options? Hunger and famine will be more rife than it is at present; most economic activities, except perhaps peasant farming, will grind to a halt; there will emerge even more than now, considerable excess industrial capacity due to the underutilization or even the non-utilization of fixed industrial assets. And this may arise not so much because of insufficient demand as because of lack of spare parts and industrial raw materials due to the non-availability of foreign exchange resources with which to acquire them; there will be steady but sure deterioration of our stock of capital assets due to lack of such maintenance and, needless to add, shortages of such essentials as drugs and basic medicines will be intensified. In short, the life of the overwhelming majority of the broad masses of our people which is at present very difficult will become even more so and may reach intolerable depths.

The only way in which we can prevent this from happening is to accept the inevitable and choose the hard option which only

means that we assume the worst for the future and try to protect our economies and our peoples from the impact of the worsening international economic crisis. First, we must accept the inevitability, for some time, of delinking our economies from the international economy if we are to be able to undertake the kind of fundamental restructuring which would enable us to cope with the evolving crisis as well as lay down a firm foundation for national and collective self-reliance as envisaged in the Lagos Plan of Action. Secondly, we must declare a war for economic survival in each member State and adopt a siege approach to development by which we will mobilize our entire resources (natural resources and raw materials; entrepreneurial talents and capabilities – public, private and communal – research and experimental development, institutional infrastructures, physical infrastructures, etc.); turn our backs against imports of luxuries and non-essentials and strive with all the powers at our command to produce essential goods domestically at national and multinational levels. To begin with, such a siege approach to development will have the effect of accentuating the hardship of our people but the long run effect of this will lead to higher standards of living and better quality of life. As I have always stated, there can be no cost-less development nor can we expect others to bear the cost for us. A period of purposeful development-oriented austerity is therefore inevitable. The earlier we introduce it ourselves as part of our strategy for winning the war for economic survival the shorter it will be. But if it is imposed upon us as a crisis or panic measure, the impact may well be shattering, economically, socially and politically.

Thirdly, we must intensify our efforts to strengthen intra-African co-operation and in particular intra-African trade. The reduction of trade barriers among African countries which places emphasis on the exchange of essential goods while ensuring that no undue advantage is taken of the liberalization process must be regarded as one of the essential instruments for waging the economic war. In this connection, I would like to appeal to all member States to implement the policy agreed to when they adopted the Lagos Plan of Action that:

> 'all food products originating from member countries should be exempted from the application of regulatory non-tariff barriers except health requirements, *effective from January 1982*', and, 'all customs duties applied by member countries to intra-African food products (particularly cereals, coffee,

pulses, sugar, meat, maize, fish, oilseeds, rice, wheat, sorghum, tea, vegetable oil etc.) should be substantially reduced not later than *December 1984*'.

We also need to accelerate the implementation of all those measures designed to advance the process of achieving an increasing measure of collective self-reliance and give a fillip to intra-African trade which are contained in the Lagos Plan of Action. I have particularly in mind the establishment of commodity exchange market, the establishment of an African Federation of Chambers of Commerce, the establishment of African multinational corporations and joint ventures as instruments of directed procurement, production, marketing, shipping and civil aviation, banking and insurance, consultancy and other critical services; the setting up of subregional multilateral clearing and payment arrangements where they do not already exist and the establishment of the African Monetary Fund which can act as a countervailing force to the orthodoxy of the IMF.

Fourthly, there is an urgent need to give real push to Afro-Arab co-operation. Although a great deal has been accomplished on a bilateral basis, I must say, quite frankly, as someone who attended the Afro-Arab Summit of March 1977, that many opportunities for effective Afro-Arab economic co-operation are not being exploited. I firmly believe that neither the Arab States nor the African countries can fully realize their development objectives unless within the context of effective dynamic Afro-Arab co-operation. I hope therefore that we can dynamize it not only at bilateral but also, and very importantly, at the multilateral levels, to the mutual benefit of all concerned. So important and urgent do I consider this subject that I should like to go further and propose some priority areas. These are food production and trade; joint exploration and exploitation of industrial raw materials; the development of an integrated Afro-Arab transport and communications network; the promotion of Afro-Arab technical co-operation in the field of science and technology; and, co-operation in industrial development. May I take this opportunity to appeal to all the leaders of the Afro-Arab world to do all in their power to give full effect to Afro-Arab economic, financial and technical co-operation as envisaged in the Declaration that came out of the 1977 first-ever Afro-Arab Summit.

Our commitment to such co-operation should not be merely a political gesture. Our commitment should go beyond political

calculations. Afro-Arab economic and technical co-operation, on a mutually beneficial basis, should be for us part of the historical process of engineering the fundamental reconstruction of our economies, of mobilizing and combining our tremendous resources – natural, human and financial in order to guarantee that we, together, win the war for economic survival, independence and self-reliance; and, of forging true and lasting unity among our peoples.

Let me conclude this statement by impressing once again on our leaders the imperative necessity on their part to declare a war against poverty and economic dependence, a war for economic survival, a war which, if successfully waged, will win for us and the broad masses of our people some measure of self-respect and will give full meaning and effect to our political independence. Let us make a virtue of necessity by taking advantage of the deepening international economic crisis to assert our economic self-reliance and stand on our own feet. Let us take all the necessary steps in our power to put our economies in a position where our future development prospects will largely be determined by our internal dynamics rather than by cyclical changes in the economic activity of the developed world.

Let our battlecry in the difficult days, months and years ahead be ECONOMIC SURVIVAL FOR THE SELF-RELIANCE AND THE POLITICAL INTEGRITY OF AFRICA in the face of an unfavourable and somewhat hostile international economic environment. And let us translate the battlecry into action by ceasing to be people who continue to specialize in the production of goods they do not need and are therefore dependent on others for the disposal of such products while on the other hand we are virtually completely dependent on the same people for the satisfaction of our basic needs, even such basic necessities as food. And let us always remember that time is not on our side and that we therefore have to move fast and begin action not tomorrow but NOW.

V Some Reflections on Nigeria's Economic Performance since Independence and Thoughts on Future Prospects

Nigeria Silver Jubilee Independence Symposium
Lagos, 27 September 1985

I. INTRODUCTION

My marching order is to reflect on the performance of the Nigerian economy since independence and to examine what the prospects are for 'building toward a greater future'. In other words, my task, as I understand it, is to undertake an agonizing, frank and honest appraisal of our performance in the economic domain during the past quarter of a century of our existence as an independent nation and in the light of such an appraisal to look, insofar as this is possible to do, into the prospects for the future.

What kind of an economy do we envision for Nigeria at 40, i.e., in the year 2000? And what will the Nigerian economy be like at the time of the golden anniversary of our independence in the year 2010? What must we do to ensure a greater economic future for Nigeria – not just for buccaneering Nigerians, the robber barons and *nouveau riche* but for the broad mass of Nigerians who because of their poverty today have insuperable difficulties in enjoying a modest standard of living and for whom life is a perpetual struggle, short and brutish. Where did we go wrong in our economic policies and development during the past 25 years? When, why and how? What must we do as a nation during the next 15 to 25 years to correct the situation and bring about the realization of those five lofty national objectives enshrined in the Second National Development Plan, 1970–1974, which were subsequently incorporated in the constitution of the short-lived Second Republic, i.e., (a) a united, strong and self-reliant nation; (b) a great and dynamic economy; (c) a just and egalitarian society; (d) a land of bright and full opportunities for all citizens; and, (e) a free and democratic society.

There is no doubt that we are celebrating Nigeria's twenty-fifth independence anniversary at a time when the economy is in the throes of an unprecedented crisis – high and growing rate of

unemployment, particularly graduate and school-leaver unemployment; under-utilized industrial capacities at a time of severe shortages for industrial products due to lack of imported inputs; falling demand and price of Nigeria's main exports, particularly petroleum products; excessive debt burden and crippling debt servicing charges; and, an unbearably high rate of inflation that makes a mockery of fixed incomes, wages and salaries.

Our country's twenty-fifth anniversary of independence has also come at a time when we need to have a close and critical look at the level of efficiency in public sector management, at our capacity in achieving optimality in the allocation of resources and at our ability in maximizing the utilization of resources and preserving through good maintenance our national assets. Finally, this anniversary provides us with a unique opportunity to re-examine how best we should tackle the two major attitudinal impediments to the mobilization of the mass of the Nigerian people in the task of socio-economic engineering and transformation of the country – i.e., dependence and distrust.

Even 25 years after independence, Nigerians of all walks of life tend to look too much to the Government for the fulfilment of their aspirations. While effective, honest and purposeful leadership are no doubt basic prerequisites for economic progress, they are not enough; for by themselves, leadership – however honest, dynamic and purposeful – and policies – however good and sound – are not productive. Progress can be accomplished only by the efforts of the people. Or to put it differently, no progress can be made unless the people themselves are willing to bear the main burden of development. Nigerians should cultivate the virtue of individual self-reliance and become less dependent on government.

Paradoxical as it may sound, the heavy dependence on government is frequently coupled with a strong distrust of governmental actions, pronouncements and motives. To some extent this is a hangover from the colonial period and has been sustained by the failure of successive governments to match their words with deeds and their promise with performance. Indeed, a credibility gap exists between the government and the governed and our immediate challenging task will be to remove that gap. In fact, some people might even say it is a crisis of confidence. To the extent that we succeed, to that extent will the country become less and less ungovernable and the mobilization of the entire population for socio-economic engineering be more and more feasible. These two attitudes – dependence and distrust – have served to retard the country's development.

But before we discuss in detail the problems that have to be tackled in the years ahead in order to build a greater future, let us answer a few pertinent questions. First, what was the Nigerian economy like at independence? Second, what are the main features of the Nigerian economy today? Third, what lessons can we, as a nation, draw from the Nigerian development experience of 25 years? There is no doubt that it is our answers to these questions that will enable us to undertake as objectively as possible the prognostication of the prospects for the future of the Nigerian economy. Apart from the current crisis, what are the objective parameters that will inevitably affect the scope and magnitude of the challenge to be encountered in coping with the Nigerian development problematique? Specifically, what will be the impact of the demographic phenomenon on the challenge ahead? And in the light of all these, what kind of a Nigerian economy can we envision in the year 2000 when Nigeria becomes 40 years old and in the year 2010 when it celebrates its golden jubilee? What are the different options? And what will be our choice or choices?

II. THE ECONOMY AT INDEPENDENCE

At independence in 1960, the reality of the economic poverty of Nigeria was all too obvious. Even if the extent of such poverty was often inadequately illustrated by available statistics, there is no gainsaying the fact that Nigerians enjoyed a low level of material well-being. The gross domestic product, which measures the volume of all goods and services produced in the country, was only about N2,000 million. This meant that, with an estimated total population of about 50 million at the time, per capita income stood at around N40 which was very low by all standards. The structure of production was dominated by and heavily weighted in favour of primary production, especially farming. The agriculture, forestry and fishing sector was typified by crude implements, out-dated methods and production systems but this same sector, alone, constituted about 65 per cent of total output and accounted for about 90 per cent of foreign exchange earnings from exports and 80 per cent of total employment. Distribution, including the operations of the marketing boards, made up another 12 per cent. The reliance of the vast majority of the population on such a backward and low productivity-oriented sector was and still is one of the underlying causes of underdevelopment in Nigeria.

By 1960, there were already strong possibilities of successful

petroleum production in Nigeria but the mining and quarrying sector as of that date accounted for less than 1 per cent of GDP, with the bulk of its output accruing mainly from metalliferous ores, quarrying and coal rather than from crude oil. Industry was also still in its infancy, small in absolute terms and contributing only modestly to the total output of goods and services in the country. Also, by 1960, there were already the prospects for rapid development of industry, considering the large available market in the country, the variety of local raw materials and the plentiful and adaptable supply of labour. But the level of industrialization in the country was quite low, with the value of total manufacturing production representing less than 4 per cent of GDP.

The level of social services, including health, education, water supplies and housing were correspondingly also low. Less than three persons in ten of school age and over could read and write at independence. Total enrolment in the primary schools was only about 2.5 million while the number of registered medical practitioners was about 1,000. Hospital beds numbered less than 20,000.

Neither the presence of low income and productivity levels nor the absence of significant structural changes should be construed, however, to reflect a state of economic stagnation. That Nigeria emerged at independence with a crushing backlog and burden of underdevelopment does not mean that it had made little or no economic progress in the period before independence. On the contrary, the indication from available statistics is that there were some remarkable changes in material progress particularly in the post-World War II decade and a half before independence. The value of total production rose by 3.9 per cent per annum between 1950 and 1960 with rapid developments in virtually all sectors of the economy. The quantity of agricultural production alone grew by 30 per cent while manufacturing industries increased five-fold. Construction more than trebled whilst the supply of electricity and urban and rural water quadrupled. Investments grew from about 7 per cent of GDP in 1950 to about 14 per cent in 1960 while exports and imports rose significantly. The value of exports exceeded the value of imports substantially for the first half of the decade, thus permitting the accumulation of foreign assets which, during the second half, were used in part to finance investment and consumption within Nigeria. Even when allowance is made for inflation, economic growth, not economic stagnation, is what is implied by these figures. The impetus for the favourable rate of growth

was externally-oriented coming, as it was, from the combination of rapidly expanding postwar demand for Nigeria's agricultural exports and high export prices.

The fact that in spite of remarkable development between 1945 and 1960, we arrived at independence with a level of development which was quite low when measured by all relevant indicators illustrates how deep down the poverty quagmire Nigeria had been. Nigeria was indeed an underdeveloped country *par excellence*, manifesting all the characteristics of economic backwardness – mono-cultural structures, primitive agriculture, lack of infra-structural facilities, high infant mortality rates, high degree of illiteracy, low expectation of life, a sharp bifurcation between the traditional and modern sectors, and excessive dependence on external factor inputs to get development and even normal day-to-day administration and maintenance going.

For example, the modern sector of the economy was, at independence, foreign-dominated and almost the exclusive preserve of British companies and operators. In trading and manufacturing activities, the important names were those of British firms such as United Africa Company Ltd. (UAC), John Holt, Lever Brothers, G.B. Ollivant, Cadbury, Barclays Bank and Bank of British West Africa. Nigerian participation in both equity and management was virtually non-existent or at best extremely limited. In short, an undiluted foreign economic domination of the modern sector of the national economy lingered on at independence as one of the surviving vestiges of colonialism; its challenges, in part, define the quest for economic self-determination that has become evident in the two-and-a-half decades of post-independence.

This rather brief account of the Nigerian economy at independence would have, I hope, showed clearly how unenviable our economic inheritance was 25 years ago. Now let us look at the Nigerian economy today.

III. THE NIGERIAN ECONOMY TODAY 25 YEARS AFTER INDEPENDENCE

In assessing the performance of the Nigerian economy during the past 25 years, we need constantly to remind ourselves of two basic facts: (a) the extreme backwardness of the economy by 1960; and, (b) the shortness of a 25-year period in the time-profile and perspective of the development process of any nation. Particularly in the

Nigerian context we need to be constantly so reminded because of the contemporary popular but erroneous belief in and insistence on instant development and economic take-off. It is imperative that we distinguish between expressions of dissatisfaction over economic management and suggestions and insistence that a country such as Nigeria, even with oil, could expect to overcome its underdevelopment within 25 years and emerge into instantaneous economic take-off. It is of paramount importance for all of us – particularly those among us responsible for forming public opinion – always to remember that the development process is complex, multi-dimensional and, above all, time-consuming. It takes time, unrelenting, undaunted, dedicated and honest effort at all levels of society for the development process to become self-sustaining and internalized. Indeed, there are economists who would argue that development proceeds in stages. Important therefore as a quarter of a century may be in the general passage of time, it is hardly a long period in the economic history of any nation.

In assessing the Nigerian economy on the eve of its silver jubilee, it is instructive perhaps to inquire into the paths through which the economy has moved in general, the targets that Nigerians have set for themselves and the policies embraced. This can then be followed with an assessment and appraisal of the extent to which planned targets and objectives were fulfilled or underfulfilled.

The economic aspirations of Nigeria since independence are perhaps best exemplified by its various development plans. In the 25 years of post-independence period, Nigeria has gone through four national development plans of varying periodicity, and is currently engaged in the process and task of preparing the fifth.

The first plan after independence covered the six-year period, 1962–1968, with total planned fixed investment of N2.2 billion. It aimed at a target GDP growth rate of 4 per cent in real terms, with the highest priority accorded to agriculture, industry and the training of high and intermediate manpower. The National Development Plan, 1962–1968 had the unique distinction of being the first development plan with some national character and within that framework some substantial recognition and acceptance of common objectives and targets was displayed by the various component governments of Nigeria.

There was no development plan between 1968 and 1970 since the political crisis of 1966 and the subsequent civil war of 1967 to 1969 made it impossible to design and formulate a new plan. Instead, annual capital budgets were employed simply as the main instru-

ments of allocation and control of development resources during this period.

The Second National Development Plan was launched soon after the civil war – in October 1970 – largely as a means of rehabilitating and reconstructing the facilities damaged by the war. Although the plan was originally meant to cover the four-year period, 1970–1974, this period was later extended to include the fiscal year 1974–1975. The basic economic objective of the plan was to achieve a minimum rate of growth of 6.6 per cent per annum in the GDP. Planned capital expenditure during the plan period amounted to about N3.2 billion of which the net public sector expenditure was estimated at N2.1 billion or 65.6 per cent. The highest priorities were accorded to agriculture, industry, transportation and manpower development.

The Third National Development Plan, 1975–1980, was formally launched in March 1975, with an estimated aggregate investment expenditure of about N30 billion. The GDP was projected to grow at an average rate of 9.5 per cent per annum over the plan period while per capita income was expected to rise from N205 in 1975–1976 to N290 in 1979–1980. The highest order of priorities in public sector projected expenditures were to be accorded to transport and communications, manufacturing, housing and education.

The Fourth National Development Plan, 1981–1985, was launched in March 1981. The projected capital expenditure under the plan was of the order of N82 billion, thus constituting the plan as the largest and most ambitious programme of investment ever launched in Nigeria. Almost 86 per cent of the plan's projected expenditure – N70.5 billion – was to be accounted for by public sector projects. The gross domestic product was envisaged to grow at an average rate of 7.2 per cent per annum while real per capita income was projected to rise from N427 in 1980 to N534 in 1985. The priority areas under the plan included agricultural production, housing, education, industries and economic infrastructure.

Now let us examine the performance of the economy during each of the succeeding plan periods. The overall performance of the Nigerian economy during the First National Development Plan, as reflected in changes in the GDP, was one of unsteady expansion, although the recorded average growth rate for the first five years of the plan, 1961–1962 to 1966–1967 of 4.3 per cent per annum compared favourably with the projected annual rate of 4 per cent. However, there were considerable annual variations. GDP grew by 4.6 and 8.5 per cent in real terms in 1962–1963 and 1963–1964 respectively before slowing down to a rate of growth of 3.7 per cent

in 1964–1965. There was a rise in the GDP growth rate in 1965–1967. In effect, the national economy, which performed generally well in terms of output growth in the 1950s and early 1960s, would already seem to have lost some of the impetus for its progressive growth during the second half of the first post-independence decade. It merely took the political crisis of 1966 and the consequent military conflict of 1967 to worsen an already evident trend of declining economic performance.

There was an absolute decline of about 20 per cent in the GDP in 1967–1968, reflecting in part the exclusion from the data of statistics of economic activities of the Eastern States most affected by the civil war, but more so the inevitable negative consequences of the beginning of military operations and effects of the blockade of the Eastern States from the middle of 1967 on domestic production, inter-state commerce and the balance of payments. Agricultural production, especially for export, was additionally hit during this period by unfavourable weather conditions and declining market prices. Production and export of crude petroleum virtually stopped.

The actual fixed investment in the economy as a whole fell short of the expected average in the first two years of the First Plan, although almost 85 per cent of the total planned fixed investment during the plan period had already been achieved by 1965. The gross fixed capital formation rose significantly between 1963–1964 and 1964–1965 only to decline drastically in 1965–1966. Disinvestments actually took place in 1966–1967 and possibly also in the early part of 1967–1968, reflecting the economic decline and stagnation that set in with the political troubles and the civil war.

It is significant that, by 1968–1969, the economy would seem to have already adjusted to the prospect of a long-drawn civil war and started to pick up again. The pacification of the oil-producing areas in 1968 resulted in a rapid advance in the production and export of crude petroleum from 1969 onwards while manufacturing activities expanded in the country under the stimulus of rising domestic demand, so much so that an overall growth rate of 4.4 per cent was recorded in GDP in 1968–1969.

The actual growth rate of GDP between 1970–1971 and 1974–1975 was higher than the rate postulated or envisaged under the Second National Plan. GDP at 1974–1975 factor cost rose from a level of N9.442 billion in 1970–1971 to N14.254 billion in 1974–1975, indicating an average growth rate of about 8.1 per cent per annum compared with the 7 per cent growth rate per annum projected in the plan. The national economy, it would seem, performed beyond all

expectations during the Second Plan period. The overall growth rate of output would have in fact been higher but for the contraction in agricultural output in 1972–1973 brought about by the conjunction of drought in the northernmost parts of the country and an unusually long dry season and frequent outbreaks of forest fires in the south. The fortuitous performance of the oil sector was the key factor to progress during this period. The actual fixed investments by the public and private sectors totalled about N5.3 billion compared with the planned figures of N2.2 billion. This represented a financial overfulfilment of more than 140 per cent. Capital disbursements are however one thing, physical attainments are another.

There was a general slowdown in the rate of expansion of total output during the Third National Plan period, 1975–1980. The average rate of growth of GDP was only about 3 per cent over the period, compared with the 9.5 per cent projected in the plan. The overall level of output fell in 1975–1976 by 3.6 per cent, and although there were significant increases of 11.4 per cent in 1976–1977 and 7.3 per cent in 1977–1978, there was a fall in total output of about 6.7 per cent in 1978–1979, and 0.2 per cent in 1979–1980 due to the decline in petroleum production. The prime movers of the Nigerian economy had shifted perceptibly in favour of crude petroleum exports and its fluctuating fortunes on the world market are reflected by poor economic performance during the Third Plan period.

The general level of economic activities has consistently been on the decline during the Fourth Plan period, 1980–1985. The GDP declined by 1.9 per cent in 1982 following on its earlier fall of 2.6 per cent in 1981. It is estimated to have declined further by as much as 6.4 per cent in 1983 and marginally by 0.6 per cent in 1984, with the rate of decline accentuating in 1985.

Nigerian economy has been afflicted by recession since 1981 and has remained depressed ever since. The universal economic recession, accentuated by the continuing oil glut which adversely affected the demand for Nigeria's crude petroleum, no doubt, accounts in a large way for the disappointing economic performance since 1980. Beginning with 1981, there has been a continued decline in Nigeria's output and export earnings from crude petroleum production. There were additional problems, of course, arising from the impact and adverse effects on local manufacturing output of the restrictive measures embarked upon by the Nigerian Government under the Economic Stabilization (Emergency Provision) Act of April 1982 as amended in November 1982. The intended aim of these measures which included comprehensive exchange control,

introduction of preshipment inspection and compulsory advance deposits for imports, placement of imports under specific licensing, increases in tariff charges and rates of excise duty, and imposition of higher interest rates, were to check the drastic drain in the country's external reserves and conserve foreign exchange.

In recapitulation, we can easily see that there has been consistent and determined effort on the part of successive Governments to plan for growth and development since independence. This determination led to the launching of the 1962–1968 National Development Plan which was Nigeria's first comprehensive plan. Unfortunately, the full implementation of that plan was interrupted and impeded by the political disturbances and the civil war which ended in 1970. The same determination to revive and develop the economy in its march towards progress was reflected in the launching of the Second, Third and Fourth National Development Plans since the end of the civil war.

It will have been clear from this brief analysis what the principal causes of Nigeria's continuing underdevelopment are. Except for the brief period of 1970 to 1975, there was no consistent trend in the development path. It was always a matter of three steps forward and two backward. Indeed since 1980, it has been one of steady decline – two steps forward and three backward, as it were. Consequently, self-sustaining growth and development has eluded Nigeria and the general welfare and standard of living of the populace has remained poor. However, to say this is not to deny that some progress has been made in the national economy since 1960 with regard to production and productivity and the provision of social infrastructure. Nigeria's GDP is now estimated to be well over N40 billion, which is more than twenty-fold the level of total output at independence. This implies that, on the average, production, valued at current prices, has been doubling every five and a half years since 1960. Even when allowance is made for inflation, the economic advance which this and other similar figures imply remains impressive.

With an estimated total population of about 95 million, the per capita income in Nigeria is over N450 which, though still low by international comparisons and standards, is some remarkable improvement over the 1960 level. The level of social services has also improved substantially between 1960 and the present. There have been substantial improvements to health and educational facilities all over the country, if not in quality at least in quantity. More children are in schools and continued efforts are being made to increase the overall enrolment ratio and reduce the educational

gaps between the different parts of the country. Primary school enrolment reached a level of 19.59 million as far back as five years ago (1980). In 1962–1963, the corresponding figure was 2.83 million. Enrolment in secondary and other post-primary institutions has jumped from a mere 0.23 million in 1962–1963 to 4.49 million in 1980. Our impressive performance in the field of education has amply demonstrated the decision of successive governments – federal, regional, state and local – that Nigeria can better afford the cost of education than the waste of illiteracy.

There are today more hospital beds and more doctors, nurses and other medical personnel in relation to the population than at independence. Various rural and urban water supply programmes have succeeded in bringing clean water to a greater proportion of the population. In addition to social services, there have been improvements in such economic infrastructure as transport and communications. Significant progress has also been made in transferring equity ownership to Nigerians and in reserving certain aspects of Nigerian economic life for Nigerians under Phases I and II of the Indigenization Programme. Over 500 million shares, valued at N472 million, were transferred to Nigerians from foreign shareholders between 1972 and 1980 alone.

But these positive developments notwithstanding, there are serious question marks as to the state of health of the Nigerian economy on the eve of the Silver Jubilee of political independence. As already indicated, a persistent decline in the overall output of goods and services has set in since 1981, with each succeeding year performing worse than the preceding. Not only has the economy stopped growing, there is a cumulative deterioration in the level of output. The growth of agricultural production is lagging behind population growth, with the inevitable result of food shortage and scarcity. In spite of great potential and relative factor endowments for agricultural production, Nigeria today cannot feed itself. Rather, it continues to depend increasingly on imports for food and agricultural raw materials.

The country faces a grim financial situation with its external reserves virtually depleted and with a huge burden of overdue debt repayments to foreign suppliers, so much so that almost half of its export earnings are currently earmarked for debt servicing alone. This was not the case at independence or even as recently as 1974 when the debt service ratio amounted to no more than 1.7 per cent. Nigeria's problem is not that of excessive external indebtedness *per se* but the build-up of payment arrears which doubled between 1982

and 1983 alone from N2.2 to over N4.4 billion, due to a drop in oil exports and the terms of trade and worsening balance of payments and declining reserves in the face of a general increase in interest rates, both on official and private loans. The internal debt situation is equally serious even though it has not generated the same level of anxiety presumably because it has no foreign exchange implications.

But government cannot continue to borrow recklessly even locally, since there are grave fiscal and financial consequences. Most government contractors and suppliers have not been paid for the past two to three years and banking sources estimate the level of overdue Naira indebtedness to this category alone to be almost N16 billion as at 31 December 1983. Domestic price levels have escalated to an all-time record level, both for food items and for other basic commodities of life. The annual rate of inflation recorded by the Composite Consumer Price Index was 39.6 per cent between January and December 1984. Unemployment of labour and of production facilities, especially in manufacturing, has soared and intensified, calling into doubt the very foundations of the economy. There can be no boubt that the combination of inflation with massive unemployment, depressed incomes and wage freeze has made life more difficult for the average man in Nigeria on the eve of the country's Silver Jubilee. Indeed, the very momentum for self-propelling and self-sustaining growth is in doubt.

IV. FACTORS IN NIGERIAN DEVELOPMENT – THE LESSONS OF EXPERIENCE

What are the major factors that have influenced the course of developments in Nigeria and what are the lessons that can or should be learnt from such performance?

The deep and general recession and economic deterioration experienced since 1981 is the result of a persistent decrease in oil output, the country's dominant product and export since the 1970s. The level of oil production reached a peak of 2.3 million barrels per day in 1979, from where it has fallen progressively to 2.1 million barrels per day in 1980, 1.4 million barrels per day in 1981, 1.3 million barrels per day in 1982 and 1.2 million barrels per day in 1983. Preliminary estimates for 1984 put the level of oil production at no more than 1.0 million barrels per day. Corresponding to the drastic fall in oil production between 1979 and 1984, the average daily export of petroleum slumped from 2.2 million barrels per day

to 0.97 million barrels per day. The export price of crude petroleum fell from an average of $US37.77 per barrel in 1981 to $US30.35 per barrel in 1983 and is currently around $US29.71 per barrel. The overall result of the production cutbacks and sagging export price has been drastic reductions in export earnings for a country that has come to depend on this single product for foreign exchange. In effect, the economic and financial decline in Nigeria today is traceable to the worldwide recession which has adversely affected the demand for crude petroleum.

Nation-wide drought has also taken its toll. The performance of the agricultural sector was often constrained by the prevalence of adverse weather conditions and delayed rains in several parts of the country as well as the incidence of crop diseases and pests such as locusts and army worms.

Nonetheless, it would be wrong to attribute the poor and deteriorating economic performance and perilous state of the economy entirely to external or purely exogenous forces. Equally important, if indeed not more important, are the domestic and endogenous factors, some of which are peculiar to Nigeria but some also are features shared in common with other developing countries. The unfavourable economic balance sheet of Nigeria on the eve of its Silver Jubilee as an independent nation is the result also of the cumulative consequences of years of mismanagement of the economy. The country has been too much in a hurry to develop and undergo structural change, and, in the process, has succeeded in doing last things first rather than first things first.

There was the development illusion induced by the financial buoyancy that came with the oil boom. The adoption of a strategy of planning over-ambitiously big and perhaps bigger than the level of the country's absorptive capacity meant that money was often thrown after problems with the attendant waste of public funds. We now realize that attempting to do too many things at the same time and expanding at all fronts simultaneously usually ensure that not much is achieved in concrete terms. And worse, it has become the breeding ground for corruption and fraud which has been overly rampant in Nigerian economic management. The strategy of planning 'big' is also shared in common by the modern private sector in Nigeria, as evinced in the current spate of groups and chains of companies. Very few Nigerian entrepreneurs ever think of starting small and of building up slowly and progressively in business; instead, they strive for instant establishment and control of business empires.

Oil is not necessarily a wasting asset as is often presumed in Nigeria. It is for sure not a lasting asset, since a nation's productive capacity is never infinite. But depending on the way oil revenues and resources are used, oil could be either a blessing or a curse. The truth of the matter is that the spending of colossal sums of oil revenue in Nigeria to prosecute the various development plans as reflected in government budgetary outlays on capital and recurrent accounts has resulted in rapid monetary expansion that is not matched by domestic productivity.

After almost a decade and a half of active oil production and the benign providence of two price hikes, 1973–1974 and 1978–1979, the country has little that is of value to show for the billions of naira that have accrued from oil exploitation. None of the major industries – iron and steel, petrochemical, liquified natural gas, pulp and paper, etc. – have come on stream. Indeed, some have not even gone beyond planning and feasibility stages a decade or more after the initial steps were taken to establish them. In the meantime, the costs of these projects have escalated beyond recognition. Thus, while other oil-exporting countries have managed to use their oil incomes to bring about structural change and transformation, the structure of the Nigerian economy has remained what it was in 1960 – mono-cultural and externally-oriented. All that has happened is that oil exports have replaced the exports of cocoa, groundnut, oil palm, cotton, etc.

It is now generally forgotten that 20 years ago, Nigeria was the world's most important producer of palm kernels and palm oil, the second most important producer of cocoa, the fifth rubber exporter and a major exporter of cotton, hides and skins, timber, tin and columbite. As rightly pointed out in the 24 August 1985 issue of the London-based *Newsletter Nigeria*, these traditional exports – which we have unfortunately now neglected – did not impair the country's ability to feed its population. It is not too late for Nigeria to draw a lesson from the experience of some neighbouring oil-producing countries that have continued to give the fullest attention to their traditional sources of income and employment generation and foreign exchange earnings. The proceeds from oil have been treated as a bonus not to be allowed to distort traditional values but as a means for diversifying the economy.

The neglect of the agricultural sector and the misdirection of efforts in public sector programmes for the sector is another major factor in the dismal economic picture. Policies have been short on incentives while emphasis, for long, was on direct public sector

involvement in agricultural production. Unfortunately, the huge public investment in production companies and in the various river basin development projects for irrigation purposes are yet to make any appreciable impact. The agricultural sector in Nigeria remains the backward sector it has always been, with lagging investment, productivity and unsteady performance. Its limited progress has accentuated the urban–rural gap and has accelerated migration from the farms to the further detriment of agriculture. The problems of the agricultural sector have been compounded in recent years by the overvaluation of the Naira which makes food production and cultivation of the old pre-petroleum export staples of palm oil, groundnuts and cocoa rather unprofitable.

Another problem is the adoption of an import-substitution strategy that bore little or no relation to domestic availability of raw material and other inputs. The establishment of industries that are fully dependent on imported inputs and often are involved in no more than a process of local assembly of imported knocked-down parts has done much to add more to Nigeria's import bill but little in terms of value-added and linkages for industrialization.

The Nigerian flair for conspicuous consumption of non-essential goods is also another source of its inordinate demand for imports and wastage of the foreign exchange earnings from oil. The consumption pattern and expectations of Nigerians has always in general run ahead of the productive ability and capacity of the domestic economy. Hence, before the austerity measures introduced in the last couple of years, Nigeria was a fertile dumping ground for all sorts of consumer goods. A recent ECA study estimates Nigeria's annual foreign exchange leakage at N2.0 billion. ECA has defined foreign exchange leakage as unnecessary and therefore avoidable foreign exchange expenditure.

One of the major social maladies of the Nigerian society is the love of things foreign, and for signing contracts and acting as commissioned agents for others. Very few are willing to be involved in the real tasks of production and in getting their hands soiled in the process of making things. Yet it is the latter and not the ever-ready willingness to make quick profits in trading in the manufactured products of other countries, that is the real task, or, if you like, the sinews of development.

There is a barrage of other equally anti-developmental attitudes and social patterns in Nigeria which are hardly conducive to progress. As already indicated, Nigerians in all walks of life tend to develop a dependency mentality and outlook which dispose them to

looking too much to the Government for the fulfilment of their aspirations. It is still not fully appreciated that no progress can be made unless the people are willing to assume the main burden of the development effort. Material progress, particularly large-scale material progress, cannot be taken for granted; it has to be worked for. In Nigeria, the prevalent attitude is always to share in the national cake rather than to work hard and conscientiously in the baking of it. This, together with the presence of ethnic and social diversity has led to extreme politicization of economic life and excessive fragmentation of the economy, all of which retard development. The exaggerated emphasis on regionalization and regional separatism has tended to promote economic inefficiency, fiscal irrationality and financial waste.

There is also the factor of political instability to which Nigeria has, unfortunately, been subjected since independence. Except for the brief period from 1970, after the end of the civil war, to mid-1975 when there was relative peace, Nigeria has experienced one form of political crisis after the other. The series of crises began barely two-and-a-half years after independence. The period 1962–1965 was consumed by the state of emergency in the old Western Region and treasonable felony trials. There were two military coups d'etat and a civil war between 1966 and 1970, and another coup and counter-coup in 1975–1976; 1979–1983 which was the period of the Second Republic was marked with political bickerings and turbulence culminating in the elections which were marked with violence and the takeover by the army once again on 31 December 1983. Another coup took place as recently as on 27 August 1985. The frequent and unpredictable changes in government and administration involved in these political upheavals surely make for uncertainty and for the retardation of the development process.

Nigeria has also since 1975 been the victim of institutional disintegration. The Nigerian Civil Services which were a tower of strength in the early post-independence years and were second to none as sources of unity and continuity are now no more than mere shadows of their former selves – thanks to the mass retirements of 1975 and 1984. In two fell swoops, Nigeria lost, by the thousands, a very large proportion of its most experienced and seasoned public officials. The irony of all this was that the huge investments which went into the education and training of these Nigerians during the hey-days of Nigerianization policy, both before and after independence, were lost to the public sector not because these officials were no longer capable of serving their country but because in our

attempt to punish the bad ones among them we threw out, as it were, the baby with the bath water. Why should we then be surprised about poor public sector management? Experience is one of the most valuable assets that any nation can possess. A nation that does not accumulate, conserve, cherish and optimize the utilization and exploitation of such acquired experience has no right to aspire to greatness, nor to economic prosperity for that matter.

V. THE NIGERIAN ECONOMY ON THE EVE OF THE COUNTRY'S GOLDEN JUBILEE, 30 SEPTEMBER 2010

I doubt if most Nigerians, particularly the leadership, asked themselves on 1 October 1960 what the new nation that was being born would be like 25 years later. At that time, 1985 would have looked far and distant. Perhaps if we had had some kind of a perspective, the course of our development might have been different. Perhaps! Certainly we would have had a greater recognition and perception of the scope, magnitude and complexity of the task ahead. But then in 1960 we were new to the art. We were newly born. Now that we are 25 years old – adult and maturing – we have no excuse for not looking into the distant future. And if we do not, we will be caught with our pants down. Of course, only prophets can foretell the future with absolute certainty. Fortunately as mere mortals we cannot. But we can make forecasts and projections into the future all the same. Socio-economic prognostication has become the pastime of social scientists.

The hazards of any socio-economic prognostication are, of course, too well known. No one can predict what historians call "turning points" in the lives of nations – those events which can move nations in new directions and lead them to the attainment of new and commanding heights. But even such events are constrained by various contexts and are shaped as well by basic trends in human society. Among the most dominant factors that shape the course of development are the demographic phenomena. Indeed, it is in this sector that projections tend to be reliable – if the base is dependable.

Population projections are now familiar. In ECA, it has become a routine exercise which is updated from time to time for all countries of Africa. Thus, according to ECA projections, the Nigerian population is likely to be about 220 million by the year 2010 – the year of the country's golden jubilee. This projection is based on the observed levels of fertility and mortality in 1985 and on the assumption that significant changes in mortality and fertility rates which are

consistent with current government policy will take place. Consequently, ECA has assumed an annual average growth of 3.4 per cent in Nigeria's population during the next 25 years.

What are the likely compositions of such a projected population? The numbers of children of ages 14 and below will be about 104.3 million. This is 48.7 per cent of the projected population and in absolute figures more than the total population of Nigeria today. The active population in the 15–64 age-group is projected to be about 111.1 million or 50.2 per cent of the total population. The aged (i.e. 65+) alone are estimated to be around 6.0 million. Thus, even in the year 2010 Nigeria will have a dependent population ratio of 50 per cent. Of this total population, an estimated number of 107.8 million (i.e., 48.7 per cent) will be living in towns.

What are the implications of all these from the demand – or, more correctly, basic needs – side? By the year 2010, total gross enrolment for primary and secondary schools will have reached 40 million and 32.2 million pupils respectively. The number of young men and women who will require post-secondary education will be about 25 million. The implications of these for teachers that have to be trained, the schools that have to be built, the millions of volumes of textbooks and other school materials, including laboratory equipment, that will have to be provided would stagger the imagination. Unless we begin to plan for these right now, educational services would be severely strained and as likely as not educational standards would fall to unimaginable levels.

How do we expect to feed over 200 million people 25 years hence, if today we are unable to feed less than half that population? When we also take into account such basic consumer goods which are expected to raise the living levels of the mass of the people such as potable water, clothing, shelter, simple medicines and drugs and other preventive health care facilities, etc., we should, with little imaginative effort, grasp the full implications of the doubling of Nigeria's population during the next two and a half decades, if we really intend not only to maintain the present low and wretched levels of living of our people, particularly the rural ones, but to improve them significantly. I myself do not believe that there is any possibility of financing imports of the implied orders of magnitude by foreign exchange earnings, gifts or debts and I can see no alternative other than that we plan to produce them ourselves.

In a country which has been continuously plagued by open unemployment and underemployment since independence and even before, and whose unemployment problems have been pro-

gressively aggravated since 1981, how can it be expected to create 4 to 6 million additional jobs annually? Yet this will be required if we are not to sustain such a large and volatile army of unemployed – particularly of educated unemployed.

I hope no one thinks I am just crying havoc, trying to scare. It will be foolish in the extreme for us to wish away the demographic factors. The race between population and economic growth will intensify during the remainder of the century and the first decade of the next. There is no doubt that Nigeria urgently needs a far-reaching population policy which will be vigorously implemented as a major component of its socio-economic policy. But such a policy will not begin to have impact on the demographic phenomena until the beginning of the 21st century. Meanwhile, the nation will have to contend with the grim race between population and economic growth and development.

Thus, as we reflect on the development of the Nigerian economy since 1960 and as we contemplate the future, one conclusion is inevitable. This is that the country has to make a complete and sharp break with many past and current policies and programmes and put in place short-, medium- and long-term policies and programmes that will enable the country not only to get out of its current economic crisis but also to resume growth and development so that when it celebrates its fiftieth anniversary it would have become a completely transformed self-reliant economy in which the process of self-sustained growth and development would have become internalized.

VI. THE ALTERNATIVE PATHS BEFORE NIGERIANS

What then, in the light of the foregoing analysis, are the alternative socio-economic paths before Nigerians? In attempting to answer this question, the first thing to emphasize perhaps is that people's capabilities, attitudes, mores and their social and political institutions and arrangements as well as the extent to which these institutions and arrangements are allowed to operate and function are the prime determinants of material progress. This is another way of reiterating the point which I made earlier that the development prospects of Nigeria depend very largely on the abilities, attitudes, motivations and self-discipline of its own people, including the ruling class (be they politicians or soldiers); the higher public servants and the business-cum-entrepreneurial class. These determinants, in the end, are more important than natural resources or

market prospects for exports, essential as these no doubt are. The future of Nigeria lies thus in the hands of Nigerians and it is left to Nigerians to decide if they want or do not want to build a greater prosperous, dynamic and egalitarian future for their country.

Admittedly, there are limitations imposed on Nigeria and Nigerians by factors such as the international economic order which they cannot handle alone on their own, and natural phenomena such as floods, drought and desertification, which are beyond their control. Nevertheless, the proper development of Nigeria must depend on a domestic order which sets the preconditions for progress in place and acts as the catalyst to further development.

Theoretically, there are two alternative development paths available to an underdeveloped and beleaguered economy like Nigeria's – the historical trends path and the normative development path. The former assumes no fundamental departure from the mix of public policies pursued, no significant change in people's attitudes and approaches to development and no major conscious changes in patterns of production, distribution and lifestyles of the people. On the other hand, the latter development path – the normative development scenario or a willed future development path – postulates radical departures from existing policies that have retarded progress, a radical change in attitudes and approaches to development and the restructuring of the patterns of production, distribution and lifestyles which will lead to the laying of the foundation for individual and collective self-reliance and self-sustainment.

I have no doubt in my mind that the only path of honour and integrity open to all Nigerians is for us to will a future for ourselves and our children by discarding the historical path and by pursuing relentlessly, with determination and vigour, the normative developmental path. I believe that all Nigerians will subscribe to this view.

If so, what actions must we take now and in the immediate future in the pursuance of this development path? We will all no doubt readily agree that our immediate focus should be the revamping of the Nigerian economy so that the present slide into economic stagnation can be arrested and reversed and the country can resume the course of development and growth. But where there is likely to be disagreement is what should constitute a package of programmes and policies for immediate implementation.

In addition to those suggestions that have been explicitly or implicitly made in the course of the preceding analysis, let me

proffer, for what they are worth, a few more. First, let us identify some areas of public sector management that call for the most urgent action. There is now abundant evidence to believe that the principal source of the considerable resource wastage in the Nigerian public sector is the high cost structure of construction works. Public capital projects tend to be excessively inflated for a variety of reasons. It has been estimated that the average public project in Nigeria costs thrice as much as a similar project in Eastern and Northern Africa and four times as much as a similar project in Asia. If this practice were to persist, rapid economic development will continue to elude Nigeria. There is no doubt that a lot is wrong with the Nigerian contracting industry. It is therefore imperative that urgent action should be taken to implement all the recommendations that have been made in recent years to eliminate all those parasitical middlemen and touts with no skill, capital or capacity beyond contact, known as *contractors*. Imagine what it would mean annually if a saving of 20–30 per cent can be achieved in the cost of implementing public sector capital programmes.

The high cost structure is unfortunately not limited to project implementation. It also affects expenditure on imports to the extent that the Managing Director of one of the banks in the country said some time ago that Nigeria does not get more than 25 per cent value for its huge expenditure on imports. This is indeed a very grave situation for any country to be in.

Between inflated contracts and over-invoicing of imports, Nigeria must be losing billions of naira annually, much more than what the country has been seeking from the IMF since last year. If we are to achieve a break from the past, the Government must ensure that immediate steps are taken not only to plug the holes but also to see to it that they do not re-open ever again.

Another area of public sector management which deserves urgent attention is the maintenance of public assets and properties. Because of inadequate maintenance budgets, public sector assets are often run down much faster than they would be if maintenance were correctly and regularly carried out. We should not in our understandable anxiety to create new assets allow old ones to be run down.

In the field of money and finance, there is need to devise policies aimed at reducing the present average annual rate of inflation which not only constrains the ability to increase taxation, both direct and indirect, but also affects the level of public and private savings. In the reduction of government budget deficits, particular attention is

to be paid to expenditures like defence spending which important as they may be, add little or nothing to the nation's productive capacity but account for a sizeable drain on the foreign exchange at this point in time when we must devote our entire resources to revamping our economy. The economic circumstances of Nigeria today should impel our armed forces to show the example by reducing significantly or substantially our defence budgets.

This brings me to a number of policy issues on which I would like to briefly comment. The first set of issues is perhaps best focused upon in the context of the current stalemate in Nigerian–IMF negotiations. As I understand it, there are three outstanding issues on which Nigeria and the IMF have not been able to agree; namely, the removal of subsidies on petroleum products, devaluation of the naira and import liberalization. These are the obstacles, as one understands, in the way of IMF loans to Nigeria, which loans some of our foreign trade creditors have made a precondition not only for rescheduling our trade debts but also for future term covers for business in Nigeria.

Absolute trade liberalization of a laissez-faire nature is unthinkable in modern day international economic relations, not even when the nations involved are developed countries. How much more for a developing country! It is a question of degree, however. Given the abundant economic waste and distortions that have accompanied the efforts in Nigeria to licence all imports, not to talk of the corruption, there should be scope for negotiation with respect to a reduction in the level and coverage of import licensing, for example. Part of the negotiation with the IMF could be to have a number of commodities, particularly industrial raw materials, transferred from the specific import licence, under which they are currently placed, back to open general licence. The same argument applies to petroleum subsidy which may not be prudent for us to jettison at present in its totality since such course would adversely affect and possibly even lead to the collapse of the industrialization effort in the northern parts of our country. But we could negotiate with the IMF as to the level of subsidies hoping that the IMF would realize and accept our right as a nation to use petroleum subsidy as an instrument of national development and integration.

When people talk about the devaluation of the naira, which in reality is nothing more than a reduction in the exchange value of the naira vis-à-vis other currencies of the world, it is little realized that the exchange value of the naira has not been all that fixed since the currency was first adopted and that it has in fact been on a generally

upward trend vis-a-vis the pound sterling. When the naira replaced the Nigerian pound in 1972, the rate of exchange was two to one; i.e., two naira to one Nigerian pound which in turn had an exchange rate of one to one with the pound sterling. Today, the naira is worth about 0.88 pound sterling which means that it has appreciated considerably vis-a-vis the pound sterling. The value of the naira has tended to move more in line with the value of the American dollar which of course is widely recognized to be currently overvalued. Yet the fact that a currency is overvalued does not mean that its devaluation must automatically be undertaken as a deliberate act of policy; it certainly says nothing as to the extent of devaluation.

The appropriateness of devaluation has to be considered in the particular context of the economic environment and structure of the country involved, since devaluation works best only when it is accompanied by a package of other complementary measures. Given the dictates and the structural parameters of the Nigerian economy, a devaluation of the order of magnitude suggested by the IMF may not be economically desirable, particularly in view of both the policy already adopted by the Central Bank of Nigeria in gradually depreciating (or devaluing) the naira against the dollar and the background of ravaging inflation and unemployment in the domestic economy.

Thirdly, in order to revamp the economy, investment priorities must be shifted more than ever before towards directly productive industrial, agricultural and mineral investments which will generate income at a higher and faster rate. The aims of domestic policies should be to reduce the rate of unemployment and inflation, and to stimulate food production and overall improvements in the productive capacity of the economy. In this connection, the current renewed attention to the agricultural and rural sector must be sustained and intensified in the years ahead not just from the standpoint of increased food production and food self-sufficiency but because the sector will remain the biggest employer of Nigeria's strong and able-bodied people even in the next 25 years. The same sector, with the proper package of policy measures and incentives, could once again resume its pre-independence position of producing sizeable crops for foreign exchange earnings. Since employment is in any case the basis of any nation's prosperity and continued improvement in the welfare of its people, it is of paramount importance that there should be a focus of attention on the agricultural sector in terms of production incentives, provision of essential services and creation of productive and remunerative employ-

ment opportunities for the rural people. The cropping patterns in Nigerian agriculture are admittedly not likely to change very much over the next 25 years, so the mainstay of production strategies must be heavy reliance on yield increases which can be achieved through the broadening of the production base, reduction in land and water degradation, cuts in post-harvest losses, and application of balanced package of inputs and remunerative price incentive.

Fourthly, as far as the industrial sector is concerned, there is an urgent need, first, for domestic policies aimed at revamping and rehabilitating the present industrial establishments. The rehabilitation policies should be directed towards substitution of local factor inputs for foreign inputs, including raw materials, reduction in the cost of production and increased capacity utilization. But there is also a long-term need for basic structural changes in the policy framework and strategy for industrial development, such that future dependence on imports for capital goods, industrial intermediate inputs and basic consumer goods would be reduced. This calls for an inward-looking industrialization policy based on authentic Nigerian basic needs and factor endowments rather than the inherited colonial pattern of consumption. In this regard, there is need for continued efforts on the part of the Government and determination on the part of the people to rid themselves of the colonial mentality and change their consumption patterns and lifestyle which tend to mimic foreign patterns. There is also urgent need to ensure that the country's iron and steel industry, the pulp and paper industry, the petrochemical industry and the liquified natural gas project become a reality without much further delay. These were industries that were designed to lay the foundation for the industrial take-off of Nigeria more than a decade and a half ago.

Fifthly, given the serious implications of a continuation of past demographic trends in Nigeria, it has become necessary that the country adopts a population policy that reduces to the minimum the birth and the death rates. While a zero rate of growth might be seen to be an extreme measure, the fact that major changes in population take a long time and given also the young structure of the Nigerian population, a drastic structural change in the demographic situation cannot occur just within the next 25 years. But still, there is need for a new and better demographic setting in Nigeria if it is to escape the unsustainable pressures and tensions that will surely result from an unbridled explosion in population. Concerted efforts must be made, as a first step, to ensure a more balanced expansion in the population by reducing the existing annual growth rate and by

evolving a better utilization of population as a resource that is directed towards itself and its own development and welfare.

Finally, Nigeria has to face most seriously and urgently the dangers which corruption and corrupt practices pose to the well-being of its body politic and its economic revival and survival. It looks as if the situation becomes worse every day. Of course, all societies have corrupt features and developing societies perhaps more so than the developed ones. But in Nigeria, particularly in recent years, corruption has become so pervasive that the danger of its becoming internalized is indeed very real. In fact, some people might argue that it is already internalized. From all accounts, the corrupt practices that have hit the headlines in recent times make many observers view the country's future with concern and anxiety unless they are eradicated. If there is a ranking of countries by the scope, magnitude and widespread nature of this cancer, Nigeria would be in the top league. Of course, the fact that corrupt practices are more readily exposed in Nigeria than in many other countries may be responsible for the creation of this impression. But be that as it may, there is no doubt that it is an enemy against which we must wage a total war until it is vanquished.

Why are corrupt practices so widespread in the country? In answering the question, we must draw on the works of an increasing number of political sociologists who have argued that politics and government in a heterogeneous country like Nigeria have a large primordial component to them and that the participants are people who appear to share no consensus of values regarding the 'rules of the game' and who have no qualms in promoting particular, primordial interests rather than genuine civil public interests. In such circumstances, such people are more loyal to their primordial groupings than to their national society. Thus, a perfectly honest public official who would not think of stealing a kobo from his primordial grouping would have no qualms whatsoever in robbing the national treasury.

This sociological dualism does have a sobering effect for national economic development as it makes the eradication of corruption all the more difficult. Whereas a public official may stand condemned nationally and even be convicted in a court of law for corrupt practices, he may still be regarded as a hero in his primordial society which sees nothing wrong in his robbing the 'alien' civic public. How to bring about a consensus of values is consequently one of the greatest challenges of our time, for without it we cannot hope to eradicate corruption.

VII. CONCLUSION: THE NIGERIAN FACTOR IN AFRICA'S CONTINUED UNDERDEVELOPMENT

The time has come for me to conclude these reflections on the development of the Nigerian economy since independence and the prospects for the years ahead. Let me do so by putting the Nigerian development or lack of it within the context of the overall development perspective of sub-Saharan Africa.

Nigeria, as one of the sub-Saharan African countries, occupies a uniquely dominant economic position. It is Africa's economic colossus. While it comprises only 4.2 per cent of sub-Saharan Africa's land area and 24 per cent of its population, it accounts for about 45 per cent of its GDP. Consequently, the overall performance of the economy of sub-Saharan Africa cannot be dissociated from what happens or does not happen to the Nigerian economy. The visible and physical linkages may be few but there is no doubt that a vibrant Nigerian economy will be of invaluable psychological, economic and political boost to a sub-continent that is miles away from being able to lift itself by its own bootstraps. Conversely a stagnant or economically backward Nigeria may have just the opposite effect by acting as a depressant. In other words, the demonstration effect of Nigeria's success or failure in economic matters is real enough for the African continent.

In essence, what I am saying is that the need for good economic management in Nigeria transcends national interests. Therefore, the Nigerian Government and people owe it as a duty not only to themselves but also to Africa to manage their economy wisely, judiciously and honestly. What happens to the Nigerian economy is not the affair or concern of Nigerians alone; it is of concern to the wider continent as most African countries look up to it as the beacon. Will Nigeria rise up to the challenge?

It was my privilege this time 12 years ago on the occasion of the thirteenth independence anniversary of our dear country to broadcast on the national network of Radio Nigeria on the country's economic position as it was in October 1973. I am tempted to end my contribution to this twenty-fifth jubilee anniversary symposium by quoting the last paragraphs of that 1973 independence radio broadcast delivered in my capacity as the Federal Commissioner for Economic Development and Reconstruction:

> Fellow countrymen, the task of economic and social trans-

formation of Nigeria though not an easy one is the greatest challenge which faces all of us – the government and the governed. It is the way that we tackle this challenge that will decide whether or not we shall become a great and prosperous nation. There is no instant development. Nor is there a painless one. All the countries that have achieved greatness in the economic sphere have done so through hard work, the toil and sweat of their people, self-discipline, the tightening of belts and, above all, a singleminded determination to pull themselves up by their own bootstraps.

I have no doubt that we, the people of Nigeria, can be as determined, dedicated and disciplined as any other people in the world. Therefore, as we celebrate our thirteenth birthday anniversary as a sovereign nation, let us rededicate ourselves to this great and grave but exciting and worthwhile task of promoting the most rapid economic and social transformation of our dear and beloved country.

... The favourable combination of resource endowments (in Nigeria) only establishes the fact ... that our country's potentials for growth are really great ... Unless we mobilize these resources, unless we manifest the will to optimize their use, to pursue rational economic policies and not fritter our resources away on conspicuous personal consumption and prestigious non-productive public investment, we shall remain indefinitely a country of great potentials and relatively little achievements.

It is not unknown in history for potentially great nations to fail to realize their full potentiality through their ineptitude, incompetence, lack of vision and the mismanagement of their economies.[32]

VI Pluralism as a Factor in Africa's Development and Modernization

Tom Mboya Lecture

Given under the auspices of the Kenya Institute of Management
18 December 1975

When I received the invitation at the beginning of this year to give the Tom Mboya Memorial Lecture for 1975, I had no hesitation in accepting it. I did so at that time for two reasons. First, I thought it would give me the opportunity to contribute to this series of lectures in the memory of one of the outstanding sons of Africa. Secondly, as a Fellow of the Nigerian Institute of Management, and until recently, a member of its Governing Council, I could not resist an invitation such as this from its Kenyan counterpart.

Since I accepted the invitation, I have left the Nigerian Government to assume the headship of the United Nations Economic Commission for Africa, and this has given an added reason for wanting to participate in this annual lecture series. For, as you are no doubt aware, the late Tom Mboya was the Chairman of that Commission for the year 1968/69 and he discharged the responsibilities of that office with such characteristic devotion and conscientiousness that he readily earned the affection and esteem, not only of the staff of the secretariat of the Commission, but also that of the member States.

However, while I had no difficulty whatsoever in accepting the invitation, I have had considerable problems in deciding on what to talk about. In fact, as the day for the lecture drew nearer, I was tempted to send a cable to the Executive Director of the Institute to the effect, to use the usual bureaucratic language for dodging an assignment, that owing to circumstances beyond my control, I was no longer available to give the lecture!

The difficulty in the choice of topic arose partly because I was very conscious of the convention which surrounds a memorial lecture such as this. One should, as much as possible, speak on a subject which is not entirely removed from the interest of the man in whose memory the lecture is given. Moreover, the interest of the audience also needs to be taken into account.

After a most careful thought and consideration I decided to talk on *Pluralism as a Factor in Africa's Development and Modernization.* After all, Tom Mboya, as one of the architects of Kenya's independence, and as a man who held public office from the time that independence was achieved until his untimely death, did have to grapple, in collaboration with his former colleagues in the Government of Kenya, with the problems posed to public policy and programmes by the heterogeneous character of the Kenyan society. These problems are today the major concern of the Kenyan Government as they were in the days of Tom Mboya. And, indeed, they are problems facing all African countries. The probability of his approving the subject of the lecture, were he alive, is therefore very high. I hope that you, who have come this evening to listen to the lecture will not find it too esoteric. If all it does is to provide you with some food for thought, it would have served some useful purpose.

Africa: Its Society and Economy

With over 300 million people and accounting for about 22 per cent of the world's total land area, the continent of Africa accounts for about one-tenth of the world's population although it is the second largest continent in size; second only to Asia. In so large an area, there is bound to be a great diversity of peoples, climate, natural resources and patterns of technological, economic and social organizations. Africa is perhaps the most heterogeneous continent.

Although the continent was the seat of many ancient civilisations, it was only in the sixties that most African countries became sovereign States. Today, there are forty-seven independent African countries. Up to independence, the economic and social development was largely shaped by the inherited colonial and pre-colonial past.

While it is true that substantial progress has been made in the social and economic field, the achievement has been far from being spectacular. The continent still possesses the traditional scourges of mankind: it is ill-fed, ill-clad, ill-housed and largely illiterate. Except in the Union of South Africa, the Arab Republic of Egypt and one or two other countries, the greater part of the population lives within the framework of the traditional economy, with subsistence and/or peasant agriculture predominating. Africa has the dubious distinction of harbouring 18 out of the 29 least developed countries in the world.

These challenges would have been enough to daunt even the most

dynamic and determined leadership. But the African situation is further complicated by the pluralistic nature of its society and economy.

At this stage, I should perhaps explain as carefully as I can what I mean by pluralism in the context of this lecture. Pluralism is more often than not used interchangeably with 'dualism' – a concept which the late J.H. Boeke first elaborated.[33] Dr Boeke gave the formal definition of a dualistic society as follows:

> Social dualism is the clashing of an important social system with an indigenous social system of another style. Most frequently the imported social system is high capitalism. But it may be socialism or communism just as well, or a blending of them.[34]

This dualism he says is a 'form of disintegration which came into existence with the appearance of capitalism in pre-capitalistic countries'.[35] Since Boeke wrote some twenty-two years ago dualism has come to be described in economic literature to include, not only the coexistence of regions at different levels of development in the same country, but also the coexistence of economic sectors at different levels and rates of development. The concept has been further extrapolated to cover generally the coexistence of a sophisticated and a simple or traditional sub-system within a given society or economy. Thus we now have all shades and types of dualism – technological dualism, sociological dualism, legal dualism, and what have you.

Sir W. Arthur Lewis has described the pervasiveness of these various forms of dualism most poignantly. As he has rightly pointed out, 'we find a few industries highly capitalized, such as mining or electric power, side by side with the most primitive techniques; a few high class shops, surrounded by masses of old style traders; a few highly capitalized plantations, surrounded by a sea of peasants. But we find the same contrasts also outside economic life. There are one or two modern towns, with the finest architecture, water supplies, communications and into which people drift from other towns and villages which might almost belong to another planet. There is the same contrast even between people; between the few highly westernized, trousered natives, educated in western universities, speaking western languages, and glorying in Beethoven, Mills, Marx or Einstein and the great mass of their countrymen who live in quite other worlds'.[36]

Africa is thus a dualistic economy *par excellence*. All African

countries manifest glaringly the phenomena of dualism. But, in addition, there is the complication that in every African country the society is heterogeneous. The coexistence of many ethnic groups, each with its own distinctive cultural characteristics, social structure and mores, organizational behaviours, and different attitudes to work, saving, investment and consumption, is a phenomenon that is common to all African countries, south of the Sahara. This is an aspect of pluralism to which scant attention has been paid by economists.

The study of the social and political implications of multi-ethnicism in the development of a country has been left virtually to sociologists and anthropologists. Scant attention has been paid by economists and policy makers to the role which multi-ethnicism can play in the development processes. In a way this is not surprising. For over the last hundred years, the traditional cultures of Africa – the arts and customs and beliefs of the scores of diverse ethnic groups in Africa – have seldom appeared worthy of honour and respect. Indeed, as Basil Davidson puts it, 'so great has been the down-thrusting impact of colonial rule that many Africans have come to share the denigration of their own historical achievements'.[37] So pervasive was the denigration that both inside and outside Africa people agreed for a long time with the dictum of a former colonial Governor of Kenya that Africans are so primitive that for civilising purposes they are almost a clean slate.

In retrospect, it is not difficult to understand why the outside world (largely the invading world) misunderstood and misinterpreted what it found in Africa. For the multi-ethnic nature of Africa, south of the Sahara (or what the outside world derisively calls tribal society) is so complex and bewildering that even with the best will in the world it is difficult for a foreigner to comprehend fully. But some of these so-called tribal societies are larger in population than some of the European nations. For example, the Hausa-Fulani people of West Africa must number about 25 million with nearly 18–20 million of them living in Nigeria. The Yoruba people also number 16–17 million people with about 15 million of them living in Nigeria.

But thanks to colonialism with its attendant partition of the continent into geographical areas with scant regard to ethnic homogeneity, each of the countries of Africa, south of the Sahara, has a large number of ethnic groups. For instance, here in Kenya, there are as many as forty-eight ethnic groups, the three largest being the Kikuyu, the Luo and the Luya with approximately 20, 14

and 13 per cent of the population respectively. In my own country, Nigeria, although there are dozens of ethnic groups, the Hausa-Fulani, the Yoruba and the Ibo account for over three-fifths of the population. And if you add the Kanuri, Ibibio-Efik, Tiv and Birom, Ijaw, Edo, Urhobo and Nupe – 10 ethnic groups in all – you have 80 per cent of Nigeria's population of about 70 million. True enough, there are very small countries with an equally large number of ethnic groups. For example, Sierra Leone with only a population of about three million is reputed to have as many as sixteen ethnic groups. Although the Temnes and Mendes between them account for 60 per cent of the total population, the remaining 14 ethnic groups share among themselves the remaining population of 1.2 million. Thus ethnically, Africa is indeed a pluralistic society! Even in the Islamic Republic of Mauritania where religion provides a unifying factor, there are four major ethnic groups (the Pular, Sonemke, Wolof and Arab).

Because of this pluralism, some of the most obvious elements in African traditional culture were despised by colonial invaders and settlers and an often bigoted band of Christian missionaries. Others, particularly those that rested on religion and metaphysical belief and speculation, either remained utterly unknown or were ignored. Little wonder that the literature has concentrated on the negative and divisive aspects of African societies – separateness and exclusiveness, mutual antagonism, clannishness, nepotism and what have you. My purpose this evening is to examine with you whether there are not enough positive aspects of the African pluralistic society which can be exploited for the purpose of development and modernization. And if, as I believe, there are, how can this best be done.

The Development and Modernization Processes

Before answering these questions, let me attempt to state as clearly as possible what development and modernization should mean to Africa.

First and foremost, the fact has to be admitted that social and cultural factors as determinants of economic development and modernization have received too little recognition in planning procedures. This is not surprising because the theories of development and modernization which African countries inherited have themselves, at best, treated social and cultural factors as neutral and, at worst, as I have already pointed out, as being inimical to development. And economic policies in most African countries

have been externally oriented. They have linked the rate and direction of internal socio-economic change with dependence on export markets, on the one hand, and on the imports of skills, technology, capital goods and services and modern consumer products, on the other. Because policies of African governments were largely influenced by external considerations, insufficient attention has been paid to the structure of the economy and society which they took over from the departing colonial masters. Had they paid adequate attention to this fundamental issue, they would have easily discovered that what they had inherited was an enclave-like structure – a tiny island of development surrounded by a vast sea of rural and traditional societies engaged in subsistence production. And no matter how hard they may try, socio-economic development is most unlikely to take place for a long time to come. Fortunately, it is now increasingly recognized that socio-economic development and modernization processes which do not involve popular participation, the adaptation of local institutions and organizations are bound to fail if they ever take off the ground. What African policy makers and planners and social engineers and innovators should seek for is a symbiosis between African traditional inheritance and the new things of the whole wide world. Indeed, one can see from the lessons of the past that pre-colonial Africa achieved such a symbiosis of African and non-African cultures. It is not surprising that colonialism first arrested and later suffocated this process. However, if we are to achieve in Africa socio-economic development and modernization that will be internalized and self-sustaining, it must be a synthesis of what is good and positive in Africa's traditional, social, economic and cultural systems and the ways of the new world of industrialism and technology.

This is not to suggest that Africa should not borrow from these countries and many others. It is not even to suggest that some countries should not, if they so desire, adopt more from the West while others, if they wish, adopt more from the Soviet Union or China. But what is being argued here is that a development and modernization process that is externally oriented, that is based on copying other societies hook, line and sinker and which fosters the disintegration of its native cultures will soon wither away or at most have a very stunted growth.

David E. Apter who has written a lot about development and modernization has argued, rightly in my judgement, that modernization is, first, not synonymous with industrialization as

many Western writers tend to suggest and, second, is a particular case of development but also that it implies three conditions. First, a social system that can constantly innovate without falling apart; second, differentiated, flexible social structure; and, thirdly, a social framework to provide the skills and knowledge necessary for living in a technologically advanced world.[38]

No one who is familiar with the African scene will dispute the fact that the type of modernization that is taking place in most of Africa, South of the Sahara, is not the type described by Apter but the type that Chodak has termed *acculturative modernization.*[39] This is a buffer culture 'belonging neither to the traditional African society nor to the foreign culture alone'. Such a culture promotes 'a duality of norms, patterns of behaviour, attitudes and structural affiliations. It implies that people could behave according to the norms of old culture or of the new one, depending on the circumstances. A whole world of syncretic phenomena is generated by the buffer culture'. Chodak goes further to assert that acculturative modernization is a process of alienation. 'The African is alienated from his society and transformed into a superior inferior', he says.[40]

There is also another form of modernization which is taking place in Sub-Saharan Africa. This is induced or imitative modernization consisting of patterning a country's organizations, institutions and value orientations after those of industrialized countries. It results in the acceptance of the norms and values of the industrial societies. This process of induced modernization is in reality hardly distinguishable from that of acculturation. One leads to the other. Both have displayed impacts on the African societies as they do not take full account of the pluralistic nature of those societies.

Now societies differ widely from each other in the extent to which their members perceive of development and change and therefore seek out and exploit economic opportunities. There are differences among the developed countries – the British society differs widely in this respect from the American society. And even within a given country there are differences between ethnic groups (in Britain between the Welsh, the Scots, the Irish and the English). Needless to say that these differences are more marked between the different ethnic groups in Sub-Saharan Africa.

What then are the causes of these differences? First, they are due to differences in valuation of material goods relatively to the effort required to get them. Second, they are due to differences in available opportunities. Thirdly, they are the product of the differences in the extent to which social, economic and political institutions

encourage effort, either by removing obstacles in its way or by ensuring to the individual the fruit of his effort. Fourthly, there are real psychological differences in the willingness to make effort. As Gunnar Myrdal points out in his *Asian Drama*, 'attitudes and institutions represent heavy elements of social intertia that hamper and slow down the circular causation within the social system.'[41]

I believe I have said enough to show how complex the development and modernization processes are, how inter-related they are and how futile it can be if these processes are not indigenized through the processes of symbiosis. A process of development and modernization that fails to take account of the ethnic factors in Africa, with all that these imply in terms of differentiation in regard to institutions, attitude to work, savings and investment, valuation of material goods and so on, will fail.

The challenge to African governments and their advisers therefore is how to exploit the multi-ethnic nature of their societies with all these differentiations as a set of complementary input in development effort and, therefore, as a positive factor too. In other words, given the diverse nature of the ethnic groups in each African country, what sort of social and economic mechanisms have to be set in motion to achieve the goals and spread development and modernization?

It will be my task during the rest of this lecture to explore the various possibilities. In doing so, I shall concentrate on a limited number of specific policy and programme areas. These areas relate to (i) mobilization of resources, savings, investment and consumption; (ii) planning processes; (iii) self-help and self-reliance; (iv) rural transformation and development; and, (v) employment policies and practices in the public sector.

But before doing this and in view of the emphasis which I have placed on the strong link between the so-called economic factors and the non-economic factors such as institutions and attitudes to work and savings, and to material progress, and the fact that there are differences among ethnic groups as far as reactions to economic opportunities are concerned, I should like to discuss briefly the concept of 'group-focused' and 'ego-focused' images of change.[42]

Basically, the 'group-focused' image of change can be defined as a situation whereby the society believes in the implementation of a project provided the benefits from such a project are going to be equally shared by all sections of the community. This type of behaviour is usually associated with the 'communal, co-operative, cohesive type of society in which the individual members of such a

society usually have a definite place and role assigned to them, and the possibility of change and improvement in their economic fortunes hardly enters their horizon. The total product having long been stationary, individual improvement could only take place at the expense of other members and of the cohesiveness of the group. Exceptional performance is therefore discouraged and penalized by a variety of social mechanisms of which the accusation of practising witchcraft is the best known.'[43] In effect, community projects such as road, community school, town-hall, local health centre and clinics building are favoured by such societies.

In contrast to the 'group-focused' image of change, however, the 'ego-focused' image of change sees change as possible for individuals who can perceive economic opportunities and seize them. And such a change is not visualized for the group as a whole. Here we find the image of the proverbial entrepreneur of the classical theory who, unfettered by any controls, seeks opportunities for material progress and risks his capital and entrepreneurship to maximize his profits. Such an individual loves freedom and mobility and tends to despise people that could be identified with the group-focused type of image of change. Such individuals are usually interested in large-scale development programmes which aim at transforming the economy and where social mobility and the fact that individuals could take advantage of the opportunities created by public investment in social and economic infrastructure to foster their own economic interests are accepted. And in such a situation, the interests of certain individuals and/or groups are adversely affected and tensions can therefore not be avoided. However, where are there no tensions, particularly where human activities are concerned under dynamic conditions? In any case, the clash of material interests at least causes society to change continuously.

As I said earlier on, differences of interests whether economic, political or cultural still exist among the ethnic components of the so-called industrially advanced countries, and these countries are continually taking cognizance of this fact including the devolution of political powers to the regions within the country and the mounting of programmes in the framework of regional development for 'depressed' areas. These efforts are directed to the balancing of the interests of the disadvantaged groups against those of the nation, on the one hand, and of those of the economically and socially better-placed groups and individuals on the other. Indeed, these more advanced countries are involved in what has been called 'tension

management', an exercise which I believe must receive increasing and continuous attention from African poicy makers if the national consensus and the public order which we are striving at, in addition to social and economic development, are to be achieved.

Our interest in the concepts of group-focused and ego-focused images of change lies in their positive and negative effects for social and economic development. We have already talked about the negative aspects of group-focusedness for large-scale development projects and its positive effects for community development projects. Similarly, we have talked about the positive effects of ego-focusedness for projects that are likely to have propulsive effects on development. However, in addition to tension creation, its drawbacks include the tendency to divert energies to such less development-oriented activities as lotteries and other speculations such as investment in commodities, foreign exchange and real estate, and unwillingness to co-operate with others in undertaking more worthwhile projects because of belief in individual successes. In reality, this type of attitude to development lacks one essential factor in the development process, what Albert Hirshman has called 'the co-operative element' of entrepreneurship.

It may be true as Sir Arthur Lewis says that 'the growth of income per head in Western Europe and North America in the last few centuries is very rightly associated with the growth of economic freedom; of freedom of the individual to change his social status or his occupation; freedom to hire resources and combine them in ways which increase output or lower costs; and freedom to enter trades in competition with others who are already established in those trades'.[44] But as he has been quite quick to add, 'however, individualism is not necessarily the quickest road to economic development. Collective action is also necessary, and in certain circumstances, may even have quicker results. Collective action and cohesive sentiment are not merely necessary to growth, they may also in certain circumstances achieve results superior to those achieved by individualism'.[45]

Mobilization of Resources

Let me now explore with you, albeit briefly, how we can use our pluralism to advantage in specific policy and programme areas beginning with the mobilization of resources for development. Let me warn that given the state of our knowledge on this subject, I am more likely to raise questions and suggest possibilities than provide definitive answers.

One of the critical factors for material progress is the availability and use of capital. The growth of capital in any economy depends on the rate of capital formation, which, in turn, is dependent on the rates of savings and investment. Savings themselves result from consumption out of any given income being less than that income. What is not consumed out of the income is saved and subsequently invested.

There are many factors which affect the savings ratio: the level of personal income, attitude to the need to put something aside against the rainy day, and reasonable expectations that one will not be deprived of the enjoyments which may derive from such savings in the future and the cultures and mores of the society. It is true that the marginal propensity to consume of the poor is higher than that of the rich or conversely, that other things being equal, that the rich tend to save more than the poor. But just as individuals differ in their attitude to savings and investment, so do the various ethnic groups and so do different societies.

Unfortunately we do not have enough information about the savings habits of the different ethnic groups in Africa. All we have in the textbooks is the rather unfortunate and untrue generalization that, because Africans discount the future very highly, they generally do not save at all or they save very little. How can African governments mobilize savings for investment purposes without a full knowledge of the savings habits of their peoples and ethnic groups?

Instead, over the years the governments have approached the resources mobilization policy through such programmes as the establishment of savings institutions – post office savings banks and commercial banks – and through savings campaigns. In those societies where traditional savings institutions exist no attempt has been made to explore ways and means of modernizing them. Instead, savings institutions developed in Western countries have been imported *in toto* in Africa. Apart from the general inadequacies, in terms of quantity and quality of services, of these imported institutions, the majority of Africans being illiterate do not fully understand how they work. Besides, these institutions have become the instruments for siphoning the surplus from the rural areas to the urban areas. No doubt, if policy makers could take the trouble to find out the savings habits of the different ethnic groups in each country, what needs to be done to motivate each of them, find out what traditional institutions exist and how they can be modernized to suit the growing needs of the society and if they

(the policy makers and the governments they advise) can devise mechanisms for ensuring that the resources thus made available are ploughed back either fully or substantially into the areas rather than being siphoned to the cities, the effort at resource mobilization will yield much greater fruitful results than has been the case in the past.

Planning Processes

Now to my second illustration – the planning processes. There is hardly any independent African country that does not have a national development plan today just as there is no independent African country that does not have a national flag and a national anthem. National development plans have, as it were, become one of the symbols of nation-hood and of modernity. But as we all know, they are respected more in the breach than in the observance. They are almost invariably under-implemented: performance bears no relations to projections. Consequently, the rate of development of many an African country has fallen short of expectations. The continuing failures of governments to meet the expectations of their peoples for rapid socio-economic development could only have the effect of increasing the corrosive cynicism about governments with its consequent threat to political stability.

Indeed one of the most serious weaknesses in our planning processes is the neglect of the pluralistic nature of our society. This is no doubt due to the fact that our planners and policy makers share the conventional wisdom that the multi-ethnic nature of Africa is *ipso facto* inimical to progress. Yet a pre-requisite of effective planning is a sensitive awareness of the diversity of cultural situations within each country. In Sub-Saharan Africa, governments have to accept that local adaptation may be as important as central policy. Although there is now a growing awareness that quantitative planning, essential as it is, is no more important than considerations of content and qualities, this awareness is yet to be extended to the cultural diversity. Little wonder that the people do not feel involved; they consider the plans as government plans rather than theirs. To take due cognizance of the multi-ethnic nature of Africa in the planning processes demands that decision-making should be diffused, flexible and the differences in the levels of achievement in the socio-economic field among the different ethnic groups must be internalized into the planning system. It is by doing this that the much-talked about planning from below or grassroots planning can be achieved. Popular participation will be accomplished and the

logic of adapting local institutions and organizations will become imperative.

Any country that fails to do this, may achieve some growth but it is not likely to achieve much development. Its modernization will be no more than symbolic. As Galbraith has pointed out, 'the economic well-being (of the people) is not much advanced by symbolic modernization. More often it is retarded for those who must pay the bill. And much symbolic modernization is a political strategem for fooling people into believing something is being done ... it is a form of monument-building by which politicians commemorate their existence and also their inadequacy at public cost'.[46]

Self-Help and Self-Reliance

This brings me to the all-important issue of self-reliance and self-help. Our declared determination to be self-reliant, to pull ourselves up by our own bootstraps is non-negotiable. But we cannot achieve this laudable objective unless we undertake an agonising reappraisal of our development strategies and the mechanisms for implementing such strategies. There is a fundamental inconsistency between the declared aim of self-reliance and the continued picturing of development as being no more than the faithful imitation of the developed countries.

If by self-reliance we mean, among other things, that our development must be indigenous and not a carbon copy of that of another society and must be internalized and self-sustaining and not grafted, then we need to exploit the multi-ethnic nature of our society to our best advantage. We have already indicated how this can be done in the field of resource mobilization. Let us now see how we can accomplish the same objective in the no-less major task of institution building for development.

In pursuance of the policy of self-reliance and self-help, of popular participation in the development processes, our development effort has to be built around appropriate indigenous institutions properly modernized, rather than discarding them and importing new ones. By organising development efforts around such indigenous institutions, government will be able to generate a strong sense of devotion and leadership among the people. We talk a great deal about the shortage of managerial talent and other resources for backstopping major rural development projects particularly agricultural projects. But invariably, the problem has been that we were interested in the imported institutions and so were

looking for the classical entrepreneur with his creative quality and individualistic personality. It does appear that we have not exploited to our fuller advantage the potentialities of traditional institutions particularly as a basis for evolving a new institution that will be more appropriate to the type of economic and social development that we envisage for our societies.

In general, institutions promote material progress according to the extent that they associate effort with reward, according to the scope which they allow for specialization and for trade, and according to the freedom they permit for seeking out and seizing economic opportunities. Similarly, once economic opportunities become available, institutions will accommodate themselves so as to protect incentives and to encourage trade between ethnic groups. Thus it follows that change reinforces itself cumulatively either in the direction of growth or of stagnation depending on the original direction of change. It is because of this cumulative interaction of economic opportunities and of beliefs and institutions upon each other, that it is usually so difficult to lay one's finger on the 'fundamental' cause of change.

And in the words of Professor Lewis again, 'the adjustment of institutions to changing economic conditions may be a painful process. It is neither balanced nor complete. Change begins at some spot in the web of beliefs and relationships, and spreads outwards from there. Consequently some beliefs or habits in the culture are changed completely, while others continue to be held firmly. The old and the new are mixed illogically and in curious proportions, which differ widely from society to society. The transformation is never complete. This is why Western capitalist countries differ so much from each other even today. They retain precapitalist ideas in different proportions, and differ in such matters as the closeness of kinship ties, equality of opportunity, attitudes to private entrepreneurship, attitudes to private wealth, and many other matters'.[47]

Thus, while lessons may be learned from the records of social evolution in other countries, the fact that situations may differ, and do differ, demands that we make deliberate efforts to understand our institutions and adapt them to the objectives being pursued. Such an approach demands more fundamental social and economic research into our socio-economic systems and the consequent elements can be brought forth and encouraged. It also means that our planning mechanisms have to be flexible, always looking for innovations for dealing with our social and economic problems.

In this connection, the public sector institutions – the central, pro-

vincial and local government services, the public corporations and companies – have also to be remodelled for tackling the problems of socio-economic development in the context of pluralism. We shall have more to say on this in a few moments, particularly in relation to employment policies.

Nevertheless, in view of the importance of institutions not only for the formulation of development plans but also for their successful implementation, considerable attention has to be paid to them, particularly at various levels of ethnic groups, in relation to specific programmes and projects. Indeed, all talk about participation in the development process will be meaningless unless traditional institutions are involved in the formulation and implementation of development programmes and projects, even though such institutions may have to be modified. And this is an added reason why they have to be identified and evaluated particularly when projects are being proposed for formulation.

Rural Development and Transformation

Since African countries are *pro tanto* rural communities, to talk of rural development and transformation is in fact to talk of the development and transformation of the whole economy. And in this respect one might say that the problems involved have been covered when we considered the planning processes. However, there are some differences. Here we are concentrating on the exploitation of pluralism in the rural area as opposed to the whole country for the purpose of social and economic development. Moreover, in view of the preponderance of agricultural activities in the rural area, one might equate rural development and transformation to agricultural development and transformation. But this approach will be entirely wrong since there are activities other than agricultural in the rural area which cater for the economic and social needs of the people.

Now the rural setting provides for the identification of pluralism and its different advantages and disadvantages in their true colour. Indeed, it is here we find the interplay of economics, politics and cultural affinities in its full force. And any development activities that do not take into account these special features are bound to fail.

Take for instance the allocation of financial and other resources on the basis of economic efficiency. If this approach were to be adopted, then some sections, groups or regions are bound to be left out of the development process, a situation that is bound to cause ill-will and tension. Yet, allocation on the basis of efficiency is a *sine qua non* for economic growth, which, as we have mentioned earlier

on, is basic to the satisfaction of most of the other development objectives. Thus, we have no alternative but to engage in what we have earlier on called 'tension management'. The desirability for economic growth and the consequent dependence on the use of the reference groups or the pace setters – the ego-focused group of change-agents – has to be balanced against group or regional equity. Indeed, what has been called 'corrective justice' has to be consistently followed in a pluralistic society where some groups and/or regions have been left behind in the development race due to no faults of theirs. The consequences of history and environment have to be continually corrected as development goes on. This in effect means that resources may be transferred from the more developed regions or groups, particularly from the urban areas, to the disadvantaged rural areas.

As far as institutions are concerned, the traditional institutions for tackling existing socio-economic problems should be the starting point for any development project. It is within this context that one can discover whether the existing values, prejudices and other values have to be modified or changed completely. We have already indicated that community projects are usually favoured by ethnic groups provided the benefits will accrue to the members of the group as a whole.

However, large-scale programmes can still be supported by various ethnic groups, especially if they make provision for group or individual activities in the framework of the large-scale programmes which can provide such services as credit, extension services, marketing, health, education, tractor-hiring, feeder roads, and provision of new seeds and fertilizers in the case of agricultural development undertaken by a central authority.

In recent years, a lot has been said about the lack of funds and skilled manpower to provide such services simultaneously all over the country. However, this type of gaps in the development process can be attributed to the unwillingness of government officers to identify existing local institutions, understand their functions and see how they can help in the development process. Indeed, it is imperative that we look to the local communities for a fresh approach to institution building.

In this connection, one cannot but be impressed by the Special Rural Development Programme of Kenya which is, in a way, a response to the demands of the minority groups for participation in the development process and to the willingness of the government to raise the standards of living of the disadvantaged groups. This

planning and implementation of multi-sector programmes for specific rural areas, which involve participation by local-level staff, focusing principally on the district and sub-district levels, can go a long way in redressing the imbalance between the income and the opportunity of the privileged and the under-privileged minorities. But more important for our purpose is the fact that such positive attitudes to the claims of those who are behind in the development race should not be restricted to one particular sector only. Thus one is particularly impressed again by the specific measures which the Kenyan Ministry of Commerce and Industry took to encourage traders and industrialists in some 'so-called neglected areas'; by those of the Ministry of Co-operatives and Social Services to create a special fund for 'comparatively slow' areas; and by the decision of the Ministry of Agriculture to 'spend a larger share of development in Kenya's pastoral areas in an effort to redress present imbalances.[48] Such measures cannot but promote group equity, and political stability. Moreover, the sense of belonging which such measures engender would lead to faster economic growth.

Employment Policies and Practices in the Public Sector

The last policy area which I want to examine is employment policies and practices, particularly in the public sector. Employment is an important means of ensuring participation in the development process. And for the purpose of efficiency, employment policies must value individual achievements and high skills generally. However, as we have stressed throughout this lecture, existing discrepancies in educational attainments between the different ethnic groups are as much the results of past policies as of accidents of environment and of psychology. And we have also stressed that these discrepancies cannot be allowed to continue because of the inevitability of their backwash effects and the consequent political tensions which may create political instability.

We are here again back to our problem of tension management. While it is natural for those who have the necessary skills to demand political equality, it is also the right of those who are left behind in the development race, because of accidents of history and past policies which discriminated against them, to demand that they be given an opportunity to develop. And I think that it is an acceptable proposition to say that the appointment of a member of a particular ethnic group into a high office is both an encouragement to the other members of the group to aspire and an assurance that if they do, they will benefit more from the development process. I admit

that this is a painful thing to say since we are talking about the progress of citizens of the same country and of people of the same colour. However, such problems have arisen from the same sources, in respect of people of other races and we are attempting to solve them through the methods of indigenization of both personnel and enterprises. Logic demands that where some groups are badly represented in some of our public sector institutions, appropriate measures should be taken to correct the imbalance. Otherwise problems of the domination of one ethnic group by another will continue to agitate our minds and distract attention from development efforts.

It is thus not being tribal to insist in the 1970s that minority or less developed ethnic groups be given special opportunity and special treatment in every African country to correct the imbalances in employment. Such measures should be regarded as attempts at corrective justice. I am in no way suggesting that standards should be lowered in order to accommodate people from the less developed ethnic groups. What is required is, first, the intensification of educational development at the different levels for the purpose of upgrading the skills of the underprivileged regions. Second, the elimination of corruption and nepotism in the recruitment into the public service. Unfortunately, in many a developing country, power lies with those for whom government and administration is not an instrument of economic progress and corrective justice but a means to personal enrichment or political aggrandizement or the perpetuation of ethnic imbalance. This is a situation which must be corrected at all costs and immediately, as time is running out.

Role of Research, Training and Professional Institutions

I believe I have said enough to show that our ethnic pluralism can and should become a positive factor in the social and economic development of African countries. The five specific areas of policy which I have used in this lecture to explore scope and possibilities are only illustrative.

What would have by now become obvious to you is the need for considerable research efforts to concentrate on this issue of ethnic pluralism as a positive factor in the development and modernization processes. And this brings me to the role of research, training and professional institutions.

First and foremost, there is an urgent need to intensify research activities aimed at leading to a better understanding of African indigenous institutions, values, attitudes and social mores, with

a view to identifying how these can be exploited for development and modernization purposes. This is not a task to be left to anthropologists or sociologists or to one group of researchers alone. It calls for an interdisciplinary approach which will bring together economists, sociologists, psychologists, political scientists, anthropologists and management experts. It is only through such an interdisciplinary approach that a cross-fertilization of ideas is possible.

Secondly, the findings of these research efforts must be communicated to policy makers and their advisers through training and professional institutions such as the Kenya Institute of Management and the Kenya Institute of Administration, if they are to find their way to public policies and programmes. Too often, researchers have considered their task finished if their findings are published in learned journals, monographs, or books. They forget that senior policy makers and advisers who they are trying to reach and influence usually have not the slightest inclination to read such publications. Training and professional institutions must therefore work closely with the research institutions and both should cooperate to ensure that research findings in this vital field, and indeed in all other areas of social sciences, are incorporated in their training programmes.

And, finally, these institutions have a duty to make the public understand the problems involved in the development process and the appropriate approaches required if balanced development is to be achieved. We have already stressed the fact that decision-making has to be diffused since the type of development we are aiming at cannot be successfully tackled only at the national level. The training, research and professional institutions constitute part of the decision-making process and they are in a unique position in disseminating novel and probably radical ideas which may have catalytic effects on development. Thus more open discussions ought to be arranged by the institutions, particularly for decision-makers in the public and the private sectors. It is through such exchange of ideas that more understanding can come about.

Concluding Remarks

I am not unaware of the delicate nature of this subject and the reluctance of leaders to engage in open discussion of it. I hope that henceforth more people in influential positions will talk about it since pluralism will remain part of us and can easily be used as a factor of achieving rapid socio-economic progress based on equity and fair play.

It is worth noting that after two hundred years of national independence, the most powerful country in the world – the United States of America – is still proud of the multi-ethnic nature of its society. Thus, in its preparations for the bicentennial celebration of its independence in 1976, provision has been made for the active participation of all the ethnic groups and races that constitute the country – the indigenous Indians, the blacks, the whites, the brown and the coloured. In a relatively small area, Utica, there is an event which will feature the customs, dances, crafts and foods of 15 nationalities represented in that area.[49]

Now why are all these ethnic groups and races enthusiastically preparing to participate in this celebration? I believe, as Yasharoff has said, that 'the real clue to the 'secret' of America's success as a 'melting pot' (lies) in her spirit of diversity. The 'pot' is there all right, but the ingredients poured into it are not brought to the point of melting – just to the point of harmonious mingling with each other while preserving their specific flavours'. Even a leading American like John B. Rockefeller III is proud to speak of the ethnic, racial and cultural pluralism of America as 'enriching the lives of all of us and our society as a whole' and that it is thus 'not a matter of tolerating the differences, but of welcoming them, encouraging and appreciating them'.[50]

This is indeed what I am pleading for through the provision of opportunities for all ethnic groups in every African country, to utilize their native skills and talents to foster their country's economic growth, upgrade the quality of their life and so be able to share equally with other ethnic groups the fruits of development and modernization while at the same time preserving their cultural heritage and identity so that, in the end, we may be able to say with Walt Whitman in his 'Leaves of Grass', 'here is not merely a nation, but a teeming nation of nations'.[51]

VII Africa and the South: Forging Truly Interdependent Economic and Technical Links

Indian Institute for International Affairs, New Delhi, 21 May 1979

In many respects, Africa is at the heart of the Third World. Its problems are symptomatic of Third World problems. Its challenges are those of the Third World. To us in Africa, given our total commitment to the cause of the deprived majority of mankind, Third World solidarity is a fundamental objective of policy. It is in order to strengthen this solidarity, this unity of purpose and action that we attach the highest priority to the need to forge truly interdependent economic and technical links among Third World countries.

Accordingly, we shall focus this talk on four areas. First, we shall review the progress in South–South or Third World economic and technical co-operation during the past two decades. Second, we shall identify the problems and obstacles to Third World economic and technical co-operation. Third, we shall examine Africa's role and contribution in forging overall South–South economic and technical links including a region-by-region review – between Africa and Latin America, Africa and Western Asia, Africa and the Caribbean and the Pacific and, lastly but by no means the least, between Africa and Asia. Fourth, we shall examine the current North–South negotiations in the light of weak and ineffective South–South co-operation. And, finally, in examining the prospects of South–South co-operation in future years, we shall indicate what should be the guiding principles, the priorities and the mechanisms for implementation.

I am quite sure that we all agree that as we come to the end of the 1970s and approach the 1980s – which will also be the Third United Nations Development Decade – the developing countries of Africa, Asia and Latin America stand at a watershed in the history of their development. The challenge which is becoming increasingly clear is that developing countries have to rely, more and more, on their collective efforts to transform their economies. There is no alter-

native for the developing countries but to turn inwards and assume the major burden of their development. Indeed, recent events have more than demonstrated the need to substitute, as a matter of urgency, the present North–South economic dependency with a growing horizontal Third World economic interdependence.

II. THE CONCEPT OF THIRD WORLD OR SOUTH–SOUTH CO-OPERATION

Before going further let me address myself to the question which is often asked and which some of you, quietly are probably asking yourselves: What is the Third World? Is the Third World a fact or a fiction? A related question is: What is South–South co-operation?

The term 'Third World' has been coined by some French authors, the most famous of whom is Alfred Saury. To them *Tiers Monde* is analogous to *Tiers Etat*, usually translated as *Third Estate*, a term that designated, before the French Revolution, all those who did not belong to either of the privileged 'estates': the nobility and the clergy. The concept of *Tiers Etat* was therefore applied negatively to those who had no privilege. By the same token, the term *Tier Monde* (Third World) applies to all the nations 'that did not become, during the historical process of the establishment of the present World Order, industrialized and wealthy'. Obviously, it has nothing to do either with the Chinese 'theory of three worlds' where the two super-powers are a kind of first world, the other industrialized nations the second.[52]

Third World countries share certain characteristics in common. They have been conquered, politically subjected, culturally invaded and economically exploited. Undoubtedly, the period of political colonization varied from region to region and from country to country – from a few decades to several centuries. In this connection, Africa, because it was the last region to be colonized, was stigmatized as the 'Dark Continent'. While a number of the countries of the Third World (particularly countries of Central and South America) achieved political independence several decades ago, for the overwhelming majority of the countries independence came after World War II with India and Pakistan blazing the trail. Even today, the struggle for independence is still far from being over. The total liberation of Africa from colonial domination is still to be achieved. The minority and racist regimes of South Africa and Rhodesia still have to be defeated so that Namibia, Zimbabwe and South Africa (Azania) can take their rightful place among Third

World countries. Even for many countries which had achieved independence at an early age, such independence was nominal as they were politically under the hegemony of some big powers. Secondly, almost all the countries of the Third World suffered from cultural aggression. Some suffered more than others. And Africa as a whole suffered the most.

By far the most pervasive legacy which Third World countries share in common is economic exploitation which not only led to the drain of resources from these countries to the metropolitan countries during the colonial era but also led to the emergence of an exploitative and dependent colonial economic structure and system from which most of the countries are yet to free themselves.

Today, some twenty to thirty years after most Third World countries had become politically independent, the economic exploitation unfortunately continues – no doubt more subtly, hiding behind the opaque curtain of market forces. It has been aided and abetted and given new dimensions in depth and magnitude by the combination of the post-World War II expansion of transnational corporations and, regrettably, by the inappropriate development strategies.

This structural dependence of our economies ties us down to a quagmire of a vicious circle of economic stagnation, the main features of which are: high import coefficients; high proportion of marketed output exported to a limited number of metropolitan markets; concentration of exports on a narrow range of products (mainly primary, semi-processed and light manufactures); reliance on external aid and foreign technology as well as skills. The result is that foreign-decision-making plays an important role in employment, output and income in our economies; transfer of a large proportion of much-needed resources abroad to owners of capital, technology and skills.

In the circumstances, is it any wonder that it has been virtually impossible to spark off self-sustained development? Like Alice in Wonderland, most Third World countries have been getting nowhere! Apart from increasing political and economic vulnerability, structural dependence produces an unbalanced structure of economic development where production and consumption patterns are geared outward and reflect more the economic characteristics of developed countries rather than responding to the needs and requirements of the masses of our people. The external demonstration effect creates a distorted production pattern which tends to respond to external assistance requirements and is generally

directed towards meeting external input requirements (minerals, agricultural raw materials and semi-manufactures, all produced by cheap labour). It also creates a pattern of demand biased in favour of imported goods, a significant proportion of which are luxuries and semi-luxuries consumed by high-income groups. The continuing unequal distribution of incomes combined with underemployment of domestic resources produced by imported technology (generally capital-intensive), slow down the creation of a pattern of demand which would stimulate agricultural production and the creation of an industrial structure which would focus on producing goods needed by the majority of our people. This in turn reduces domestic savings, widens the foreign exchange gap, and slows down the process of growth and development.

The fact that both production and consumption are largely externally-determined means that there is a cumulative divergence between production and the utilization of the domestic production potential and needs. We produce mainly what is needed abroad and those of our resources which are not immediately demanded abroad are left untapped even though their exploitation would satisfy local needs. External trade instead of being an extension of home demand – as was the case in the early stages of economic development of most industrialized countries of today – is independent of it.

Third World intellectual subservience for most of the post-independence period has led many countries to the adoption of economic planning techniques and methodologies unsuited to their needs and to the borrowing of ideas from industrialized countries which have led to delphic prescriptions for the solution of the problem of underdevelopment. They diagnose lack of growth and development as being due to lack of capital, skills absorptive capacity and appropriate institutions etc., and, accordingly, prescribe that in order to encourage the importation of these inputs, our economies must be more open i.e. maintain a system of high external/domestic resources ratio.

Time it was when we believed – because that was the conventional wisdom in Europe and North America following the end of World War II which coincided with the beginning of the end of the colonial period – that massive injections of capital from the developed countries was what Africa and Asia needed to achieve economic development. The success of the Marshall Plan in reconstructing war-devastated Western Europe led to such over-simplification of the processes of engineering socioeconomic development that we all queued for capital assistance from industrialized countries and

even made the transfer of 0.7 per cent of the GNP of industrialized countries to developing countries as an article of faith in the United Nations Second Development Decade and the foundation on which our countries' development depends. The literature was turgid on the need for developing countries to encourage foreign investment and various forms of capital assistance. We all rushed for this panacea. There was no co-ordinated or collective action among us. Instead, we competed against each other for foreign capital and thus aided the intensification of the exploitation of our economies by the industrialized countries.

After a while we entered another period when emphasis shifted from capital to the need for experts and technicians to assist developing countries in absorbing capital and to teach us how to plan and use investments wisely. We imported outside experts and advisers by the legion. The result of this foreign-technician syndrome was that the design, pattern and contents of development in our countries were outward oriented. They were largely determined by, and their effective implementation depended upon, external capital and technical assistance. Programmes and projects were largely not an integral part of the historical, political and socio-economic fabric of the developing countries; they remained entities grafted from outside. Hence they did not produce the desired results.

It was realized, after a while, that capital and technical assistance experts could not, by themselves, do the job; precisely because their programming and use did not take full account of the institutional, political, psychological and socio-economic structures of the countries concerned. What was required, it was argued, were the right institutions that would be compatible with the development needs and facilitate the absorption of capital and technical assistance, as well as trained manpower that would carry out the job after the departure of foreign experts. It became fashionable to speak of absorptive capacity through institution building. Particular attention was given to education, investment promotion, administration, and business institutions.

Unfortunately, this new ingredient in the technical equation was also outward oriented. The models used were borrowed from the successful countries of the West. For example, the educational systems established and used syllabi and text books that were more suited to industrialized countries and not to the needs of countries that were primarily agricultural and not western-oriented in culture and outlook.

Concurrently with institution building, attention was given to the so-called non-economic or extra-economic factors of development – health care, improved housing, literacy campaigns, land reform, etc. But these endeavours were soon frustrated by inadequate resources. We had to borrow more from developed countries and request for additional technical assistance.

The ever-increasing need for additional external assistance combined with our debt burden led many of us to believe that if we could export more on favourable terms to developed countries, we would be able to earn the foreign exchange we require for buying more inputs from the industrialized countries. The emphasis was again outward. The new slogan became 'more trade'. So we came together in UNCTAD and elsewhere to negotiate with the industrialized countries for better terms and conditions for trade and financial assistance hopefully within a framework of a New International Economic Order. We entered another tunnel out of which we have not yet emerged.

In our trade relations with the developed countries we are faced with an unfavourable competitive position. In spite of phenomenal growth in world trade at around 7 per cent per year from the 1950s, the developing countries have not benefitted much. Our share, although larger in absolute terms, fell from around 34 per cent in 1950 to 22 per cent by the end of the 1960s. The basic problem is that demand for the products of developing countries in the developed world continues to fall as a result of a combination of factors: invention of substitutes, more efficient use of resources, lower growth in population, rising incomes, and of course the fact that the developed countries are now giving priority to the solution of their own problems of rising prices, inflation, unemployment and incipient depression.

As I said recently in opening the ECA/UNEP-sponsored Seminar on Alternative Patterns of Development and Life-Styles in Africa, held in Addis Ababa from 5 to 9 March 1979:

> The time has come when the African Governments should have a very critical look at the experiences of other countries in the light of Africa's development since independence and ask themselves whether any of them provides a basis on which to model their own development strategy and the life-style of their people. For too long the impression has been that African development strategies and life-styles are an imitation – indeed, a poor imitation – of strategies and life-styles

> developed elsewhere for other societies with different historical, cultural, economic and political backgrounds.
>
> Indeed, we in Africa have, over the years, become the mimic people. Although we pretend to be real, to be learning and to be preparing ourselves and our countries for self-reliant development processes and an authentically African life-style, all we really have succeeded in doing is to mimic other societies and their life-styles. In doing so, we use borrowed phrases, jargons and terminologies which are foreign to our people and only succeed in beclouding the issues before us and in confusing our people![53]

An increasing awareness that imitative development will not spark off an internally-generated and self-sustaining development process has paved the way for fresh thinking. The common denominator of all these borrowed prescriptions is that they are completely devoid of any ingredients of self-help among developing countries. They are prescriptions, *par excellence*, for structural and intellectual dependence. Imported ideas, aid, capital and skills will not produce miracles. On the contrary they are costly and drain our meagre resources thus holding back capital accumulation – both material and human. Much of aid is tied, thus limiting flexibility in imports and imposing unsuitable forms of development. Aid also ends up in donor countries through payments for equipment and technical personnel provided under aid programmes. Moreover, the real value of aid is reduced by inflation.

If aid is inadequate and not free, foreign investment imposes a greater burden. A large proportion of profits from foreign investment is repatriated. In addition to transfer of dividends and profits abroad, there are payments which recipient countries incur such as management fees, payments to parent companies for research and technical services, depreciation allowances to buy spare parts, salaries which go mainly to expatriates, etc.

No wonder our countries are perpetually in debt. We have all found that in our state of dependence, individual efforts to develop our economies through borrowing ideas and through external material assistance tie us more and more, as appendages, to the rich countries. And we remain poor, underdeveloped and in debt. The dialogue we have conducted in recent years with developed countries (North–South) in the hope of establishing a new type of economic relationship between the rich and poor countries, has brought no fundamental changes in the world eco-

nomic order. We are therefore left with no choice but to come together. We have to build up Third World self-reliance. This is the *raison d'être* for forging economic and technical links among Third World countries.

III. THIRD WORLD HETEROGENEITY AND GROWING ECONOMIC DIFFERENTIATION

Thus, given their common heritage, their common challenges and, indeed, their common poverty, there are compelling reasons why the countries of the South must do more by themselves and for themselves in the fields of economic and technical co-operation, not as a negative reaction to the frustration and disillusionment caused by the unsuccessful North–South dialogues but on the positive realization that *together*, through economic and technical co-operation, they can pull themelves up by their own bootstraps. And one of the inevitable by-products of such co-operation is that they will acquire greater economic leverage over the developed countries. Indeed, by taking full advantage of opportunities of mutual interdependence and complementarity of their economies, the countries of the South will sooner or later put themselves in a position to seize the initiative and assume the leadership for bringing about the establishment of the new international economic order.

However, although the objectives are common, we cannot realistically ignore the fact that there are growing divergencies in the modalities for the achievement of these objectives. These divergencies naturally reflect the heterogeneous nature of the Third World and the growing economic differentiation among its countries. These diversities are facts of life but they could easily become divisive factors and thus undermine the unity of purpose and the solidarity of the Third World. These differences have been used to classify these countries. The most popular factors for such classification have been per capita GNP, export of petroleum and degree of industrialization.

Using the first criterion – per capita GNP – Third World countries have been divided into four categories:

(i) the 'wealthy' poor with more than US$2,000 per capita income. There are eleven countries in this category, mainly oil-producing countries, but they account for only 1.5 per cent of the population of the Third World (28.5 million out of 1,921 million excluding China);

(ii) the 'well-to-do' poor countries with per capita income ranging from US$1,000 to US$2,000. The 14 countries in this category account for 13.1 per cent of Third World population;
(iii) the 'less' poor countries with per capita income ranging from US$300 to US$999 and accounting for 48.0 per cent of Third World population numbering 56 out of the total 108 countries; and,
(iv) the 'rock-bottom' countries – 27 in all – and accounting for 37.4 per cent of Third World population, enjoy less than US$300 per capita income.

In spite of this per capita income differentiation, the gap in per capita income between the industrialized countries and even the so-called 'wealthy' poor is such that the developing countries still constitute a world of their own. In any case, the gap in the income of the industrialized nations and the Third World is still widening.

The second criterion used in making the differentiation is in the production and export of petroleum. It is now a common practice for the Western media and spokesmen to single out OPEC countries as rich countries which should no longer be regarded as belonging to the Third World. While it is true that eight of the 'wealthy' Third World countries are OPEC members – Kuwait, United Arab Emirates, Qatar, Libya, Saudi Arabia, Gabon, Oman and Venezuela – it is not true that all OPEC countries have high per capita incomes. For example, Kuwait and Nigeria have the same oil output (about 2.3 million barrels a day) but US$15,190 and US$380 per capita incomes respectively – Kuwait's population being about one million while Nigeria has about 75 million people. And Indonesia has a per capita GNP of US$220. Indeed, 'of the total population of OPEC countries, 12.3 million live in 'capital surplus' States (Kuwait, United Arab Emirates, Qatar, Libya and Saudi Arabia), 26 million enjoy a per capita GNP superior to US$2,000; 44.5 million have per capita GNP between US$1,000 and US$2,000; all the rest (207 million, 71 per cent of the total) less than US$400'.[54]

There is therefore no justification in grouping OPEC member States together and classifying them as not really belonging to the poor countries unless as a way of splitting the Third World. In any case, the infrastructures of the Arab oil producing countries are grossly inadequate and, given the sparseness of their population and huge size (especially Saudi Arabia and Oman), it is extremely difficult to develop them. The climate is exceedingly harsh and the supply of skills extremely limited. Some of these countries

have small populations and lack almost all other natural resources including even fresh water. They all depend on the importation of food and technology. In other words, they share all the characteristics of dependent economies and could suffer a sudden downward change in their per capita GNP if there was either a significant fall in oil supply, or demand, or both.

The third basis for making distinction among the Third World countries is the identification or grouping together of the so-called Newly Industrializing Countries (NICs). This is the latest factor which has been brought into use in distinguishing among Third World countries. Although no definite list exists of NICs, the term is commonly used to group together mainly countries of Latin America. There is no doubt that there has been an extraordinary development of the productive forces of the Latin American countries since 1950. As my distinguished colleague and friend, Mr Enrique Iglesias, Executive Secretary of the Economic Commission for Latin America stated, between 1950 and now:

> The regional product (of Latin America) more than quadrupled, reaching a volume comparable to that of Europe in 1950 ... The region became industrialized: heavy industry, such as the iron and steel and petrochemical industries, was set in motion, and Latin America progressed to a situation where it could supply a substantial proportion of the demand from the construction, transport and communications sectors and satisfy requirements for important lines of durable manufactures. Real growth rates amply exceeded optimistic expectations including those of ... the United Nations International Development Strategy. We find ourselves before a Latin America which by 1985, if present trends are maintained, will be generating a product similar to that of Europe in 1970.[55]

But in spite of this spectacular industrial development (or is it because of it) the Latin American economy still exhibits some of the features of the developing Third World: the external orientation and vulnerability of the economy, its dependence on the Western market economies for capital, technology and even market for its manufactures and the rapidly accumulating external public debt burdens (an increase from 8.7 billion dollars in 1965 to 42 billion in 1975). Above all, the region is faced, because of the imitative type of development which it has adopted, with severe structural unemployment problems as well as a seriously skewed income distribution. 'It cannot be ignored that one-third of the population

of Latin America – a hundred million people or so – is living today in a state of critical poverty',[56] wrote Enrique Iglesias.

We can therefore see that the countries of Latin America will be making a grave mistake if they think that they no longer belong to the Third World. Indeed, not only do they have many problems in common with other Third World regions, most of these problems can only be solved within the framework of Third World co-operation. This is in no way to suggest that the region does not have its own special interests and priorities – like the other regions of Asia and Africa – which have to be taken fully into account in any co-operative arrangements among Third World countries.

It will therefore be seen that in spite of the heterogeneity of Third World countries and the growing differentiation in their development, these countries still have basically common interests which can only be achieved through the forging of truly interdependent economic and technical links. Indeed, economic differentiation is inevitable, given the fact that the countries were not starting from the same base nor are they endowed with the same resources. Even within a national economy, such differentiation occurs. What is important is the communion of interest, the perception of those interests and the will – the political will – to exploit those interests to the mutual benefits of all. But in order to forge such economic and technical co-operation arrangements there must be the spirit of give and take and the acceptance of the basic principles of genuine interdependence and willingness to be each other's brothers' (or sisters') keepers.

IV. REVIEW OF PRESENT POSITION AS REGARDS SOUTH–SOUTH CO-OPERATION

Having established the imperative need of South–South economic and technical co-operation, let us now review the progress that has been achieved, and the problems encountered. This review will focus on South–South trade as well as on joint ventures carried out in various fields, including the technical, industrial and agricultural ones, between and among developing countries belonging to different regions.

With regard to trade, the picture is a very mixed one. On the positive side, it is encouraging to note that, on the basis of a statistical analysis recently carried out by UNCTAD,[57] while, between 1955 and 1970, the share of trade among developing countries in world trade recorded a permanent decrease from 6.2

per cent to 3.5 per cent, the share moved upwards as from 1971 to reach the level of 5.9 per cent by 1976. It is also comforting to observe that developing countries' intra-trade expanded between 1970 and 1976 at the rate of 9.2 per cent annually as compared to 5.8 per cent during 1960–1970. The figures I have just quoted for the period 1970–1976 are all the more remarkable as they are significantly higher than those obtaining for trade flows among industrialized countries, namely 6 per cent, and those obtaining for total exports of all developing countries, namely 5.8 per cent.

Equally positive, at least at first sight, is the fact that, insofar as the structure of developing countries' intra-trade is concerned, a major feature noticeable during the period 1955–1975 is the decrease in the share of food and agricultural materials and a rapid increase in the share of manufactured products. While we, in ECA, welcome this evolution to the extent that it represents a most significant departure from the traditional North–South trade pattern, we cannot but deplore the fact that the African region's exports to developing countries contained in 1975 the highest share of food items and agricultural raw materials (58.6 per cent) and the lowest share of manufactured goods (23.6 per cent). Indeed, African exports to other regions consist mainly of fuel oil to developing America, and of food and crude materials to South and South-East Asia.

In terms of international trade balance, what we have been witnessing for a number of years is West Asia's substantial surplus *vis-a-vis* all other developing regions amounting to as much as US$10 billion in 1975, due to the marked increase in petroleum prices. It is no less remarkable that this amount represented only a little less than 80 per cent of interregional trade flows.

Having said this, when one turns to non-fuel interregional trade, it is South and South-East Asia that traditionally enjoys a surplus *vis-a-vis* all other regions. As for developing America, it is noteworthy that, due to a marked increase in its food exports to West Asia and Africa, it has been able to turn its traditional deficit in non-fuel trade into an overall surplus of some US$900 million.

There remains Africa which, at the same time as it has been exporting food to South and South-East Asia, has been importing the same from developing America as well as increasing quantities of manufactured goods from both these regions. This resulted in 1975 in a US$1.5 billion surplus generated in our trade with West Asia.

This, therefore, is roughly the picture insofar as our intratrade

is concerned. Let us now consider other forms of co-operation arrangements.

Consider first the co-operation between African and Latin American countries. Despite the fact that some obvious complementarities exist between the economies of the two regions, and the problems they face are to a large extent similar and could attract similar solutions, economic and technical co-operation between the two regions has been minimal, and until recently virtually non-existent. Surely, the striking resemblances with respect to various aspects of the economies of the two regions, ranging from a similarity of agricultural tropical crops like sugar cane, coffee, cocoa and bananas, to similar needs in manpower training, technology and institution-building – all this ought to define a large area of potential fruitful co-operation.

Fortunately, this picture is now beginning to change. Recently a number of African countries have entered not only into trade but also technical co-operation agreements with certain Latin American and Caribbean countries with a view to enhancing the level of co-operation between them. For example, Brazil assists Gabon in the field of agronomic research for cocoa and soya beans development, provides manpower training experts, offers scholarships to Gabonese to train in the merchant navy, and supplies railway wagons and buses; while Argentina supplies Gabon with meat. Tanzania, Sierra Leone and Mozambique have co-operative arrangements with Cuba. Tanzania and Cuba have established a medical training programme under which Tanzania sends qualified doctors to Cuba for specialized training. This programme is especially tailored to enable Tanzanian doctors to acquire techniques in the organization and management of mass-oriented medical programmes. Cuba has also built agriculture-oriented secondary schools and an artificial insemination centre and set up a large-scale sugar project. Sierra Leone, for its part, has benefited from an offer of Cuban scholarship under bilateral assistance arrangement, while Mozambique has been provided with Cuban managers for its sugar mill and plantations. Mention may also be made of assistance in the form of food aid and materials as well as scholarships given by Trinidad and Tobago to Mozambique.

These recent and growing connections are however still extremely modest: the potential for economic and technical co-operation between the two regions remains virtually untapped.

We may now take a look at Africa and Western Asia. Historically, trade links between Africa and the Arab world go back a long way,

but like the trade with the West during the days of slavery and colonialism, the Afro-Arab trade contacts of the old days cannot be regarded as having formed a basis for mutual economic co-operation beneficial to both sides. Genuine economic and technical co-operation is only now beginning to emerge under the banner of Afro-Arab co-operation. A few examples may be quoted. Burundi, Chad and Gambia each have economic and technical co-operation arrangements with, among other countries, Kuwait and Saudi Arabia which provide financing for agricultural, transport and forestry projects. Iraq has assisted Mozambique through an offer of crude oil, while Saudi Arabia, Abu Dhabi and the United Arab Emirates have participated in the financing of a dam in Mali. The Arab League Fund has financed professors, doctors and hospital staff from Arab countries to Uganda.

Last but not least, we may turn to relations between Africa and Asia. Once again, contact between Africa and what used to be called the Orient certainly goes back many centuries, but deliberately forged or purposeful links of economic and technical co-operation are clearly a post-war phenomenon, and more particularly since the decade of the 1960s. The philosophy, at least, of mutual co-operation among the developing countries began to take firm root with the emergence of the concept of neutrality or non-alignment expounded and practised by the political leaders of certain newly emergent States in the Third World, including such towering Indian figures as Gandhi and Nehru. Thus successive summit conferences of non-aligned States starting with the Bandung Conference of 1955 through the Belgrade Conference (1964), the Lusaka Conference (1970), the Algiers Conference (1973) and the Colombo Conference (1976) have strengthened the ties between Africa and Asia. Indeed the political ties between Africa and the rest of the Third World have become stronger and stronger. The 1976 Mexico Conference on Economic Co-operation among Developing Countries added new dimensions to these ties as it provides the framework for concrete co-operative arrangements.

A few examples of economic and technical co-operation between African and Asian countries may be noted. Through the agency of such parastatal bodies as the Industrial and Commercial Development Corporation, Kenya collaborates with India in a number of joint economic ventures, including the production of paper and pulp, woollen and cotton textiles, pipe fittings, plywood, machine tools, pumps and pharmaceuticals. Tanzania has a joint commission with India through which various co-operative ventures have been

negotiated and are periodically reviewed. For example, Tanzania has recently recruited an increasing number of Indian and Pakistani experts – engineers, teachers and technicians – and relied on Indian equipment and technology in the establishment of various small-scale industries such as assembly of bicycles, oil-seed processing, water pumps, etc. China has assisted Tanzania and Zambia with capital and expertise in the construction of the Tanzania–Zambia railway which provides land locked Zambia with an alternative outlet to the sea. China and North Korea have been involved in co-operative economic and technical arrangements with a number of African countries, including Sierra Leone, Upper Volta, Niger, Benin, Togo and Burundi. Much of the assistance is in agricultural planning, cultivation and cropping, as well as public health and sports activities.

I ought to emphasize that the various examples I have quoted are merely for illustrative purposes; they are not comprehensive but only indicative of the sort of areas in which Africa is already engaged in economic and technical arrangements with the other regions of the developing world. But one thing which is crystal clear is the potential and magnitude of economic and technical co-operation between Africa and the rest of the Third World and indeed among the entire Third World countries.

Why, it may be asked, has South–South economic and technical co-operation been so limited in spite of the exhortations of the Conference of Economic Co-operation among Developing Countries, held in Mexico City in 1976 and the Summit Conference of Non-aligned States held in the same year in Colombo? It is easy to pinpoint one of the major problems, not just because it is real enough, but also because it has received a fair amount of attention. I have in mind here what is variously called interference or adverse pressures by the developed world, or parts thereof, bent on protecting interests that would be jeopardized if such horizontal co-operation, as is being discussed here, were to succeed. Similarly, it is easy to mention obstacles or problems of an infrastructural nature such as deficiencies in transport and communication, lack of information about each other, or differences in political, ideological or cultural outlooks. But when all these contributory factors have been mentioned, important as each one of them may be, I believe we will still have omitted perhaps some of the most crucial ones.

I should like to mention, first of all, our lack of confidence in each other's abilities and skills and in our capacity to deliver goods and services of a quality comparable, let alone equal, to those of our

traditional suppliers. I am not saying that this capacity always exists, since, after all, most of our countries have started or are starting from a low technological, industrial and managerial base. The tragedy, as I see it, is that not only are we not prepared, even for a limited period, to make allowances for goods or services of less than competitive quality, or to accept terms that may be less favourable, however slightly so, than those of our traditional supplies, but even when these competitive quality and terms obtain, there is always the temptation to buy from outside the Third World.

In addition to this lack of self-confidence, one of the crucial problems hampering the rapid expansion of horizontal co-operation stems from the feeling that the benefits deriving from such co-operation are not equally shared. Worse still, that the traditional scenario that obtains in our trade with the developed world, whereby our countries supply the former with commodities and import therefrom manufactured products, including capital goods, is being reproduced, deliberately or not, in our intra-Third World trade.

Since, from the hard facts and figures I referred to earlier on, it is Africa's trade situation that seems to bear the greatest likeness to this scenario, I feel compelled to say that such a situation is totally unacceptable to us on a long or even medium-term basis. There is, in fact, no doubt that, if such a situation were allowed to continue it is not just the African region's interests that would be jeopardized. It is also the entire fabric of South–South co-operation that would be seriously damaged to the extent that less-than-optimum advantage would be taken of our region's real potential.

Thirdly, may I also say how much I am struck by the fact that in all the tasks we seem to have set upon ourselves, either in the Colombo Action Programme for Co-operation among Non-aligned Countries or in the Manila Programme for Economic Co-operation among Developing Countries or in the Mexico Programme of Action on the same subject, there is an absolute lack of priorities. One important and most regrettable consequence of this state of affairs is the lack of a sense of direction and purpose in the pursuit of our common endeavours. In fact, the magnitude of the tasks ahead is such that there is a widespread feeling that, unless priorities are set pretty soon, it will be most difficult to make any progress.

A related and central problem stems from the lack of an appropriate mechanism for monitoring progress, ensuring follow-up of decisions, keeping the flow of up-to-date and relevant information going to all parties concerned, undertaking the required studies etc. As it is now, Third World Governments seem to have an oppor-

tunity to meet only in preparation for, or in conjunction with, UNCTAD meetings and those of other international agencies. So-called Action Programmes are then adopted, and it is assumed that implementation will follow, under the aegis of UNCTAD or the regional economic commissions. Pleased as we are in the UN system at being asked to help in this way, and eager as we may be to do so, it is my considered view that whatever we can do cannot, by any stretch of the imagination, be regarded as an adequate substitute for the work which would need to be carried out by the Third World countries themselves or an appropriate mechanism of their own.

Lastly, while the promotion of ECDC between groups of selected countries belonging to different regions is perfectly justified, I feel there may be need for some measure of caution, if only because, over the years, each developing region has been trying to evolve various co-operative schemes of its own which, I feel, should not be ignored or by-passed. There is need, indeed, to find formulae, which need not necessarily be the same in each case, to make it possible for regional and interregional co-operative efforts to reinforce each other instead of being in opposition to each other.

V. NORTH–SOUTH NEGOTIATIONS: WHY THE SOUTH HAS BEEN SO INEFFECTIVE

Let me now at this point talk briefly about the recent endeavours of Third World countries in acting collectively to get better terms and conditions insofar as trade and development issues are concerned. I have left this matter of the so-called North–South negotiation to the last, not because it is unimportant, but because to me forging the truly interdependent economic and technical links among the countries and regions of the South is not only an imperative necessity in its own right but also a *condition sine qua non* for the achievement of any major breakthrough in the North–South negotiations. It is the absence of this muscle that has led to the ineffectiveness of the South.

As we are all aware, our North–South negotiations have been initiated and pursued mainly through the Group of 77 – a group in the functioning of which, I am pleased to say, India has played a decisive role from its very start in 1964. I believe we should all be very grateful to the Group of 77 for filling what was at that time, and still is, an important need – namely, a forum where Third World countries could look together at major international economic issues being discussed mainly within the framework of UNCTAD, but also in GATT, UNIDO and other fora, work out common

stands thereon, and thus attempt to speak with one voice *vis-a-vis* developed countries taken as a whole.

Thus, for UNCTAD V, which is now being held in Manila, just as was the case for the four previous sessions, the Group of 77, meeting in Arusha (Tanzania), was able to come out with the *Arusha Programme for Collective Self-reliance and Framework for Negotiations* which embodies the views of the Third World on the major issues before the Manila Conference such as those relating to commodities, manufactures and semi-manufactures, money and finance, technology, shipping and least developed among developing countries and even economic co-operation among developing countries. There is no question that the Group should be commended for the role it played in connection with a number of achievements such as the Generalized System of Preferences and more recently the Common Fund – even if the Common Fund that is emerging is a far cry from the one originally intended. But perhaps more than anything else, the actual functioning of the Group has made it possible for its constituent elements to develop an awareness of, if not of each other's exact needs, at least of each other's economic existence as distinct from the mutual awareness of our political existence, which was fostered by the non-aligned movement.

Having said this, let us not conceal the fact that much more, indeed a great deal more, needs to be done, by way of the developing countries enhancing their collective bargaining strength and exercising their countervailing power, thereby creating the compulsions which would make the developed countries willy-nilly negotiate the desired changes in the international economic system.

In fact, notwithstanding the indisputable achievements of the Group of 77 so far, one may well consider that we have not even truly started to use our bargaining strength in negotiating with the developed world. Indeed, I dare say that, so far, we have not even started to 'negotiate' to the extent that the very concept of negotiations implies, *inter alia*, the coming together across the table of parties or partners, of not necessarily equal strength, but certainly of parties with strong will to bring to bear on the negotiations whatever strength at their disposal that may be required to ensure the attainment of their objectives, which is generally not the case on our side.

This, in turn, implies not only that our objectives are defined in clear and specific terms, but also that a proper rating should be established between *primary* objectives, that is to say those which must be achieved at all costs, and *secondary* objectives, for the attainment of which we can afford to make less than an all-out effort.

Above all, a serious approach to negotiations entails some knowledge of, and degree of familiarity with, the other side's own primary and secondary objectives, its strengths and weaknesses, as compared to our own, and naturally its tactics.

It is my humble view that, to the extent that these conditions have generally not been met on our side, what we have been doing so far, notwithstanding whatever success we may have reaped, cannot, by any stretch of the imagination, be called negotiating. We have been appealing to the good will, the sense of decency and fairness of the other side. We have been relying heavily on the rhetorical skills of our spokesmen for them to put across our case in the most convincing manner and, from all the indications I have, they have not been found missing. But except for the celebrated OPEC incident, whatever we may have been doing so far, whether one calls it petitioning or lobbying or supplication, definitely does not bear any likeness to what, under other circumstances, we have come to identify as negotiations.

Many reasons, of course, account for this. Apart from our so-called heterogeneity and differentiation which the other side is using as a divisive factor, there is the fact that Third World countries have generally failed to relate the requests they have been putting forward in the course of negotiations to the overall development strategies of the South at national, regional and interregional levels. Much too frequently, there seems to be a wide gap or some kind of no-man's land between our overall national or regional strategies as reflected in our national development plans or in platforms adopted at the regional level on the one hand and the particular policies our negotiators seem to be advocating in fora such as UNCTAD, GATT, UNIDO and the like, on the other.

There are various reasons for this. One of them doubtless has to do with the fact that, with very few exceptions, our negotiators are professional diplomats far removed from their national capitals and the realities as perceived therein, and who, more often than not, find themselves compelled to write their own briefs. As a result, the extent to which the positions taken by many representatives of the Group of 77 actually fit in with the overall strategies and platforms I referred to earlier on can often be subject to conjecture.

There is, I believe, another more fundamental problem we shall need to address our minds to, sooner or later; namely, that of reconciling, as it were, the goals and objectives we are aiming at, through our joint economic endeavours, and those we are seeking to

achieve in maintaining a common front *vis-a-vis* the North. While both approaches are part and parcel of the New International Economic Order, to which all our countries subscribe, to what extent have we actually been able to integrate them at national, regional and interregional levels?

VI. PRINCIPLES AND GUIDELINES FOR ACCELERATING SOUTH–SOUTH ECONOMIC AND TECHNICAL LINKS: SOME PROPOSALS

It is clear from our review of the present situation and from our analysis of the main problems and obstacles that given the will to succeed, the removal of the obstacles and the establishment of necessary mechanisms for follow-up, there are bright prospects for economic and technical co-operation among Third World countries, intra-regionally and, more particularly, inter-regionally. In this connection, let me say, straightaway, that we will not get very far if we are interested in the promotion of South–South co-operation merely for its own sake, or for some sentimental reasons, or simply because it is a fashionable thing to do.

As I see it, the extent to which we shall be able to exploit the vast potential of South–South co-operation will depend on two basic factors. First and foremost, on the acceptance by all Third World countries, their Governments and peoples, that the cardinal principle of South–South co-operation is its genuine interdependence and mutuality. That is to say, South–South co-operation must be based on the full recognition of the principle that each country is both a donor and a recipient. We must avoid developing a class of donor countries and a group of recipient countries within the Third World. Because, if we do, we will simply have succeeded in extending the present dependent and exploitative arrangements between the North and the South to South–South co-operation. This is totally unacceptable to us in Africa. We do not wish to replace the age-long economic and technical domination of the countries of the North by any other one. To us therefore it is a fundamental principle that while we are anxious to forge economic and technical links with Asia, Latin America and Western Asia, such links must be truly interdependent, with each country giving as well as receiving, and with the sovereignty and independence of each country being fully respected. Indeed, there is no room for subservience and inferiority.

Secondly, for South–South co-operation to succeed, mutually

acceptable guidelines have to be agreed upon. I suggest the following:

(i) A proper understanding of the challenge posed by the nature and magnitude of the problems which we commonly face;
(ii) A clear perception of the opportunities which exist or which may be created for the solution of such problems, through economic and technical co-operation among the developing countries themselves;
(iii) A realistic recognition of the contribution to the solution of such problems, through economic and technical co-operation among developing countries; and
(iv) The formulation of a workable programme of action that will enable us to translate our concepts and perception into the nitty-gritty of implementable projects.

In this connection, we must never forget that the main enemy that Africa and the rest of the South must fight is, paradoxical as it may sound, ourselves; that is, our ideas and our attitudes. A sense of inferiority complex, a feeling that we can do nothing unless the developed countries come to our assistance, is the single greatest obstacle to the economic emancipation of the entire Third World countries. It is an absolute condition that this mental block be removed before any effective co-operation can be forged between and among the developing countries themselves. The 'new bridges' across the South will quickly collapse, the new horizontal dimension of international co-operation so eloquently applauded by the Buenos Aires TCDC Conference will fail to materialize, as long as we do not have the self-confidence to see and utilize our own capacities and capabilities to the fullest. Developed countries do not hold the key to the solution of our problems.

Once we are over the psychological hurdle which has been preenting us from seeking our own solutions to our own problems, in the context of mutual co-operation, the next logical step is to discover what, unaided, the developing countries can collectively achieve. Before seeking or even contemplating outside assistance, we must know what we can do for ourselves and proceed to do it. This is what I meant when I referred to the need to have a clear perception of the opportunities which exist, for solving our common problems through economic and technical co-operation among ourselves.

Thirdly, a most urgent task (and this follows from the acceptance of the guidelines) is to agree on priority objectives in the implementation of the various programmes on ECDC that have been

adopted at Colombo, Manila, Mexico and Arusha. We need to determine exactly what we would like to, and can accomplish, over the short, medium and long run. Our so-called Action Plans are neither well articulated consistent Plans, nor do they always lead to action. We tend to put too much in them without any agreed priority or priorities. The Arusha *First Short/Medium-Term Action Plan for Global Priorities on Economic Co-operation among Developing Countries*, now before UNCTAD V, has no time reference, is too broad and ambitious, and is not addressed to any particular group of countries, i.e. it does not say who does what.

Is it too much to expect Third World countries to select two or three programmes and concentrate on them until a breakthrough is achieved? What has happened to the Colombo Conference decisions on the establishment of a Third World Bank and a Third World countervailing currency backed by the economic potentials of developing countries? What has happened to Third World co-operation in shipping, civil aviation and insurance services?

Not only must the Third World decide on priorities but it must also ensure that such priorities are in the sectors where a meaningful impact on the development process can be made as soon as possible. Once such priorities have been agreed upon, the programme of action must be implemented with dispatch and a single-purpose determination by all Third World countries. The Third World must develop the will to act decisively.

The corollary of this is, of course, the need to ensure that regional needs, regional development priorities, and co-operative efforts are taken fully into account when setting up the action plan for global priorities on economic co-operation among developing countries. In particular, it will be necessary to ensure that possible imbalances in the distribution of benefits resulting from ECDC, as regards especially the least developed countries, are corrected or compensated for to the maximum extent possible.

Fourthly, there is an urgent need for the setting-up of a proper institutional framework for monitoring progress in the implementation of decisions and for ensuring that necessary follow-up actions are taken. Neither in the non-aligned movement nor in the Group of 77 is there any permanent machinery established to carry out the essential preparatory work of analysis, planning, co-ordination, monitoring and follow-up.

As Shridath S. Ramphal, Secretary-General of the Commonwealth said recently:

> There is no permanent Third World machinery for exploring the collective policy options of the developing countries ... the South is almost wholly unorganized in terms of negotiations with the North and even in terms of relations within the South. When to this lack of collective organized effort are added the obvious deficiencies within the capitals of all save a few of the developing countries in terms of manpower and financial resources to service and support international negotiations, the nakedness of the South is stark in the extreme.[58]

For many years now, the proposal for a secretariat for the Group of 77 has been thrown around. It is generally accepted that such a secretariat is necessary, if the Third World is to achieve meaningful economic and technical links, and at the same time improve its negotiating power with the North – a North that is exceedingly well organized.

The United Nations system – in particular, UNCTAD and the Regional Economic Commissions – have important roles to play in this co-ordination and monitoring exercise. But in addition to them, there is an urgent need for a Third World institution, established and financed by the Third World and controlled by it, which would provide such services. It would be of crucial importance to make sure, from the very start, that such a secretariat is not under the influence of a particular country or group of countries so that it can enjoy the full confidence of all. Close co-operation between such a mechanism and relevant organizations, both within and outside the UN system, would naturally be required, but it goes without saying that this mechanism should be absolutely free to chart its own independent path, and would be responsible only to the Heads of State and Government of the countries concerned.

In addition to the setting up of a Third World secretariat, there is also the need to set up an appropriate political intergovernmental Third World institutional framework under which the Heads of State and Government, Ministers and senior officials of the Third World can meet periodically to review and monitor progress in the implementation of priority programmes and to map out new areas of co-operation. At present the Ministers and officials are doing this on an *ad hoc* basis and, with all due respect, very hastily on the occasions of or in conjunction with, say UNCTAD, GATT or UNIDO sessions.

Fifthly and finally, each of the Third World regions must learn to make the fullest use of their Regional Economic Commissions since

these organizations, with their strong regional viewpoint on most issues, can be the fora, not only for ensuring the emergence of regional consensuses, but also for harmonizing these viewpoints with other Third World regions. In addition, the Regional Economic Commissions can also implement specific interregional projects designed to bring about greater economic and technical links.

For example, the Economic Commission for Africa has, in collaboration with the sister Regional Commissions, embarked on a number of interregional projects. Accordingly, ECA and ECLAC are co-operating in the fields of trade, manpower development, and science and technology. ECA and ESCWA are co-operating in the establishment of an interregional documentation centre, the preparation of a statistical abstract for North Africa and the Middle East, and the joint study of the magnitude and scope of brain drain in North Africa and the Middle East, and how to reverse it. ECA and ESCAP are involved in three co-operative endeavours:

(i) a study of linkages between payments unions of the two regions;
(ii) a study on the establishment and operations of interregional state trading organizations; and
(iii) trade promotion between the two regions.

While it is too early to estimate the impact of these projects since they were only recently launched, or in some cases are still in the process of being launched, the initiative of the Regional Economic Commissions underlines their potentialities as a major instrument in the hands of the Governments for promoting South–South technical co-operation.

VIII. CONCLUDING REMARKS

I began this lecture by stating that Africa is at the heart of the Third World, its problems and its challenges. As such, it is a barometer by which progress in South–South co-operation is to be measured. Africa's commitment to such co-operation is not merely a political gesture. And it goes beyond the mere calculation of gains. To us it is an integral part of the historical process of forging unity among the peoples of the world. There is no Third World region with which the people of Africa have not got ethnic and cultural ties and affinities of longstanding – not to mention similarities in geographical and ecological conditions and a common colonial heritage.

Thus, with Latin America and the Caribbean we have a large and rapidly growing population of people of African origin and, thanks

to colonialism we have countries such as Angola, Mozambique, Guinea Bissau, Cape Verde, Sao Tome and the Principe who speak a common language – Portuguese – with some of the countries of Latin America. Africa's links with Western Asia are even stronger. The Arabs of North Africa, Mauritania (in West Africa) and Somalia and Djibouti (in East Africa) account for more than three quarters of total Arab population – the predominant ethnic group in Western Asia. As far as South-Eastern and Southern Asia is concerned, some of our Indian Ocean island countries have strong ethnic and cultural affinities with the continent. In addition, there are today millions of Africans of Asian descent. Thus, forging closer economic and technical ties, in addition to developing intimate political and cultural relations with the rest of the Third World, is to us in Africa, an imperative of our time. All we ask for is that such economic and technical ties must be developed on a truly interdependent basis.

VIII The Multidimensionality of the Ecological and Environmental Aspects of Development

Keynote Address at the Plenary Closing Session of the Enabling Environment Conference on Effective Private Sector Contribution to Development in Sub-Saharan Africa,

Nairobi, Kenya, 24 October 1986

The Enabling Environment Conference is unique in many ways. It is the first of its kind to be focussed exclusively on the role of the private sector in the promotion of economic recovery in particular and in the development process in general of the African economies. As we all know, the OAU/ECA *Africa's Submission to the Special Session of the United Nations General Assembly on Africa's Economic and Social Crisis* went as far as admitting that 'the positive role of the private sector is ... to be encouraged through welldefined and consistent policies'.

The *Africa's Submission* went on to identify what specific

measures should be introduced and/or intensified in each African country in order to improve and liberalize the overall policy framework within which the private sector operates. These measures include (i) the easing of the stringency of price and distributional controls; (ii) the minimization of the ineffectiveness and rigidities of the import licensing systems; (iii) the adoption of a more realistic pricing of foreign exchange; (iv) the introduction of new investment codes or the revamping of the existing ones and the simplification of the regulations and guidelines governing industrial investment in general; (v) increasing private sector confidence; and, (vi) creation of greater market opportunities and potentials through subregional trade and the rationalization of tariffs and subregional investment regimes.

Admittedly, each of these various measures has already been introduced by quite a large number of African countries. And in many of them, other measures are being brought into operation as part of the structural adjustment programmes. Therefore, given the new and growing spirit of receptivity about the potential role of the private sector in the development process, it is quite admirable on the part of the organisers of this Conference to have tried to strike while the iron is still hot. I have no doubt that the dialogue which has taken place during the past week between the four parties – Government, business, private development agencies and multilateral financing and development institutions – will no doubt lead to the initiation of the necessary follow-up actions at the national level and thus contribute to the intensification of the process of enhancing the contribution of the private sector to the task of economic recovery and development through the creation of an enabling or a favourable or a conducive environment.

Factors of development versus the ecology of environment and development

For the economist, the factors of production that really mattered used to be those factors of production – natural resources, labour, capital and enterprise – that every beginner knows so well. To every development economist in the early 1960s the parameters for bringing about economic development were savings, investments, capital, both domestic and foreign, and the indices of development were GNP and per capita income changes. Although it was appreciated that there were other factors besides the economist's analytical kit that are crucial for development, they were considered insignificant when compared with the quantifiable variables. Even

among these factors, one or the other has at one time or another emerged as the *deus ex machina.*

Time was when we all believed – thanks to the then prevailing conventional wisdom in Europe and North America – that the motive force of economic development – its motor – was massive capital injection. The literature was turgid on the need for developing countries to encourage foreign investment and various forms of aid. The cumulative effect of all this is the international debt crisis which today threatens to disrupt the entire international economic and financial system without having brought about rapid economic development. If anything, it has retarded and is retarding the progress of all debtor nations who merely survive to service their debts with little or nothing left for meeting recurrent needs not to talk of long-term development needs.

At another time, the conventional wisdom shifted to human resources development and its interim solution that developing countries should import foreign experts and technicians to assist them, at least in the short- and long-term in increasing their absorptive capacity. It had been argued that one of the main causes of the failure of capital investment to yield the result expected of it was the lack of absorptive capacity in the developing countries. Consequently, we imported foreign experts and advisers by the legion but the cumulative result of this has been the exacerbation of the dependency syndrome. Even the huge investments in manpower development proved disappointing in their results as the phenomenon of brain drain soon began to rear its ugly head.

In other words, one lesson which development economists have come to learn is the complexity of the development process – the close linkage and mutually reinforcing inter-relationships between the so-called objective and quantifiable factors of production on the one hand and the so-called non-economic factors of development. It is now abundantly clear that since development does not take place in a vacuum, the social, political, cultural, psychological and institutional milieux are no less important in the development process.

The strategy and fundamental role of the individual in the development process

How could we, as development economists and planners and policy makers, have made such a mistake? How could we have been proved so wrong? There is no doubt that by focussing unduly on the growth of the national income, on capital formation, on savings and investments gaps etc. we have neglected such basic factors in

development as poverty, equality and unemployment in particular and the quality of life in general. Had we concentrated on these, we would have put the individual – man or woman – in the centre of our development models and process.

Thus, economic development cannot be divorced from its social, cultural and political settings. We must recognise the fact that development is a multivariate quantitative and qualitative process in which the 'economic' and 'non-economic' elements interact organically with each other. We must also realise that the pivot on which this development hangs is man – he is both the main instrument of initiating the process and of bringing it to a sustainable level and the beneficiary of its fruits. Conversely, unless he is well motivated, unless he believes that the effort is, as it were, worth the candle, and is therefore willing to make the necessary sacrifice, no amount of the quantum of capital which is injected into an economy will bring about a self-reliant and self-sustaining process of development. The earlier, therefore, we realise that development is for people and by people and internalise this realisation in our policy framework and our development models, the closer we will be to the realities of the situation.

It can, of course, be argued with a high degree of justification that in virtually all our national development plans as well as in the declaration of our leaders, references have been made to the importance of these so-called non-economic factors. But when it comes to translating these declarations into policies, programmes and projects, policy makers have invariably reverted to growth variables and parameters. Perhaps this is because policy makers have tended to put the poverty of the nation before the poverty of the people. Hence what happens to national accounts has been more important to policy makers than what happens to the social accounts, to household accounts and to the quality of life generally.

The individual and his ecology and environment

A development model with a human focus immediately throws up the crucial significance of ecology and environment in all their ramifications. It inevitably leads us in search of a theory that links development with the ecology. In other words, what is the ecology of the developed industrialized countries? What is the American ecology? Or the British or French ecology? Conversely what are the significant differences between these different ecologies and the African ecology? What have the ecological factors in the different African countries in common?

These are very large issues to raise and to fully discuss at this point in the Conference. In fact, they are easier raised than answered. Nevertheless, they are not only extremely pertinent but are also questions which must be explored and probed thoroughly by us as Africans if we are to be able to engineer the socio-economic transformation of our countries. In other words, what are the main requirements of the ecology and environment that is conducive to enabling the individual to become highly motivated and very productive? For in the final analysis, the basic differences between, say, the industrialised countries' ecology and the African ecology are: (i) the very high level of productivity in the former and the pervasive low level of productivity in the latter; and (ii) the existence in the case of industrialised countries and the non-existence in the case of African countries of appropriate institutional arrangement which permits, indeed encourages, individuals to work in such a way as to increase their own productivity. In the case of the United States and other capitalist countries, it manifests itself in the marketization of the American society whereas for the centrally planned economies an entirely different type of institutional arrangement is put in place.

What motivates an individual to want to give of his best to achieve the highest level of productivity possible? While education, skills, technology and the level of remuneration are all very important, they are not enough. The enabling environment in terms of political freedom – freedom of speech, of thought, and of association and freedom from arbitrary arrest must be supreme in such a society. Individuals must be able to express new ideas, to articulate new thinking without being molested. It is in such a political environment that a high level of productivity can be generated. A liberal and open society which is tolerant of dissent and where a healthy disrespect for authority and conventional wisdom is tolerated, is *sine qua non* of an enabling environment.

The second requirement follows from this. The society itself must be stable in addition to being open and liberal. It must subscribe to such goals as social justice, equality of opportunity, equitable distribution of income and the democratization of the development process.

There are also psychological requirements. For an individual to be well motivated and achievement-oriented he must believe in himself. This means that the individuals in the society must develop values of self-reliance. For too long, Africa and the Africans have depended on external masters. For too long the rural poor have

been subservient to the rural rich, to the 'officer' sent from the city and this has sapped their initiative and vitality.

This brings us to the fourth enabling environmental/ecological requirement: efficient and effective economic management. This is an area which is crying loudly for improvement in Africa. If a farmer cannot get his agricultural inputs in time for planting, how can he be expected to raise productivity? If a manufacturer does not receive his raw materials in time, how can he be expected to produce anything let alone raise his level of productivity? If a school teacher is not paid his salaries regularly how can he be properly motivated? If a university teacher's research work is not adequately funded, how can he be expected to improve the intellectual standards of the population, improve the quality of education and provide relevant training to meet the needs of society?

For the avoidance of doubt, we should state two propositions. The first is that not all private enterprises are efficiently managed. The second is that not all public enterprises are inefficient. Poor management is, therefore, not confined to government ministries. It abounds also in board rooms and other private and public institutions. And it is the individuals – either as consumers or as producers – who bear the brunt of this mismanagement.

I must repeat the point which I have made many times before that Africa's main problem is not one of public sector versus private sector but one of what is the most effective means of enhancing growth and development. 'To us in Africa', I said on 26 October 1982, in Washington D.C. at the formal opening of the Annual Policy Meeting of the Cooperation for Development in Africa Conference, 'the private sector versus public sector argument has really been not much of an argument and has no operational meaning because all our governments accept that both have a role to play and that both can and should complement each other ... Our objective should (therefore) be to follow the principle of comparative advantage in the allocation of tasks and responsibilities between the private and public sectors by ensuring that while our governments are at the commanding heights of our economies, they leave more than ample scope for private initiative and enterprise. It is only by so doing that we shall succeed in maximizing for the individual citizens opportunities for self-fulfilment and for the release of the latent energies of the people, and in galvanizing those energies and combining them with material resources to sustain the needs of the society in an equitable and just manner.'

The external environment and the role of foreign private enterprise

I cannot conclude this statement without examining the impact of the exogenous factors on the ecology and the environment of development in Africa. There are two issues which need to be addressed here.

(i) the impact of the external environment on the domestic ecology; and,
(ii) the role of private foreign capital in enabling or disenabling development.

Particularly in the case of Africa whose economies are externally-oriented and are overly dependent on external factor inputs, the exogenous economic factors have always had quite a decisive impact. In fact, everytime the world economy and particularly the economies of North America and Western Europe (the OECD countries) sneeze, the economies of Africa catch pneumonia! In other words, while appropriate domestic measures such as we have discussed earlier and more are required to provide the necessary environment for development, unless the adverse exogenous factors are addressed domestic efforts will come to naught.

As regards the role of private foreign capital in African development, I have no doubt, that it must be strengthened. Some of the domestic measures which we have discussed will contribute immensely to this end. But over and above these, the private foreign investors have to change their attitude and tactics in at least three respects.

First, they have to give up their present lukewarm attitude to food production for domestic consumption in Africa. The continent's number one priority – the priority of priorities – is food production. It is to this sector that we would like to see 20–25 per cent of total new investments go in the years ahead. Therefore, if private foreign capital is to be supportive of domestic efforts, it has also to accord highest priority to food and agriculture production in Africa.

Secondly, with regard to the manufacturing sector, the type of products being manufactured everywhere in Africa are still largely those whose inputs, including raw materials, have to be imported. Is there any wonder that our countries have grave and persistent balance of payments crisis? Not surprisingly, the manufacturing sector has very little linkage with the other sectors of the African economy. Neither do they have backward linkages with agricultural

production nor forward and lateral linkages with the manufacturing activities as they are remotely related to our factor endowments and real development needs.

Thirdly, the private foreign investor will also need to move away from the age-old colonial practice of exploiting Africa's natural resources for the primary purpose of exportation. It is imperative that natural resources exploitation should be linked with the industrial development of the African countries. It must be recognized that it is these natural resources which determine the product lines, which in turn determine technology and, hence, skills.

Let me now bring to an end this statement of mine. There is no doubt that Africa's Priority Programme for Economic Recovery 1986–1990 and the United Nations Programme of Action for African Economic Recovery and Development 1986–1990 together constitute the basis for the evolution of an enabling environment for the economic recovery and development of Africa, not only for the private sector but also for all the sectors of the economy. But an enabling environment calls for more outside the narrow spectrum of development economics. It requires an enabling political, psychological, sociological, cultural and managerial environment and ecology. It also requires that the international environment should be supportive and not conflicting. It is thus clear that a realistic understanding of the theory of the impact of the ecology and the environment on the development process is one that takes full cognisance of their multidimensionality and complexity. It is within this context that we must seek the enabling environment for the private sector and here also not just for the foreign private sector but more importantly and fundamentally for the indigenous private sector including the informal sector which abounds throughout Africa.

All in all, our private sector and our private development agencies must join hands with our governments to evolve a positive African ecology and an enabling environment for development that will enable the individual to unfold his creative potential and realise fully his production possibilities. In other words, we must strive hard to evolve a society for development in every African country which permits and indeed encourages individuals to want to increase their productivity to the optimum. If this Conference on the enabling environment begins the process of laying the foundation of that kind of an African ecology and that kind of a development society in Africa, it would have contributed immeasurably to the revitalization and redynamization of the African economy.

CHAPTER THREE

On International Responses

I Africa and the New International Economic Order: A Re-Assessment

National Bank of Egypt Diamond Jubilee Commemoration Lecture

Cairo 19 December 1979

I. INTRODUCTION

In appearing before you today, I do so as an African, speaking in Egypt – the cradle of African civilization – a civilization which has in turn led to that European civilization of which the world boasts so much today. I am of course aware of the fact that particularly during the nineteenth century and, indeed, until recently, western historians tried very hard to separate Egypt from Africa. Fortunately, the Egyptians have always regarded themselves as Africans and there are many aspects of their traditions which show strikingly that they descended from the black peoples of the south. Indeed, in ancient times, Egyptians turned the faces of their dead in burying them toward the south as a symbolic gesture to their ancestry and their links with sub-Saharan Africa.

It is therefore only natural that I should choose to speak about Africa and the New International Economic Order in a country which has been the *fons et origo* of African civilization throughout the ages, a country that has been the link between Africa and the European and Asiatic worlds throughout the ages and a country that is destined to play an even more significant role in the development of renascent Africa as contemporary African history and politics have amply demonstrated.

It is my aim in this lecture to pose four questions and to attempt to provide answers to them. Let me warn right away that the answers which I will provide will inevitably be lacking in comprehensiveness and they will sometimes be rather controversial. Let me also add that I intend to be very frank since our salvation lies in being

prepared to speak the truth to each other, even when such truth is not particularly palatable.

My first question is: how did the old international economic order emerge and what has been Africa's role in it? Secondly, what, from the African point of view, are the pre-requisites for establishing a new international economic order and what are the consequences of failing to meet those pre-requisites? Our third question is: what is the relevance and significance of the main issues which currently constitute the agenda for the negotiation of a new international economic order to the real socio-economic needs of Africa in terms of enabling the countries to initiate a process of internally-generated, self-sustaining development? Our fourth and final question is: what are the issues which Africa should suggest and press for as the main elements of the new international economic order so that action at international level would be complementary to African action and indeed reinforce it? In other words, what, in the light of our answers to the first three questions, should be Africa's agenda for negotiations for the establishment of a new international economic order?

These are questions which are easier posed than answered. But as we prepare for the Third United Nations Development Decade, during which the world community is expected to concentrate on bringing about the New International Economic Order, they are questions to which we must perforce give increasing attention. For as one distinguished scholar of development and international economic relations recently put it, '... in international circles, the topic of the day is the demand of the Third World for a new international economic order'.[1] And there are indeed many reasons why the call by the Third World for a new international economic order should continue to be the topic of the day since in spite of the sixth and seventh special sessions of the United Nations General Assembly, in spite of the Paris North/South Dialogue, and in spite of UNCTAD IV and V, we are no nearer to establishing a new world economic order now than we were in 1974. There has been no breakthrough in the negotiations. In fact, there is currently a stalemate. And one is not being alarmist if one says that, between 1974 and now, the international situation has gone from bad to worse.

This is not surprising. Firstly, the demand has called into question the assumptions underlying the existing economic order to the extent that those who designed and have operated such order largely to their own advantage, have for the first time been forced to

examine what they are doing. Secondly, the elements of the demand are so fundamental to the effective participation of the Third World in international relations and in the initiation and implementation of policies (which efforts condition the successful execution of their development plans) that they will not relent their efforts until they are satisfied that those elements of the existing order which they have found obnoxious are removed.

Thus the topic will of necessity remain live for quite some time. And since precious resources, both intellectual and financial, that have alternative uses, will continue to be spent on the search for a consensus, it is important that the parties concerned must constantly re-examine the relevance of the issues for negotiations in the search for the New International Economic Order to the objectives of socio-economic development which they have set themselves at national and regional levels. Hence the need for us in Africa to undertake a critical and frank assessment.

II. THE ORIGINS AND FEATURES OF THE EXISTING INTERNATIONAL ECONOMIC ORDER AND AFRICA'S ROLE IN ITS CREATION AND SUSTENANCE

This then leads me to my first question: how did the existing international economic order emerge; what are its main features and what has been Africa's role in their creation and nurture? For a proper understanding of the demand for a new international economic order, we need to go back in history to see how the present order came to be established. For as T.S. Eliot once wrote:

> Time present and time past
> Are both perhaps present in
> time future,
> And time future contained in
> time past.

It can be stated without any fear of contradiction that the foundations of the existing international economic order were laid in several stages: between 1500 and 1700 when the seafaring nations of Western Europe – Portugal, Spain, England, France and Holland – determined to escape the stranglehold of the Italian States on the trade with the Far East in spices, silks and the like set out to find an alternative route to the East Indies and China.

The process, which was greatly assisted by the development of navigation aids and the development of steam and the iron ship and

accelerated by the development of naval power, was basically as follows: the establishment of routes to the East Indies by the Portuguese, and the subsequent search westwards by the other seafaring nations of Europe; the expansion of the commodity composition of trade as a result of the revolution in transport brought about by the development of the railway and the decline in ocean freights following the replacement of wooden hulls by iron and of sails by steam; the conclusion of treaties with friendly natives for ports of call, entrepot trade, refuelling stations, and naval bases; the consequent establishment, under competitive pressure, of territorial authority and of protectorates; the development of plantations in the American South, the East and the West Indies – following the development of two basic types of settlements – *colonies de peuplement*, most of which became independent beginning with the American colonies and continuing with the ongoing efforts to liquidate the remaining colonial vestiges of domination and exploitation in Southern Africa; *colonies d'exploitation* comprising most of Africa, Asia and the West Indies, most of which became independent in the late 1950s and 1960s; and the price revolution of the 1600s, sparked off by enormous imports of silver and gold mainly from Latin America and Africa and which laid the foundation for institutions for savings, investment, banking and credit.

The coercion on Japan and the domination and partial dismemberment of China were other elements of the world-wide expansion and search for industrial raw materials, exotic luxurious goods and external markets. Moreover, all metropolitan powers applied the colonial 'compact' – the idea that colonies existed for the benefit of the metropolitan state, and fought furiously to protect their interests and to enforce the compact. The USA, emerging to replace Spain, and unable to establish colonial domain over Latin America, formulated the Monroe Doctrine – well after adopting a policy of protection of her infant economy.

The international economic order was thus largely bilateral – between colonies or semi-colonies and the metropolitan states themselves, in close collaboration with those independent white states – Germany, Scandinavia, Italy, Russia – which had not shared in the empire-building of the 1600s and 1700s. The trade phenomenon was to be repeated in the 1960s when trade and economic relations among these economically advanced countries expanded rapidly as a share of world trade. The phenomenon was of course greatly bolstered up by the post-World War II institutions of trade, money and finance.

It is this 'order' which remained practically intact until the confusion and the consequent disillusionment of the first half of the 1970s. It is this 'order' which its architects, manipulators and beneficiaries insist should, with some minor changes here and there, be retained. Its basic rationale is that the development and economic growth of the Third World and the welfare of its peoples depend and ought to continue to depend on the success of the existing economically advanced countries in their pursuit of 'growth' and particularly in their success in solving their twin problems of hyper-inflation and chronic balance of payments deficits.

The mechanism through which this 'trickle-down approach' is supposed to work is trade, including technology transfer and its associate, the investment of foreign, that is, mainly metropolitan private, capital. When trade and private investment weakened, aid was established as a supplement. Yet, none of the existing technologically advanced economies was developed through external trade in the ordinary sense of the term and certainly not by trade organized as world trade has been. Indeed, whenever their economies began to expand to the point where foreign trade became a critical factor, they took steps, including war, to alter the organization of trade in such a way as to serve their development interests.

What is clear is that at no time was trade or foreign private investment designed to promote development, economic growth or welfare in the colonies or the ex-colonies. The theory that it could and should be the developing countries' engine of growth is a post-World War II invention. It has never been and it cannot be the proper role of international trade to be the prime mover of socio-economic transformation within any country. The engine of growth should be technological change, with international trade as lubricating oil and not as fuel. And the gateway to technological change is through agricultural and industrial revolution, which are mutually interdependent. International trade cannot substitute for technological change. The theory that it could has been the cause of the wrong economic policies pursued by many an African country since 1945.

This 'order' has inevitably left its mark on Africa and its capacity to generate and manage meaningful socio-economic development on its own. This brings me to the second part of our first question: what has been the impact of this historical process on Africa's economic development?

The scramble for Africa and its associated parcelling of the region into a large number of small states and weak economies are no doubt

very well known to all of us. As already indicated, some of these States were established as *colonies de peuplement* while others were run as *colonies d'exploitation.* In both groups of colonies, two significant elements developed: the intensification of trade with the metropolitan centres and the associated development of south-to-north transport and communication systems.

Other aspects of the forcible integration of the countries of the African continent into the mainstream of world trade and investment were (i) over-specialization in raw materials production with its little or no impact on the rest of the economy through backward, forward and lateral linkages, technology generation and development, and skilled manpower generation, particularly in the critical area of entrepreneurial development for industrialization; (ii) over-dependence on external markets for effective demand as a factor of development, with its backwash effects, when changes occurred in the composition of such demand as we witnessed in the post-World War II periods when demand patterns in the technologically advanced countries shifted from basic needs – food, clothing, etc. – to consumer durables and from countries mainly dependent on agricultural export products to those with minerals, petroleum and natural gas; (iii) the conviction that foreign exchange (and hence exports to the advanced countries of Europe, North America and Japan) is the dominant factor in accelerated socio-economic change; and, (iv) the development of enclaves and semi-enclaves and other dysfunctional situations in the economies of the region.

In all, these different elements compounded our situation to the effect that we were led to 'hook' our policies, plans, programmes and projects to externally-determined factors while population growth, perverse urbanization, unemployment and mass poverty were gathering speed with little notice and virtually no effective public action. In our preoccupation with shrinking and unstable external markets, the possibilities of domestic (national, multi-national and regional) markets were ignored and left to outsiders to develop and exploit. And when we came to decide to develop our economies after independence, we were bogged down with a development theory that hardly took into account the objective reality of our socio-economic situation.

Consequently, we had to and still depend on external sources for critical factors of development as technology, high-level manpower, and management know-how, with the resultant drain on our hard-earned foreign exchange which continues to this day. This foreign exchange drain is now more broadly-based and larger in

volume than was the case before independence but different in respect of the mechanisms by which the drain is effected. This is in remarkable contrast to the demand of African States for aid in real terms and the rapidly mounting external debt of member States. However, the most tragic effect of the integration of African countries into the international economy and the subsequent colonialist exploitation is to be found in its impact on the psychology of the people, particularly their leaders, thinkers, policy-makers, planners, etc. and the creation of a deep-seated loss of self-confidence which has thus reinforced the economic dependence of Africa.

These then are the dominant features of the existing international economic order and their impact on the African economy. However, it will be a mistake to think and believe that the 'order' has always operated smoothly without some cracks here and there at one time or the other. Thus, there was the depression of the 1930s when the demand for agriculture and other raw materials from the developing countries fell, with consequent prolonged adverse terms of trade.

It is commonly asserted that history never repeats iself. That may be generally true but there are at least once in a while extremely similar elements which have a way of recurring. The present world economic situation is reminiscent of the collapse of the international economy in the 1930s. At that time as now, the solution to the problem was perceived only in terms of the recovery of the industrialized market economies. The prescription for the African economy then was that it should intensify its efforts to increase export crops and when the adverse terms of trade became intensified in some directions, we were exhorted to diversify, with further deterioration in the terms of trade. We pressed for the establishment of international commodity stabilization schemes and agreements of which the Common Fund is the latest and more comprehensive variation of the theme. We appealed for more foreign aid and more foreign investment, with sometimes unnecessarily generous investment incentives and tariff protection. We attempted unsuccessfully to restrict imports with deleterious effects on industrial projects.

We adopted import substitution industrialization strategy, a policy which manifestly could not work, given (i) the small national, largely urban, markets for manufactures; (ii) the degree of fragmentation of this market which reflects competitive products differentiation practices of foreign suppliers and the absence of a

capital goods industry; and, (iii) the poverty of industrial entrepreneurship and the sense of helpless dependence on foreign businesses.

We created domestic institutions or encouraged foreign ones to undertake the mobilization of domestic savings, without recognition of the consequences of such mobilization in the absence of domestic capital goods and services industries. We encouraged state participation in joint enterprises with foreign partners without the capability to ensure that the acclaimed benefits of technological and managerial know-how are passed to the national economy.

We are even fond of taking common stands at international discussions and negotiations in complete ignorance of the costs and benefits of such discussions and negotiations. We negotiate for and accept generalized systems of preferences without fully understanding their limitations and their relevance to our declared development objectives. Our latest attempt to grapple with the development nettle is stylized indigenization, often with dismal results since we have never objectively taken into account the deplorable weakness of the African entrepreneurial and management class and the abject state of business support services.

The net result of these policies and practices seems to have been to deepen still further Africa's economic dependence and to raise an alarm on its future course and implications. Out of this has emerged the demand for a new international economic order, which it was believed would ensure a growing measure of economic self-reliance and independence, the development of relatively self-sustaining processes of socio-economic change as well as providing the means of dealing effectively with mass unemployment and mass poverty. It is only now that it is becoming clear that a new international economic order is nothing more than the external expression of a new national (and in Africa, multinational and regional) social and economic order and that without the latter there can be no truly enduring and beneficial new international economic order as far as Africa is concerned.

III. BASIC ELEMENTS FOR AFRICA'S EFFECTIVE PARTICIPATION IN THE ESTABLISHMENT AND MANAGEMENT OF ANY NEW INTERNATIONAL ECONOMIC ORDER

I have often asked myself this basic question: suppose, by some miracle and for whatever reasons, the developed countries were to

acquiesce to the demand for the restructuring of the international economic system and in particular to the opening up of their markets to manufactures from developing countries and to the transfer of technology at give-away conditions, is Africa in a position to derive maximum benefits from such measures? Unfortunately, my answer has always been in the negative. Yet, African countries continue to participate in innumerable meetings in search for a new international economic order. It is my considered view that if we intend to contribute to the creation of the new international economic order and derive substantial benefits from it, at least two basic conditions must be satisfied. We must first and foremost ensure the installation of a new national and regional economic order in Africa. Without this, we cannot be effective participants on an equal and equitable basis in any new international economic order that may emerge. Charity, they say, should begin at home. The second condition is that we must ensure that on the agenda for negotiating the new international economic order are issues which enable African States to satisfy the first condition. As this is our fourth question, we shall come to it later.

Regarding the first condition, the need to start putting our house in order has become imperative. For despite over two decades of national development efforts in most of the African countries, productivity of labour and other factors of production has remained very low. The internal dynamics of growth have thus far not led to self-reliant and self-sustaining economic development. A large section of our population has been left out of the mainstream of development and that Africa has continued to undesirably replicate alien life styles, production patterns and consumption habits in the context of a continued state of unhealthy dependence, persistence of mass unemployment and poverty, and, widening disparities in the distribution of income.

During the period 1960–1979 the output of goods and services at constant prices rose at about 4.7 per cent yearly or about only 2 per cent on a *per caput* basis. What is further disturbing is the fact that agricultural production (including food) in African developing countries grew by a mere 1.3 per cent yearly in the 1970s or less than half the rate of population growth. The average annual rate of food production *per caput* has declined and consequently the region's self-sufficiency ratio with regard to food commodities fell from 98 per cent in 1962–1964 to 90 per cent in 1972–1974.

As a result of the poor growth in *per capita* income, particularly among the middle and low income group of African countries, the

extremely low growth rates of agricultural production and the modest growth of manufacturing output, the demand for labour increased only moderately in the national economies. Labour intensity per unit of land in agriculture declined in spite of the fact that the estimated elasticity of output with respect of labour in agriculture is of the order of 0.8 as compared to an estimated elasticity of output with respect to acreage of around 0.3.

While the increase in the demand for labour has been marginal, there has been a significant increase in the number of entrants into the labour force as a result of an acceleration in population growth and a decline in the mortality rates during the 1950s. It has thus been estimated that the rate of growth of the labour force accelerated from 1.8 per cent yearly during the late 1940s and early 1950s to well over 2.2 per cent yearly in recent years. Present indications are that the average rate of increase of the labour force might increase to around 2.7 per cent by the year 2000. Correlated to the problem of massive unemployment, underemployment and low productivity, is the problem of mass poverty and of the growing income inequalities.

According to some estimates of unemployment and underemployment in African developing countries, it is estimated that out of a total labour force of about 140 million in 1975, 10 million people or 7.1 per cent were unemployed and 53 million or 37.9 per cent were underemployed. Thus the total number of unemployed and underemployed persons in African developing countries in 1975 totalled some 63 million people – 45 per cent of our utilizable manpower!

Our starting point then must be a good understanding of the development process and the respective role of both domestic and external factors in that process. It is now becoming increasingly clear that development is a process that has to be internally generated and sustained. It means the transformation of the economy and society, and the internalization of the factors of production, distribution and consumption. It means the establishment of a modern society capable of self-sustaining economic growth at a reasonable rate.

And the formulation and implementation of such a development process have to be seen in broad cultural terms as well as in more specific economic terms. In cultural terms, it requires the attainment of political stability and a reasonable impartiality of a governmental administration as a basis for a political institutional framework that will enable individuals and enterprises to plan innovations

with maximum certainty about the future environment. It requires a durable legal and judiciary system as well as the establishment of a social system providing mobility of all kinds, both allowing opportunity and recognizing achievement. In more specific economic terms, it requires industrialization in a broad sense, involving the organization of production in business enterprises, characterized by specialization and division of labour and based on the application of technology and of mechanical and electrical power to supplement and replace human effort. 'So conceived, industrialization is an economy-wide phenomenon, applying to agriculture and the service trades as well as to manufacturing; the essence of it is not the production of the products typically considered as 'industrial' but the rational approach to the production process itself that it embodies'.[2] This type of development requires the transformation of the society and the economy, and the transformation must be largely an internal one, even though the international economic relations of a country may play a crucial role in such transformation. It requires far more than the investment of capital in industrial facilities, and the infrastructure required to power them and link them to markets. It requires the development of a skilled, disciplined, and achievement-oriented labour force and the creation of a professional managerial class able to combine disciplined teamwork with imaginative entrepreneurship. It requires the integration of markets for goods, capital and labour and the creation of appropriate institutions for the mobilization, and distribution of human, material and financial resources. Finally, it demands institutional, social and motivational changes which may demand radical changes in the system of land tenure and in the distribution of income.

From the foregoing, it is clear that a greater role has to be given to internal factors in the transformation process. Unfortunately, this has not always been the perception of decision-makers and economic policy analysts in Africa. The excessive external orientation of our development efforts has exposed us dangerously to the backwash effects of decisions being taken in such external centres of decision-making without any regard for our development needs.

We have to understand clearly that any international economic order is inevitably a reflection of the domestic policies of the most powerful participants in international economic relations. Moreover, the strength of the participation of any nation in international economic relations is a direct function of the strength of its domestic economy. Indeed, the domestic economy constitutes the reserve

position of any nation. Thus, if the position in international economic relations cannot be sustained, the domestic market constitutes a reserve position. Many countries in the region do not have a viable reserve position. Therefore, if African countries are going to participate effectively in the creation of the new international economic order and benefit substantially from it, then they have to put their house in order by installing first and foremost a new national economic order in every country based on justice and fair play. Such a new national economic order will be based on a sustained people-oriented and self-reliant process of development.

But how do we begin initiating such a process of development? My answer to this question is simple: de-emphasize the present concentration on economic growth based on external factors of production, distribution and consumption to the neglect of real elements of development. In this connection, I should like to refer to the macrodynamic and microdynamic aspects of development as at present practised. 'The former comprises the aggregative aspects of planned economic development – the saving, investment and balance-of-payments aspects. The latter comprises the general process of raising the level of efficiency in individual segments of the economy and of establishing automatic mechanisms promoting the steady improvement of technology, skill and managerial efficiency in those segments, so as to make progress of the economy self-sustaining and self-reinforcing'.[3]

Our preoccupation with savings-investment gap and foreign exchange gap, which is a reflection of the external orientation of our development efforts, has tended to divert our attention away from the real engines of development and economic growth. There is thus at present hardly any analysis of the status of and probable change in such factors as (i) the availability, composition and quality of natural resources; (ii) the level, composition and quality of human resources, including such crucial agents of change as indigenous entrepreneurs; (iii) the state and characteristics of domestic markets; and (iv) the technology to be used and its capacity to absorb the most precious resource which African countries have, namely, manpower. Yet such analysis should constitute the basis of initiating and implementing self-reliant, self-sustaining and environmentally sound development.

Indeed, if development which will be self-reliant and self-sustaining is a process of interaction between human and material resources through the intervention of the application of technology for the purpose of producing goods and services to satisfy the needs

of the people, then population, natural resources, wealth and technology, have fundamental roles to play, and a knowledge of them is imperative.

Moreover, in the development process, population is the initiating and operating factor, the end to which all development is directed, and the element which suffers from maladjustments and contradictions in the functioning of the system. The other variables stand in a dependent relationship to it. But 'the way that population interrelates with other variables will depend in large measure on the structure and functioning of the society, on its institutions, the political system and the relative influence of different social groups. Attitudes, values and norms of political, economic, social and cultural behaviour will help to determine how, for example, resources are used and which type of technology is employed; what ranges of products are provided for consumers; and how economic activity and human settlements are distributed spatially throughout the society'.[4]

It is therefore clear that any meaningful development must be squarely based on the domestic economy. While external resources may and in certain circumstances will be necessary, their place will be determined by the needs and requirements determined at home. In this connection, I submit that if we had understood the development process in this sense, the international economic order would have been different from what we now have.

National development efforts have to be supplemented by subregional and regional co-operative development efforts. Particularly in the case of Africa, there are many reasons why domestic efforts may not be optimal in providing efficiently the basic requirements for satisfying the social and economic needs of the people. Some of the reasons may be cultural in that for a harmonious development of some geographical areas it may be necessary to work in collaboration with neighbouring countries because the people of the particular area may have their kith and kin across the border. Another reason may be tactical since a joint action between a group of countries may lead to more gains being extracted from a third party. However, the main reasons for the pooling of development efforts among countries are purely economic. This is particularly the case with Africa where many of the countries are at present too small for viable economic activities particularly in the context of establishing and managing basic industries for the production of agricultural, industrial and infrastructural inputs.

In this connection, I should like to remind you that of the 49

independent African States, only Nigeria and Egypt have at present population of 30 million or above. The majority have populations of 5 million or below. In effect, we have a lot of miniscule States on the continent. Moreover, we have the largest number of least developed, landlocked and island developing countries. We also have a sizeable share of the countries most seriously affected by the adverse international economic conditions of the 1970s. Hence, without economic and technical co-operation in the context of collective self-reliance, not much can be achieved single-handedly by the majority of our countries.

But if economic and technical co-operation is imperative for us, how do we go about it? This is a million-pound question in view of our bitter and disappointing experience with economic co-operation schemes in the continent, particularly since the early 1960s. In this connection, one recalls with dismay and a feeling of disgust those co-operative institutions which were established during the colonial era and which did prove their economic worth but were dissolved because of political differences. We also recall with remorse such wasted efforts at establishing common institutions that cut across language barriers. However, because of its imperativeness for our mutual progress, I have an unshakable conviction that economic and technical co-operation has a great future for us.

In talking about the regional approach to development, I should like to recall briefly the sources of obstacles: ourselves, the participating organizations such as the ubiquitous transnational corporations, and the developed nations, most of which were our colonial masters and with which we have built strong and seemingly unbreakable cultural, political, economic and technological links.

With respect to ourselves, I should like to recall our perennial rivalry, our mistrust, and the myriad of other forms of animosity which make a group of our countries and their leadership unwilling to co-operate even though everyone stands to gain economically through co-operation. Some of the core causes of this unwillingness to co-operate are of course the so-called political ideological differences, location of industries, mobility of labour, and equitable distribution of costs and benefits of co-operation activities. There is also the fact that not all our countries are equally endowed with resources with the result that if certain countries are to participate effectively in a regional co-operation venture, they may have to rely on outside funding to carry their share of the financial burden associated with a particular venture.

As far as our participating organizations, such as transnational corporations, are concerned, a new venture that will tie two or more countries together has invariably appeared to them as a threat to their former sphere of influence, especially if the new partner has some orientation different from that of the host country. Moreover, such a new association may disorganize the global strategy of the particular transnational corporation.

The developed countries, especially if they are the former metropolitan powers, have usually opposed the regional approach to development because of the fear of the eventual break-up of the economic, political and cultural links with them and with it the loss of protected markets. Hence, aid or credits had been denied. Dissension had been caused, with sometimes bribes being offered to influential people to keep their nation out of the venture. And sometimes, organizations potentially interested in participating in such co-operative ventures have been encouraged or coerced to be hostile to the venture.

I am afraid these obstacles are as strong as ever. But shall we allow them to continue to daunt our co-operation efforts? This is a question that is easier to ask than to answer. However, in view of the immense advantages that inhere in economic and technical co-operation, I believe that we can overcome them if only we can show the will. Indeed, the traditional arguments for economic co-operation – rationalization of investments and projects, increased market size, fewer restrictions on trade, capital and labour among member countries – remain important. The regional approach also facilitates self-reliant and self-sustaining development: that is, development serving broader human needs and based on indigenous technology and resources.

What I think we need to do to overcome our obstacles is to show the will to make our co-operative efforts to succeed. In doing this, we must bear in mind the dynamic nature of development and plan in such a way that all partners in the co-operative activities will benefit equally in the longrun. This means that the stronger members may have to sustain losses initially in favour of the weaker ones. In addition to the will to succeed is the need to change our tactics and approaches.

While successful models of regional integration efforts have usually been associated with free trade area, customs union and common market, in redesigning our strategies for economic and technical co-operation, we must consciously work with the reality that our economies are generally underdeveloped and that a blind

imitation of what has succeeded elsewhere may jeopardize our chances. In this connection, a vigorous and dispassionate analysis of our past efforts at co-operation will be in order. But, taking as point of departure the work which we have so far done in the secretariat of the Economic Commission for Africa, I should like to suggest the following approaches: co-operation between neighbouring countries particularly in joint development of common ecological zones; co-operation on a functional basis such as joint development of more simple but obviously important projects as road and other infrastructural development and common payments arrangements; the establishment and use of training and research institutions; and joint commercial projects and production planning with a view to changing the structure and the boosting of intra-African trade. In particular, in view of the abundance of raw materials in the continent, I see a promising future for African multinational industrial corporations, backed by African multinational financial and banking, and transportation and communication enterprises.

This then is the other basic condition which African countries must satisfy if they are to be effective participants in the restructuring of the international economic system and if they are to derive optimum benefits from such a restructured system. It is through the installation of a new national economic order in individual African countries and through the sustained nourishment of a pan-African approach to development and economic co-operation and integration (a process which I have called a new regional economic order) that we can truthfully say that we have put our house in order and are prepared for the challenge and the reward of a new international economic order.

IV. SOME OF THE ISSUES UNDER NEGOTIATION AND THEIR RELEVANCE TO AFRICA'S REAL NEEDS

Before coming to the second of our pre-conditions – Africa's agenda for a new international economic order – let us now examine some of the issues under negotiation for the establishment of the new international economic order in the light of their relevance in meeting the challenge facing Africa in bringing about a new national and regional economic order. The word *negotiation* is no doubt too strong a word to describe what has so far taken place in the efforts to restructure the world economic order because the very concept of negotiation implies, among other things, the coming together

across the table of parties with strong will to bring to bear on the negotiations whatever strength at their disposal that may be required to ensure the attainment of their objectives.

On the contrary, by their attitude, behaviour and utterances, Third World countries have given the strong impression that they believe that the establishment of a new order 'will be a great action of benevolent generosity by the rich nations and that we must all queue up, as so many supplicants, to 'beg' for its final emergence'.[5] Furthermore, Third World countries, or at least some of their spokesmen, give the impression that they do not realize that 'the restructuring of power relationships – whether within nations or among them – is a process, not an event. Its pace can be accelerated by the goodwill of the rich and its unfolding can become less traumatic, but its real trigger lies in the strength of the poor, not in the benevolence of the rich'. In fact, unless the poor are well prepared and organized, whatever is offered to them on a silver platter will remain mortgaged to the interests of the rich.[6]

Be that as it may, the main issues under 'negotiations' or 'dialogue' in this endeavour to restructure the international economic system may be listed as follows: (i) commodity stabilization; (ii) discrete treatment of Third World debts; (iii) the restructuring of international trade to Third World countries' advantages; (iv) massive transfer of resources; (v) easier access to Western technology; (vi) redeployment of world industrial production capability in favour of Third World countries; and (vii) the reform of international monetary and financial system.

How relevant are these issues to Africa's economic realities of today and its imperative necessity of establishing a new national economic order based on internally-generated self-sustaining process of development and an increasing measure of national self-reliance? How germane are these issues to Africa's urgent need for co-operation, integration and the achievement of an increasing measure of collective self-reliance? And of what significance are these issues to the task of forging meaningful, effective and mutually beneficial economic and technical links among developing countries – between Africa and the Middle East, Asia and Latin America?

Unfortunately, time will not permit me to discuss each of these issues in relation to the above-mentioned criteria in detail. I do, however, hope that no matter how sketchy the examination may be, the answers to our questions will be abundantly clear and the naivety about our approach to the restructuring of the world economic

system and the irrelevance of most of the issues that have generated and are generating a great deal of heat and very little light, to Africa's long-term development objectives will be crystal clear.

Let us begin with the issue of primary commodities for export which has dominated, with increasing ferocity, the discussions of all UNCTAD conferences since 1964. The very first UNCTAD conference passed a resolution on international commodity arrangements and removal of obstacles, and expansion of trade. The three objectives were (i) encouraging the growth of real export earnings; (ii) securing stable, remunerative and equitable prices; and, (iii) ensuring access to the markets of the developed countries. The *integrated programme* for commodities, which has come to be regarded as one of the foundations of the new international economic order, is no doubt a latter day version of that original UNCTAD I resolution. As it was adopted at UNCTAD IV in 1976, the integrated programme of commodities is composed of two basic elements: (i) a series of arrangements designed to stabilize and strengthen the markets for a range of products of export interest for the developing countries including bananas, bauxite, manganese, phosphate, cocoa, sugar, tea, coffee, cotton and cotton fibres, hard fibres and their products, iron ore, jute and jute products, meat, rubber, tin, tropical wood and vegetable oils; and (ii) a common fund which would be the principal source of financing for these arrangements including its so-called second window intended to assist in research work on the possibilities of diversification and alternative uses for primary products.

There is no doubt that Third World countries, particularly African countries, have been facing a commodities crisis for many a year – a crisis brought about by the inherited colonial patterns of production with emphasis on the production of commodities for which there is very little domestic market and which therefore depend on the export market for their viability with the consequent instability in export prices and proceeds. Unfortunately, after independence, instead of African countries shifting their productive resources to the production of commodities for which there was a growing domestic market both for household consumption and as raw material for manufacturing, they have expanded production for the same external market. When the terms of trade were against them, as a result of such commodity and geographical constraints they have sought palliatives through various types of stabilization schemes of which the Common Fund (under UNCTAD auspices) and Stabex (under EEC–ACP agreement) are believed to be

today's panacea. While these arrangements may provide temporary relief, there is no doubt that they will not lead to the restructuring of the African national economy. They will continue to exacerbate the economic dependence of Africa on the industrialized countries and aggravate their sense of economic helplessness and their external orientation.

What African countries need is an agricultural industry that is geared to the domestic requirements of their economies – providing food for the entire population and forming the basis for an industrial take-off. If after meeting their own needs, there is surplus for export so much the better. But an externally-oriented agricultural sector cannot be an engine of growth and development as our experience during the past 20–35 years has amply demonstrated.

Because we had misunderstood the nature and dynamics of development, we have in Africa neglected the development of our agriculture and food. Indeed our low level of development is the result of the low level of agricultural productivity. Our first priority in the next decade must therefore be to raise the level of agricultural productivity so as to provide more income for the majority of our people, raw materials for industrialization and market for the products of our industry. As Professor Arthur Lewis (your 1953 Commemoration Lecturer) has said, 'the way to create a new international order is to eliminate the 50 to 60 per cent of low productivity workers in food by transforming their productivity. This would change the factoral terms of tropical trade, the prices of the traditional agricultural exports. It would also create an agricultural surplus that would support industrial production for the home market. These countries would then be less dependent on the rest of the world for finance or for their engine of growth'.[7]

The second issue on the North/South agenda is the debt problem. There is no doubt that there is a growing external debt crisis in Africa. The *debt problem* of most African countries has grown steadily worse, particularly during the 1970s. The data available for 39 developing African countries show that the overall debt of these countries, including amounts not disbursed, rose from US$13 billion in 1970 to over US$39 billion in 1976, while debt service rose from US$0.8 billion to US$5.2 billion during the same period. These figures represent an average annual growth rate of approximately 18 per cent for debt disbursed and 35 per cent for debt service during the period 1970–1976. These figures are enough to daunt anyone. It is because of this that there is a growing international concern about the debt problem. Accordingly, it featured at UNCTAD IV where a

resolution was passed inviting, in particular, 'appropriate existing international fora to determine, before the end of 1976, what features might usefully be discerned from past operations, together with others that might be identified in the light of the present situation of least developed countries, the most seriously affected developing countries and other countries in need, which could provide guidance in future operation relating to debt problems as a basis for dealing flexibly with individual cases'.[8]

The United Nations General Assembly, for its part, passed a resolution at its 32nd session calling *inter alia* for (i) a generalized debt relief by developed countries of the official debt of developing countries; and, (ii) re-organization of the entire system of debt renegotiation to give it a developmental orientation. Other suggestions have been made in other fora for dealing with this problem.

As we all know full well, no generalized debt relief has been achieved. But some developed countries, including Sweden, Switzerland, the Netherlands, Canada, the United Kingdom and the Federal Republic of Germany, have already taken measures to cancel the external public debt of some developing countries and have decided henceforth to extend official development assistance (ODA) in grant form to the least developed and most seriously affected developing countries.

Even if the entire developed, industrialized world were to accept the principle of generalized debt relief and were accordingly to take measures to cancel all external public debt of all African developing countries, of what short-term and long-term significance would this be to the initiation of a process of internally-generated and autonomous development that we talked about? The answer is that it would, of course, be of limited significance. Indeed, generalized debt relief measures would not solve the development problems of African countries unless they are accompanied by domestic economic policy measures designed to install the new national economic order that we have earlier described. Otherwise, the process of external debt accumulation would begin again and before long, the countries would be burdened with external debt of even greater magnitude.

One of the immediate effects of debt relief is on the balance of payments by reducing the balance of payments deficits of the beneficiary countries. But even here, the impact will be reduced if there is an increase in resource outflows from those beneficiary countries. Indeed, capital outflows from Africa to the industrialized

countries are assuming alarming proportions. These outflows of resources, needless to add, have far-reaching impacts on employment and income distribution, foreign exchange earnings, domestic resource mobilization and domestic capital formation. These resource outflows result from the many forms of leakages which currently plague the African economy. The following is an indication of the range of resource leakages from Africa: (i) imports of technology including technical skills, capital equipment and spare-parts; (ii) international shipping and containerization; (iii) international air transportation; (iv) management and consultancy fees; (v) banking and insurance; (vi) international production, marketing, distribution and advertising; (vii) exploration, extraction and production of minerals and other raw materials; (viii) international procurement and subcontracting; (ix) brain drain; and (x) the purchase and acquisition of armaments.

Unfortunately, only scant attention has been paid to the growing menace of resource outflows which if not checked, may soon outgrow resource inflows while our negotiators continue to argue about the importance of generalized debt relief to the establishment of a new international economic order!

This leads me to the third issue on the negotiating table for a new world economic order – the restructuring of international trade to enable developing countries to export increasing quantities of traditional (agricultural) and other products to advanced countries. The removal of these barriers would be extended to agricultural products processed locally and to manufactures. On the part of developed countries, this would require the removal of tariff and non-tariff barriers against imports, including imports of manufactures, from the developing countries, the expansion of the Generalized System of Preferences (GSP) and the restructuring of the internal economies of the developed countries to accommodate an increased volume of imports from the developing countries.

But paradoxical as it may sound, protectionism has been deepened in the advanced countries during the last few years. Indeed, the wave of protectionist measures introduced by the developed countries or their subsidiaries operating in Third World countries, and the increased protection given to agriculture and food products, whether processed or unprocessed, in advanced countries – to mention only two – have led developing countries to think increasingly in terms of establishing a generalized system of trade preferences among themselves. While this recognition of the importance of closer and more meaningful and significant South–South

trade relations in increasing the bargaining power of the Third World is to be welcomed, we in Africa must realize that charity begins at home.

How can we in Africa talk seriously about liberalizing trade with Asia, Latin America and the Middle East, when among ourselves there is very little trade going on? Intra-African trade, excluding trade in petroleum, accounted for only 5.6 per cent of Africa's total world trade in 1977. A dynamic and rapidly expanding intra-African trade both in volume and value and range of products as well as relatively to Africa's total world trade is one of the *conditio sine qua non* for establishing a new regional economic order in Africa based on an increasing measure of collective self-reliance. And this is where all African Governments must first and foremost concentrate their energies. Increased intra-African trade will of necessity lead to increased co-operation in production among African countries which in turn will lead to even greater intra-African trade. If there is going to be a generalized system of trade preferences (GSTP), it should start among African countries at subregional and regional levels.

The fourth subject on the 'negotiating' table is the massive transfer of resources from advanced countries to Third World countries. On this issue it is enough to mention three points. First, the transfer of massive resources is not independent of the capacity to absorb them. This is the lesson of the OPEC countries. Secondly, the consequences of massive transfer from rich to poor countries without corresponding massive transfers, within poor countries, from rich to poor (i.e without ensuring that the transfer does not aggravate the existing grossly skewed income distribution) will not solve the problem of African countries. It would only result in a reproduction within each African country of the larger world problem, a failure in domestic market and production expansion, and a recycling of resources back to the advanced countries without much impact on the overall problem. And in this recycling, invisibles are likely to play a major role and the major beneficiaries will probably be transnational corporations which, as we all know, are answerable to practically no one. My third and final comment on this issue is that the nature and dynamics of the economies of African countries are such that the forms of transfer are more critical than the amounts of transfer. If I may come back again to the debt problem, the wholesale writing-off of old debts without improving the development capability of the countries concerned will only lead, sooner or later, to restarting the cycle of growing debt

burden. Thus, the question is not only one of appropriate terms but of appropriate strategy of development and the productive use of the aid received in implementing programmes consistent with that strategy.

The issue of easier access to Western technology by Third World countries was the subject of the United Nations Conference on Science and Technology for Development held in Vienna, Austria, in August 1979. It was here in Cairo that the African regional meeting on preparation for the Global Conference was held in August 1978. At that Cairo Regional meeting, I did state, as I have said on many occasions before and since, that any realistic strategy for development for Africa which is to usher in a new national economic order must have as its primary objective the achievement of a technological revolution within the shortest time possible. Until Africa has internalized the development of technology into its society, in other words, until science and technology has achieved a root-taking process, we cannot truly claim to have established a self-sustaining endogenous process of development.

This means that our emphasis should be on the development of, rather than the transfer of, technology, for we should not entertain any illusions about the likely effect of opening the African region widely to imported technology. This is what we have been doing so far with the result that as in other fields we have become technologically dependent. Our technological dependence manifests itself in a variety of ways. The most significant are the lack of capabilities in (i) defining development and production needs in technological terms; (ii) identifying alternative forms of technology for satisfying those needs; (iii) identifying competitive sources of procurement; (iv) negotiating ownership or user rights; (v) organizing importation and setting up management operations and maintenance; (vi) undertaking lateral transfer by adaptation within existing uses or to new uses; and (vii) developing new forms of technology.

Thus, while technological development is a most important requirement for national development, mere transfer is not what is required to meet our development objectives. We urgently need to develop capabilities in those seven areas which I have just enumerated. While we no doubt need the fullest co-operation of the advanced countries to develop these capabilities, this has to be done on quid pro quo basis, not on the basis of existing dependency relations, if Africa is to be able to determine her development priorities.

The question of redeployment of world industrial production

capacity in favour of the Third World countries constitutes one of the most fundamental of all changes in international economic relations called for in a new international order. The question is not new. It has arisen in connection with agriculture (especially sugar, some fats and oils and textiles) and has now extended to steel, cars, roller bearings etc. Its formulation, from the point of view of developed countries, is the degree and feasibility (economic, social and political) of making internal domestic adjustments to accommodate imports of processed agricultural products and manufactures from Third World countries. From the point of view of the Third World countries, a reallocation of world industrial production capacity implies the reallocation to them of those industries in which the developed countries are now at a comparative disadvantage and the Third World countries are at a comparative advantage, namely – shoes, textiles, steel, and electronics assembly. The argument underlying this approach is of course that the industrially advanced countries have comparative advantage in high technology industries, informatics, aeronautics, space research, etc. and they should concentrate their efforts there. Apart from the fact that this argument overlooks the inference that the developing countries should not engage in high technology research and the development of those basic industries which constitute the heart of industrialization, the implications of reallocation of world industrial capacity to the Third World in terms of high-level manpower technology and technical know-how and managerial and marketing capability have not received sufficient attention.

It is an inherent assumption of this call for industrial capacity reallocation that in respect of those industries allocated to the Third World, the countries of the Third World will be responsible for the production and distribution of the products of such industries for the use of both the advanced industrial and the developing countries. The feasibility and desirability of this assumption in terms of equipment and their installation, technical management and marketing capability, as well as transportation, need to be critically studied since at all events we do not want the industries to be reallocated without technical, managerial and marketing capabilities. A reallocation on the principle of lock, stock and barrel will aggravate rather than ameliorate our development problems.

However, over and above this, what is of immediate importance to us in Africa (whose existing share in total world industrial output is a mere 0.6 per cent) is installation and management of those industries which are central to the production process in that they

produce inputs into other sectors of the economy as well as for their own use – basic metal and engineering industries. And we have adequate resources for their installation and management, particularly on a collective and self-reliant basis. The technological design, manpower, management and marketing capability implications of this should increasingly engage our attention.

The final issue on the agenda for the new international economic order which we shall mention is the reform of world financial system and institutions. Indeed, this is one of the central issues as far as Third World countries are concerned. As we agreed at a meeting of thinkers, policy-makers and negotiators from the Third World, sponsored by the Third World Foundation for Social and Economic Studies held in December 1978 in Arusha, Tanzania,

> The international monetary and financial institutions, the principles and methods of their operation, their theoretical bases and practical effects and, above all, their pattern of recruitment, control and management have to be re-designed to correspond to the present day requirements.[9]

As we all know only too well, with the breakdown of the Bretton Woods System in 1971, international monetary relations have been marked by unusually high and persistent inflation and a high degree of instability in the exchange rates of major currencies. The developing countries, particularly African countries, have borne a disproportionate burden of the weight of the instability in the exchange rates of these currencies, as the present exchange rate regime in Africa is characterized by the predominance of a pegged system to major reserve currencies. Of the 47 African members of IMF, 28 have pegged their currencies to national foreign currencies – 14 to the French franc, 10 to the US dollar, 2 to the pound sterling and 2 to the South African rand. Fifteen have pegged their currencies to a combination of currencies, of which 9 to special drawing rights (SDRs) and 6 to a basket of currencies of their choice. Only 3 countries have determined the market rate of exchange of their currencies by means of a set of indicators.

The instability in the exchange rate of the currencies to which African currencies are pegged has led the African countries concerned to suffer both direct and indirect price effects through constant pressures on their domestic monetary bases. It is therefore in Africa's interest that there should be fundamental changes in the world monetary and financial system and institutions.

But such reforms will not be sufficient in enabling African

countries and governments to achieve the national and regional development goals which we spoke about earlier. For, given the multiplicity of currency zones, the inconvertibility of most of them and the non-existent or at best the underdeveloped nature of financial markets in Africa, there is an even more urgent need for Africa, with the co-operation of the international community, to begin to lay the foundation of an African regional monetary system.

V. AFRICA'S AGENDA FOR NEGOTIATING A NEW INTERNATIONAL ECONOMIC ORDER

So far, I have examined the issues underlying the call for a new international economic order in relation to the development objectives of African countries in the context of both national and collective self-reliance. And in each case, our conclusion has been that the present issues have little or no immediate relevance to the objectives which African countries have individually and collectively set themselves. From this reassessment and the conclusions arrived at, one can easily assume that our position is that African countries have no issues to negotiate in international fora in order to implement and achieve their development objectives. Any interpretation of our position in such a manner will be widely off the mark. And because of this possible interpretation in certain quarters, I have decided to devote the rest of this lecture to the presentation of an agenda for negotiation in the context of African development in the rest of this century in general and in the 1980s in particular.

Before presenting the agenda, however, I should like us to reflect briefly on what the United States of America did to pull Europe out of the ruins of the Second World War; namely, the formulation and implementation of the Marshall Plan. Europe survived the Second World War but with the greater part of her capital equipment destroyed, its buildings and infrastructure devastated, and its economy completely disorganized. On the other hand, the United States remained powerful both militarily and economically. That advantageous position was used by the United States to underwrite the economic reconstruction of Europe.

There was a time when those who were concerned with the development of the developing countries felt that what was needed was another Marshall Plan to accelerate the development of the Third World countries, not only through the provision of massive financial resources but also through the large-scale transfer of the

technology available in the advanced countries. We are probably wiser now after almost three decades of aid and technical assistance.

The fact is that there is a fundamental difference between the conditions prevailing in Europe after the Second World War and those of the developing countries. In Europe, most of the institutions for development were already available even though their functioning was disrupted. The human factor was also there even though its energy had been weakened. The basic infrastructural facilities were there even though extensively damaged. Thus when the Marshall Plan came to be applied, its main purpose was to reconstruct and resuscitate. Conditions were and are different in the developing countries. Unfortunately, this was not adequately recognized and whatever efforts were mobilized for the development of the developing countries were applied under the assumption that the developing economies were the underdeveloped areas of the same world economy just as various measures have been and are being deployed to the needs of the depressed areas of Europe.

It was never thought that just as Europe was assisted to reconstruct and to be on its feet again as an able ally and effective partner in the world economy, the developing countries needed to be assisted to build themselves up as able and effective partners in international economic relations. As one writer has observed, 'in the 1930s when international agencies began to measure and compare standards of living internationally and to stipulate 'objectively' minimal living standards of human needs, primarily of nutrition, it was with a view to engineering recovery from the world depression with encouragement from exporters of foodstuffs, notably the Australians. Advocacy of world programmes to develop 'underdeveloped areas' made mainly during the Second World War, was based in part on the apprehension that the matured economies of the West had entered a phase of secular stagnation and required new frontiers of investment to sustain their employment'.[10]

The fact is of course that the developing countries in general and the African countries in particular have never been regarded as having separate economies capable of formulating and implementing autonomous decisions in socio-economic development.

While I have said and still say that the issues now being advocated for negotiation with a view to ushering in a new international economic order are of marginal importance, I would like to make it abundantly clear that I firmly believe that the Third World has a case and is right in calling for a new international order in which they will not remain hewers of wood and drawers of water; exporters of raw

materials and importers of manufactured goods; underdeveloped in manufacturing and economically controlled by foreigners. To the extent that no proper foundation has so far been laid for these countries to play an equal and equitable role in international relations, their call to the international community to assist in the laying of that foundation should be genuinely answered. All I am advocating is that the peculiar circumstances of Africa, as the most economically backward region in the world should be taken fully into account and that therefore the agenda for negotiating a new international economic order should include issues that are of direct and paramount interest to Africa, issues which if accepted would complement and be supportive of Africa's efforts to bring about a new economic order at national and regional levels.

In support of this position, it is encouraging to note the growing emphasis of the World Bank and the OECD on the critical and inadequate situation of the production and distribution capability of African countries in general and those of Sub-Saharan Africa in particular. Thus, in the field of agriculture and food, environmental and technological constraints have been observed, including gross government neglect and insufficiency and inappropriateness of foreign aid. In industry, the major handicap has been identified as the scarcity and high cost of suitably skilled labour and management. Finally in the context of overall absorptive capacity, the critical issue is lack of 'operative capacity' (administrative and otherwise) at the ready to use much more aid than is at present available. Hence, our contention about the relative irrelevance of arguments about access to markets, stabilization schemes, massive transfer of resources, restructuring of international trade and world industrial production capacity! What then are the issues which Africa should seek to place on the agenda for negotiation? In answering this question, our starting point must inevitably be our circumstances as we see them. As we see it, the main problem of African countries is that they are extremely weak on the supply side whether in agriculture or industry, trade or transport, administration and management or in any other area of human endeavour. Thus, in agriculture we have producers who are badly organized, who are using antiquated means of production, who lack imagination in management and marketing, and so on and so forth. There are of course environmental and technological constraints which I have just mentioned: high incidence of diseases that kill draft animals; the poor soils and scanty and uncertain rainfall that have discouraged land-intensive, settled agriculture; the fact that genetic

research has not proceeded very far with respect to root crops and coarse grains which constitute a large portion of the daily diet of the masses of the population; the high cost of irrigation because of the scarcity of ground water; and the distinctive and varied agro-climatic and socio-economic environments which make it difficult to introduce agriculture technologies from elsewhere. Weak management and marketing capability also characterizes the so-called informal sector.

In industry, we lack imaginative indigenous entrepreneurs who can identify the problem, seek assistance for their solution and mobilize resources for such a solution. In the public sector, we have a myriad of dysfunctional institutions and are short of personnel who can take and implement autonomous decisions vis-a-vis our competitors. In general we lack the power to have sovereignty over our natural resources and to take our destiny into our own hands.

Hence, our greatest need is in the area of human resources development. While Europe had the manpower to use the financial and technological resources made available to it under the Marshall Plan, African countries still have to train their own manpower resources, and this at all levels of development needs, and in most cases develop appropriate technologies taking into special consideration the environmental and ecological conditions of the continent. Thus we need to mount gigantic unprecedented efforts in the field of primary, secondary and tertiary education, and of adult education through formal and informal methods. Such efforts will need assistance in the form of equipment and materials for schools and colleges in individual African countries, of reorientation of educational content and of the training of trainers. While as many institutions as possible will have to be built in individual African countries, there will be need for expanded programmes in the provision of places in appropriate institutions in the western industrial countries, including Japan, in the socialist countries and in the other Third World countries, as well as assistance in financing the training to be provided by such institutions. There will also be expanded assistance in on-the-job training in appropriate institutions and establishments.

It is now clear that it is harder to get agricultural development going in the tropics than elsewhere. Yet overall development can hardly take place unless productivity in the agricultural sector can be appreciably increased. Therefore, we shall need an increased assistance in mounting a series of intensified activities in applied agricultural research, covering the whole area of the proper mani-

pulation of land, water, plants, human and animal resources so as to obtain the best results from them. In other words: 'Great quantities of investment are needed in water management, inputs supply and roads and other kinds of farming infrastructure, also in human capital formation – training, education, health, and the strengthening of agriculture support institutions, as well as investment in the development and networking of rural centres and settlements above the village level'.[11]

Much has been said about our discouraging performance in the field of industrialization. In addition to lack of imaginative indigenous entrepreneurs, one can easily add the near non-existence of competence in project identification, analysis and implementation as another cog in the wheels of our industrial progress. There is therefore an insatiable need for assistance in the field of capability-building in project analysis and implementation, and design engineering, coupled with management and marketing capability.

As I have stressed in the earlier parts of this lecture, the development of human resources and the establishment of institutions are inevitably meant to be used in conjunction with technologies for the purpose of transforming agricultural, forest, mineral and other natural resources into goods and services to satisfy the material needs of the people. It is therefore important that a knowledge of the variety, quantity and quality of these material resources must be concretely established. Measures to acquire such knowledge must also loom large on the agenda. And in this area, Africa is urgently in need of adequate multinational institutional development which can provide necessary backstopping to the efforts of the member States. I have in mind here institutions such as mineral resources development centres, cartographic and aerial surveys centres, remote sensing centres, higher technical institutes, technology development and transfer centres, and manufacturing and engineering design centres. These and others like them are so vital and strategic to our survival in the world that they deserve to be given serious attention in the context of the search for a new international economic order.

With respect to the multinational African needs, I should like to repeat that the salvation of many African countries lies in collective self-reliance. This means not only the pooling of human and financial resources for joint use, but also of deliberate physical integration of the countries of the continent. And in all these, their need for external assistance to supplement their own efforts

cannot be gainsaid. While the pooling and joint use of resources are imperative, I will put in the forefront the need for physical integration of the continent since this has been an effective deterrent to meaningful intra-African trade and integration. And it is in this context that we have to view the importance of the United Nations Transport and Communications Decade for Africa. As far as I am concerned the ways and means of making a success of that Decade, as initially defined in the programmes and projects already established, should loom large on our agenda for a new international economic order.

While Africa is invariably looked upon as a region, there are many elements which make one wonder whether such a view is strictly correct. I have just mentioned the problem of transport and communications. The other crucial element is the bewildering array of monetary regimes in Africa. I have already referred to the fact that most African currencies are pegged. However, the problem of effective monetary harmonization remains, with its serious effects on intra-African trade and payments. By the way, how long are we to remain without a common currency or a group of convertible currencies and continue to settle our accounts in the currencies of other countries external to Africa? We are now actively arguing with others the need to establish an international reserve currency in the Special Drawing Rights. Yet other countries continue their efforts to establish regional currency systems. I therefore believe that the creation of an African Monetary System should be high on the agenda.

Since last August, I had the honour and privilege of addressing the Working Party of the African Group of the International Monetary Fund and the World Bank at their meeting at the headquarters of the Economic Commission for Africa in Addis Ababa. I do not intend to treat this very important issue at some length. All I can do is to quote the last paragraph of my address to the Working Party: 'African countries', I suggested, 'could, as a group, exercise more effective control over their exchange rates, payments and reserves if they set up their own institutions and worked out their own policies and measures which they could not do at the time when the international institutions and regulating mechanisms were developed because they had very little influence over them. One way of promoting monetary and financial co-operation in Africa at the regional level is to set up a permanent institution which will provide a machinery for consultations and collaboration on monetary and financial problems. This institution could take the form of an African Monetary Fund'.

To summarize, my proposed African agenda for a new international economic order will therefore include the following:

(i) international effort to enable Africa to achieve effective sovereignty over its natural resources;
(ii) international support for the physical integration of Africa through full co-operation in the implementation of the United Nations Transport and Communications Decade 1978–1988;
(iii) international co-operation to achieve a breakthrough in manpower development in Africa;
(iv) decolonization of Africa's colonial monetary arrangements and the setting up of an African monetary system;
(v) respect for Africa's political independence and the elimination of outside manipulation of the African economy by outside powers with a view to frustrating the achievement of national and regional economic objectives;
(vi) acceptance by the entire international community that Africa's continued economic backwardness constitutes a danger to world peace and stability and consequently an international agreement to provide Africa with the wherewithal to enable her to achieve a new national and regional economic order by the year 2000.

When we call for just and equitable world order, we are not calling for a world where emphasis will be placed on equal and equitable income and consumption levels only. We are calling for a world where the developing countries in general and the African ones in particular will be equal partners in the production and distribution fields, equal partners in the formulation and implementation of decisions that affect international relations. The path to that relationship does not lie in access to markets for merely processed and agricultural goods, nor in massive transfer of resources to be recycled back to the donors, nor in the establishment of a commodity regime that will perpetuate and extend our present dependence. Rather, it lies in the provision of assistance that will enable us to develop that capability and those institutions that will put us in a position to explore, evaluate and develop our natural resources, have sovereignty over our natural resources, and in general to identify our own circumstances and within them to choose and define our own objectives and policies.

This is the new international economic order that it is in Africa's interest to seek.

In concluding this lecture, I should like to end on the note with which I began. The responsibility for the development of the economies of African countries is solely that of Africans themselves under the leadership of their governments and with the active support and participation of their citizens. The transformation of African economies and societies will be largely an internal one. Hence, the agenda that I have proposed is basically for the African countries. It should constitute their development preoccupation in the 1980s and beyond. They will have to mobilize internally a substantial part of the resources required for the implementation of the agenda items. More than ever before there is a need to tighten the belt and make the supreme sacrifice for achieving self-reliant development. But in the context of world interdependence, that the world community now talks about, any external assistance that may be forthcoming (and we should not minimize its strategic importance) should be channelled to the areas hereby identified. To this end, all the negotiating powers at the disposal of our representatives in the various international fora should be used to garner the necessary political and material support for the successful realization of these objectives.

II The Crisis of Development and the Challenge of a New Economic Order in Africa

ECA Thirteenth Session Fourth Meeting of the Conference of Ministers

Kinshasa 24 February 1977

As this is the first time that the Conference of Ministers is meeting since I assumed the duty of Executive Secretary of the Economic Commission for Africa some 20 months ago, let me start by expressing my most sincere and very great pleasure in meeting all of you at this Conference which is the fourth Ministerial Conference and the thirteenth meeting of the Commission. Although I am no stranger to the meetings of the Commission, I have until now participated as

the leader of the delegation of one of the member States and remembering what a hard time we all used to give to the secretariat, you can understand why I am particularly nervous standing before you today. In this connection, I would like to express my most sincere appreciation to my predecessor, Dr. Robert Gardiner who, as the Executive Secretary to the Commission for several years, saw the organization develop from very humble beginnings. He served Africa in particular and the international community in general to the best of his ability. I have no doubt that you will join me in wishing him every success in his post-retirement endeavours.

I have had the pleasure and privilege of meeting many, if not most of you, during one or the other of the five meetings of the Executive Committee which have been held since the Nairobi Conference or during my visits to some of the States of the Commission. I have also had the pleasure and privilege of meeting your colleagues responsible for trade, industry, education, social affairs and foreign affairs at their respective conferences.

Since your last Conference, the Commission has grown in membership reflecting the emergence of newly independent African States and their admission to the United Nations. I have great pleasure in welcoming to the Commission Guinea–Bissau, Cape Verde, The Comoros, Mozambique, Angola and Seychelles. The total membership of the Commission now stands at 48. Nineteen years ago, when this Commission was established, there were only eight African member States. The rapid growth in the membership of the Commission between then and now is demonstrative of the considerable success which has been achieved in this continent in the field of political emancipation. I look forward to the complete political emancipation of our region in the very near future. As Ministers responsible for development, your task, individually and jointly through this Commission, is to ensure that our achievement in the field of development matches our achievement in the political field.

The Nairobi Conference took place a few months after the Sixth Special Session of the United Nations General Assembly which was convened at the initiative of President Boumedienne. The resolutions which were adopted at that Conference naturally reflected the concern felt by member States of the urgency of ushering forth a new international economic order. Since then, as you are all aware the Seventh Special Session has taken place; UNCTAD IV and the Habitat Conferences have come and gone; and, the Mexico Conference of Economic Co-operation Among Developing Countries

has been held. Since then there has also been inaugurated the Conference on International Economic Co-operation, popularly known as the North/South Conference in Paris. Unfortunately, for reasons which are well known to you all, none of these Conferences has succeeded in creating the conditions for negotiated structural change. However, all these Conferences reflect the growing concern of the international community about the existing pattern and effects of the international economic relations and the spirit of confrontation which marked the beginning of the debate on the restructuring of the world economic system appears to have yielded place to an increasing awareness and understanding of the need for co-operation, to achieve a new international economic system, based on equality and fair play.

But while we move from one conference to another, the social and economic conditions of many an African country continue to deteriorate fast.

Let me at this juncture ask for your indulgence since I intend to speak plainly and at some length. I am speaking at length not only because this is my first address to the Conference but because there is so much stock taking which needs to be done; so much agonizing reappraisal to be undertaken. Furthermore, I am speaking plainly and frankly because I owe you and your Governments as well as the people of Africa the sacred duty of putting all the facts as I see them, no matter how unpalatable, at your disposal.

There is no gainsaying the fact that Africa cannot afford to continue to perform in the field of development during the next decade or two at the same rate as it has performed in the last 15 years or so. If it does, the Africa region will be a much poorer relation of the rest of the world than it is now; the gap between it and the rest of the world will be wider and its economic and technological backwardness will be much more pronounced. I shudder to think of the implications of this for social and political stability in the region.

Development Performance since 1960

During the past year we have prepared the *Survey of Economic and Social Conditions in Africa for 1976.* This Survey covers a much wider ground than its title indicates: it also includes the third biennial review and appraisal of social and economic performance in the African region during the Second United Nations Development Decade. And this review is not only retrospective but also focuses on prospects for the rest of the 1970s as the beginning of planning for the Third United Nations Development Decade.

Also, the ECA secretariat has more recently been undertaking a *Preliminary Assessment of Long-term Development Trends and Prospects in Africa.* This is in response to United Nations General Assembly resolution 3508(XXX) which calls on the regional commissions to 'prepare studies on the long-term trends in and forecasts of the economic development of their respective regions, taking into account the national development programmes of individual countries of the region and the particular characteristics and priorities of the regions'.

Both the *Survey* and the *Preliminary Assessment* show abundantly clearly how poor Africa's performance has been in the last decade and a half and how dim the prospects are for the rest of the century assuming the persistence of the present mix of public policies in most African countries and assuming also the continuation of the present pattern of international economic system. Even if Third World countries succeed in bringing about a fundamental restructuring in the world economic order, unless there is a corresponding restructuring of the economic order at the national and regional levels in Africa, the region as a whole will benefit only marginally, if at all, from the changes in the world order.

What are the facts as far as performance since 1960 is concerned? Before stating these facts as we see them in the ECA secretariat, let me indicate a note of caution. As you all know full well, reliable and up-to-date data on economic and social conditions are difficult to come by in many African countries. And in a study that stretches over as long a span as 15 years, there are considerable gaps in the statistical series and availability of data. But in spite of this, the picture which I am going to present is basically true of the region.

The salient features of the African economy during the period 1960–1975 can be summarized as follows: first because of the excessive external dependence of the African economy, development has been substantially affected by cyclical fluctuations in the economies of the industrialized countries, particularly OECD member countries, which form the major export markets for African countries. This dependence is so pervasive that the upswings and downswings in the industrialized market economies affect the values of African exports, the terms of trade, the cost and value of imports, the level of inflation, and, ultimately the trends and levels of GDP. Indeed, it can be truthfully said that because of our excessive external dependence, each time the industrialized market economies sneeze, the African economies catch pneumonia!

The second feature is that for the period between 1960 and 1975,

Africa as a whole achieved an average annual growth rate of only 4.9 per cent per annum. During the first United Nations Development Decade, 1960–1970, the average was 5 per cent per annum but during the first half of the Second Development Decade, the average fell to 4.5 per cent.

A third feature is that of inflation which accelerated substantially in the later part of the 1960s and the first half of the 1970s. In consequence of the excessive external dependence of the African economy, a good part of the inflation was imported. Inflations coupled with the recession, led to a sharp fall in the value of export commodities and a steep rise in the value of imports seriously affecting government revenue from export and import duties. Partly in consequence, wages and salaries were substantially increased in many countries and attempts were made to subsidize essential consumer goods with the attendant large increases in public expenditure. Many an African Government had to resort to deficit financing which inevitably aggravated the inflationary pressure.

A fourth is the rapidly growing debt burden of many African States. During the past 15 years more and more African States unfortunately have had to learn to live with this phenomenon. The region's share in the debt burden rose from US$7 billion in 1965 to more than US$28 billion in 1974. As a result, outlays for interest and amortization charges represent a rapidly growing percentage of total export earnings; amounting to as much as 30 per cent for some African countries in contrast to the World Bank's 10 per cent ceiling. This situation is aggravated by the fact that for a number of countries the foreign currencies in which some of their debt obligations are denominated have appreciated, thus resulting in big increases in the cost of debt servicing. Consequently, many African countries have had no option other than to borrow on a short-term basis or run down their meagre reserves or do both. Unfortunately, on this vital issue of crippling debt burden no meaningful resolution could be adopted at the fourth session of UNCTAD. And what is even worse, with respect to other related issues such as the provision of an adequate flow of development finance and the reform of the international monetary system, UNCTAD IV could not even bring itself to adopt any resolution at all.

The fifth and perhaps the most serious feature is the slow growth in the agricultural production sector on which over four-fifths of our entire population depends and which for most countries is the main source of foreign exchange earnings and public revenue. This

disappointing performance of the agricultural sector, accentuated by drought conditions, also led to increased food imports at high prices, thus worsening the precarious balance-of-payments position of most countries.

Thus, economic performance in Africa has fallen substantially below the targets set in the *Strategy for the Second United Nations Development Decade*. You will recall that the target annual growth in GDP at constant prices set in the Strategy is 6 per cent; about 7 per cent for imports and exports; half a percentage point rise yearly in the rate of gross domestic savings to the gross product; 4 per cent for agriculture; and, 8 per cent for manufacturing. African performance fell below the various targets except in imports where it accelerated to 10 per cent yearly between 1970 and 1975 from 4.4 per cent per annum during the period 1960 to 1970 as against the deceleration in exports growth to –2.8 per cent yearly during the period 1970 to 1975 from 7.8 per cent per annum during the First Development Decade.

Thus, there has been no marked improvement in many African economies since 1960. The African economy today still exhibits all the characteristics of underdevelopment. And compared with the other regions of the developing world, Africa has fared worst. The average annual rates of growth of the GDP were substantially higher in Latin America, the Middle East, East and South-East Asia and the Pacific than they have been in Africa. Only in South Asia (the Indian sub continent and Burma) were the growth rates lower than those of Africa. Similarly, the performance in both the agricultural and manufacturing sectors were better in the other Third World regions which have managed to achieve higher annual rate of increases in manufacturing industry than the target rate of 8 per cent per annum of the Second Development Decade. The rates of increases in food production in these regions were also generally above the rates of increase in their population.

Africa, more than the other Third World regions, is thus faced with a development crisis of great portent. In spite of the region's ample natural resources, of a favourable population to natural resources ratio, in spite of the generous and even indiscriminating incentives for foreign private enterprise, in spite of our participation in numerous conferences, both regional and interregional, and in spite of our adherence to orthodox theories and prescriptions – in spite of all these, neither high rates of growth nor of diversification nor an increasing measure of self-reliance and dynamism seems to be within our reach. As I shall indicate shortly, there still lies within

the power of member States means of alleviating the debt burden and of building into the socio-economic system capabilities for escaping from this grave situation.

Increasing Disparity in Economic Performance among African Countries

The overall picture of the economic performance of Africa during the past decade and a half which I have been depicting of course conceals large differences among the different subregions and groups of countries. Even our usual classification by subregion does not throw enough light on the increasing economic disparity among African countries. Consequently in the *Preliminary Assessment* to which I referred earlier, we have classified African countries into five economically more meaningful categories. There is, first, the group of major oil exporters – Algeria, Gabon, The Libyan Arab Republic and Nigeria. The non-oil exporting countries are classified into four groups on the basis of *per capita* incomes – US$300–400; US$200–300; US$100–200; and below US$100. Of the 41 non-oil exporting countries on which data are available five countries – The Congo, the Ivory Coast, Sao Tome and Principe, Tunisia and Zambia belong to the first *per capita* income category (US$300–400); 11 countries – Cape Verde, Egypt, Equatorial Guinea, Ghana, Guinea–Bissau, Liberia, Mauritius, Morocco, Mozambique, Senegal and Swaziland – belong to the second category (US$200–300); another set of 11 countries – Botswana, The United Republic of Cameroon, The Central African Empire, the Gambia, Kenya, Madagascar, Mauritania, Sierra Leone, the Sudan, Togo and Uganda – belong to the US$100–200 income group. The last group of below US$100 *per capita* income consists of 14 countries. These are Benin, Burundi, Chad, Ethiopia, Guinea, Lesotho, Malawi, Mali, the Niger, Rwanda, Somalia, the United Republic of Tanzania, the Upper Volta and Zaire. The varying performance of these five groups of countries is most revealing (see table I). Whereas the four major oil exporting countries and the five countries within the *per capita* income range of between US$300–400 achieved an average growth rate of 6.9 and 5.8 per cent per annum respectively between 1960 and 1975, the 14 countries whose *per capita* income is below US$100 achieved only 2.6 per cent growth rate per annum. In other words, this latter group of countries achieved *no growth at all* on a *per capita* basis during the 15 years period. Indeed, when due account has been taken of population growth in these countries, it will be clear that their economies have

been declining. The 22 countries in the *per capita* income ranges of between US$100 and US$300 achieved an average growth of 4.1 per cent per annum with 1.4 per cent per annum increase in *per capita* income. The implications of these are clear and, of course, rather sombre. In only 9 African countries have the growth rates achieved during the past 15 years been such as to bring about a relatively substantial increase in real *per capita* income. It is these countries that have more or less achieved the target rate of growth set under the United Nations Second Development Decade.

Prospects for the next two Decades

In the *Preliminary Assessment* the ECA secretariat has also attempted an extremely tentative projection of prospects for the African economy. If the past trends were to persist and if there are no fundamental changes in the mix of economic policies that African Governments have pursued during the past decade and a half and if the current efforts to fundamentally change the international economic system and relations fail to yield concrete positive results, the Africa region as a whole will be worse off relatively to the rest of the world at the end of this century than it was in 1960. Even the overall average rate of growth in GDP of developing African countries would still fall below the target rate set under the Second Development Decade. We estimated the average annual growth rate, based on the above-mentioned assumptions, to be 5.5 per cent for the rest of the century.

And within Africa, our estimates reveal the prospects of even greater disparities in incomes and levels of development among the countries.

Forecasts of GDP show that there could be an accelerated growth rate of 7.5 per cent yearly for the major oil-exporting countries during the next few years or so with further acceleration later in the 1980s. Among the non-oil-exporting countries those with *per capita* income of over US$300 at 1970 prices are likely to experience an accelerated growth rate of 6 per cent yearly to 1980 and during the following decade. Similarly, there is likely to be an acceleration to 5 per cent yearly in those countries with *per capita* incomes of between US$200 and US$300. However, the group of countries with *per capita* income of between US$100 and US$200 would be able to record a growth rate of only 4 per cent yearly and for those countries with *per capita* income at 1970 of below US$100, the prospect is for continued stagnation or even a deceleration in their growth rate to below the growth rate of population.

I could go on some more with this sombre picture but do not wish to give you the impression of inexorable doom. The hazards of projections of this kind in developed countries are well known. In developing countries they are even less reliable. The multiplier effects of a single multipurpose dam in a developing country are one thing and its effects in a highly developed country another. I felt it necessary to follow through with these figures in order to heighten our sense of the urgency and scope of social and economic engineering that lies in front of us. Leaving these aside for the moment, it is my conviction that if member States are resolute enough to take firm steps to institute controls over imported technology, and in doing so, they take full advantage of knowledge and experience now available in this field, there would, within a short period, be considerable savings in foreign exchange expenditures. If, similarly, member States really buckled down to the task of promoting and using national and multinational consultancy services, for which we have provided in our work programme, considerable additional savings in foreign exchange expenditure would be effected. At present, member States spend large and increasing sums on foreign consultancy services, in addition to sums spent on their behalf by UNDP, the World Bank and the bilaterals in the purchase of these services.

We can go further. Last year we estimated that less than 5 per cent of Africa's sea-borne cargo was being carried by African-owned shipping lines. We believe that the efficient development of African-owned and managed shipping lines, including where necessary, multinational co-operation in training, in the provision and operation of support services, in programming the optimum use of cargo capacity, in the choice of suitable vessels and so on would also considerably reduce the present level of foreign exchange expenditures and commitments. Indeed, in respect of ship purchase, we believe co-operation can effect economies in the terms of acquisition which are better than those open to individual countries.

Again, there is considerable elbow room in improving the terms under which licences are granted to private sector companies – whether foreign or indigenous – for the exploitation of natural resources for export. Minerals, petroleum, uranium, forest products, fishery resources are all being extracted on an increasing scale with little to show in the way of self-sustaining development. Even without producers' associations, there is still room for securing better yields in real and financial terms from what seem to be exhaustible and rapidly disappearing resources. One side effect of

great significance is that this weakens the bargaining position of the region as a whole since advanced countries make no pretence about their need for and interest in these resources. I shall refer to this subject later. For now it is merely sufficient to note that better legislation, improved negotiating capabilities and less one-sided agreements can still contribute to the net resources picture.

We could add to this list not only civil aviation and insurance but other areas where considered and resolute action could substantially relieve the balance-of-payments problem, and, even if merely on current account, halt the accumulation of external debt. If we then include in this list imaginative and vigorous steps to improve food production and reduce food wastage we might well begin to breathe more easily. I do not for a moment accept that African farmers are, in general, reluctant to accept and apply innovations. During the postwar period they have accepted new crops, new production methods and inputs, new processes of cropping and storage and new marketing systems. This can in no way be matched by urban dwellers in Africa.

For all of these proposals there are action projects provided in the Commission's Work Programme which has just been examined, amended and approved by the Technical Committee of Experts. But are Governments really ready to commit themselves to action? I ask this question because the most fundamental measure is not really so much cutting down foreign exchange commitments or securing larger net inflows as ensuring the direction of resources to productive sectors and to the promotion of structural change. This is the heart of the strategy propositions put forward in the *Revised framework of principles for the implementation of the new international economic order in Africa, 1976–1981–1986*, in the *Medium-term plan for 1976–1981*, in the *Programme of work and Priorities for 1976 and 1977*, and in the *Programme of Work and priorities for 1978 and 1979*.

In regard to the deployment and use of resources we may note a national dimension and a regional dimension. At the national level we have, in the *Revised framework of principles*, drawn attention to such unfamiliar issues as company policies relating to distributed profits, allocations to reserve and re-investment of depreciation funds. We could add several others including the large expenditures on the creation and maintenance of welfare services in a few urban centres at the expense of the rest of the country. We have, in the work programmes, suggested the need for re-examination of the way development banks are organized and the way in which they

function in relation to national priorities and targets. We have also suggested that the time has come to consider how non-banking financial institutions, commercial banks, insurance funds, etc. may contribute to the financing of national priority projects.

At the regional level, we have drawn attention to new possibilities. Apart from conventional arrangements for clearing houses, we suggest the need to consider subregional co-operation in the management of monetary reserves and other short-term international assets; of the setting up of an intra-African Development Aid System and for the purpose of concentrating scarce skills and resources, the establishment of multinational mining and multinational industries on the massive scales that are, in many cases, unavoidable today. National and subregional development banks, central banks, insurance companies and the like could contribute to the resources of these specialized banks.

This proposal is, incidentally, matched by another: the creation of African multinational corporations in the mining and industrial fields, able to negotiate joint ventures with foreign companies; to negotiate technology agreements; to organize subcontracting arrangements with national companies for the supply of components for multinational enterprises; and to encourage technological research and innovation, organize consultancy services and promote standardization and quality control within the sectors in which they operate.

The Imperative of a New Economic Order at National, Regional and International Levels

It would now have become crystal clear that if we are to reverse the past and present trends of the low level of development and accelerate the rates of socio-economic advancement, we would need to install, first, at national level, a new economic order based on the principles of self-reliance and self-sustainment, based on the recovery and establishment of self confidence in ourselves and our capabilities and on freeing our national economies from the shackles of excessive external dependence. There is indeed an urgent necessity to institute a new socio-economic order within most of our countries which maximizes not only the rate of development but also social justice and equity.

Regionally, there is no less urgent need for us to concentrate very seriously on achieving an increasing measure of collective self-reliance among African States. I have no apologies to make for reiterating my now well known view that, in spite of the difficulties

which have been and are being encountered in different parts of Africa and by different economic co-operation arrangements, there is no viable alternative to intra-African co-operation. Indeed, it is a mistaken belief to regard economic co-operation among African States not as a *conditio sine qua non* for the achievement of determined national socio-economic goals, but as an 'extra' to be given thought to after the process of development is well advanced. African States also have to learn very soon how to insulate economic co-operation institutions and arrangements from political differences.

I shall have a lot to say about this and the related issue of a new economic order at national and regional levels later. Meanwhile, I would like to turn attention to the demands by the developing countries for a new international economic order. So much has been written on this subject that I feel obliged to outline our interpretation of its major propositions in order to avoid confusion and fuzziness in our deliberations.

Until the Mexico Conference on Economic Co-operation among Developing Countries, the international economic order seems to have been characterized by bilateral economic relations between the advanced industrial market economies and Third World countries. Direct economic relations among Third World countries and between them and socialist countries have either been absent or marginal. The development and economic growth of Third World countries was supposed to be determined solely by the net effects of trade between them and the industrialized countries. It was not clearly perceived that this was insufficient for bringing about the domestic socio-economic transformation without which Third World countries would continue to be appendages of individual advanced countries, and, as we now know from hindsight, would render them incapable of dealing with such major social and economic ills as increasing mass poverty and unemployment.

For over 15 years, the argument was pressed on, and to some extent accepted by, African Governments that the continuing health and increasing prosperity of advanced countries, in particular their success in overcoming inflation and balance-of-payments problems were necessary and sufficient conditions for the development and economic growth of African countries. We now recognize that the health and prosperity of advanced countries is and will be an important condition for years to come for the development and economic growth of Africa but that other and more fundamental conditions have to be taken into account. Moreover, it has been

overlooked and still is, that the health and prosperity of Third World countries is an important condition for the health and prosperity of the advanced world.

In any case, advanced countries have been unable to solve the problems of inflation and balance-of-payments. I suggest that, in approaching negotiations for structural changes in the world economy, we need to be as familiar with the problems of those with whom we are negotiating as they are with ours. What seems to have emerged in the past five years is a growing recognition in these countries of increasing vulnerability to both endogenous and exogenous forces. Briefly, this has taken the form of unmanageable unemployment and domestic inflation which pose serious dilemmas by occuring together, since each requires policies and instruments diametrically opposed to those required by the other.

It is not therefore unreasonable to conclude that African states are faced with the necessity to reformulate policies, strategies and instruments and to improve, expand or adapt institutions designed to promote self-sustaining socio-economic change and self-reliance more urgently than was foreseen four years ago when the OAU Assembly of African Heads of State and Government adopted the African Declaration on Co-operation, Development and Economic Independence. I intend to illustrate below some of the measures which need to be taken at the national, multinational and interregional levels for the achievement of these objectives.

As regards the bilateral structure of international economic relations to which I referred earlier there is, clearly, no possibility of avoiding changes which will facilitate the broadening of such relations to include other developing regions and the socialist countries. In operational terms, this will affect existing production, distribution and financial as well as banking arrangements and the pattern and management of international maritime transport, civil aviation, communications, and, banking and insurance.

It is not yet clear, in spite of Manila, Colombo and Mexico, in spite of UNCTAD IV and Paris, in spite of the emergence of the Middle East as a world financial centre and as a market of enormous promise for advanced and developing countries alike, that advanced countries are anywhere near the recognition of the need for a fundamental restructuring of international economic relations and of the advantages of a positive and energetic approach towards what has been called negotiated structural change. It is not clear that countries which, by effective and close control over external economic relations have succeeded in achieving

momentum in the growth and diversification of their economies, are willing to assist this process of structural change of international economic relations in more than a highly selective or in more than a token sense.

The restructuring of international economic relations is frequently described in terms of net resource flows, i.e. of correcting the largely financial terms in which the comparative advantages of the Third World, particularly raw materials and potential markets, are traded for comparative advantages of the advanced world. An important difficulty in discussing this issue in relation to self-sustainment and self-reliance in socio-economic change is that the aggregative approach to net resource flows ignores problems of the selection, supply and organization of the real factor inputs which can make such self-sustainment and self-reliance possible. In our reviews of the process of development and economic growth in other developing countries and regions we have come to doubt the contention, implicit in international conferences, that it is possible to conceive the new international economic order as merely a matter of increased inflows of real resources or the mechanistic juxtaposition of the factors of production without regard to the nature and composition of the national product or its distribution effect. We have come to the conclusion that the purposes for which they are applied are as important, if not more important, than their quantum. We believe that recent discussions of technology transfer and adaptation and of the role of transnational corporations support this view.

We believe, furthermore, that there is a hidden psychological factor: the re-acquisition of confidence in identifying, defining and solving socio-economic problems; in social and material invention and innovation and their diffusion. It may thus be that a major but as yet underrecognized input into the establishment of the new international economic order is the recovery of self-confidence by Third World, particularly African countries, and that a subject of high priority for study by developing countries in Africa is the means by which such self-confidence can be speedily recovered.

Accordingly, the secretariat's approach to the problem of development and economic growth has been to spell out in practical terms the two guiding principles of self-sustainment and collective self-reliance. In reviewing performance in the region as a whole during the past 15 years and in spelling out the dynamics of self-sustaining and self-reliant socio-economic change, what has become apparent is that the Africa region appears to be the least

prepared of all Third World regions for the new international economic order. Indeed, most national development plans in Africa assume implicitly an increased degree of external dependence. It is, to some extent, understandable that this should be so for some time, but development plan after development plan fails to provide any guidance as to when policy makers and planners foresee the beginning of the process of reduction of dependence on extra-African sources for skilled manpower (sometimes for most trivial purposes); for finance (which may, in the first place, have been repatriated from the region or even the country concerned); for raw materials from practically next door (somehow requiring the intermediation of a foreign company); for capital goods and services (including not only spare parts, components and accessories but even simple tools and implements); for technology (much of which is quite ordinary and even out-of-date); and, for markets (elsewhere than their own). If any significant measure of self-sustaining socio-economic change is to take place, if any respectable degree of self-reliance is to be achieved, and if any effective attacks are to be mounted on the evils of increasing mass poverty and increasing unemployment, member States must, as I suggested earlier, take far reaching steps with the assistance of the secretariat, and other UN and bilateral agencies, in a number of areas, some of which I now propose to you for special consideration. These concern mainly human resources, natural resources, technology, finance, capital goods and services and markets.

We begin with the most fundamental of all resource inputs – manpower.

One qualitative factor may be noted at once, and here, I should like to ask to be forgiven for quoting from the *Revised framework of principles*.

'The first aspect is that the socio-economic changes implied in strategies of accelerated growth and diversification when associated with measures for increasing self-reliance imply widespread and continuous innovation. When economists speak of 'linkages', 'spread effects', 'balanced and unbalanced growth', they refer to different ways of looking at the process of innovation. Unless inclinations towards innovative thinking and action are built into educational systems (whether formal or non-formal) it is unlikely that the acceleration and diversification sought after can take place. It is even more unlikely that any meaningful degree of self-reliance can be achieved'.

In addition to this deficiency we note some remarkable gaps in the

subject structure of higher education. Until these are repaired, it is difficult to see from where is to come the supply of metallurgical engineers, specialists in the science and technology of materials, design engineers, fibre technologists, chemical engineers, pulp and paper technologists, food technologists, foundry technologists, production engineers, specialists in business finance, in industrial management and marketing, in quality control engineering, in banking and insurance, in shipping management and economics, to name only a very few. Where are the technician specialists capable of reading and interpreting blueprints, of setting-up and maintaining plants, of de-bugging new plant or equipment, to come from? When we speak of accelerated industrial development and of the role of the metal and engineering industries we need to take the trouble to familiarize ourselves with the range and number of technicians and craftsmen without which the development of the metal-working industry is impracticable.

Similarly, there seems to be little attention paid to the extent to which the student is enabled to profit from learning opportunities available in the community outside the walls of the institution. I want to stress very strongly that this orientation is a necessary condition of the widespread adaptation and development of technology.

Our work programmes deal not only with these issues but with such other pertinent ones as the introduction of skill-related technological subjects into second-level education, national machinery and policies for training and non-formal education.

We have gone further to include concrete projects relating to institutions and facilities for high and middle-level technical training, for business management and finance, transport, particularly shipping, telecommunications, international business and finance, technology and more. I particularly want to refer to our proposed programme on manpower development for the strategic industries. In the field of natural resources, we have to consider this week proposals for taking advantage of advanced technology in natural resources exploration. I would not be honest with you if I did not insist that the full value of this technology is, however, dependent on adequate complementary institutions and capabilities over the whole spectrum of which considerable advances are being made, e.g. photogrammetry, in particular increases in the national density of accurately located and permanently marked secondary and tertiary points to which photo control points are tied; the steady and widespread assimilation of improved methods of field surveys; the

adoption of advanced methods of rapid and accurate map compilation and reproduction; field sampling facilities; the development of mobile and central laboratory testing and evaluation services; efforts at standardizing nomenclatures, the content of education and training, methods and qualifications at all levels and branches of cartography; the calibration and maintenance of an increasing range of delicate, complex and expensive instruments. This is not all. We have also to consider the requirements for establishing real and permanent sovereignty over our natural resources. For this, efforts of two kinds are required: the promotion of widespread familiarity with policies, strategies, legislation and institutions relevant to the establishment of sovereignty and the development of the capabilities for negotiating agreements with the private sector for the exploration, processing and exportation of natural resources.

Our work programmes in natural resources accordingly provide for advisory services to Governments on the technical, economic and legal aspects of mineral exploration, extraction and exploitation. In this connection, we have provided for a review of policies, legislation, machinery and the effects of existing concession agreements on forest resources. We have also provided for continuing efforts in the establishment of multinational mineral resources development centres; for a survey of existing national institutions dealing with mineral resources and measures for strengthening them; for a survey of mining legislation; for support services to Governments in the technical, economic and legal aspects of mineral policies and agreements.

As regards technology, we are now preparing for the Conference of Plenipotentiaries on the establishment of a regional centre for the transfer, adaptation and development of technology in Africa as an important component in strengthening the technological capabilities of member States. The regulation of imports of technology historically has the immediate effect of reducing outpayments and substantially increasing net foreign exchange reserves.

But technology as a root-taking process relevant to the needs of society involves complex issues and raises thorny questions. It is not improper to ask such questions as: Transfer to whom? Technology for what? Development in what ways and in respect to what signals? How does invention occur and what factors facilitate or impede the innovation and diffusion of technology? How should technological dependence be defined and evaluated? Are there viable methods for planning the technology component of national development plans? What capabilities are required for successful negotiation

of ownership of, or user rights over particular forms and kinds of technology? How can bargaining strength be increased, e.g. through increased national control over foreign trade, through procurement and supply policies and arrangements, through the adoption of common design standards, through multicountry co-operation?

It is for these reasons that our work programmes provide not only for the development of legislation and machinery relating to the transfer, adaptation and development of technology but also for work in methodologies for handling the technological component of national development plans, for studies of the problems affecting technological innovation and diffusion. Facilities for the development of manpower specialized in material design and processes and capable of breaking down technologies into models, conducting research and development to improve them are also vital.

As regards markets, I am reluctant to try your patience by a reiteration of the case for close multinational economic co-operation. In a region which consists of so many small States with very limited markets, this would, to some extent, require no exposition or defence. I do feel, however, that some things need to be said. The first is that we still have no common agreement on the conceptual and operational meaning, scope and dynamics of economic co-operation. The second is that there is not likely to be, in the world that is taking shape, a viable alternative to co-operation, even for countries which, within the region, may believe they are large enough and strong enough not to need co-operation and may be tempted to go it alone. I myself believe that the degree of similarities in the problems of socio-economic change in Africa exceed the degree of differences. That, in spite of differences in ideology, there is bound to be some convergence in policies, strategies and instruments and that this should constitute the basis of co-operation.

The third is that the addition of even a large number of small and fragmented markets is unlikely to provide the market basis for dynamic growth and diversification of output. New policies and institutions are required to transform the domestic markets, to monitor changes in its structure and characteristics and signal the need for corrective measures. This is a prerequisite of meaningful market enlargement through economic co-operation. The adoption and application of common design standards in order to prevent or modify the technical fragmentation of national and multinational markets would have the effect of enlarging such markets for individual products and make intra-African manufacturing more attrac-

tive. Where procurement and supply arrangements are combined with standardization on a multinational basis and some measure of control over foreign trade, bargaining power is raised considerably.

However, I feel obliged to complain that, in respect of some of these prerequisites of the growth of intra-African trade, some Governments display less enthusiasm in action than in public declaration. This is particularly so in the case of the trans-African highway network and, to some extent, railways. For example, it has been six years since the Mombasa–Lagos Trans-African Highway project was launched and yet today we are far, quite far, from nearing its completion. We cannot continue to pay lip service to the development of the physical means of doing business within Africa and at the same time expect intra-African trade to grow.

As regards extra-African trade, we believe that African countries have to build up special competence in determining the package of components in major plan projects, including project design, analysis, planning and programming, in acquiring familiarity with alternative sources of supply and in negotiating the best terms of purchase or supply. These terms should extend well beyond the conventional concern with finance to include the buyers' or suppliers' readiness to train local manpower, according to a predetermined programme, to consider the choice and costs of technology, to negotiate the establishment, within an agreed period, of manufacturing facilities, to pursue reasonable policies regarding local purchases, re-investment of profits and depreciation funds and so on. At present, little attention is paid to the acquisition of real advantages and much is made of so-called financial advantages.

These considerations underlie part of our work programme in intra-African and extra-African trade, in transport and communications, in markets, marketing and distribution. They also relate to our projects for establishment of agricultural commodity and metal exchange markets and our studies, in collaboration with other regional commissions, on trade and economic relations with their regions. Trade with the socialist countries is provided for separately.

As regards the mobilization and redeployment of financial resources at the national, multinational and regional levels, much earlier I drew attention to our proposals for surveying existing financial institutions and their relevance to the challenges of the near future and I have drawn attention to new institutional devices that we believe will contribute not only to the efficient mobilization of resources but also to their application to high priority areas.

It may be pertinent at this point to refer to inadequacies in the present approach of member States to foreign private investment which is of particular importance in their relations with transnational corporations. The notion that transnational corporations are so powerful that they cannot be brought to the negotiating table has no basis in fact. The notion that all transnationals pursue the same strategies and adopt the same tactics has no basis in fact. The notion that all transnationals offer identical advantages which can be exploited by Third World host countries has no basis in fact. We are therefore left with the problem of developing capabilities for understanding the strategies and tactics of different transnationals, of appraising the particular advantages that each offers which can be exploited by mutual agreement for purposes of national and multinational socio-economic development, and for negotiating those agreements.

One of the aspects of the whole process of planning and managing socio-economic change is the role, structure and functions of Governments in view of changing needs and challenges. We do feel strongly that a good deal more of invention and innovation is required in adapting Governments to new needs and challenges. For example in such areas as economic co-operation, technology, trade, integrated rural development, natural resources, manpower development, human settlements and environment. One or two illustrations may be helpful.

Since planning is not independent of implementation and since implementation depends to a considerable extent on agents not in the employment of the State, it follows that some means must be devised by which the plan is communicated to businessmen – farmers, industrialists, financiers and the labour force who are, after all, expected to implement most of it – in terms of their ability to understand its parts concretely, the part they are expected to play in its achievement and the special policies and instruments Governments intend to provide for underpinning their efforts to play their part. An indicative plan must genuinely indicate something to someone.

Another area of weakness is the planning and management of the industrial sector. Its importance warrants, I believe, a somewhat broad treatment. As is well known, the industrial sector, especially the engineering industries, occupy a crucial position in accelerated growth and diversification: they not only provide the means of their own expansion but also the expansion of other sectors. They contribute more than any other sector to the development of

managerial and technical skills and constitute perhaps the most significant medium for the transfer, adaptation and development of technology. It is thus a disheartening experience to discover how inadequate is the industrial base in much of the region and how inadequate are the policies, strategies and instruments for its development.

A few illustrations would help. The region is estimated today to account for only 0.6 per cent of world manufacturing output. This output is heavily concentrated in the area of light industry and especially in the food and beverage and textiles subsectors, which together are believed to account for more than 60 per cent of Africa's manufacturing production. In the 15 years between 1955 and 1970, Africa's share in the world output of metals and engineering products remained unchanged at 0.2 per cent and its share of world production of heavy manufacturing (chemical, petrochemicals, non-metallic minerals, basic minerals and fabricated mineral products) amounted to just over one quarter of one per cent. It seems astonishing that so few countries even have policies and instruments for the deliberate fostering of the local manufacture of spare parts, components and accessories which, after all, constitute the point of departure for the development of the engineering industries. In only a relatively few countries is there a systematic effort to forge links between the industrial and other sectors, partly because the former sector consists of a miscellaneous collection of industrial products unrelated to any policy for structural change of the economic system as a whole.

If these problems are to be overcome, African countries must begin to adopt a programme approach whereby engineering industry geared to the reduction of external dependence is developed not on the basis of isolated projects which feedback on each other through subcontracting and interplant sales and purchases of inputs. Such projects need not be implemented simultaneously but their organic linkages should be fully anticipated. The significance of this approach may be illustrated by the fact that it requires a surprising number of large and small industrial factories to produce a car. Moreover, as was pointed out earlier, few Governments appear to recognize the importance of encouraging the local manufacture of spare parts components and accessories sufficiently to develop special policies and machinery for doing so. A machine, however large, is in the end mainly a unit organized from parts and components. We have, therefore, in our work programmes provided for the development of the metals and engineering industries;

for work on industrial planning and programming problems; on spare parts, components and accessories; on the industries closely associated with the latter, i.e. foundry and forging; for the telecommunications and transport equipment for which we believe there is a large and rapidly expanding market in the region; and, for agricultural machinery implements and tools, as well as for chemicals, building materials, food processing and forest-based industries.

It would by now have become clear beyond any doubt that the task of bringing about a new economic regime at national and regional levels is very daunting. And added to this is the herculean task of achieving, in collaboration with the rest of the international community particularly the other Third World regions, fundamental structural changes in international economic relations. I hope I have in my analysis showed, and I trust clearly, the interconnections among what, for want of better name, I would call the Three New Orders we should be searching vigorously for in Africa – a new national economic order, a new regional economic order and a new international economic order. A new international economic order which is not based on the achievement of an increasing measure of national as well as collective self-reliance and self-sustained growth and development in Africa will not provide African countries with maximum benefits. Conversely, the restructuring of the international economy is a critical factor in the realization of national and collective self-reliance in Africa.

Naturally, in taking concrete steps towards the achievement of our three new orders, the burden must fall on the shoulders of African Governments. This is their primary responsibility. Indeed we made this clear in *Revised framework of principles*. However, there is no gainsaying the fact that international organizations, both global and regional, have a critical role to play in supplementing Governments' effort in the achievement of these Three New Orders.

III The Social Implications for Africa of the New International Economic Order

World Symposium on the Social Implications of the New International Economic Order

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I. INTRODUCTION

When one talks about establishing a New International Economic Order, the pre-supposition is that a previously established one has been in existence. The truth, according to Yves Laulan, is that 'today, as yesterday, no body of rules or laws governs monetary or trade relations among nations. What the economic world has known in recent years has been merely a precarious equilibrium among nations, some dominant, others dominated. The system has not been one of stability and order but rather one of continuous change or, put more aptly, of dynamic disorder'.[12]

Even at the closing years of the 1960s, when the energies of the international community were supremely preoccupied with the formulation of the *International Development Strategy for the Second Development Decade*, a crop of 'new' concerns or challenges was already fast emerging and demanding recognition and concerted international action. Among these might be included the increasing concern about (i) the international *monetary system* and how to live with more flexible exchange rates; (ii) the environment and the ominous threat which its progressive misuse and pollution holds to mankind; (iii) the world *food situation* and how best to achieve global security, in the light of prospective population growth; (iv) the world *energy situation* and how best to balance essential current and future needs against the aspirations of resource-owning countries; and, above all, (v) a greater sensitivity to questions of *man's role in development, social equity and distribution of income and of national wealth.*

Concerns and constraints

Indeed, such has been the pace of change that, in proclaiming the current United Nations International Development Strategy, the

General Assembly was – as if by an afterthought – to include in its resolution that:

> The ultimate objective of development must be to bring about sustained improvement in the well-being of the individual and bestow benefits on all. If undue privileges, extremes of wealth and social injustices persist, then development fails in its essential purpose.

In varying degrees, these new concerns and challenges are reflected in the series of international declarations formulated since the adoption of the International Development Strategy for the current decade. These included: the Action Plan for the Human Environment (June 1972); the World Population Plan of Action (August 1974); the World Food Conference Programme of Action (November 1974); and the Declaration and Programme of Action on the Establishment of a New International Economic Order.

It has been suggested that the first of the constraints hindering the implementation of the International Development Strategy appears to result from a basic weakness in its approach, which could not but reflect the situation prevailing in 1970. 'The most striking feature of the Strategy is that it did not discern that development is a global issue which concerns not only international relations, but also, each society, whether industrialized or in the Third World. Although it was lavish in dispensing advice to the Third World, it confined its recommendations to the industrialized societies. Not a word was said about the development problems of non-industrialized societies. Furthermore, the Strategy did not reflect the 'unified approach to development'. It did not relate the concrete measures to be taken to the general objectives of development. It was geared to the attainment of abstract quantitative growth targets and not to satisfying needs or eradicating poverty'.[13]

The Strategy was also based on a fundamental assumption that the development of Third World countries would result from an 'integration' into the world economic system. Events have proved otherwise. Integration increased dependence and reduced the capacity for self-reliance in so far as it led countries to produce what the international system wanted *and not what the Third World countries needed.*

When in May 1974, the Sixth Special Session of the General Assembly closed its deliberations by adopting a Declaration on the Establishment of a New International Economic Order and a

Programme of Action, it was significant that the two texts were adopted without a vote.

There was the genuine expectation, endorsed by both the developed and the developing countries – particularly the latter – that, at long last, a new pattern of international economic relations was being ushered in. It called for a united determination and a close partnership among the world community of nations in order to create a dynamic and equitable world development system.

The Declaration lists twenty guiding principles on which the New International Economic Order should be established. The Programme of Action, which is intended to put the Declaration into due effect, is spelt out under ten headings. These include: fundamental questions of raw materials and primary commodities, as related to trade and development; international monetary system and financing of the development of developing countries; industrialization; transfer of technology; regulation and control over the activities of transnational corporations; charter of economic rights and duties of States; promotion of economic co-operation among developing countries; and the removal of all forms of constraints to the exercise by the Third World of permanent sovereignty over their natural resources.

Neglect of the Social Implications

No one can deny that these are indeed very crucial matters which have continuously engendered conflicts in international economic relations. No one can deny that in the past the resolution of the conflicts created by these questions has invariably been limited to endless research projects, economic pressures and proposals by the afflicted Third World, and vain speeches in international forums. The bias against the developing countries in the world economy, their unfavourable terms of trade, their increasing debt burden and their exclusion, for all practical purposes, from the decision-making processes in international trade and monetary affairs – all these have been discussed before, even as they continue to be discussed to this day. But, in all this – as if by an international connivance – a benign neglect and an embarrassing silence have been maintained on their social implications – their social pre-requisites, their social concomitants and their social repercussions have hardly been considered.

As with all global prescriptions, the action programme proposed under the New International Economic Order must be interpreted and applied in the light of social, economic and political realities and

objectives at the national and regional levels; that is, if they are not to be relegated prematurely to the fate of their forerunners. Fortunately, the concept of the New International Economic Order and the evaluation of the problems of the international economy continues to develop. Such developments have included the Declaration and Plan of Action adopted by the Group of Seventy-seven at the Second General Conference of UNIDO held in Lima, Peru, in March 1975; the Dakar Declaration and Action Programme on Raw Materials; and the Declaration and Plan of Action on Industrial Development and Co-operation in Algiers, the same year. I would have nothing but admiration for this Symposium, if it succeeds in examining also the critical social realities and implications of the various declarations and action programmes prescribed by these and other later international forums.

Examination of the social implications

Commenting substantively on our task, I wish to suggest that before this World Symposium can meaningfully interpret the propositions of the New International Economic Order and succeed in determining their actual places, their role and their application in the light of social realities and objectives, we must first critically examine the lessons which have forcibly been brought home to us from past and current international development strategies and systems.

In this retrospective exercise, we need to admit that we who have been involved in international development strategies and programmes have made mistakes, despite our good intentions towards achieving a higher level of living for all our peoples. During the First Development Decade – in the 1960s – we emphasized industrialization and we were preoccupied with the attainment of immediate increases in our Gross National Products. We thought that reaching these goals would automatically bring an overflow of higher levels of living for most of our peoples in the Third World. But we have been proved wrong on two counts: first, because our priorities and goals were unrealistic, one-sided and often well beyond our reach. The lesson which we have learnt in this is that, to achieve any sustained development, or to increase the material wealth of countries, at a time when the capacity and the levels of living of their human resources have not been sufficiently advanced, is a painfully slow process. Secondly, there is no built-in mechanism for ensuring that any wealth created will be equitably shared. Thus, the rich are becoming richer, while the poor continue to be dependent upon

nature's whims, and often also increasingly dependent upon the whims and caprices of the rich. And just as the gap between the rich and poor countries continues to widen, so the gap between the rich and the poor in our own countries continues to widen.

It follows that a quick transition from an underdeveloped, dependent economy to a developed self-sustained economy must largely depend upon a planned mobilization and the participation of both the human and the material resources, toward the desired development goal. Unfortunately, the situation of mass poverty, mass illiteracy and general underdevelopment is still being perpetuated, because we have not yet cultivated our human resources. We have not properly looked after their health and nutrition. We have not educated them. And, above all, we have not discovered the most appropriate methods of encouraging and utilizing the very human elements which could most significantly contribute to the modernization processes. So long as this human capital is not fully exploited, so long will social and human factors militate against our greatest endeavours to survive, much less to develop.

II. EXAMINATION OF SOCIAL IMPLICATIONS OF THE NEW INTERNATIONAL ECONOMIC ORDER

As has already been pointed out, the resolutions of the New International Economic Order have desisted from directly addressing themselves to social factors and their implications, although it is very obvious that substantial implications for human and social development are implied or envisaged. For example, the call for the removal of all forms of constraints to the exercise by African countries of permanent sovereignty over their natural resources, implies the development and appropriate utilization of African experts and technicians to the maximum extent, as well as the promotion of collective self-reliance and co-operation among African countries, in respect of the recovery, exploitation, development, marketing and distribution of their natural resources.

Mass poverty and unemployment

A basic objective of any development plan is to ensure that the population has the means to earn a reasonable living. The problem of persisting poverty in Africa is partly derived from the fact that the majority of people have no means to earn a reasönable wage. Unemployment has continued to be a major problem, and no African country seems to have as yet an effective plan to eliminate

this. Rates of unemployment have been variously calculated as between 7.9 and 10 per cent of the active labour force in Africa.[14] The detailed ILO study on *Employment, Incomes and Equality* conducted in Kenya in 1971, suggests that real unemployment may be much higher for the total population.[15] The study states, with respect to the urban population, that 'when the same criteria are used in defining unemployment for men and women, it is clear that women are much harder hit than men. Unemployment rates of 5 to 10 per cent for sample household heads and 10 to 15 per cent for non-heads represent a serious human and social problem, but unemployment rates of 10 to 17 per cent for female household heads and 23 to 27 per cent for non-heads are more serious, particularly for the household heads'.[16] These conclusions about urban unemployment in Kenya are based on a more careful definition of unemployment, and include both those who worked zero hours with zero incomes as well as those seeking employment for incomes. Accordingly, the unemployed rate in Kenya is between 11 and 12 per cent, but it is estimated that 25 per cent of the urban population of working age are without sufficient productive employment. What is true of Kenya may be true of many African countries and reflects a more serious situation than official statistics reveal.

The unemployment problem in Africa must be considered in its total context. It is a consequence of unequal development and consequent imbalances in the social structure: population growth has exceeded economic growth; urban growth has exceeded growth of urban industries and services; educational growth has exceeded the demand for its products. At the same time economic growth is hampered by the failure of the population to respond to the specific needs of the economy for certain inputs of capital, know-how and managerial skills. The structure of incomes does not really reflect productivity and tends to distort aspirations and expectations for work as well as consumption. There has grown up a large labour force of persons unable to get the jobs they think they are entitled to, or the jobs they would like. There are those with jobs which do not earn them enough remuneration for themselves or their dependents; and there are those who do not get enough work to do, to fill their time or give them enough income. These problems cannot be wished away, as some African leaders have tended to do, by calling upon the urban unemployed to go back to the land. The frustrations of rural life are often minimized. The fact is that people move to the urban areas primarily to escape from rural poverty. Urban wages are higher than rural wages, sometimes several times

higher. The urban unemployed may eke out an existence from the informal urban sector, performing marginal services, some of which are nonetheless essential to life in the crowded slums and shanty-towns.

The two problems of unemployment and rural development are not unconnected. Rural poverty generates exodus of population from rural to urban areas. This intensifies rural poverty while, at the same time, giving rise to urban unemployment. In any case it seems rather odd to talk about rural poverty in a region in which 80–90 per cent of the population live in rural areas, in which about 90 per cent of the annual income is generated in the rural areas and in which the national development effort has been sustained very largely by the foreign earnings from export commodities produced in the rural areas. It is unlikely that the various efforts for improving conditions in rural areas will achieve much in a short time without a deeper understanding of the various causes of rural poverty, such as can be obtained from intensive and comprehensive studies of the wide range of rural communities.

Agriculture, Food and Poverty

It is these foregoing considerations which have led to the new emphasis on agriculture and food security in the New International Economic Order. The total strategy should be part and parcel of a rural development programme. The agricultural sector should be designed to make greater use of manpower. More intensive use of land on small farms has been found in Kenya to produce greater yields than is the case with large farm holdings. A land distribution scheme should be introduced where necessary, and small and medium-sized farm units should be encouraged. Large farms require large outlays of capital and organizational and managerial skills out of reach of the majority of the rural population. Small agro-industries should be encouraged as well as supporting services. Initially these should be allowed to be provided at the level and prices that an impecunious peasantry can afford.

The aim of the new emphasis on agriculture is not merely to create jobs, but to increase the productivity per man hour of the farm worker and his family by teaching them simple improved methods of cultivation, harvesting, storage and marketing.

Among the decisions of the World Food Congress were that all Governments should accept the goal that within a decade no child would go to bed hungry, no family would fear for its next day's bread and no human being's future and capacities would be stunted by

malnutrition. It was further decided that the main cause of undernutrition and malnutrition was poverty and that the main remedy for poverty was economic and social development. Thus, the Conference brought out the need to link the expansion of food production to rural transformation and to the development of other socio-economic sectors.

Agriculture is a way of life. At least, it is so for the majority of Africans. If planners treat it simply as a sector of economic activity rather than as the socio-economic base upon which the rest of the economy rests, it will not be given the attention and impetus necessary to fulfil its proper role in national development.

Urban poverty and development

Urgent as the rural problem is, the gravity of the problem posed by the growing deterioration of the urban environment must not be minimized. The pull-push factors driving people away from rural poverty and attracting people to city lights must be reversed by a simultaneous attempt to resolve both. No measure of rural development can completely stem the tide of the rural–urban exodus. The idea is to slow it down to manageable proportions. The rate at which some of the big towns have been growing is much higher than the rate at which towns as a whole have been growing. Thus although the average rate of urbanization is put at 8 to 10 per cent per annum, some towns are in fact growing at annual rate more than double that. Examples are Benin which achieved a growth rate of 24.4 per cent per annum between 1956 and 1961, Mali 23 per cent between 1955 and 1960, Liberia 18.3 per cent between 1956 and 1960, and Zambia 81.8 per cent between 1963 and 1964.[17] Some of these steep rises have evened out a bit. But the strain they put on city administration is tremendous. It leads to sharp inflation in land values and house rents; it compels the poorer workers to erect slum housing; it outstrips the city's capacity to develop sewerage disposal systems and other sanitary facilities; it creates transport congestion; disrupts town-planning controls, etc. The sharp juxtaposition between wealth and privilege on the one hand and poverty and privation on the other foster deep discontent and inspire challenges to authority and conventional morality.

Transfer of real resources

The large-scale transfer of real resources to developing countries is a major proposition in the New Order, and it is reflected in three recommendations: indexation, technical assistance and

technology. The second of these calls for making technical assistance more relevant to the objectives of increased self-reliance and internal dynamic growth. This is a problem that will certainly take some time to be resolved. Until educational institutions are oriented to produce African counterparts specialized in appropriate disciplines, the transmission of skills to developing countries in Africa, through technical assistance, will not accelerate. At present, the region is obliged to rely rather excessively upon the services of foreign consultancy firms in carrying out pre-feasibility and feasibility studies and in the installation and management of projects both in the public and in the private sectors.

The implementation of the third recommendation, relating to transfer of technology, is only possible given a certain threshold of scientific and technical infrastructure in the form of institutions and skilled manpower.

III. RECOMMENDED PRIORITIES IN THE SOCIO-ECONOMIC FIELDS FOR 1976–1981–1986

The activities of ECA, as they relate to the establishment of a new international economic order are based on its general mandate, as set out in the terms of reference of the Commission.

This mandate includes, in the first place, investigations and studies of economic, social and technological problems and developments within the region. Secondly, it requires the secretariat of the Commission to perform advisory services. Finally, and most important within the present context, ECA is expected to assist its member States in the formulation and development of co-ordinated policies, as a basis for practical action in promoting economic, social and technological development in the region.

In February 1971, the Commission adopted Africa's Strategy for Development in the 1970s, based on the principle of self-reliance and economic co-operation. In May 1973, Africa adopted its Charter of Economic Independence, when African Heads of State and Government, meeting at the Organization of African Unity's Tenth Ordinary Session, adopted the African Declaration on Co-operation, Development and Economic Independence. The Declaration, *inter alia*, called for intra-African co-operation in developing and utilizing African manpower. In December of 1973, a Conference of African Ministers of Industry, held in Cairo, adopted a Declaration of Principles and Guidelines for Co-operation and Development in the Industrialization of Africa.

Resolution 256(XII) of the ECA, adopted in Nairobi in February 1975 introduced into the Commission's work programme several of the propositions derived from General Assembly resolutions 3201 (S–VI) of 9 May 1974 and 3202(S–VI) of 16 May 1974, relating to the New International Economic Order.

Currently, an attempt is being made to elaborate a Framework of Principles for the Implementation of the New International Economic Order in Africa, 1976–1981–1986.

General Strategy

The development strategy now established by African States is based on (i) the deliberate promotion of an increasing measure of self-reliance; (ii) planned dynamic growth and diversification of national economies.

Rural infrastructure and rural transformation

The Commission's Framework of Principles for the Implementation of the New International Economic Order provides that:

> The immediate interaction between industry, agriculture and rural transformation is likely to be expressed principally through the expansion of rural infrastructure. In this context, the development of rural infrastructure is conceived as performing four critical roles. The first is that of expanding employment opportunities in the construction of rural road networks, telecommunications, housing, power, the construction or improvement of rural townships, waterworks and irrigation canals; in the provision of health and education services; in rural industries and the implementation of conservation measures, re-afforestation schemes and the like. The second has to do with the impact on agriculture and especially on food supply of the demand engendered by this increased employment. The third role played by the development of rural infrastructure is that of opening up the market for industrial expansion and orientation; and the fourth involves its contribution to the physical integration of the national socio-economic system. Thus, agriculture is subject to demand pressures from industry and public works in the rural sector; industry is subject to demand pressures from agriculture and public works in the rural sector and public works in the rural sector is subject to demand pressures from both agriculture and industry.

What is envisaged is a deliberate programme aimed at promoting a network of rural development focal points, partly to act as relay centres for transmitting development and economic growth impulses and partly to generate the type of urban and semi-urban employment associated with rural industrialization. At the national level, it will be necessary to intensify studies first on ways of making innovations readily adaptable to conditions in rural communities, and harnessing traditional values and institutions with a view to promoting socio-economic change. Secondly, studies on cultural factors determining the allocation and use of labour time and the impact of income changes on consumption and investment. There is not much evidence at present that the role of women and children in agriculture, particularly food production, processing and marketing, is seriously taken into account by policy-makers and planners, who continue, mistakenly, to treat this subject and associated nutrition problems for infants as peripheral.

Socio-economic research will also be required in regard to income disparities. It must however be borne in mind that income distribution is less pertinent in Africa than are the distribution of the capability to generate income and the prevention of income concentration.

In order to improve the standard of living of the peasant farmer and to guarantee incentives for production and innovation, it is essential to improve his capabilities to expand output in response to dynamic demand and thus increase both his real and money incomes.

Human resources development

Within the context of the Commission's overall programme and development strategy, the need arises to promote: (a) the development of the productive capacity of human resources in Africa; (b) population support and motivation for local and national development; (c) social enlightenment and the raising of levels of living; (d) better utilization of African human resources, through improved organization, administration and better management; and (e) an integrated approach and concerted action for the development and utilization of knowledge and skills and of the capacity of African manpower for national development.

In order to formulate plans for the effective development and utilization of African human resources in the future, there is a need to make a systematic assessment of the present problems and

bottlenecks and to estimate the future quantitative and qualitative requirements of personnel in various occupations and sectors of the national economies of member States. In this, consideration will have to be given to the implications for education and training, to the maximum participation of the various population groups in development, and to the mobilization of the unemployed and underemployed manpower resources for development.

The quality and scope of African development hinge on the capacity of governments to produce a sufficient number of educated and trained persons to achieve the social and economic objectives and targets of the development process. The achievement of the social objectives of education and training will inevitably improve the productive capacity of the country. But, in addition, education and training have the specific task of preparing people to acquire the necessary skills and attitudes for engagement in productive occupation. The vocational role of elementary, technical, higher and out-of-school education is expressed in economic terms and in demand for manpower with different levels of qualification.

Although education, training and effective utilization of African human resources are vital pre-requisites, numerous other factors enter into the problem of human resources development and affect the crucial role played by the population in the development process. The working capacity and productivity of the labour force is directly affected by health and nutrition conditions. Adequate health care and food and favourable environmental factors not only do much to ensure the welfare of pre-school children, but affect the extent to which they can benefit from the early educative process in the home and in preparation for formal education. The health and well-being of the family, especially the mother, also have an influence on the quality of care and training which children receive at home. For young people undergoing further education or vocational training, health and nutrition factors continue to be important for the successful completion of their studies. The physical and mental fitness of adult workers affects their efficiency and productivity. Ill health is almost certainly the greatest single cause of loss of productive man-hours in Africa, and is often responsible for the premature loss of experienced workers from the active labour force.

Finally, adequate housing, water supply, sanitation and recreational facilities are other important elements in the socio-economic infrastructure, by virtue both of their effects on health and their role in establishing an environment beneficial alike to the

working population and to children and young persons still being trained.

In concluding this statement, let me say how much importance we in ECA and if I may be so presumptuous as to speak for the member States of the Commission, we in Africa attach to this very crucial problem of the social implications of not only the New International Economic Order but also of development in general.

Economic development inevitably brings in its trail pervasive social consequences. If the people of Africa, and, indeed, of the developing Third World countries are not to continue to suffer social deprivation and injustice, social policy must be integrated with economic policy at all levels. Indeed, the unified approach to development, both at national and international levels, must become internalized in the decision-making processes. To achieve this, the world urgently requires a companion social plan of action to the Programme of Action of the New International Economic Order.

It is therefore my earnest hope that before this World Symposium adjourns it would have spelt out clearly the social implication of the Programme of Action of the New International Economic Order. If we are able to do this, this World Symposium would go down in history as one of the major landmarks in man's search for just and equitable international economic and social relations.

IV Statement to the Sixth Session of the Conference of African Planners

Addis Ababa 21 October 1976

There are several general aspects of the propositions of the New International Economic Order to which I should like to draw attention. The first is that the group of concepts, policies and instruments in which it is embodied are still in the process of evolution. The second is that the Third World has come to the conclusion that nothing much is likely to happen if it does not itself undertake a large part of the needed reforms. The third is that there are three levels at whch concepts, policies and instruments must be understood, adapted, designed and applied: the multiregional, the

regional and the national. For us in Africa, there is inevitably a fourth level: the multinational.

We have had to spell out in respect of the African region, the bare bones of what we need to do to promote the establishment of the New International Economic Order but, of course, this spelling out is a process that will continue for several years to come. In doing so, we took the two guiding principles implicit in the resolution, declarations and plans of action adopted by member States:

- the promotion of self-sustaining socio-economic change;
- the increasing measure of self-reliance.

These two are expected to be applied in such a way as to enable national communities, individually and collectively, to attack effectively the growing problems of unemployment and mass poverty.

In our view, what was needed was the deliberate and radical transformation of the industrial, agricultural and rural sectors in such a way that, through strongly forged links among them they could exert growth promoting pressures on each other. The implications of this strategy for work on human resources development, on natural resources exploration and evaluation, on technology, on marketing and distribution, on external trade and economic relations, on the mobilization and allocation of financial resources and on institutional reform at the national, multinational, regional and multiregional levels is nothing short of staggering.

It is against this background that we must examine the conceptual and operational meaning of the unified approach to development analysis and planning in Africa in the present and the future. The unified approach is seen as a more realistic, more concrete way of handling planned development than the one-dimensional resource allocation approach which has dominated the region for too long and which is based on the assumption that the increased output, irrespective of its composition and distribution, is directly and substantially related not only to self-sustaining growth and diversification of output but also to improved living standards of the mass of the people.

What are the main features of the unified approach? First, is the need to combine, in plan methodology and formulation, real critical factors determining the volume and composition of production: human resources, natural resources, technology, finance, markets. Yet there is the need to incorporate social objectives: e.g. employment and the reduction of mass poverty, the avoidance of social ills associated with rapid growth, environmental degradation. The

closely associated problems of unemployment and mass poverty would seem to me to require widespread capabilities among the population in generating and retaining increasing real income. By implication we are faced with problems of the spatial organization of economic activity as well as with effective participation by a far larger segment of the population than at present. Of special importance is the organization and management of programmes and projects for integrated rural development.

The image of participation which comes to mind is, usually, that of the mass of the people organized in village communities, co-operatives or some form of local government. But today I want to draw attention to a different but no less important aspect. When one speaks of an indicative plan – the commonest type of plan in Africa – one must ask – indications of what to whom? I have a feeling that most Governments in the region treat a plan as an esoteric document about Government business. Few take the trouble to break it down into sectors and projects in a way which the different classes of African participants can understand. I suggest that the communication of the plan to the agents of production and distribution – who are implicitly expected to implement it – must be designed in terms of their ability to understand its parts concretely, to grasp the particular role they are expected to play in its achievement and the special policies and instruments Government is providing for underpinning their efforts at participation.

We now come to programming and project analysis, design, planning and management. I do not think I need to cite numerous cases of inadequate programming in the region today. There is no easier way of destroying the rationale of a national plan and of credibility in planning in general than by permitting widespread and persistent dislocations of programmes and projects.

In my view this weakness may well be of much greater significance since it concerns plan implementation than the exercise in aggregative calculations on which the plan is based. I am particularly anxious that we should, if not now, at some future date examine ways in which programming competence in Africa can be greatly improved.

An even more paralyzing factor, we now think, is the inadequacy of indigenous capabilities in project analysis, design, planning and management. Without urgent far-reaching measures to develop these capabilities the region is likely to be beggared simply by the burden of foreign payment for project analysis and design services. A programme for developing such capabilities would include the

introduction of courses in a wide range of special subjects (e.g. industrial technologies, business finance, manpower development, management) at third level education, firm agreements with foreign and domestic enterprises, including public corporations, and close monitoring of these agreements, the imaginative search for training opportunities in other countries and measures for arresting or reversing the brain drain. As with programming I suggest that at some time in the near future we should examine this subject in detail and decide on measures for rapidly expanding the numbers, range and quality of project specialists in the region. There is little or no possibility of promoting a new international economic order within the region without effectively dealing with the problems of competence in programming and project design.

I now come to two additional elements in planning which pertain to the New International Economic Order. We are concerned in looking at planning in Africa today, not with equilibrium but with evolution and structural change. First is plan perspective. The Declaration and Plan of Action adopted at the Second Conference of UNIDO in Lima chose the year 2000 as a date by which certain targets should be achieved. For the African region this target is a share of 2 per cent of world output of manufactures to be achieved in 24 years. An iron and steel plant of moderate size would, I am advised, take at least six years from the date of firm decision to the date of its coming on stream. From our own experience in the ECA it would take no less than eight years if it were a multinational project. We thus have as from today four 6-year or three 8-year plan periods to the year 2000. We can take mining and ask how much time is required to organize the package of manpower, technology, capital goods and services, and finance in order to supply even half of the volume of metal ores required for achieving the output of the metal and engineering industries implied in the target. We can, similarly, consider the mechanics and problems of training draughtsmen, sheet metal workers, instrument makers, tool-makers, machine-tool operators, welders – to name only a very few of the large number and variety of craftsmen and technicians – essential for the development of the metals and engineering industries and the implications for perspective planning and programming. I want to urge most strongly that even as planners we need to have some familiarity, however elementary, with matters such as this if anything like an interdisciplinary dialogue is to inform the process of integrated or unified planning and plan implementation.

The second element here is the process of intersectoral links and

the problems of monitoring intersectoral relations. I need not go into a subject which no doubt already occupies your attention but I must stress the critical importance of this subject for dynamic self-sustaining socio-economic change.

All the foreign ideas demand new approaches and techniques of analysis and planning. And these new approaches and techniques can only be developed with your active co-operation. My experience as a teacher of development administration and as a Minister in charge of planning has been that the concept of planning in the past has been too restrictive. This weakness is, for example, reflected in training programmes for development planners, which invariably leave out such an important subject as development administration, with all its implications for the art of activating people and of arriving at agreed objectives through discussion and compromise. Yet both development administration and the technical work of formulating development plans go together. This situation is no longer tenable. Those who will be charged with the administration and implementation of the development projects have a lot to learn from one another.

Before leaving this subject I want to recall a point I made earlier. The problems and challenges in planning we have briefly reviewed are easy to comprehend at the national level. For many years we have known, but treated lightly, their implications for multinational co-operation within the region. Upon these two is now to be superimposed the implications of multiregional co-operation for planning. I have no wish to give you nightmares but I do fear that time is unlikely to reduce the scope and character of the crisis in planning today.

V Address at the Opening of the Meeting of the Organization of African Unity's Council of Ministers

Port Louis, Mauritius 24 June, 1976

During the past year we have tried, in the ECA, to spell out the broad strategy implications of the New International Economic Order, when applied to the particular circumstances of the African Region. Accordingly, we prepared a *Revised Framework of Principles for the Implementation of the New International Economic Order in Africa, 1976–1981–1986.* UNCTAD IV reinforces our conviction that the time for rhetoric is over and I wish to take this opportunity to place before you a picture, partial and inevitably compressed, of some of the challenges in policy making, institution building and other aspects of the process of establishing the New International Economic Order in the Africa Region with which we must successfully deal in the near future.

I propose to begin with industry, particularly with manufacturing industry. The achievement of a projected share of 2 per cent of world production of manufactures by the Region by the year 2000 under the Lima Declaration must be seen in perspective. The first consideration is the relatively low level of the engineering base from which this leap is to be attempted.

I have chosen engineering production because, as a study by my Commission's counterpart in Europe, the Economic Commission for Europe, points out, the engineering industries perform critical roles. They supply the means of production to themselves; they provide the means of production to other sectors: in respect of technology they serve not only as carriers but also as the medium for invention, innovation and diffusion. Regrettably, the share of the Region in world output of metals and engineering products in total industrial output appears to have declined. The study goes on to point out that of all developing regions, Africa had the lowest rate of engineering production to engineering imports. These points are significant since 'the engineering industries are distinguished by the fact that they supply the means of production not only to other sectors of the economy but also to themselves and also provide for

the quantitative and qualitative changes in the range of producer goods resulting from the expansion and technological improvement of production'. The rapid development of the engineering industries is thus a major condition of achieving the target set or indeed any other target.

A second consideration is the problem of supply of raw materials for intra-African industrial expansion. This will mean a considerable expansion of output of agricultural raw materials such as fibres, timber (for pulp and paper), rubber, oilseeds and other products for the food processing industries. It will also require extensive and intensive exploration and evaluation of what we believe to be the Region's enormous natural resources.

The growth of the mining industry, if it is not to be almost wholly dependent on initiatives by foreign entrepreneurs must be preceded by the building up of manpower and institutional capabilities for extraction, preparation and primary processing. The financing of the mining sector as well as of the multinational basic industries referred to below will call for the setting up of institutions specialized in the organization of complex financing packages for large scale projects. It is doubtful whether this function can be left to conventional commercial banks or even to national development banks. In any case the subject needs some clear thinking and some action. Institutional capabilities for extraction and preparation of minerals are likely to necessitate the setting up of national and multinational mining companies, partly because there is no guarantee that foreign transnational mining companies will take much interest in mining relatively small, even if economic, deposits merely to serve local (i.e. national or multinational) needs.

The role of mining can be far more extensive than is commonly supposed. The mining sector is capable of providing not only increased foreign exchange earnings, or increased contributions to public revenue, but also the development of skilled manpower to meet the individual company's need and planned expansion of the sector in general. Beyond this, some skills acquired in the mining sector can, without much supplement, be applied to the development of metals engineering, textiles, and many other enterprises. The mining sector can also provide finance for backward and forward linkages, particularly where this is linked with judicious local purchase policies. It can provide finance and know how even for industrial and agricultural development unrelated to mining. We need a fuller examination of the potential role of the mining sector and of public policies in this field in the light of socio-

economic transformation envisaged under the New International Economic Order.

The expansion of fuel and power required for large, medium and small scale industries is likely to be matched by the region's resources of hydropower, petroleum and natural gas, and varieties of non-conventional forms of energy. I feel that a coherent regional approach is urgently needed. This will not be enough. The generation, transmission and distribution of electric power opens up enormous possibilities for the development and long term growth of the industries producing equipment for electric generation and supply. The exploitation of this regional market may, however, be easily frustrated by the adoption of too many different technical design standards and by the setting up, behind national tariff barriers, of sub-optimal manufacturing units. The desired multinational approach calls for early appraisal.

As is well known modern markets were made possible by transport and communications. Here we must draw attention to the very great effort, at the national and multinational levels, required to integrate markets: in terms of manpower, organization and finance. If the financial burden is not to become insupportable we must pay early attention to economies in local as well as foreign exchange costs. As in the case of electric power the prospects of development and long term growth of the manufacturing of transport and telecommunications equipment seem to us considerable, provided the advantages of national markets are not destroyed by national initiatives. We need, here also, to promote as early as possible, discussions of the relevance and feasibility of multinational policies and projects.

Of all sectors the building and construction sector will come under the greatest strain in providing the infrastructure needed for rapid take off. There are likely to arise problems of materials, of equipment, skilled manpower, of efficient organization, of finance and of research. The industry is remarkable for the considerable variations in capital/labour ratios – and thus for employment – associated with it. The potential size of the industry and its significance for employment creation are such as to require deliberate policies for each of the aspects just noted.

I hope to be forgiven for drawing attention to two other major resources sectors. (With great reluctance I shall refrain from going into the subject of intra-African and extra-African trade.) These two are manpower and technology. We in the ECA have some doubts as to whether member States are aware, perhaps because of

their preoccupation with trade invisibles, of the growth of imports of skills. For example, of total expenditure in the region by the United Nations Development Programme in the 1974/75 fiscal year (excluding sub contracts) 75.6 per cent was for experts, 8.6 per cent for fellowships and only 15.8 per cent was for equipment. I have no doubt that a substantial proportion of expenditures by the World Bank and by other multilateral as well as bilateral agencies is similarly for the purpose of financing skills imported into the region, not infrequently skills of mundane type.

Proposals for accelerated expansion and diversification of the region's economies will simply extend this area of dependence unless far-reaching steps are taken individually and jointly by member States to anticipate and plan to meet some of these needs. We need a revolution in the techniques of developing skills rapidly and widely. Such a revolution will include research into how the process of acquisition or of transmission by experts from abroad (especially across language, cultural and experience boundaries) can be speeded up. We also need a revolution in the development of entrepreneurial resources (entrepreneurs, managerial cadres, consultancy services, supporting institutions and so on).

Major questions arise regarding the adequacy of existing governmental, parastatal and inter-governmental structures for handling new businesses. Similar questions relate to decision-making processes. But the more serious challenge is in instrumentation, of which the design and establishment of African multinational corporations is one of the most far-reaching.

In putting forward this picture I am anxious to press two propositions. The first is the need for member States to organize national think tanks to spell out more fully questions of the kind raised here, to consider alternative policies and their implications and thus to facilitate the process of policy formulation in conformity with the NIEO. The other is to suggest that Africa will in the years ahead be confronted with regional issues of great momentum in the field of socio-economic development and to alert member States about the need to be in a state of preparedness.

Indeed, we are reaching a stage in the struggle for social and economic development which is no less momentous than the struggle for the emancipation of our great and dear continent in the fifties and sixties. Nor is it less ardous. As we all have by now learnt from our respective national experiences, there is, unlike instant coffee, no instant development. Our search for national and collective self-reliance and self-sustaining growth will come to nought unless we

are willing to undertake some agonising reappraisal of past policies and face the challenge of the future with iron determination and undaunted will. It is only in this way that the problems of Africa – notably, excessive dependence on external sources for capital, skill, entrepreneurship, technology, markets, and food; persistent mass poverty, rapid population growth and growing unemployment – can conceivably be handled. Clearly, new socio-economic concepts and strategies are required; realignments of priorities are necessary; and men and women with new ideas and new schemes for manning both new and re-oriented institutions are called for.

The challenge of the new international economic order goes far beyond the issue of transfer of resources from developed countries to the developing countries. As I understand it, the challenge is more fundamental than that. What needs to be redistributed is not income *per se* but the capability to generate income and the capability to hold on to an increasing share of the world income generated. Furthermore, the new international economic order challenges us to say who we are and where we are going, to define ourselves not as willing caricatures of advanced and semi-advanced countries but in terms of our resources; of imagination; of energy; of vision; of perception and inventiveness; and, of initiative. Although Africa has played a major and decisive role in the demand for a new international economic order, let me say categorically that unless we are determined to pull ourselves up by our own bootstraps, to become self-reliant in deed and not merely by words and to be willing and determined to put economic co-operation into practice no matter what the difficulties are, the NIEO may pass us by. At best we will derive sub-optimal benefits from it.

In facing this exciting, even if daunting, challenge let me say that the ECA secretariat stands ready to play a positive and catalytic role. Indeed, we at ECA are looking forward to the day when African summits will be held periodically on major economic issues and problems facing our continent; and when the search for collective self-reliance and the development of an integrated African economy will receive sustained support at the highest political level throughout the length and breadth of Africa. For without such expression of political support at the highest level, we shall only be making fruitless endeavours.

VI Africa and the International Development Strategy for the United Nations Third Development Decade

Second Substantive Session of the Preparatory Committee of the General Assembly for the International Development Strategy

New York 20 June 1979

I. INTRODUCTION

Let me begin my statement by thanking you most sincerely for giving me this opportunity to address your Committee at this initial stage of your work. Without any doubt, your responsibility is a particularly crucial one for on your shoulders lies the heavy task of preparing the International Development Strategy for the United Nations Third Development Decade which will not only address itself to the challenge that lies ahead but also come out with a concrete action programme which must not only be well articulated but must, above all, also lead to specific programmes and projects. In other words, your Committee will have to come out with an International Development Strategy which will be the framework for action not only at international level but also at regional and national levels; for an international development strategy that is ignored by those responsible for determining national and regional policies is no longer worthy of the United Nations. An international development strategy that is too broad, that has no time reference and that fails to specify who does what and that is lacking in priorities will be unworthy of the United Nations.

To us in Africa the next decade is particularly important. As a late starter in the development race, as the least developed region in the world, and given the very poor overall performance of the African economy during the first and second United Nations Development Decades, there is a growing conviction among African member States that the next decade is Africa's Decade of Economic Destiny.

There is no gainsaying the fact that Africa cannot afford to continue to perform in the field of development during the next

decade in the same way as it has performed during the past 15 to 20 years. If it does, the African region will be a much poorer relation of the rest of the world than it is now. The gap between it and the rest of the world will be wider and its economic and technological backwardness will become much more pronounced. I shudder to think of the implications of this for social and political stability at national and regional levels in Africa and for international peace in general.

I should perhaps, at this stage, recall a few broad features of the African region in order to establish a base line from which to consider potentialities, past strategies, actual experiences and our approach to the 1980s.

The African region accounts for between one-quarter and one-third of the land surface of the world. Of its 30 m. square kilometres, arable land, meadows and pastures make up 33 per cent whilst forest and woodlands account for 21 per cent. Even if the land resources – subject to drought and desertification and endemic human and animal diseases – are much less than might appear from these figures, the region is quite capable of meeting its own needs of food and agricultural products and exporting surpluses of these products as well.

The region in spite of the markedly inadequate scope of exploration and evaluation activity, is known to possess considerable mineral and energy resources. Although considerable damage has been done to its forest resources these are still ample. So are its resources of cattle and other animals and fish.

The population of the region is projected to reach 470m. in 1980 and 813m. by the end of this century. An outstanding characteristic is the high ratio of the young and of women who represent untapped latent resources of talent and creativity.

I have recounted these familiar facts in order to emphasize the potential for accelerated growth and development of the region and for raising levels of living of the mass of the people.

As we all know full well, these potentialities are far from being realized. Part of the explanation lies in the character and dynamics of socio-economic change during the past hundred years and the perceptions of how desirable socio-economic change can be brought about based on models that were available to us. During these hundred years the region has experienced two major historical varieties of unbalanced specialization: in respect of agricultural commodity production for export to former metropolitan powers and in respect of mineral production for export to metropolitan and former metropolitan hegemonic centres.

Today we are presented with a third variety: the development of manufactures for export. All these cases are characterized not only by what economists loved to describe as the factor disproportions problem but by successive intensification of this problem. The concept of interdependence which lay beneath these policies and strategies was that as the factor disproportions problems of advanced countries increased or changed so must the factor disproportions problems of countries of the Third World increase or change in complement to the new pattern of needs of the advanced countries.

This concept of development is contrary to the historical facts of the development process of the now economically developed countries. Another concept which has underlain the philosophy of development relates to the disproportionate importance given to finance in general, and foreign exchange in particular, to the relative neglect of such other crucial factors as human resources (particularly such agents of change as entrepreneurs), institutions and their efficient performance, and domestic market (in terms of satisfying the needs of the people, and capacity to identify development problems, analyse and implement policies successfully). While the importance of finance and foreign exchange cannot be gainsaid, it is my humble opinion that the other factors are so fundamental that their relative neglect had contributed in large measure to the failure of planned development efforts in our region.

II. THE AFRICAN ECONOMIES AND THE FIRST AND SECOND UNITED NATIONS DEVELOPMENT DECADES

In thinking about the new international development strategy for the United Nations Third Development Decade our starting point must inevitably be to ask the simple but basic question: what has been the cumulative impact of the strategies promulgated in connection with the first and second development decades on African development process – both in terms of policy prescription and of actual performance? A supplementary question is what lessons can we learn from the experience of these two decades?

The most striking feature of the strategy for the second development decade is its failure to discern development as a global issue which concerns not just international relations (important as they are) but also each society, each economy. Furthermore, the strategy was geared to the attainment of abstract quantitative growth targets. The qualitative and structural aspects of development were

not deemed worthy of attention. One looks in vain for references to specific actions concerning the attack on poverty, the nature of production and the distribution of income. Indeed, the Committee on Development Planning pointed out these weaknesses as far back as 1972 on the occasion of the first biennial review and appraisal of the strategy. The CDP after stressing some of the limitations in the concepts of GDP and the other quantitative parameters, emphasized that 'to eliminate extreme poverty is a goal that should have much greater appeal to ordinary men and women than a target for the rate of economic growth or domestic savings'.[18] But so pervasive has been the influence of the quantitative growth economies that even today some people are still overly concerned with having quantitative targets for all the major parameters for the third development decade.

Of course, the fact is that the developing countries in general, and the African States in particular, have never been regarded as having separate economies that need to be autonomous, as far as decisions about development are concerned. Indeed, as one writer has observed, 'in the 1930s when international agencies began to measure and compare standards of living internationally and to stipulate 'objectively' minimal living standards of human needs, primarily of nutrition, it was with a view to engineering recovery from the world depression and encouragement from exporters of foodstuffs, notably the Australians. Advocacy of world programmes to develop 'underdeveloped areas', made mainly during the Second World War, was based in part on the apprehension that the mature economies of the West had entered a phase of secular stagnation and required new frontiers of investment to sustain their employment'.[19]

Strands of this philosophy ran through the strategies of the First and Second United Nations Development Decades.

Clearly had the First and Second Decades' strategies been preceded by as profound analysis of the processes of socio-economic change as are now going on, the results would have been different. Growth targets set for the Third World, particularly Africa, during the First and Second Decades did not really consider the feasibility of their achievement in terms of political and contractual commitment, availability of specific real resources, or structural change. The concept of self-reliance (individual and collective) and self-sustainment did not figure much in the analysis. Indeed, continued dependence on advanced countries was assumed, as was also the steady improvement in the general international situation. Expec-

tations of a benevolent trickling down of benefits from advanced to developing countries, from the well-off to the poor and from town to country appeared to have been an implicit part of the philosophy of the strategies for those two Decades. In addition to the aspirational and exhortative character of these strategies, much emphasis was placed on resource transfers, without sufficient consideration of the effect of such transfers on improving national capabilities for generating, retaining and distributing real income and for servicing debts.

The assumption of continued improvement in international economic relations, particularly as it affected the Third World, deserves special comment. In the first place, shifts in patterns of demand for consumer and capital goods and services in advanced industrial economies, and consequently in patterns of their requirements of imports from the Third World, were already becoming apparent during the first Development Decade.

There were at least three effects of such changes. Firstly, traditional agricultural exports lost long term significance and were replaced by mineral and energy raw materials. Secondly, changes in the commodity balance of imports led to geographical changes in the source of significant imports. Thirdly, in respect of semi-finished and finished products, reflecting the strong preference for consumer durables, industrialized countries possessed greater capabilities for their production and distribution than did most Third World countries. Intra-trade among the advanced countries consequently expanded, accompanied by a steady concentration of effective demand for goods and services, internationally traded, in the hands of advanced countries and facilitated by preferential arrangements among them and by hire purchase and other marketing devices.

But behind this lay a factor of even greater significance: the essentially bilateral structure of international trade. It constrained two-thirds of the world that were developing to try to export increasing quantities of the same range of commodities to the one-third that was developed, in exchange for capital goods and services required for the former's development. As events have now made obvious, it was unlikely that the geographical and commodity constraints inherent in this structure could survive for long the assymetry of the forces determining demand and supply on either side. It would, from this point of view and in the long run, matter little whether the products in question were food, agricultural and industrial raw materials, semi-manufactures and manufactures or

any other. Perhaps the most damaging consequence of the way the strategies for the first two decades were designed was that they lent authority to a number of dubious maxims of economic development and deferred more meaningful and realistic examination of how growth, structural change and improvements of standards of living of the mass of the populations of the Third World can be pursued within a framework of international co-operation and adjustment.

Among these misconceptions we include the implicit assumption that sustained socio-economic change can come from elsewhere than from within, that the processes required could depend mainly on external trade, aid and foreign investment and could be promoted in the face of numerous and increasing dysfunctional relations. This had the effect of directing attention away from the need for internal structural changes, evaluation of real resource availabilities and their sectoral distribution. It reinforced the neglect of the role of the domestic market and inhibited effective action to bring about and develop economic co-operation among the large numbers of relatively small and weak economies in the region. It also caused policy makers and planners to fix attention on external resource availability couched in financial terms, and confounded ends with means in international trade and in international negotiations.

National policies were encouraged to favour agricultural export products over food so that we find ourselves in the extraordinary position of exporting beverage, fibres and timber in order to import meat, fish, cereals, sugar, edible oils and fats, processed and convenience foods. So extraordinary is the dominance of external relations that governments whose countries cannot now produce simple agricultural tools and implements, carpenters' tools and the like to meet their domestic needs, are being urged to develop manufacturing industries for export to advanced economies. The consequences are likely to be far graver than similar advice in the early 1960s to diversify agricultural export products.

One of the truly astounding consequences of this fixation on external relations has been a large and steadily growing drain on foreign exchange back to the advanced countries in outpayments. This not only for those goods we ought to have been able by now to produce for ourselves but also for skilled services which could have been built up on an indigenous basis if more realistic strategies had been adopted.

Given the profound analysis of the process of socio-economic change that have now taken place in the face of the disappointing

results achieved during the first two decades, there can be no excuse for not avoiding all past mistakes. For we must not delude ourselves into thinking that the model used as a framework for the strategy for the second development decade (with its recommendations concerning targets in gross domestic product, per capita income, savings ratios and import and export ratios) was relevant to the solution of the problems facing economies such as those of Africa – the problems of food and nutrition, of education, of income distribution, of internally generated process of self-sustained development, of national and collective self-reliance, to mention only a few. It has also been suggested that in those countries where these aggregative targets have been achieved (and in Africa, such countries are very few in number) such achievements have not derived from the prescriptions of the Strategy. The African development strategy and priorities contained in the Revised Framework of the Principles for the Implementation of the New International Economic Order in Africa 1976–1986 have benefitted from the experience of the past.

III. EMERGING TRENDS IN INTERNATIONAL ECONOMIC SYSTEM LIKELY TO AFFECT ECONOMIC DEVELOPMENT IN AFRICA

Earlier I drew attention to the inevitable frustrations inherent in the bilateral and unbalanced structure of international trade up to the present and would now like to enlarge on this and on other emerging factors in international economic relations which are likely to determine the shape of the new international economic order in ways which may seriously affect the development of the region.

The first is the growth of protectionism in the advanced world, the dreadful scope and consequences of which have been graphically described in the World Development Report of the IBRD for 1978.

I am urging upon all member States that they should give the closest attention to this study and others related to it prepared by UNCTAD. It is tempting to take these measures as a symptom but we have had to consider other policies and measures which, in our view, appear to reduce considerably the basis for any serious negotiations of a new international economic order. Among these additional policies, measures and factors we would include:

– changes in generalized systems of preferences to favour products of national companies of advanced countries or their subsidiaries operating in Third World countries;

– the increased protection given to agriculture and food products, whether processed or unprocessed, in advanced countries – the World Bank study mentions beef, sugar, vegetables, tobacco and grains in particular;
– plans for aggressive invasion of foreign markets by industrialized countries. It is to be noted, however, that industrialized countries are engrossed in intense and wide-ranging negotiations on the degree and modalities of inter-penetration of each other's markets;
– the increase in scope (commodity and geographical) of global oligopolies operating in Third World countries and the increasing resort to restrictive business practices in which they are permitted to indulge in Third World countries by legislation in their parent countries which, otherwise, forbids such practices;[20]
– the growth of sub-contracting which experience has shown, in some regions and countries, to be a major factor accounting for the erosion of industrial autonomy.

To these we are obliged to add the probably severe impact of East/West economic relations on North/South economic relations which the World Bank Report summarizes as follows:

(i) the probable intensification of protectionist sentiments in the West if East-to-West exports of manufactures increase, especially in roughly the same sensitive product categories as exports of Third World countries;
(ii) the impact of borrowing, from the West by the centrally planned economies, on the availability of medium and long term external capital to the Third World. We must recall here the ECE's conclusion in its long term projection study of a likely shortage of intra-European capital for intra-European investment as the capital/labour substitution process continues;[21]
(iii) uncertainty about the growth of import demand for food and fuels and export supply capacities for industrial raw materials of the centrally planned economies and the impact of changes in such demand and capacities on international supplies and prices.

As far as protectionism is concerned, it might be thought that the recently concluded Tokyo Round of negotiations worked out and signed in Geneva under the aegis of GATT would not only arrest but

diminish their scope and destructive impact on the Third World. But as Mr Robert McNamara has pointed out, a careful reading soon kills this hope.[22] For Third World exporters of semi-manufactures and manufactures the agreement is still riddled with loopholes and obscurities as well as clear-cut discriminatory provisions which considerably affect the more liberal provisions.

In any case, as is well known, the Tokyo Round negotiations were largely concerned with the trade problems of the developed countries and developing nations were more or less peripheral participants.

As Mr McNamara goes on to point out, 'the trade negotiations did not address the question of reduction in existing quantitative restrictions'. In addition, 'some government measures are being taken outside of the negotiations – measures such as the 'trigger point' scheme for steel, raising the support price for sugar, and the tightening of textile quotas in the United States'. Equally alarming, the machinery for surveillance of implementation and its sanction powers appear to be weak.

Special attention needs to be given in our region to the implications of protectionism in agriculture since this region is much more an exporter of agriculture than of manufactured products. Also to the plan of advanced countries for promoting exports to the rest of the world. It is not often realized to what extent some developed countries are competitors with Third World countries in the exports of industrial raw materials.

Similarly, the role of transnationals in the extractive, manufacturing, agricultural production, transportation and marketing industries, is often so striking as to overlook their role – along with transnationals in banking – in the geographical flows and sectoral allocations of international finance and the significance of this role in proposals for the reform of the international monetary system.

What seems to be becoming clearer is that the shape of the new international economic order will, in the face of these developments, have to be determined through initiatives taken by Third World countries to assist each other more fully in the promotion of development and economic growth and more effectively in negotiations with the advanced countries. This is a subject of great interest to us as I explained recently in New Delhi but I do not propose to try your patience with the details. Our conclusion is thus that for the 1980s the international scene has taken on hostile characteristics which make it imperative that our member States now redouble their efforts – individually and collectively – to establish a develop-

ment style based more substantially on their own resources of materials, men and women, development finance, institutions and actual and potential markets.

IV. DEVELOPMENT AND ECONOMIC GROWTH STRATEGY FOR AFRICA IN THE 1980S

The concept of the development style which has been taking shape in this region since the OAU declaration on co-operation, development and economic independence in 1973 (followed by resolutions of the General Assembly, UNCTAD, UNIDO, FAO, etc., defining concepts and operational aspects of the new international economic order) was first formally embodied in the Revised Framework of Principles for the Implementation of the New International Economic Order in Africa, 1976–1981–1986.[23] It has been further developed in Resolution 332(XIV) taken at the Fifth Meeting of the Conference of Ministers of the ECA and 14th Session of the Commission held in Rabat in March 1979.

The strategy formulated at Rabat conforms remarkably with the principal directives of General Assembly resolution 33/193 as can be seen from a reading of the Rabat text. The five objectives of the African regional component of the International Development Strategy for the United Nations Third Development Decade, as they emerged from the Rabat ECA Conference of Ministers are:

(a) The establishment of self-sustaining, internally located processes of development and economic growth at the national and/or multinational level;
(b) Subregional and regional collective self-reliance;
(c) Development of human resources to ensure their greater participation in the development process;
(d) Broad-based participation in the development process concurrent and consistent with equitable distribution of the gains of socio-economic development; and,
(e) Acceleration of the industrialization process on the continent in the context of the social and economic environment of each country and not as a simple importation of foreign industrialization patterns.

In the pursuit of these objectives, the ECA Conference of Ministers agreed on the following African regional priorities for the Decade:

– First, the attainment of regional self-sufficiency in food;
– Second, the establishment of a sound industrial base with

special emphasis on the development of the requisite national industrial and technological policies, capabilities, and institutional infrastructure, as well as intra-African co-operation in order to permit the industrial take-off of Africa;
– Third, the physical integration of the region through the development of transport and communications at the national, multinational and regional levels;
– Fourth, the development of capabilities – national, multinational and regional – required to enable African Governments and their peoples to establish sovereignty over their natural resources;
– Fifth, the establishment of mutually beneficial and equitable relations between African countries and the rest of the world;
– Sixth, the attainment of a substantial increase in the present meagre 4 per cent share of intra-African trade in the total trade of Africa.

Concluding remarks

It must now be clear that what is contemplated by member States as development and economic growth strategy for the 1980s and beyond represents a distinct departure from the traditional approaches.

Our presentation of the characteristics of the African economies and the required changes in development orientation and planning, and the analysis of the nature and characteristics of the past two development decades' strategies and of the present hostile external environment pose fundamental questions about the purpose, character and approach of international development strategies. On our part, we are convinced that international development strategies should comprise those elements that will assist the member States to organize their national development objectives so that such objectives can be meaningfully attained. This of course means concerted efforts on the part of the international community to make available such external resources and other components that will facilitate the attainment of such objectives. But it cannot be denied that the objectives to be pursued must be those determined by the member States according to their felt needs and identified goals.

It will therefore be clear that models and scenarios that assume homogeneity and prescribe common objectives, without attention to the initial conditions of the different member States, and the possibility of attaining the prescribed objectives, cannot be viable,

to say the least. This observation of course does not deny interdependence. But it indicates unmistakably that any exercise devoted to preparations of international development strategies must inevitably start from the national level. And if this is done, it will be quite clear that all the member States cannot be pursuing the same objectives at the same time. The fact that all Third World regions are in the same boat cannot be gainsaid and therefore there is need – a most urgent need – for solidarity. Yet we cannot realistically deny that though we are all in the same boat some of us are in the first class, others in the second while the remaining are just on the deck!

Our humble submission is therefore that without prejudice to the principles of interdependence and Third World solidarity – to which we attach considerable importance – I must emphasize again the special and peculiar needs of deck passengers must be taken fully into account.

VII Address at the Symposium on African Perspectives on the New International Economic Order

Sponsored by the United Nations University and Addis Ababa University

Addis Ababa 5 May 1981

The subject of this Symposium is not new. It is a subject that has occupied the attention of the international community since the 6th and 7th Special Sessions of the General Assembly of the United Nations were held in 1974 and 1975. Since then, there have been UNCTAD IV and V, ECDC and TCDC Conferences in Mexico and Argentina and UNIDO III in New Delhi. And last August, the United Nations General Assembly held yet another special session devoted exclusively to economic matters and high on the agenda of that session was the review of the implementation of the new international economic order. And we must not forget the North/South Paris Dialogue held in 1976/77. Indeed, so persistent have the

non-industrialized countries of our world become in their demand for a new international economic order that in international circles this has become the topic of the day.

But so far, the participation of the intellectual and academic community in the debate has been peripheral, if not negligible. Our universities, research institutions and other institutions of higher learning have left the matter entirely to the politicians, the professional diplomats and negotiators and to international organizations. You can therefore imagine how delighted I was when the Vice Rector of the United Nations University intimated to me, last year, of his University's intention to organize a series of symposia on this issue round the world, beginning with the African symposium. I had no problem in giving his idea a most enthusiastic support since I believe firmly that the world in general and Africa in particular need an objective analysis and discussion of this vital issue – an issue whose resolution is crucial for the peace and well-being of the entire mankind.

Since 1975, the Economic Commission for Africa has relentlessly tried to relate the demand for a new international economic order to African political, social and economic conditions, to the colonial legacy inherited by independent African governments, to the realities of present-day Africa and to African perspectives for the rest of this century in the context of the past, present and future international economic system. We have done this and are still doing so because we believe that those who fail to do their homework by study and understanding of history are doomed to repeat the errors of their predecessors.

Therefore, in considering the African Perspective on the New International Economic Order, we must begin by asking some basic questions the answers to which will provide a great deal of clarity in our analysis of present conditions and in our prognostication about the future. Our answers will also bring coherence to our policies and consistencies between our rhetorics and our actions, between our words and our deeds, and between our expectations and our realizations. Some of these basic questions are: first, is there an old or existing economic order; second, if there is, what are its main features; and, third, what has been Africa's role in its creation and nurture?

For the use of the phrase 'a new international economic order' implies the existence of an old international economic order and our first task should be to ask whether there has been an 'order' which

was both 'international' and 'economic' which needs reform or replacement. My first proposition is that the system of international economic relations which existed until the end of the 1960s was not an order. It was a system for consultation and negotiation among developed industrialized countries for resolving conflicts of interest which were in part economic and in part political. An international order would seem to me to imply universally formulated, universally accepted and universally applied principles. Modifications would similarly be universally formulated, accepted and applied. It would also imply a considerable degree of stability. What we regard as the old or existing international economic order does not satisfy this criterion.

The word 'order' has subtle psychological implications. Orderly for example, suggests decent behaviour, respect for principles and agreements, fair play, the recognition of rights and duties and a certain measure of moral responsibility. It stands in contrast to 'disorderly', 'disruptive', 'anarchic'. It is difficult to see the history of international economic relations even in the last thirty years as characterized by these qualities. I will return to this point again.

In so far as the concept 'international' goes we must remember that the system of international economic relations until the beginning of the 1960s was made up of essentially a bilateral structure of metropolitan countries and colonial territories (which today is the basis of North/South disputes) on which was super-imposed a pattern of multilateral relations among the metropolitan countries. The system began with what is often described as the Great Age of European exploration and discovery and the acceptance of the idea that non-European countries or territories should belong to European powers.

There is an historical recurrence to which we seem to pay little attention. One has the Papal attempt to settle the issue of overseas possessions in 1493, followed by the Treaty of Tordesillas in 1494 which allocated all territories east of a line 370 leagues west of the Cape Verde islands to Spain and all those west of the line to Portugal.

In 1885 the right of Western European countries to own overseas possessions was recognized by the handing over of a number of African territories to one European country. In 1919 this right was recognized by handing another group of territories to another and by depriving the beneficiary of the 1885 agreement of its territories on grounds of bad behaviour. Today, international business cartels

share out world markets outside developed countries on a territorial basis and if necessary fight and deprive any member who 'misbehaves' of his share.

In so far as the concept 'economic' was concerned, it came to rest on a number of rationalistic theoretical theses regarding the nature of markets and competition; the pre-eminence of comparative advantage as the determination of the dynamics of international commerce based on Pareto-optimality on a world scale. The fact is that none of these *ex post* rationalizations had much to do with how economic growth and development actually takes place but they had the unfortunate effect of convincing Third World countries, which approached economic growth and development policies and strategies under the leadership of nationals trained in theoretical economics and the associated models abroad, that they really reflected reality and provided sound guidance for the socio-economic progress of their own countries.

I do not, of course, mean that economic theory does not, especially when informed by familiarity with physical and behaviourial realities, provide valuable insights and guidelines to planned development and economic growth. We in the ECA have, for example, been obliged to reconsider the meaning, within the context of African realities, of such terms as economic growth, development, capital savings and investment, the market, international trade, resource transfer, debt, entrepreneurship, technology transfer and others too numerous to mention.

The outcome of economic relations between the one-quarter of the world that was industrialized and the rest that was not was the promotion of enclavic patterns of economic growth, at first to provide raw materials for metropolitan countries and other industrialized states without colonial possessions (raw fibres, rubber, beverages, timber, vegetable oils and oilseeds, minerals, petroleum, sugar, spices, etc.), but increasingly also to provide markets for goods and services. Incidentally, we underestimate the importance of imports of services in our balance of payments. Until today the modernization of the economies of individual African countries is dominated by the export of one or other of these primary products. Unfortunately, the questions of reform of international economic relations in the early 1970s were not, however, concerned with these matters. They arose from the threatened breakdown of the system of consultations and adjustments among industrialized countries and the failure of domestic demand to match output. Contributory to this crisis was the convergence in tastes and habits

of consumption which constrained each industrialized country to try to sell broadly the same composition of products (agricultural as well as industrial) to its neighbours as its neighbours were trying to sell to it. Governments, economists and businessmen were concerned with discussions of 'demand management', inflation, balance of payments, 'voluntary restraints on exports', 'disruptive competition', 'dumping', the national loyalty of transnational corporations, strikes, productivity, underutilization of fixed industrial assets, agricultural pricing policies and surplus, the post-industrial state and prices of raw materials, exchange rates, etc. These were staple elements in international consultations, negotiations and adjustments which were expected to lead to repairs of the system. They were not and are not concerned with the Third World or with restructuring the system.

These woes have of course been aggravated by the emergence of new centres of industrial production, e.g. Japan, Korea, Taiwan, Hong Kong, the CMEA countries and lately the newly industrializing countries. During the late 1960s and the 1970s industrialized countries have also been preoccupied with a search for new substantial markets for industrial products in Japan, in the USSR, in China and now in the OPEC member States. Meanwhile, they have reacted to the threat of Third World industrial development for export to industrialized countries' markets by rejecting the economic principles which they had urged on the rest of the world: business competition, comparative advantage, open economies, the unrestrained flow of investment resources and so on.

The history of protection for agricultural products (food and raw materials) is even older and more serious in its effects. According to recent studies not only is the level of protection for agricultural products on the average as much as three or ten or more times higher than the level for manufactures but both the level and product coverage in respect of agricultural products have been increasing. In the case of the EEC the subject of agricultural support and protection and its effects on imports from the Third World have been declared non-negotiable.

I think it is by now clear that the old international economic order was neither international, nor economic nor an order. It was simply and still is the economic hegemony of the industrialized North on the non-industrialized and, until recently, colonized South, an imposition thus made possible by imperialism and the consequential economic exploitation and spoilation of Africa, Asia and, to some extent, South America. Given the genesis of the present system of

international economic relations, it is clear that no new system, whether described as an order or not, can be instituted by the developed countries. There are many reasons – social, economic and political as well as psychological and institutional – why it is unreasonable to expect them to do so. I have said it many a time before and I make no apology for saying it here again that the task of establishing a genuinely international economic order is that of the countries of the South, the Third World countries themselves, beginning with the establishment of new relations among themselves.

Such a task will involve a massive restructuring of the pattern of international transport and contributions – but no more than contributions – to our own efforts. We believe that it is our supreme responsibility to think out, however much we may learn from others, the kind of society and economy we want and to work relentlessly at achieving it. We believe that unless we take up these challenges Africa will not merely stagnate, it will sink to a level of poverty, degradation and international insignificance not hitherto experienced in its history.

We believe that it is in taking up these challenges that we can truly evaluate, concretely, quantitatively and qualitatively, our requirements of goods and services and help from the outside world and that we can confidently negotiate trade offs of some of what we have for what we need because even though the rest of the world may have much to give to us, we also have much to give to the rest of the world in things social and cultural as well as in things material.

We believe that we face a massive challenge to bring out through new approaches to and new forms of education, the talents of our people for entrepreneurship, and for social and material invention, and for innovation in the widest sense of those terms. These three constitute, we believe, some of the most crucial factors in socio-economic change.

It will have become crystal clear from all this that a new international system of economic relations must begin at home in Africa – at national, at the multinational and regional levels. In other words, the foundation of any new international system of economic relations is the installation of a new national economic order in every African country; the establishment of an African regional and subregional economic order; and, the nurturing of a genuinely interdependent and mutually beneficial system of economic and technical co-operation among Third World countries.

This is our perspective for a new international economic order –

an international economic order in which Africa and other Third World countries will be equal partners in the production and distribution of goods and services, equal partners in the formulation and implementation of economic decisions that affect international relations; an economic order where there is a fair and equitable distribution of incomes and wealth as between nations and as between households and individuals within each nation.

On African Responses

I Collective Self-reliance in developing Africa: Scope, Prospects and Problems

International Conference of the Economic Community of West African States

Lagos 23 August 1976

It is now 15 months since the Treaty establishing the Economic Community of West African States (ECOWAS) was signed here at Lagos. Indeed, 28 May 1975, the day on which the 16 Heads of State and Government of West African countries signed that Treaty, will go down as a most historic day in the search for collective self-reliance in this part of Africa.

The epoch-making summit meeting of Heads of State and Government was itself the culmination of three years of careful planning and intensive diplomatic activities by the two countries – the Federal Republic of Nigeria and the Republic of Togo – that decided in April 1972 to revive the process of achieving economic co-operation in West Africa. As one who was intimately involved in these activities and, indeed, initiated and directed a number of them, let me say with all due modesty that the signing of the ECOWAS Treaty was quite a remarkable achievement. That 16 independent African countries stretching from Mauritania to Nigeria and bounded to the north by the Sahara, countries at varying levels of development, with different historical and cultural backgrounds and speaking different languages (and here I am not thinking only of the foreign languages – English, French and Portuguese – but also of the multiplicity of indigenous African languages, quite a few of which fortunately cut across political boundaries), that all these countries unanimously agreed to the establishment of an economic community that cuts across linguistic and cultural barriers was no small feat. Indeed, it was visible demonstration of how far the West African Governments and leaders have developed in realism and political maturity since the early unsuccessful

attempts to establish a similar economic grouping in West Africa in the 1960s. As General Acheampong, Ghana's Head of State, so rightly stated in his address to the first session of the ECOWAS Council of Ministers which took place at Accra last month, 'by this single act more than 120 million people of West Africa, through their representatives who assembled in Lagos, put a seal on their determination to end the centuries of division and artificial barriers imposed on them from outside and to recreate together the kind of homogeneous society which existed before the colonialists invaded our shores'.

However, the signing of the Treaty is only one, albeit a fundamental one, of the many concrete steps that have to be taken in actually making an economic community in West Africa a reality. The task ahead is still very arduous; the path is still strewn with many difficulties. But given the speed with which the Treaty was ratified by member States immediately after the Lagos Summit, thus making it possible for it to come definitely into force within a few weeks thereafter and given also the public pronouncements of member Governments, all of which have emphasized again and again the paramount importance of the Treaty and the need to expedite the implementation of its provisions, I am confident that there exist both the commitment and the political will to build on the achievements of the past and meet the challenge of the future with undaunted determination.

However, it is of the utmost importance that the Governments must continue to be pressured to go ahead with the full realization and implementation of the Treaty. This calls not only for vigilance on the part of the people of West Africa, but it also requires a great deal of intellectual and practical inputs from all sectors of the West African communities, particularly academia, the business world and professional organizations.

We stand at the moment in history when two historical processes seem to be approaching a high point. The first is the challenge which is becoming increasingly explicit that the developing world has to stand on its own feet or sink. The confrontation between the developing countries and the developed countries which manifested itself at the Sixth Special Session of the General Assembly in 1974, the failure of the developing countries to achieve most of the objectives that they sought for the purpose of restructuring the world economic order at the fourth session of UNCTAD at Nairobi in May this year and the breakdown of the Paris north/south dialogue are cases in point. I am not sure how much work, if any, is

currently in progress within African Governments' think-tanks, their universities as well as other centres of learning in Africa designed to evaluate what standing on our own feet means in terms of national policies and multinational co-operation within developing Africa, in terms of Africa's relations with the rest of the Third World, and its relations with the developed countries. Naturally, an evaluation of this kind would raise issues of what developing Africa genuinely needs from the advanced world, what the advanced world needs from Africa and on what terms demand and supply can be matched.

Secondly, such an evaluation would show how imperative the need for economic co-operation in developing Africa has become, and will lead, therefore, to the creation of a sense of urgency among policy-makers. For us in Africa, the need for economic co-operation, for collective self-reliance, is every day becoming of even more paramount importance. If countries of Africa are to achieve self-sustained growth, co-operation in the production and distribution of strategic goods and services on a multinational basis in Africa must be seen by each and every one of the Governments of Africa as a necessary condition for the successful achievement of their respective national socio-economic goals.

Co-operation among West African countries and, indeed, among the developing countries of Africa, is not or rather should not be just the concern of Governments. It should be the concern of all the people who must put pressure on their governments to keep moving in the right direction as well as doing all they can to bring about the realization of such co-operation. Needless to add that co-operation goes far beyond making the negotiation of protocols and the establishment of institutions and machinery. The African region is littered with abortive treaties and institutions supposedly designed to promote co-operation. The challenge which faces the Governments and people of West Africa is to ensure that the Lagos Treaty signed solemnly on 28 May 1975 and ratified by a majority of the governments within a matter of three to four months after the signing does not become one of such abortive treaties.

Early attempts at achieving collective self-reliance in West Africa

At this stage a historic perspective is no doubt apposite. The first attempt to achieve collective self-reliance in West Africa was made in November 1963 when a conference on industrial harmonization in the subregion was held here at Lagos. This was followed by a conference on economic co-operation in October 1966. At a similar

conference at Accra in April 1967, an agreement on the Articles of Association of a proposed Economic Community in West Africa was signed. Under this framework, an interim Council of Ministers was established with the task of preparing a draft Treaty for the proposed Community. The interim Council held its first meeting at Dakar in November 1967 when it was agreed that the inaugural meeting of the proposed Community should take place at the level of Heads of State and Government.

Earlier in the same month, the four Heads of State of the Organization of Senegalese River States met at Bamako and expressed their intention of extending their co-operation through the creation of a regional group embracing the whole of West Africa and accordingly mandated the President of the Islamic Republic of Mauritania to communicate their intention to the Heads of State of the other West African countries. As a consequence, the Heads of State met at Monrovia in April 1968 and signed the Protocol establishing the West African Regional Group. The meeting instructed Guinea and Nigeria to prepare priority studies on areas of co-operation, while Liberia and Senegal were asked to prepare a draft treaty and protocol for a customs union.

Later in the year, officials of the Governments of Nigeria and Guinea met to prepare the studies which were submitted to the then 14 West African States pending their consideration by the Interim Council of Ministers. Unfortunately, this body never met. Consequently, neither the priority studies nor the draft treaty and protocol on the customs union were considered, let alone adopted.

This was the standstill in which West Africa found itself until April 1972, when the Heads of State of Nigeria and Togo decided to revive the process of achieving economic co-operation in the sub-region and accordingly mandated their ministers and officials to work out the framework and strategy of such co-operation. At subsequent meetings the Governments of the two countries agreed on the following guiding principles:

(i) That the new economic community should cut across linguistic and cultural barriers;
(ii) That, initially, limited objectives capable of early realization should be pursued;
(iii) That a pragmatic and flexible approach should be adopted;
(iv) That the necessary institutions should be set up to deal with specific issues calling for immediate attention; and,
(v) That an open door policy should be adopted which would

enable all the countries in the subregion to become members of the community if and when they were ready.

Proposals embodying the above principles and others were later submitted by the two Governments in November 1973 to a meeting of Ministers representing 16 West African countries at Lome after a visit to all the countries by a joint Nigeria/Togolese Ministerial Delegation which I had the honour to lead. The proposals were considered and embodied in a draft treaty which was considered at another ministerial meeting held in January 1975. A third ministerial meeting took place at Lagos just before the summit meeting to finalize the treaty which was subsequently signed by the Heads of State and Plenipotentiaries representing 16 West African countries at Lagos on 28 May 1975. As I have already indicated and as you all know full well, most of the Governments ratified the treaty immediately after signing it and, within weeks, the Treaty had become definitely operative, having more than the minimum number of seven signatory States provided for in Article 62.

The momentum generated by the ratification of the Treaty has been maintained in the preparation and negotiation of the five protocols which are to be annexed to and form an integral part of the Treaty as provided for by Article 62. Nigeria and Togo, which were mandated by the Authority of the Heads of State, have worked very hard and, with the assistance of the Economic Commission for Africa and the International Monetary Fund, have prepared the five protocols which were considered at the first meeting of the Council of Ministers held at Accra last month. The protocols, you will recall deal with:

(i) Contributions of the member States to the budget of ECOWAS;
(ii) Re-exportation within ECOWAS of goods imported from third countries;
(iii) The Fund for Co-operation, Compensation and Development of ECOWAS;
(iv) Assessment of loss of revenue by member States as a result of trade liberalization within the Economic Community; and
(v) Definition of the concept of products originating from States of ECOWAS.

Three of these protocols were adopted by the Council of Ministers and the remaining two, those dealing with the assessment of loss of revenue by member States as a result of trade liberalization within ECOWAS and the definition of the concept of products originating

from States members of ECOWAS have to be re-examined further at another meeting of the Council of Ministers. Thereafter, the five protocols will be submitted to the Heads of State for signature.

The search for collective self-reliance in the global context

The full implications of the effort to achieve economic co-operation in West Africa cannot be fully realized unless it is seen within the context of the struggle of the developing world to achieve a new world economic order. The adjustment of relations between the industrialized countries of the north and the developing countries of the south of this planet of ours is now the dominating issue that faces mankind. Indeed, there is a crisis in international economic relations – a crisis which has taken three interrelated forms:

(i) Deterioration in the levels and conditions of living in developing countries;
(ii) A high degree of economic, financial and technical dependence of developing countries on advanced countries; and,
(iii) The intransigent, unco-operative and unsympathetic attitude of the developed countries.

Even in spite of the Declaration and Programme of Action for the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States adopted by the Sixth Special Session of the General Assembly of the United Nations, even in spite of the optimism engendered by the co-operation between the developed and the developing countries during the seventh special session of the General Assembly, very little progress has been achieved when it comes to concrete measures to reorganize international economic relations on bases which are both realistic, just and equitable. It is therefore not surprising that developing countries are more than ever before concerned with promoting economic and technical co-operation among themselves. In fact from 9 to 21 September 1976, first at expert level and later at the ministerial level, a conference on economic co-operation among developing countries will take place at Mexico City and, early in October, the Economic Commission for Africa will, in collaboration with the United Nations Development Programme, host the African Regional Conference on Technical Co-operation among Developing Countries. This is part of a series of regional meetings being held in the course of 1976 in preparation for a global conference on the same issue to be held some time in 1977.

It seems to me that the developing countries, particularly those of

Latin America and Asia, are determined more than ever before to pursue the goal of collective self-reliance to their mutual advantage. As we in Africa join the Group of 77, the non-aligned countries and other fora of the third world in the search for collective self-reliance, it is most essential that we should be clear in our minds as to what we mean by collective self-reliance and, even more importantly, we should ensure that charity begins at home.

Meaning and scope of collective self-reliance within the framework of the new international economic order.

As I have already indicated, the set of resolutions adopted at the Sixth and Seventh Special Sessions of the General Assembly of the United Nations and at other fora which are aimed at the establishment of a new international economic order have five main policy propositions. There is, first, a rearrangement of the international economy in such a way as to restructure international trade to enable developing countries to export increasing quantities of their primary and processed commodities to advanced countries at remunerative prices. Secondly, there is need to facilitate the acceleration of economic growth in the developing world and to lead to the designing of a policy framework within which the critical problems which beset the developing countries can be handled with greater facility and greater certainty of success. The third proposition is facilitating the large-scale transfer of real resources to developing countries by (i) using indexation to ensure greater equity in the relationship between the price of raw material exports from developing countries to developed countries and the price of manufactured imports from developed to developing countries, (ii) making technical assistance more relevant to the objectives of increased self-reliance and internal dynamic growth, and (iii) regulating of imports of technology and the terms under which it is made available. The fourth policy proposition of the new international economic order is the one which urges closer economic ties among developing regions and States and stresses possibilities for increased trade and technical and economic co-operation. It also calls for co-operation with the socialist countries. Finally, emphasis is laid on effective control by developing countries over their natural resources and on the harmonization of policies for exploitation, conservation, transformation and marketing of those resources on the grounds that they are indispensable for the economic and social progress of the countries concerned.

These five policy propositions of the new international economic

order can be classified under two broad headings: those that call for action among the developing countries, be it at the national, subregional, regional or international levels, and those that call for a process of give and take, for negotiation, for bargaining between the developing countries on the one hand and the developed countries on the other. Economic co-operation arrangements among developing countries have tended to concentrate on the former and have always invariably neglected the latter. This is true of the ECOWAS Treaty.

Of the eight principal aims of the Treaty, none provides for bargaining between the ECOWAS countries and the rest of the world, particularly the industrialized part of it. I must admit, with the wisdom of hindsight, that this is a regrettable omission. I do hope, however, the importance of the need for the member States to have a common stand on many issues, and to bargain together with other countries will soon be realized.

Thus, economic co-operation must be given two dimensions: mutual support in the pursuit of national socio-economic objectives and mutual support (i.e. collective bargaining) in respect of relations with third parties.

You may ask, and quite properly too, what will we be bargaining for? This question is crucial since, as I understand it, the struggle for a new world economic order is more than a struggle for the world product. It is, in addition, a struggle for capability to generate and to hold on to an increasing share of the world product. This, the developing world cannot achieve unless it possesses organizational, managerial, productive and distribution skills, technology, capital goods and services.

Without these, self-reliance, whether national or collective, will remain unattainable. Fortunately, the developing world, and particularly the African region, possess in ample measure the natural resources and the potential market which they can use for bargaining purposes.

I could go into detail over a wider range of issues at this level but will refrain from doing so at this time. What I have said so far is, to me, necessary in order to establish the bases for a proposition: that the design of treaties and of instruments for economic co-operation is meaningful only if the objectives to be served are clearly and concretely defined, understood and fully agreed upon by the parties to such co-operation. The meaning of self-sustaining growth and diversification as well as the concept of the mechanism by which this can be brought about must be adequately spelled out and generally

accepted. Similarly, self-reliance must be visualized as a process by which skill development, technology, capital goods and services, finance and so on are internally generated rather than imported. Without a commitment to all this, nothing further will be gained than in the past. In other words, economic co-operation must be seen not merely as a means for market expansion but primarily as an instrument for the transformation of the structure of production and distribution.

The challenge to Africa of economic co-operation in practical terms

I should now like to put before you an extension of the nature and scope of the challenge which confronts the countries of the Africa region in the field of economic co-operation whether in respect of mutual support in the pursuit of national socio-economic objectives or in respect of relations with third parties. The transformation of the national socio-economic systems, which I consider as the centrepiece of the mechanism for self-sustaining economic growth and diversification and of increasing self-reliance, requires the restructuring and expansion of the industrial and agricultural and rural sectors in such a way that these sectors exert powerful growth promoting changes on each other. This is not possible without the deliberate forging of links among them. In a long term view, the industrial transformation required was seen, by African participants at the Lima Conference of UNIDO in March 1975 and by the third Conference of African Ministers of Industry held at Nairobi in December 1975, as implying an increase in the region's share of world manufacturing output from the present estimated 0.6 per cent to 2 per cent by the year 2000, i.e. in 24 years from now.

Two aspects of this decision deserve consideration: from what level is this expansion to begin and what would be the order of magnitude of expansion of key sectors that would be required to achieve this target? Before we turn to these two questions we ought to bear in mind that it will not be possible to organize any expansion of the industrial sector in the region on the scale envisaged without a simultaneous expansion of other sectors.

As regards where we are, I have already referred to the estimate of 0.6 per cent as the region's share in world manufacturing output but this conceals a great deal. The geographical distribution of manufacturing output shows a remarkable imbalance: North Africa, with 28 per cent of the region's population, is estimated to have accounted for almost one half of the value added in manufacturing, whilst 10 countries account for no less than 77 per cent of

the total value added.[1] As regards the composition of output, 'manufacturing is heavily concentrated in the area of light industry and especially in the food and beverage subsector which produced no less than about 42 per cent of gross output in 1971' and 'the food processing sector together with textiles/clothing constitute more than 60 per cent of the output of African manufactures'.[2] The analysis here concludes as follows: 'Thus not only is Africa's share of world manufactures negligible, but its share of heavy manufacturing output (chemical, petrochemical, non-metallic mineral, basic mineral and fabricated mineral product industries) is minuscule at just over 1/4 per cent ...'.[3]

The United Nations Industrial Development Organization also attempted, in the same document, a very rough projection to indicate orders of magnitude of the output capacities that would need to be attained in certain key sectors if the target of 2 per cent of world manufacturing output is to be attained. I should like to present in summary form the bare figures:

(i) Iron and steel: additional capacity to be achieved by 2000 – 162 million tons per annum;
(ii) Forest based industries – 180 million cubic metres (r) of which 14.7 million cubic metres (r) is for wood pulp and 53.3 million cubic metres (r) is for paper; the rest are for logs, wood panels and products;
(iii) Engineering industries (agricultural, industrial and electrical machinery and equipment, transport equipment and fabricated metal products); at an apparent rate of consumption of US$85 per capita; this will amount to US$56 million;
(iv) Textiles – current rate of increase in demand – 11.4 per cent but current rate of increase in production 6.9 per cent. Assuming a rate of increase per annum of 13 per cent, annual output is estimated at US$43 billion;
(v) Food processing – gross production in 2000 – US$43 billion;
(vi) Phosphate fertilizers – output in 2000 – 19.7 m tons of NPK;
(vii) Nitrogenous fertilizers: output in 2000 – 10.4 m tons, with excess demand of 9 m tons in terms of N;
(viii) Petro-chemicals and plastics – estimates of consumption in 2000 – 8.2 m tons;
(ix) Salt and its derivatives (soda ash, caustic soda and chlorine) – additional capacity required by 2000 – 15 m tons.

Let me add, as a footnote, that, in the absence of reliable industrial information, UNIDO has used simple and very rough

methods of estimation. Even if these figures were reduced by one third, they would still represent formidable targets. To these output targets, one must add the necessary expansion of mining, fuel production, electric energy generation and distribution, the harnessing and distribution of water, the expansion of the building and construction sector and of transport and telecommunications. The implications for entrepreneurial resources and manpower for production and distribution almost stagger the imagination. Even more alarming are the implications for imported technology. On the assumption that the region as a whole will then have reached the level of industrial development of Mexico today, it is worth noting that, as a result of renegotiation of foreign technology contracts, that country has been able to save US$230 million every year.

It is not unlikely that some countries in the region are already paying well in excess of this amount in annual charges for technology without being in the least aware that they are doing so.

Collective self-reliance and economic co-operation

So far, I have used the words 'economic co-operation', 'collective self-reliance' and 'economic community' as if they were completely interchangeable. Strictly speaking they are not. For example, there are a very large number of important subjects and activity areas in which co-operation can advantageously be undertaken in many parts of the region without, or in anticipation of, the formal institution of economic communities. Indeed, we need to push ahead in these areas as fast as possible once Governments and the relevant national institutions recognize the dangers of delay.

Moreover, economic co-operation is a generic term which has in the past given rise to such conventional arrangements as free trade areas, customs unions, common markets and economic communities. The use of the expression therefore leaves us free to define objective, conditioning factors, and even major operative (as distinct from facilitative) instruments and so on before deciding on a name for the specific combination of economic co-operation elements to which a group of governments in Africa commits it. The fact that the term 'economic community' has been adopted by West African States in describing the particular combination of socio-economic co-operation elements they wish to consider, adopt and operate does not mean that this is identical with the combination under consideration, adopted or operated elsewhere, even where the same label is used to describe the two.

ECOWAS is therefore not essentially concerned with trade.

It is concerned with the transformation of production and the reorganization of distribution for the purposes and in the manner African governments have collectively decided upon which I have tried to summarize earlier.

It may be imagined that the relationship of market size to techno-economic scales of production makes an emphasis on market inevitable. But I fear that, with admittedly several exceptions, the experience of the People's Republic of China in scaling down production units now casts doubts on this argument. We need to re-examine not only the feasibility of scaling down but the basic assumptions of the efficiency criteria which underpin the justification for increasingly large scale of production.

Let us suppose therefore either that individual markets were large enough, in terms of the conventional efficiency criteria related to large scale production, to justify a national policy of going-it-alone or that scaling down was sufficiently extensive to permit small countries to do the same. Would this then be a sufficient answer to proponents of closer socio-economic links among African States? I raise this question in order to suggest that collective self-reliance is not wholly satisfied by economic co-operation. It implies a capability of the group as a whole to respond to challenges to its survival and development and these challenges need not take an exclusively economic form though they may have an economic purpose. For example, threats to cut off aid and investment flows to the group are not in the same category of challenge as threats to cut off essential food supplies. Nor is the latter at par with threats physically to seize and exploit natural resources in developing countries or to replace, by whatever means, governments deemed to be hostile or uncooperative, by governments believed to be more controllable.

Collective self-reliance need not, however, anticipate such dramatic challenges even though it implies capabilities for fending off aggressive invaders of the community or any of its members. It could include capabilities for handling natural disasters or for protecting the community as a whole against serious damage to eco-systems. It could imply the readiness and the ability of other members to come to the aid of a member subject to serious economic stress generally or of specified kinds.

Concluding remarks

I must now conclude this address and, in doing so, let me make a request as well as express a hope. As you examine in your different sessions the various aspects of ECOWAS, you must always be

conscious of the weaknesses in similar economic groupings here in West Africa and elsewhere on the continent with a view to advising your Governments to avoid them most scrupulously. This is my request. But in making this request let me flag all the potential danger points – the red lights.

First, we must be aware of the half-hearted commitment to the goals of economic co-operation. Insufficient perception of the case for collective self-reliance has been responsible for many a failure. Political will at the highest level must continuously manifest itself. Secondly, too much emphasis must not be placed on institutional arrangements at the expense of substantive definition of objectives.

Thirdly, appropriate machinery must be set up at national levels to deal effectively with community problems. A corollary of this – and our fourth warning signal – is that the scope and authority of the community's organs and the quality of its staff, the terms and conditions of their appointment as well as the process by which they are selected must be such as to enhance effectiveness and efficiency, initiative and innovation. Too many central organs of intergovernmental organizations in Africa appear to be part post office and part catering establishment for arranging ceremonial banquets.

A fifth danger point worth watching closely is the facile and mistaken view that communities are brought about by treaties, administrative institutions and the like. The reality of a community rests largely in the hands of what one might broadly describe as the agents of socio-economic activity – business, industrial and financial enterprises and institutions and their organized associations like the Chambers of Commerce and Industry, and professional associations. If these agents of socio-economic activity do not exist, they have, in effect, to be created. If they exist, they must be induced to function across national frontiers. There are many imaginative and practical ways of doing so.

A sixth and my final danger point is insistence on a static and impossible demand for exact quantification of net benefits accruing to individual partners. This difficulty is reinforced by popular and fuzzy, rather than concrete definitions of benefit, and by the tendency for governments (well recognized in their negotiations with foreign enterprises) to concentrate on such financial aspects as foreign exchange and public revenue to the neglect of such critical real factors as skill development, technology, the employment multiplier, production linkages and so on. Debates over the location of industrial production units tend to be based on static assumptions about the growth of demand and the likelihood of alternative

locations. Frequently, geographical location is confused with the accrual of net benefits in spite of the well-known facts of colonial economic history.

II After Lagos and New York What Next?

A Public Lecture Delivered at The El Fateh University

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I. THE MAIN FEATURES OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY, THE AFRICAN STRATEGY AND THE LAGOS PLAN OF ACTION

Before going into the details of the measures for implementing the new International Development Strategy and the African Strategy and the Lagos Plan of Action, it is essential to examine, albeit briefly, the main features of the contents of these documents.

In the first place, the International Development Strategy for the Third United Nations Development Decade, is regarded as an integral part of the continuing efforts of the international community to accelerate the development of the developing countries, and to establish a new international economic order and is directed towards the achievements of its objectives. Such objectives call, among others, for equitable, full and effective participation, by developing countries, in the formulation and application of all decisions in the field of development and international economic co-operation, with a view to bringing about far-reaching changes in the structure of the present international economic system, on a just and equitable basis, and the full permanent sovereignty of every State over its resources and economic activities.

Secondly, the new International Development Strategy aims at the promotion of the economic and social development of the developing countries, with a view to reducing significantly the current disparities between the developed and developing countries, as well as the early eradication of poverty and dependency. In turn, this would contribute to the solution of international

economic problems and sustained global economic development, and would also be supported by such development on the basis of justice, equality and mutual benefit.

Thirdly, since the development process must promote human dignity and the ultimate aim of development is the constant improvement of the well-being of the entire population, on the basis of its participation in the process of development and a fair distribution of the benefits therefrom, a substantial improvement in the status of women will take place during the Decade. In this perspective, economic growth, productive employment and social equity, are fundamental and indivisible elements of development. Therefore, the new International Development Strategy should fully reflect the need for the adoption of adequate and appropriate policies, to be defined by each country within the framework of its development plans and priorities, for movement towards the realization of this ultimate goal of development.

Fourthly, the new International Development Strategy stresses the fact that the primary responsibility for the development of the developing countries rests squarely upon those countries. At the same time effective action by the international community is indispensable for the creation of an environment that is fully supportive of the national and collective efforts of the developing countries for the realization of development goals.

Fifthly, the developing countries will continue to place increasing emphasis on collective self-reliance, as a means of accelerating their development and contributing to the establishment of a new international economic order.

Sixthly, the new International Development Strategy also calls attention to the need to devise special measures for dealing with the most pressing problems and deteriorating situation of the least developed countries (21 of the 32 of which are African countries), the land-locked, island and most seriously affected developing countries, most of which are also African countries. Similarly, specific regional problems of developing countries, where they exist and are included in regional development strategies, such as the Lagos Plan of Action for Implementation of the Monrovia Strategy for the Economic Development of Africa, will also be taken into account through effective and adequate measures within the framework of the general policy measures adopted in favour of all developing countries.

Finally, the strategy urges that urgent action be taken by all members of the international community to end without delay

colonialism, imperialism, neo-colonialism, interference in international affairs, apartheid, racial discrimination, hegemony, expansionism and all forms of foreign aggression and occupation, which constitute major obstacles to the economic emancipation and development of the developing countries.

In addition to these general statements of objectives, the strategy contains some specific goals. These include, first, macro-economic targets of 7 per cent average annual growth rate of gross domestic product for the developing countries as a whole during the Decade, even though each developing country will set its own target in the light of its particular circumstances. Second, average annual increase of about 4.5 per cent in per capita gross domestic product if the 7 per cent growth rate is achieved and if the average annual rate of growth of population in the developing countries were to remain at about 2.5 per cent. Third, expansion of exports and imports at an annual rate of not less than 7.5 per cent and 8 per cent, respectively. Fourth, a level of gross investment of 28 per cent of gross domestic product by 1990. Fifth, overall gross domestic savings ratio of about 24 per cent of the gross domestic product by 1990, with advice that developing countries that have a saving ratio of less than 15 per cent should make vigorous efforts to raise it to 20 per cent as early as possible, and those countries that have or will soon have a saving ratio of 20 per cent should raise it significantly during the Decade. Sixth, expansion of agricultural production in the developing countries as a whole at an average annual rate of at least 4 per cent so that it will be possible to meet the nutritional needs of the population, to enlarge the base of industrialization and the diversification of economic structures, and to redress current imbalance in world production. Seventh, expansion of manufacturing output at an average rate of 9 per cent, thereby making a significant contribution in the 1980s towards raising the share of developing countries in world manufacturing production and laying the basis for achieving the target of a 25 per cent share of world production by the year 2000, as set out in the Lima Declaration and Plan of Action on Industrial Development and Co-operation.

To achieve these objectives and goals, all the elements of the call for a new international economic order were repeated in the new International Development Strategy, such as a rapid and substantial increase in official development assistance by all developed countries, with a view to reaching an agreed international target of 0.7 per cent of the gross national product of the developed countries, by 1985 and in any case not later than the second half of

the Decade, with the target of 1 per cent being reached soon thereafter; encouragement of an increase in net flows of non-concessional capital; reform of the international monetary system, including provision for the equitable and effective participation of developing countries in decision-making, taking into account, *inter alia*, their growing role in the world economy, as well as a symmetrical and efficient adjustment process, stability of exchange rates of international currencies, and further strengthening and expansion of the special drawing rights at the central reserve asset in order to ensure better international control over the creation and equitable distribution of international liquidity; improved access to markets and products of export interest to developing countries; continued attention to the formulation and implementation of positive adjustment policies in the industrialized countries; and active pursuit of the agreed objectives of the integrated programme for commodities.

However, in order to reflect the results of the different international conferences and meetings which had been held in the 1970s, a lot of other measures are added and addressed to both the developed and the developing countries. Thus, physical and institutional infrastructure in developing countries are to be expanded at rates that fully support the rate of expansion of the economy as a whole, with special attention being given to overcoming the bottlenecks and constraints of transport and communications, particularly to strengthening intra-regional and interregional links, a positive recognition of the importance of the United Nations Transport and Communications Decade for Africa. Similarly, rational development, management and utilization of natural resources should be encouraged in order, *inter alia*, to prevent early exhaustion of finite resources and overburdening of renewable sources of energy. Developing countries should also acquire improved capacity to explore and develop their natural resources and to ensure closer integration of the sector in the overall development of their economies.

To create conditions more favourable to the development of the developing countries and the growth of the world economy, efforts for the development and expansion of all energy resources of the world should be intensified in search for a long term solution to the energy problem. In the areas of new and renewable sources of energy there is the imperative need to devote serious attention to the effective implementation of the results of the United Nations Conference on New and Renewable Sources of Energy to be held in

1981. The strengthening of the scientific and technological capacities of developing countries is essential for their sustained and accelerated development. Hence the importance of the Vienna Programme of Action on Science and Technology for Development and the need for effective action at the international and national levels.

In the least developed countries, measures should be focused on promoting a self-sustained process of the development of human resources and broadly-based participation in development. Hence, the international community will devote serious attention to the effective preparation, conclusion, and follow-up of the United Nations Conference on the Least Developed Countries, to be held in September 1981. The special and pressing problems of the land-locked, island and most seriously affected developing countries need to be met through specific measures and actions.

Disarmament should be undertaken and the resources released, as a result of the implementation of disarmament measures, should be devoted to the economic and social development of all nations, and should contribute to the bridging of the economic gap between developed and developing countries.

Since economic and technical co-operation among developing countries, based on the principle of collective self-reliance, constitutes a dynamic and vital component of an effective restructuring of international economic relations, the international community should accord high priority and urgency to supporting the efforts of developing countries to strengthen and implement their programmes of mutual economic and technical co-operation.

Accelerated development in the developing countries could enhance their capacity to improve their environment. However, it is essential to avoid environmental degradation and give future generations the benefit of sound development.

Since development is an integral process embodying both economic and social objectives, national development plans and targets of the developing countries should be formulated on the basis of a unified approach to economic and social development.

In the areas generally covered by the so-called social development, the Strategy stresses the importance of reduction and elimination of poverty and a fair distribution of the benefits of development, the attainment of full employment by the year 2000, through increasing opportunities for productive employment, especially for the new entrants to the labour force; the need for countries to continue to strengthen the implementation of the recommenda-

tions of the World Population Plan of Action; the importance of education as a means of enhancing the capacity of people to participate constructively in the development process, and associated need to provide universal education, the eradication or considerable reduction of illiteracy and the closest possible realization of universal primary enrolment by the year 2000; the need for measures to provide the needed trained and qualified personnel on a scale assuring national self-sufficiency and deal effectively with the problem of absence or shortage of trained and qualified national personnel; the attainment by the year 2000 of a level of health that permits all peoples of the world to lead a socially and economically productive life; the provision of basic shelter and infrastructure for all people, in rural as well as urban areas, with emphasis on a balanced network of cities, towns and villages needed for harmonious development; the emergence of mutually supportive linkages between industrial and agricultural activities, and the adequate provision of infrastructure and services; the fostering of the welfare of youth in pursuit of the objectives highlighted during the International Year of the Child; the care of the disabled; the integration of women in the development process in accordance with the Plan of Action of the World Conference of the United Nations Decade for Women; and the need for the international community to take measures to improve and strengthen arrangements to provide developing countries with adequate and timely assistance in matters of disaster relief, prevention and preparedness.

As it is, this is a formidable list of goals, objectives and policy measures. The decision to highlight such a number of issues in respect of the new International Development Strategy has been deliberate. This is because I want to stress the complexity of the decision-making process at the international global level where, because of the interplay of different forces and interests, compromise means accommodation of various interests with all the implications for contradictions that it involves. Thus, not only do we have to balance the interests of nations – North against South, East against West, and so on and so forth – but we also have to balance the interests of international agencies, particularly of their secretariats. Hence, it is inevitable that we should have an International Development Strategy stuffed with a lot of recommendations, and couched in general terms. However, such inevitability highlights the importance of decisions at lower levels from regions to subregions to nations. And since development and economic problems are mostly situated at the national level, effective decision-making

will have to take place at the national level, even while per force taking cognisance of the crucial importance of activities at high levels. Still, in relation to the nature of decision-making process at the national level, the very fact that decisions reached at the global level are results of negotiations and compromises weakens the possibilities of effective implementation of such decisions, since partners can always put up reservations about certain decisions as has already happened in the case of the new International Development Strategy.

This leads me to the next issue in this lecture; the nature and characteristics of the African Strategy and the Lagos Plan of Action. At the beginning of this lecture, I made it clear that the immediate causes for search for a new approach to development and economic growth efforts in Africa, in the first half of the 1970s, were the call for a new international economic order by the General Assembly of the United Nations at its sixth special session in April 1974, and the ongoing efforts at the global level to enlarge the concept of a new international economic order as a basis for the formulation of a new International Development Strategy for the Third United Nations Development Decade. The remote causes were, of course, to be found in the dissatisfaction with past efforts at planned development, which created more problems than they set out to solve, even when the gaps between promises and performance were increasing and the underlying prevailing theories of development and economic growth were proving ineffectual.

Therefore, the Monrovia Strategy for the Economic Development of Africa, and the Lagos Plan of Action for its implementation, are inevitably set against the conventional wisdom underlying past efforts of planned development in Africa and the call for a new international economic order. However, in view of the efforts that have been deployed at the international level since 1974, when the call for a new international economic order was first made, with a view to addressing afresh the basic issues of development and economic growth, it should not be surprising that the new International Development Strategy is richer than its predecessor, particularly in terms of the stress on the factors that assist in the generation and management of development and economic growth even when it still retains some of the undesirable features of past development. This should be no surprise in view of the inputs which institutions with a regional bias such as ECA have put into the formulation of that strategy. In the context of the foregoing, what are the main features and characteristics of the African Strategy in

general and the Lagos Plan of Action in particular? Against the background of low overall economic growth achievement, low productivity of labour and other factors of production and the consequent failure of internal dynamics to lead to self-reliant and self-sustaining economic development in most cases, the Strategy declares that, first, it was noted that policies, strategies and development programmes in the region continued to be markedly affected by misconception and erroneous strategies which tended to consolidate the region's external dependence for food, skills, technology, capital goods and services, markets and even life styles and patterns of development and economic growth. Second, the strategies are characterized by a persistent confusion between growth and development and fail to measure advance by appropriate socio-economic indicators or indices of general well-being. Third, the region's external socio-economic relations could be summarized as those of client states and their principals in which relations tended to be prescriptive rather than contractual and Africa was the accidental beneficiary of the progress and welfare of others. Fourth, emphasis was placed on outmoded concepts of the international division of labour as a result of which member States still lack sufficient mastery over the technical and financial instruments essential for new types of development appropriate for the creation of a material and cultural system which would be consistent with self-reliance, self-sustainment, the conservation and development of inherited cultural values, and the recovery of self-confidence particularly as regards the nurturing of creativity and inventiveness.

In more specific terms, the Strategy declares, among other things, that (i) it was no longer desirable and feasible to replicate alien life styles, production patterns and consumption patterns; (ii) existing life styles and patterns of economic growth in industrialized countries as well as in several developing countries had led to serious environmental degradation and rapidly increasing social costs, natural resources depletion, technologically-created unemployment, alienation, pathological urbanization, erosion of family and community life, and, in general a deteriorating quality of life; and, (iii) in the light of increasing social costs, including the costs of alleviating environmental damage, it was doubtful whether the dominant patterns of growth and life style from the developed countries would be desirable, suitable and/or sustainable over the long run.

It will be observed from what I have said so far that the major difference between the global approach and the African approach is

that while the main elements of the call for a new international economic order as originally formulated in various General Assembly resolutions and Declarations and Programmes of Action on the Establishment of a New International Economic Order, have been repeated in the new international development strategy, they have been deliberately left out of the African Strategy and the Lagos Plan of Action. This does not mean, of course, that the African region is not interested in these things. It only means that as far as the African region is concerned, the immediate problems are concerned with capacities to initiate autonomous policies and to organize and manage production and distribution, the absence of which has hitherto prevented the region from taking advantages provided by such arrangements as generalized systems of preferences and the Lome Convention, to name only a few. In any case, the region will definitely need external aid and technical assistance. However, it is our fervent hope that such aid and technical assistance will be concentrated on those critical areas and priorities that African countries themselves have identified in the framework of the Monrovia Strategy for the Economic Development of Africa and the Plan of Action for its implementation.

Before concluding this part of my lecture, I should like to speak briefly about one common feature of the two strategies: general formulation and impreciseness as to which particular countries are being addressed. It is true that the Monrovia Strategy and the Lagos Plan of Action concentrate on the problems of African countries. But because Africa is a continent at present comprising fifty independent developing countries with unequal endowment of natural resources and different levels of development and economic growth, the issues raised in the two documents and the recommendations contained therein will definitely apply to the various countries differently. This is why it is important that both the new International Development Strategy and the Lagos Plan of Action will have to be interpreted in the light of the specific situation confronting each member state. This leads me to the next issue in this lecture, the requirement and modalities for the implementation of the two strategies at the national, subregional, regional and international global levels.

II. THE REQUIREMENTS AND MODALITIES FOR THE IMPLEMENTATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE AND THE LAGOS PLAN OF ACTION

As the International Development Strategy emphasizes, the primary responsibility for the development of developing countries rests upon those countries themselves. Indeed, in all seriousness, the Monrovia Strategy and the Lagos Plan of Action strongly emphasize the fact that the foundations of sound, self-sustaining and self-reliant development and economic growth must be laid at the national level. In fact, about 90 per cent of the Plan will have to be initiated and implemented at the national level. But again, as the new International Development Strategy also stresses, effective action by the international community is indispensable for the creation of an environment that is fully supportive of the national and collective efforts of the developing countries for the realization of their development goals. Therefore, the strategies will be implemented at the national, subregional, regional and international levels.

A. Implementation of the Strategies and the Plan of Action at the National Level

The new International Development Strategy and the Lagos Plan of Action provide frameworks for action by member States and their development co-operation partners. Moreover, understanding is the basis of action. Therefore, the effective implementation of the strategies will depend on the relevance of the issues addressed therein to the specific development and economic growth problems facing each member State. Hence, the first task that has to be tackled at the national level is the familiarization of the government, the people and the agents of production and distribution in particular, and of decision-makers in general, of each member State with the aims, goals, objectives and characteristics of the IDS and the Plan of Action.

Towards this end, it will be necessary for each member State to organize a national seminar or conference with a view to examining the issues raised in the recommendations of the new International Development Strategy and the Lagos Plan of Action, particularly in relation to the situation and the problems facing the particular

member State. Inputs into such seminar or conference will comprise (i) the text of the United Nations General Assembly resolution on the Declaration and the Programme of Action on the Establishment of a New International Economic Order (resolution 3201(S.vi) and 3202(S.vi) of 1 May 1974); (ii) the document containing the Charter of Economic Rights and Duties of States; the General Assembly (resolution 3281(xxix) of 12 December 1974); (iii) resolution on development and international economic co-operation (resolution 3362(S.vii) of 16 September 1975); (iv) Revised Framework of Principles for the implementation of the New International Economic Order in Africa; (v) the Monrovia Strategy for the Economic Development of Africa; (vi) the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Development of Africa; (vii) International Development Strategy for the Third United Nations Development Decade; and (viii) a comprehensive report containing an assessment of the history of planned development efforts, their results and obstacles in the member State.

Such national seminars will have to be followed up by studies of the issues involved, at the sectoral or functional level, after which a series of sectoral or functional workshops, where specialists in specific sectors or functional areas can examine the relevant issues in depth, will need to be organized. And in order to mobilize popular support for the strategies and promote a general understanding thereof, it is essential that the mass media, and particularly radio and television, should be employed liberally to explain the issues addressed by the Strategies and the Plan and the role of the different institutions involved in implementing them. Newspapers and posters should also be liberally used.

The third step in the implementation of the strategies at the national level is for each country to undertake a critical diagnosis or situation analysis of its resources – natural, demographic, manpower, agricultural, and industrial – as well as its infrastructural facilities and social services. The fourth pre-condition is the need to revamp the machinery of government and other development support institutions.

As the setter of development objectives, the distributor of resources or the regulator of the activities of all the agents of development and economic growth in the economy, modern governments have become dominating forces in the economy, hence the need to evaluate the efficiency with which their activities are carried out. Indeed, while we may not agree with Professor P.F. Drucker that modern governments are capable of only two things, namely

waging war and inflating the currency, there is increasing evidence that governments are becoming more inefficient in the conduct of their traditional business of management and provision of law and order.

In this connection, the activities of such units as the central planning office, the ministry of agriculture, the ministry of industry, the ministry of trade and commerce, the inland revenue service, the ministry of mines and power, the ministry of transport and communications, the statistical services and the research institutes need to be analysed thoroughly and rationalized with a view to achieving greater effectiveness and efficiency.

This brings me to the urgent need to re-orientate the planning and plan implementation process. The emphasis of the Monrovia Strategy and the Lagos Plan of Action is on restructuring African economies with a view to laying foundations for self-reliant and self-sustaining development and economic growth at the national, subregional and regional levels. Effective planning and plan implementation have a crucial role to play in this task, and the different diagnoses or situation analyses suggested earlier constitute the foundation of these planning and plan implementation activities. Such analyses should, if I may repeat, provide information on the range of materials available in the economy, the gaps between the requirements of the Lagos Plan of Action and existing practices, and needs in terms of over-dependence on the external sector for a substantial percentage of the factor inputs required and serious balance-of-payments problems, to name only some. All these and others constitute the problems to be solved and call for participation of all agents of development and economic growth in the economy to determine what courses to pursue in subsequent plan periods.

The involvement of all agents of production, of distribution, of research and development and of other decision-making units in the planning process, calls for the establishment of a strong rapport between the public and private sectors. The purpose of this involvement of all decision-making agencies in the economy is to determine the goals and objectives in each plan period in terms of the specific problems to be solved and not in terms of a single objective of the growth rate of gross domestic product to be achieved. It will also facilitate the determination of who will produce what, and what measures will be used to encourage compliance with the objectives agreed upon, such as tax policies, credit, etc. Such arrangements will also help in determining how to pursue social and economic

objectives: domestic production as against imports; if domestic production is chosen, how the inputs will be obtained.

At the time when the targets to be pursued during the plan period and the measures for pursuing them are determined, it is usually assumed that many things will remain the same. Unfortunately, this is not usually the case. Indeed, unforeseen circumstances can and do arise during the implementation period, which may nullify the goals and objectives of the plan if steps are not taken immediately to deal with the emerging circumstances.

It is therefore essential that every member State should establish a development monitoring system, or in other words, an information system geared to the provision of the data needed for a diagnostic approach (that is, an approach that implies a cross-sectoral, cross-spatial and cross-population examination of the existing development system) and attempt to understand the sectors and institutions of the economy with a view to determining how effectively they function. Equally important is the question of the generation, collection, analysis and interpretation of information not only as a basis of research and development but also as a means of education. Therefore in view of the crucial importance of information in the process of implementing the Strategies and the Lagos Plan of Action, member States should strengthen existing or create new institutions for social, economic, cultural and technological research, including the collection, analysis and interpretation of statistical and other information, and the development and analysis of appropriate social, economic, cultural and technological indicators.

While the collection and analysis of routine statistics and other information must go on, arrangements must be made for regular research, agricultural, industrial and distribution surveys and censuses.

The role of universities and other institutions of higher learning and of research institutes, whether private or public, is most important in the area of R and D.

Let us now turn our attention to the subregional level. Under the conditions of minuscule states with poor resource bases as prevail in Africa, regional and subregional co-operation is a *sine qua non.* Thus, while the bulk of the recommendations for action in the strategies and the plan of action will have to be implemented at the national level, the successful and effective implementation of many national policies may even depend on what happens at multinational level. Joint development of river basins and joint use

of development institutions are two areas that come readily to mind in this respect. Therefore, in view of the crucial role of co-operation for the implementation of the Strategies and the Plan, it is recommended that seminars or conferences on the Strategies and the Plan, similar to those at the national level, be organized within the framework of the MULPOCs, with a view to making member States understand the reasons and arguments behind the Strategies and the Plan in a wider setting, and the connection between the required activities at the national level and those at the subregional levels. In this connection, I must express my regret that while all the other four ECA/MULPOCs established for West, Central, East and Southern Africa have taken off the ground, we have since 1978 been trying unsuccessfully to get the North Africa MULPOC to become effective due to the geo-political circumstances of North Africa. Regrettably political differences among North African countries have hampered the development of meaningful multinational economic and technical co-operation within the subregion.

If the International Development Strategy, the Monrovia Strategy and the Lagos Plan of Action are to be successfully implemented member states would have to strengthen existing co-operation arrangements, such as the various economic communities, through such rationalization as may be necessary, and existing regional and subregional institutions, such as research institutes, training institutions and joint enterprises in the fields of transport and communications, energy, food and agriculture, etc.

Measures for strengthening these institutions will include increased use of the services provided by such co-operation arrangements and institutions, the payment of assessed contributions for their upkeep, and the neutralization of the future development of the institutions from the vicissitudes of political differences.

One other problem with all African regional and subregional institutions is shortage of finance. While this is a real problem, it should not be too difficult to arrange if the institutions are widely dispersed and the national currencies of member States used, supplemented by foreign exchange from member States and supported by financial and technical assistance from bilateral and multilateral donors. Another means of adequately financing their institutions will be for member States which are in a position to do so to establish endowment funds for them. In this connection, the role of the countries hosting these institutions is particularly important. Unless their governments are willing to underwrite the bulk of

the financial requirements, particularly capital requirements of the institutions, such institutions will always face financial crisis.

B. The Role of African Regional Organizations in implementation and monitoring

As far as the involvement of regional organizations in implementation is concerned, one can identify the following issues:

(i) the role of regional development finance organizations such as the African Development Bank (ADB) and the Arab Bank for Economic Development of Africa (BADEA);
(ii) the role of the Organization of African Unity (OAU); and
(iii) the role of the United Nations Economic Commission for Africa.

With respect to the role of the financing institutions, it is imperative that their activities should henceforth be guided by the philosophy, goals and objectives of the African strategy and the Lagos Plan of Action. In this connection, it is important to recall that the immediate activities that are recommended for concentrated action by member States such as natural resources exploration, manpower development and institution building are activities that have long gestation periods before they start contributing to the production of goods and services that are capable of financing their own investments and those in such infrastructures. Yet, the longer such activities are delayed, the longer the day of achieving self-reliant and self-sustaining development and economic growth will be. Similarly, these activities are not those that normally attract grants and concessional loans from abroad. Therefore, the financing institutions will have to reorient their policies as far as African countries are concerned to meet this great need.

Another task before the regional development finance institutions is the need for them to backstop the activities of member States with their increasingly sophisticated technical capabilities, particularly in the crucial area of project identification, analysis, formulation and implementation – an area in which member States are still extremely weak.

Finally, these institutions will have to work intimately with the OAU and ECA.

In adopting the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, member States instructed the Secretary-General of the Organization of African Unity, in collaboration with the Executive Secretary

of the United Nations Economic Commission for Africa, to take measures to assist member States in implementing the Plan by using the technical and financial resources of OAU specialized agencies, ECA specialized agencies, and other regional and international organizations. This close association of ECA with the implementation of the Plan is a clear recognition of the crucial role of ECA in the formulation of the Plan and of its technical competence which has been built up over the past twenty-three years. Another point which has to be borne in mind is that the resources of the specialized agencies of OAU in terms of manpower, expertise and money are at present extremely limited.

Moreover, until recently, the major activities of OAU have been connected with political issues in general and African liberation and the fight against neocolonialism, racism and apartheid. But the successful holding of the first Economic Summit in 1980 has brought the Organization face to face with the question of its role in the economic and social development. However, in view of the points just given and the fact that there are many agencies and organizations, whether African or extra-African, already involved in the development process in Africa, OAU has to work as a partner with these agencies and institutions. Thus, for the moment, it has to concentrate, in collaboration with ECA, on the overall monitoring of the implementation of the Plan using the results of the technical work carried out by the agencies in the areas of their respective competence. At the same time, it will have to gradually build up its capability to deal with major political economy matters whose successful handling will contribute effectively to the implementation of the Lagos Plan of Action. Such matters relate to economic and technical co-operation, particularly in relation to the activities of the existing economic communities in Africa and the difficulties encountered in getting member States to support them, the question of militarization in Africa, the role of transnational corporations, etc, and in collaboration with member States, activities connected with mobilization of resources to support the activities of co-operation projects.

The Economic Commission for Africa as a multidisciplinary organization is well suited for taking a comprehensive view of development. As an arm of the United Nations, it is the main centre for general social and economic development in Africa within the UN system. And, as such, it is expected to provide leadership to and co-ordinate the activities of the UN system in Africa. Moreover, a recent decision of the General Assembly has accorded to ECA

and other regional economic commissions the status of executing agency of the United Nations Development Programme and other projects at inter-country, interregional and inter-sectoral levels. And given the accumulated expertise which has been built up over the past twenty-three years of its existence, the ECA is competent to assist member States to implement the Plan of Action at the national, subregional and regional levels particularly as it was the Commission that took the lead in providing the intellectual framework for the Strategy, and actually prepared the Lagos Plan of Action at its Addis Ababa Conference in 1980.

In specific terms, the Commission's contribution to the implementation of the Plan will include the following:

(i) collaboration with the OAU secretariat on the monitoring of the implementation of the Plan;
(ii) advisory services to member States individually and collectively through their intergovernmental organizations, on how to implement the Plan including assistance on re-aligning national development plans with the Lagos Plan;
(iii) assistance to member States on the formulation and implementation of national development and technical co-operation projects;
(iv) technical support services to existing co-operation projects and institutions such as the African Regional Centre for Technology, United Nations African Institute for Development Planning, African Regional Centre for Design Engineering, the African Centre for Applied Research and Training in Social Development, the various subregional Mineral Resources Development Centres, etc.;
(v) direct execution of regional, subregional, multi-national and national projects as an executing agency in its own right;
(vi) continuing co-ordination of UN system activities at the African regional level; and,
(vii) continued assistance in dealing with conceptual problems related to African development and economic growth.

Thanks to the increasing confidence in the Commission being shown by member States, as evidenced by their continued contributions to the United Nations Trust Fund for African Development, the ECA should be able to discharge these responsibilities efficiently.

C. Implementation of the Strategy and the Plan of Action at the International Global Level

The Monrovia Strategy for the Economic Development of Africa and the Lagos Plan of Action for its implementation are based on the principles of self-reliance and self-sustainment, which demand that action for the solution of African social, economic, cultural and technical problems should first of all be concentrated on domestic sources. However, such principles do not preach autarky. Indeed, as some highly-placed African leaders are now wont to tell us, Africa is part of the world and it cannot develop in isolation. Therefore, as declarations on the International Development Strategy, the Monrovia Strategy and the Lagos Plan of Action have stressed, external resources will be needed to implement these Strategies and Plan. But such resources will only be supplements and should be asked for only after all the available domestic resources at home have been thoroughly explored.

In the context of the foregoing, the Strategies and the Plan will be implemented at the international global level inter alia, by:

(i) the provision of grants and loans at concessional terms both bilaterally and multilaterally, and untying of such grants and loans;
(ii) the provision of technical assistance geared to gradual build-up of national capacities and institutions as basis of self-reliance and self-sustainment;
(iii) improved trade terms to enable member States to earn foreign exchange for the purchase of needed and identified factor inputs that are not available at home;
(iv) provision of scholarships for training in appropriate institutions abroad;
(v) provision of facilities in overseas institutions for formal or on-the-job training which may be financed by member States themselves or by aid provided by host governments or third parties; and,
(vi) review and appraisal of the progress being made in the implementation of the Strategies and the Plan.

In view of their special status and position as instruments for disbursing aid and technical assistance on a multinational basis and their possession of concentrated and diversified technical expertise, the role of international development organizations deserves further treatment.

These organizations are unique in at least three senses: their expertise is built up on experience from all over the world – West, East and South; their financial resources are mainly made up of the so-called hard or convertible currencies; and they are less susceptible to national policies, politics and politicking. As a result of these advantages, they are well placed to assist member States to pursue and achieve their objectives of self-reliance and self-sustainment. Hence, they have to defer as much as possible to the wishes of the recipient countries and encourage these countries to do things for themselves. As is often stated, the purpose of aid is to promote economic viability and self-reliance. International agencies should help member States to achieve this objective. Therefore, interagency rivalries and 'tribal' warfares have to be reduced to the minimum.

This brings me to the all-important question of creating the right international political and economic environment for the implementation of the African Strategy and Plan of Action. For it is important to remind ourselves, as I have already alluded to in the course of this lecture, that no country, no continent, can be an island unto itself. Indeed, the fact that all our member States are members of the United Nations and various other international organizations attests to the fact that we accept the interdependence of our world.

Therefore, the environment which the entire world, including their divisions into ideological camps, constitutes to us is very crucial to the successful implementation of the Plan. Indeed, for the foreseeable future, we shall need trade, aid, technical assistance and other components of international relations. Our insistence on self-reliance and self-sustainment does not mean that we do not want to obtain from the external world those goods and services which we need for supplementing our own resources so that we may eventually achieve our own objectives and goals. In fact, the main purpose of such insistence is to indicate clearly that without such approach we cannot benefit effectively from our association with the rest of the world.

In this context, what type of political and economic environment do we want? First and foremost, we need a peaceful environment rather than the present military rivalry between the superpowers. Secondly, and as a corollary to the first, we would like to see disarmament pursued vigorously so that the resources released from such activities can be used to assist our development efforts. Thirdly, we would like to see Africa demilitarized and forbidden as

the theatre of war among the military powers of the world. In saying this, I am particularly worried about the likelihood of Africa being turned into a theatre of war because of the quest for raw materials. Fourthly, we would like to see the activities of the merchants of the instruments of death, the salesmen of international corporations and even governments which produce military equipment and wares reduced considerably. In this connection, it is a fact that the increasing expenditure on military equipment and wares by African governments derives from two sources: the desire of African Governments themselves and the encouragement given to them from abroad. Since the push from the supply side is stronger than that from demand side, we should like to see the activities of the producers, whether government or international corporations, considerably reduced.

As far as the economic environment is concerned, we should like to see aid and technical assistance being given more in terms of grants. Similarly, since external trade is still of importance to us, we would like to see those obnoxious protectionist measures reduced or removed. Finally in view of the great involvement of transnational corporations in our economies and the fact that up to now, their practices have left much to be desired, we would like to see their activities and operations properly monitored and controlled by the governments of their countries of origin.

It is in the light of such wishes as I have just expressed that I am personally unhappy about the way things are going in the world today. For instance, look at the way the proposed launching of a series of global negotiations on raw materials, energy, development, money and finance has been handled. At the eleventh special session of the General Assembly in August/September 1980, no agreement could even be reached on the procedures and the agenda. Yet, all sides continue to say that they need one another. To my mind, the whole cause of the present polarisation is to be found in the persistence of the old habits, prejudices and fears, on both sides.

I have no doubt that the day we accept that the industrialized economies are no longer as all-powerful as they think they are, and that the developing countries are not as helpless and hapless as they give the impression they believe they are, then on that day there will be a meeting of minds!

It is in this context that one looks with hope to the proposed International Summit of a selected group of eminent Heads of State and Government chosen from both the South and the North

to deliberate on these critical issues and explore ways of disengaging from the present impasse. It is hoped that the Eastern European countries and China will participate in the Summit. For it is unrealistic to assume that world economic issues can be discussed and solved without the participation of such a significant section of the world community.

III. FINANCING THE LAGOS PLAN OF ACTION AND REVIEW AND APPRAISAL OF THE PROGRESS MADE IN ITS IMPLEMENTATION

I should now like to address myself to the important issues which I have deliberately left to this time: the problems of financing the Lagos Plan of Action and the review and appraisal of progress made in its implementation.

Throughout this lecture, strong emphasis has been laid on the importance of real factor inputs and institution building. But this does not mean that I am of the opinion that money does not matter. Of course it does matter! Thus, one of the major issues to which the Conference of Ministers addressed itself in the introduction to the Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, which they recommended for consideration and adoption by the OAU Assembly of Heads of State and Government was the question of financing the Plan. Accordingly, the Ministers felt that considerable domestic financial savings could be mobilized for reinvestment in plan projects by both conventional and new measures and that, as regards foreign exchange, there was room for savings in out-payments for such services as banking, insurance, shipping, civil aviation, marketing and distribution. Moreover, they felt that account should also be taken of the transfer pricing operations of private enterprises. In all these cases, a close and continual scrutiny of the invisibles in the national accounts is called for.[16] As we all know, money is the sinews of war and the Strategy and the Plan of Action reflect faithfully the socio-economic war situation in which African countries have found themselves. Money is crucial, therefore, to the implementation of the Plan and all necessary measures must be taken to mobilize domestic financial resources required. In addition to mobilizing domestic financial resources and ensuring their most productive use, there is need to enlarge the sources of foreign exchange earnings and to preserve the foreign exchange resources so earned.

With regard to the review and appraisal of the progress made in the implementation of the new International Development Strategy and the Lagos Plan of Action, the following two main objectives have to be kept in mind:

(i) information on the progress made and shortfalls experienced in the implementation of a plan, including explanations of both progress and shortfalls as a basis for taking the necessary action to deal with undesirable consequences; and,
(ii) a feedback mechanism linked to the planning exercise.

Therefore, in view of the importance of review and appraisal to the attainment of the goals and objectives of the Lagos Plan of Action and hence, of those of the new International Development Strategy in the region, the exercise will have to be taken up seriously at the national, subregional, regional and international global levels, in other words, at all those levels where action is required. The theatre of operations, the quality of the exercise to be carried out at the other levels will depend greatly on what obtains at the national level in terms of concrete targets, data availability and preparation of reports.

Concluding Remarks

The main purpose of this lecture has been to reflect on those issues that are of crucial importance to the implementation of the International Development Strategy for the Third United Nations Development Decade and the Lagos Plan of Action for the implementation of the Monrovia Strategy for the Economic Development of Africa. In each case, we have indicated that, in the nature of things, the two Strategies and the Plan have to be general and if the philosophy and recommendations contained in them are to be fully implemented, then each member State will have to take measures to interpret them in the light of its own problems and specific aspirations. This means that the initiatives for the implementation of the Lagos Plan of Action and hence of the new International Development Strategy will have to be taken at the national level.

However, while the principles of self-reliance and self-sustainment demand activities at the national and multinational African levels, there is need for appropriate support from external sources both on bilateral and multilateral bases.

Similarly, for successful implementation of the Plan, there is an urgent need for the right international political and economic environment to be created. It is our hope that such congenial

atmosphere will indeed be created. But in the final analysis it is we who wear the shoes and know where they pinch and so we must be prepared to take the lead in the implementation of the Plan at the various levels in the continent.

Moreover, the creation and management of international orders are the responsibility of nation States and their governments. The old order was created that way and I do not see how the creation of the new one will be different. Hence, we shall only be able to assist in the creation and management of the new one if we take immediate measures nationally and collectively to lay the foundation for a self-reliant and self-sustaining economic growth by vigorously implementing the Lagos Plan of Action, the Monrovia Strategy and the new International Development Strategy for the Third United Nations Development Decade. This is the challenge of Lagos and New York. Indeed, this is the inevitable consequences and aftermath of both Lagos and New York.

III The Evolution of the Monrovia Strategy and the Lagos Plan of Action: A Regional Approach to Economic Decolonization

Lecture delivered under the Distinguished Lecture Series of the Nigerian Institute for Social and Economic Research (NISER)

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I. INTRODUCTION

In March 1979, at the formal opening of a seminar on *Alternative Patterns of Development and Life Styles for the African Region* which was jointly organized by the Economic Commission for Africa and the United Nations Environment Programme, I said *inter alia* that:

> ... For too long, the impression has been created that African development strategies and life styles are an imitation –

> indeed, a poor imitation – of the strategies and life styles developed elsewhere for other societies with different historical, cultural, economic and political background ...
>
> ... The situation in which almost all African economies are, today, makes it imperative for us to seek alternative patterns of development and life styles before it is too late. Almost two decades after political independence, the African region is more dependent on the outside world economically than ever before in respect not only of skilled manpower, entrepreneurial resources, raw materials, capital goods and services, consumer goods and even food. *But even more basic is the fact that we are much more dependent on the outside world for ideas as to what the operational meaning of socio-economic development is and how it should be brought about* (emphasis added).
>
> Indeed, we in Africa have over the years become the mimic people. Although we pretend to be real, to be original, to be learning and to be preparing ourselves and our countries for self-reliant development processes and for an authentically African life style, all we really have succeeded in doing is to mimic other societies and their life styles. In doing so, we use borrowed phrases and jargons and terminologies which are foreign to our people and thus succeed in beclouding the issues before us and in confusing our people.[4]

It will be clear from this fairly strong statement why the Commission has since 1975 been seeking not merely an alternative strategy of development for Africa but also, and more importantly, a development strategy that is genuinely African-oriented, that is genuinely native rather than a strategy intended to lead to a caricature of the life style or way of living of one or the other of the existing sociopolitical systems or societies. Indeed, the need for such a search has become an imperative necessity as the revolution of rising expectations of the 1960s has been replaced by the revulsion of unfulfilled economic dreams, which is gradually but steadily leading us to massive societal revolt and rebellion that promises to have unprecedented political destabilizing effects throughout the length and breadth of Africa unless there is a reversal in economic trends and an upsurge in economic performance.

For, rhetoric apart, the African economy today, perhaps more than ever before, is in a quagmire and at the periphery of the

international economy. Internally, our economies are still basically underdeveloped with a sharp bifurcation between the traditional and the modern sectors. They are not only extremely open and exposed to the vicissitudes of international economic changes, they are even, more than two decades after independence, excessively dependent on external stimuli – foreign trade, foreign technology, foreign expertise and even foreign ideas. The colonial economic system which we inherited at independence and which we should have striven hard to dismantle immediately thereafter has become so ingrained that all we do, in the name of economic restructuring and progress, is to nibble at it.

Is it any wonder, therefore, that Africa is currently faced, and will for many years to come be faced with a development crisis of great portent if past trends were to persist? If the truth must be told, we cannot but admit to ourselves that we have woefully failed to achieve high rates of growth and diversification and an increasing measure of self-reliance and self-sustainment because we have failed to achieve any significant success at economic decolonization. As long as we continue to operate within the framework of the present international economic system, so long will we continue to be 'part of the lowest caste in the international (economic) hierarchy with our place at the bottom of that hierarchy continuing to threaten to be rigid'.[5] In other words, as long as we continue only to nibble at the colonial economic system so long shall we continue to fail to achieve any breakthrough in socio-economic engineering. For, as Immanuel Wallerstein has so rightly pointed out in his 'The Three Stages of African Involvement in the World Economy', *dependent development* leads nowhere fast.[6] Indeed, Africa marching toward the future hand in hand with the present has no dignified future at all.

Let me say, right away, that I completely reject the assertion of such prophets of doom as V.S. Naipaul that 'Africa has no future' or that the continent will sooner or later disintegrate. Indeed, were I to subscribe to this doomsday prophecy about the future of Africa, I would not continue in my present job. Neither does the organization which I currently head, the Economic Commission for Africa, subscribe to this gloomy, rather defeatist, forecast. But in view of the near unanimous prognostication of all futurists about a dismal future for Africa, there is an urgent need for all of us, and particularly for our leaders and governments, to take all measures to ensure that the prophets of doom are proved wrong.

It is not enough for us to keep repeating that Africa has

tremendous potentials for development. We have to prove this by turning these potentials into actual wealth for the welfare of our people. And we can do this only by removing the yoke which has fastened upon us an economic system which inhibits the range of national resources we utilize; which put us into a straitjacket of producing what we do not consume and of consuming what we do not produce, and, which makes us exporters of raw materials at low and, in most cases, declining prices in order to import semi-finished and finished products at high and rising prices. Indeed, no programme for economic liberation, no blueprint for economic decolonization can succeed which does not strike at the heart of the system of subjugation and exploitation which constituted the main thrust of colonial economic policy inherited by us at independence and perpetuated by us ever since then.

The ECA has engaged itself since 1975 in the herculean task of striking the death knell of colonial and neo-colonial economic strategy and of initiating the process of economic decolonization. It was the series of steps taken by the Commission since 1975, that culminated in the adoption of the Monrovia Strategy in July 1979 and the Lagos Plan of Action for its implementation, in April 1980. These two seminal documents now constitute the guiding light for our economic and social struggle for the rest of this century and beyond. While considerable progress has therefore been made in promoting a better understanding of the kind of development that Africa needs, and how that kind of development could be engineered, one cannot but admit that we still have a long way to go in getting this new approach to economic decolonization to become totally acceptable by policy-makers at all levels in every country.

II. THE PRECURSORS OF THE MONROVIA STRATEGY AND THE LAGOS PLAN OF ACTION

It would, of course, be wrong to give the impression that the struggle for the formulation of an alternative economic strategy and policy which would, if properly executed, lead to the economic decolonization of Africa began only in 1975. The ECA, as the first pan-African organization had right from its inception on 29 April 1958 regarded this task as one of its main challenges. And the OAU, which was established five years later, as Africa's pan-African political organization, has lent its full political weight to the ECA in this endeavour. The Monrovia Strategy and the Lagos Plan of

Action are, therefore, not the first all-African economic strategy to be designed.

The place of honour in this context should be accorded to the *ECA's Africa's Strategy for Development in the 1970s* adopted by its Conference of Ministers at its first meeting in February 1971 and to the *OAU African Declaration on Co-operation, Development and Economic Independence* adopted by the Heads of State and Government at the 10th anniversary of the organization in May 1973. One must also add the global strategy promulgated for the first and second United Nations Development Decades for the 1960s and the 1970s respectively.

But in spite of all these – or was it because of them? – the ECA deemed it necessary to initiate a series of actions in 1975 that led to the eventual adoption of the Monrovia Strategy in 1979 and the adoption of the Lagos Plan of Action in 1980. WHY?

There are several reasons for this but let me concentrate on a few of the most important ones. First and foremost, these earlier declarations were based primarily on inherited theories of development and economic growth. The rate and direction of internal socio-economic change continued to be linked with the export markets and with the imports of skills, technology and capital goods and services as well as with consumer goods. Discussions in academic circles and among planners centre around trade gaps, savings gaps, investment gaps and balance of payments disequilibria. Very little attention was paid to national resources availability, to local entrepreneurship, to skilled manpower and technology, to domestic market and to the limitations of inherited international division of labour on the African development process. Needless to add that the attachment to these inherited theories of development simply reinforced the colonial patterns of development.

Unfortunately, the export trade of African countries has been plagued over the years by instability due to (i) the relatively low elasticity of demand for agricultural export products; (ii) the attempt of many developing countries to expand production at the same time in an effort to compensate for falling prices; (iii) the differing elasticities in the production of tree crops and annual crops in response to changes in export demand; (iv) the fact that for many products, such as beverages, the volume of consumption is habit-determined; (v) the shift in consumption patterns in developed countries and in favour of consumer durables; and, (vi) the emergence of synthetic substitutes. All these factors combined to make the export sector of Africa's trade which was supposed to

constitute the engine of growth by conventional theories a most unreliable instrument for engineering socio-economic changes. And the earlier strategies fought shy of advocating a complete break from this heavy dependence on the external sector.

Instead, they advocated a policy of diversifying the production of export commodities and of multinational arrangements for commodity management and price stabilization. This policy of diversification only resulted, within a few years, in a greater number of agricultural export commodities in surplus supply on the world market. And the multinational arrangements for commodity management and price stabilization ran into a number of problems. First, there was the high cost involved. Second, many of the products involved were susceptible to quality deterioration. Third, many developing countries, driven by necessity, undermined the agreed prices by selling below the price floor. And, finally, the developed countries which have always been lukewarm about price stabilization have aided and abetted any development that would make the agreements unworkable.

But even more serious is the fact that because of our commodity export-oriented strategy, Africa has, for decades, been consuming capital as income by exporting minerals, hydrocarbons, timber and the like without seeking effectively to develop alternative, renewable potentialities for expanding and diversified growth. Is it surprising that we have thereby set in motion the process of desertification and the plague of droughts that are now becoming part of our ecosystem? Needless to add that this is a conceptual issue which, for many years, has gone unrecognized.

These earlier strategies also placed considerable emphasis on import-substituting industrialization policy. But as experience has now amply demonstrated, this policy which was a parallel of the export-oriented strategy has led us to the same dead-end. The policy of import-substitution has concentrated on consumption goods whose production has invariably entailed importation of capital goods, technology, managerial skills and intermediate inputs, which are highly amenable to transfer pricing, even if these are available or can be produced locally. The heterogenous character of these industries, their interminable need for subsidies in one form or another, the considerable dependence of many of them on imported factor inputs, and their failure as a whole either to mitigate unemployment or provide a dynamic thrust to the economy, made the search for a new strategy both inevitable and urgent.

It was this bankruptcy of the earlier strategies for development

that led to the incessant demand for the establishment of a new international economic order in the early 1970s. Yet, broadly speaking, that demand was based on the basic proposition that a re-arrangement of international trade would facilitate the acceleration and diversification of economic growth in the world on an equitable and fair basis.

The main negotiation issues from the perspective of the Third World in this endeavour to restructure the international economic system are (i) commodity stabilization; (ii) discrete treatment of Third World debts; (iii) restructuring of international trade and removal of protectionist policies in industrialized countries; (iv) massive transfer of resources from the industrialized North to the underdeveloped South; (v) easy access to Western technology; (vi) redeployment of world industrial production capability in favour of Third World countries; and, (vii) the reform of the international monetary and financial system i.e. the World Bank and the IMF. It is worth noting that almost all of the above negotiation issues call on the rich countries to give away something, thereby eroding their currently favoured position with its concomitant loss of economic, political and cultural hegemony.

In believing in this approach, Third World countries have by their attitude, behaviour and utterances given the strong impression that they believe that the establishment of a new order will be a great action of benevolent generosity by the rich nations and that the countries of the South must queue up, as so many supplicants, to 'beg' for its final emergence. They have not realized that the establishment of any meaningful world order – economic, social, political and cultural – is a concrete reflection of the strengths of domestic orders. They have also given the impression that they do not realize that the restructuring of power relationships, whether within nations or among them, is a process not an event. Its pace can be accelerated by the goodwill of the rich and its unfolding can become less traumatic, but its real trigger lies in the strength of the poor not in the benevolence of the rich. In fact, unless the poor are well prepared and organized, whatever is offered to them on a silver platter will remain mortgaged to the interest of the rich.[7]

It was because of the realization of the basic truth inherent in the statement which I have just made that led the ECA to advocate since 1975 that Africa must first and foremost put its house in order by installing a new national social and economic order in Africa as a whole. Without doing so, Africa will not be able to participate on an equal and equitable basis in any new international economic order

that may eventually emerge. Indeed, we firmly believe that unless we first institute a new social and economic order in Africa, Africa will remain marginalized and peripheral in the restructured international economy. Hence, we came out, in 1976, with a basic document entitled the *Revised Framework of Principles for the Implementation of the New International Economic Order in Africa, 1976–1986.*[8] As this was the foundation of the Monrovia Strategy and the Lagos Plan of Action, I shall deal with it in extenso.

III. ECA'S REVISED FRAMEWORK OF PRINCIPLES FOR THE IMPLEMENTATION OF THE NEW INTERNATIONAL ECONOMIC ORDER

The importance of ECA's *Revised Framework* is that it provided the main intellectual and theoretical foundation for the preparation of the Monrovia Strategy and the Lagos Plan of Action, including the Final Act of Lagos. Its immediate impact arose from the challenge it posed to conventional wisdom in the field of development economics as it applies to the African realities with special reference to Africa's development strategy and its systematic exposé of the inappropriateness of that strategy for bringing about the economic transformation of the continent. Its lasting contribution lay in its clear and precise definition of the meaning and scope of self-reliance for Africa. Finally, the *Revised Framework* identified the instruments and means for bringing about the fundamental change in strategy that is advocated in it.

After noting the dominance of the interests of former metropolitan countries as one of the major determinants of Africa's continued economic backwardness, the *Revised Framework* draws two conclusions from Africa's experience of socio-economic development since independence. The first was that the available pool of knowledge and experience of how economies grow and how socio-economic changes can be managed was limited. The second was that even after independence, policy making in Africa took the form, in most cases 'of successive responses to diagnoses of social and economic ills originating outside the region. Both the diagnoses and the prescriptions were greatly influenced not only by a firm belief in the efficacy of international trade and associated economic relations as an engine of desirable economic growth and social change but also by strong adherence to a particular interpretation of the genesis of international trade'.[9]

The validity of the hypothesis of international trade as an engine

of growth was finally put in doubt. So also was the conventional linear thinking by which economic growth is regarded as a semi-mystical process, the outcome of which is measured by increases or decreases in the GDP or GNP and which is the result of a semi-mystical input called investment which consists mainly of resources received by means of foreign exchange. In such a conventional approach, the role of indigenous factor inputs is hardly examined at all, is not given a central role in the development process. Because of lack of national or multinational programmes for the production of such indigenous factor inputs, we have had to rely heavily on foreign exchange as a means of commanding these factor inputs. Hence the vital importance of our monoproduct exports, and the net flow of foreign private investment and our willingness to 'beg' for foreign gifts and loans to supplement these two.

Of course, our greatest weakness, as a people, is not simply the perpetuation of colonial economic policies and strategies nor the lack of coherent constructive policies, strategies, programmes and institutional arrangements for accelerating economic growth and structural change nor is it only the excessive external dependence of our economies. It is fundamentally, the lack of any visualization by our political, social and community leaders and by our captains of industry as to what they would like to see our countries become individually and as a group, in say twenty-five years from now. It is this image of one's self in the future that is a condition of policy making and strategy design in every developed and semi-developed country. Without it, no reliable path towards the future can be followed either by individuals, communities, countries or groups of countries. And it becomes easy to go astray or to be led astray.

Accordingly, in order to put a stop to our going or being led astray we tried in the *Revised Framework* to articulate our perception as to the kind of Africa which we would like to have in future years and the development strategy that has to be adopted in achieving that objective. We put forward three major social and economic objectives. These were:

(i) the deliberate promotion of an increasing measure of self-reliance;
(ii) the acceleration of internally-located and relatively-autonomous processes of growth and diversification; and,
(iii) the progressive eradication of unemployment and mass poverty and a fair and just distribution of income and the benefits of economic development among the people.

Our basic proposition in ECA is that an increasing measure of self-reliant and self-sustaining development and economic growth is a most important accompaniment of political independence since it would lead to the economic decolonization of Africa.
Self-reliance is defined by us in terms of:

- the internalization of the forces of demand which determine the direction of development and economic growth processes and patterns of output;
- increasing substitution of factor inputs derived from within the system for those derived from outside; and,
- increasing participation of the mass of the people in the production and consumption of the social product.

Increasing self-sustainment is taken to mean the deliberate installation of patterns and processes of development and economic growth in which different components mutually support and reinforce each other so that when related to the internalization of the forces determining demand and supply, the whole system develops its own internal dynamics.

A development strategy based on these four main pillars – self-reliance, self-sustainment, the democratization of the development process and the fair and just distribution of the fruit of development – calls for a complete departure from the past. It is inward-looking rather than externally-oriented. It does not make a sacred cow of foreign exchange earnings and therefore does not attach much importance to foreign trade, particularly the type of foreign trade with which we are familiar in Africa, as the basis for initiating development. It puts domestic market, including subregional and regional markets, rather than external foreign markets at the heart of the development effort. And when it emphasizes indigenous factor inputs, it means African scientists and technologists, African entrepreneurs, indigenous market analysts and distributors and indigenous technology. In the new development strategy, external trade is seen as being mainly supplementary in character and not constituting the heart of our development effort.

It will also be seen that even as far back as 1976, when the *Revised Framework* was issued, ECA has been deliberately trying to evolve a development strategy that does not suffer from the limitations of foreign ideologies which we in Africa are not to imitate. In other words, we had embarked on evolving a development strategy and ideology which will be genuinely African and not imitative. For a close examination of the variety of socialist and market economies'

patterns of development and life styles shows clearly and unmistakably that, notwithstanding the problems of justice and equity, and of providing the material as well as the non-material needs of a society and its people, there are no models of socio-economic development which do in reality have universal validity and applicability. Each society has to develop its own pattern of development and life style which, while borrowing from other societies, is neither imitative nor does it alienate its people from their cultural heritage. Let me venture to say that none of the already extant models which have been pressed so hard upon us by outsiders and by many of our foreign-trained intellectuals for so long will enable us to achieve the kind of development that Africa needs or indeed deserves.

It will, of course, be obvious that if the development strategy we are advocating is to have any operational meaning, governments will be required to play a large and central part. They will act as planners; as entrepreneurs running State enterprises; as developers; as promoters of social and technological innovations; and, as allocators of national resources through fiscal and monetary policies, incentives and disincentives. But as we concluded in the *Revised Framework*, these functions would require from our governments 'genuine self-appraisal preparatory to altering philosophies, structures and procedures'.[10] I shall comment later on this in view of the current arguments about the necessity to privatize our economy because of the failures of governments in the efficient and effective performance of these functions.

IV. THE MONROVIA STRATEGY AND THE LAGOS PLAN OF ACTION

The *Revised Framework* was not only approved by the Executive Committee of ECA in 1976 but it was also endorsed by the Assembly of Heads of State and Government of the OAU in June 1977. Although my colleagues and I at the ECA secretariat regarded this development as marking the beginning of a breakthrough, we recognized that a lot still remained to be done. Accordingly, between 1976 and 1979, ideas contained in the *Revised Framework* were expanded and improved upon through a series of internal ECA secretariat brain-storming exercises and a series of specialized meetings such as the Joint OAU/ECA Colloquium on *Perspectives of Development and Economic Growth in Africa up to the Year 2000* held in Monrovia in February 1979 and the joint ECA/UNEP

Seminar on *Alternative Patterns of Development and Life Styles for the African Region* held in Addis Ababa in March 1979.

The continuing and relentless search of ECA for a genuinely African approach to development was given a great deal of spur by the need to prepare the International Development Strategy for the Third United Nations Development Decade (IDS). Having not participated effectively in the preparation of the strategies for the earlier Decades, we were determined to ensure that our voice would not only be heard this time but also that we would play a crucial role in determining the contents and scope of this IDS.

Accordingly, at the ECA Conference of Ministers of Development and Planning and 14th Session of the Commission held in Rabat, Morocco, in March 1979, the *Development Strategy for Africa during the Third United Nations Development Decade* was prepared. In addition, the Ministers, having decided that the Strategy should be submitted to our Heads of State and Government at their meeting in Monrovia which was to take place some four months later (July 1979) as well as to the United Nations, also decided to prepare for submission to them a draft *Declaration of Commitment of the Heads of State and Government of the Organization of African Unity on Guidelines and Measures for National and Collective Self-Reliance in Social and Economic Development for the establishment of a New International Economic Order* (ECA Resolution 332(XIV)). Upon the adoption of both the *Strategy* and the *Declaration of Commitment* by the Heads of State and Government at their meeting in Monrovia they were christened the *Monrovia Strategy* and the *Monrovia Declaration of Commitment.* It was also at that Monrovia meeting that the Heads of State decided to hold an Economic Summit in Lagos in April 1980.

Again, the ECA Conference of Ministers at the Addis Ababa meeting early in April 1980 prepared, for the consideration of endorsement of the Heads of State and Government, the *Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa.*[11] After its adoption by the Lagos Economic Summit it was titled the *Lagos Plan of Action for the Economic Development of Africa 1980–2000.*

Both the Strategy and the Plan carried the analysis and argument of the *Revised Framework* further by emphasizing:

(i) the importance of the domestic, subregional and regional markets for the supply of factor inputs (raw materials, machinery, technology, and manpower skills for entre-

preneurial activities, project identification, analysis and implementation, management, marketing, and support services, whether advisory, banking, insurance, transport and communications, etc.) and the demand for final consumer goods and services;

(ii) the imperative need for knowledge of the natural resources base, not only for determining product lines but also for planning the internal development of the skills required for the identification, exploration, evaluation and development of such resources and for organizing and managing production and distribution;

(iii) planning in terms of multiple objectives (both from the supply and demand sides) and in real terms, as opposed to planning approaches based on the assumption of a single main objective (i.e. economic growth);

(iv) the intra- and intersectoral linkages, intra and intergroup and spatial considerations that such an approach to planning demands. Thus, the industrial sector is designed to make possible the supply of the bulk of the industrial inputs required for agricultural production, processing, storage and transportation (agricultural chemicals, equipment, including implements and tools, etc.), as well as building materials, metal and engineering products and chemicals for the transport and communications, mining, energy and other sectors which make use of capital goods. The food and agriculture programme (which includes forest products and fibres) provides not only inputs to the processing industries but also markets for industrial products of the kind just listed. The importance of intra and intersectoral linkages is also stressed for other sectors, such as transport and communications, energy, science and technology, and human resources development; and,

(v) finally, both the Strategy and the Plan emphasize the imperative need to involve, at all stages of the formulation and implementation of development plans, all the principal decision making agents and instruments in the economy; state enterprises and public utilities; development corporations and development banks; indigenous and foreign private enterprises; R & D establishments; universities and polytechnics; farmers' organizations; community leadership groups; river and lake basin and similar authorities dealing with the development of agricultural or geological regions; business support

institutions; associations of engineers, scientists and technologists; and subregional development organs such as ECOWAS, UDEAC and the ECA/MULPOCs, which may be entrusted with organizing and encouraging the participation of some of the agents and instruments referred to earlier.

The basic assumptions underlying the Strategy and the Plan can thus be summarized as follows:

(i) that economic growth means increase in the physical output of goods and services for the benefit of the mass of African populations;
(ii) that these increases must come from the exploitation, primarily, of raw materials drawn from the natural resources base of African countries, supplemented by trade in complementary raw materials;
(iii) that the process of converting raw materials into semi-finished and finished products requires an expanding indigenous supply of relevant factor inputs;
(iv) that a restructuring of national domestic markets is necessary, as well as a combination of national markets in order to achieve economies of scale; and,
(v) that the key factor is the development of indigenous entrepreneurial capabilities (public and private), underpinned by appropriate support services.

The adoption of the Strategy in 1979 and of the Plan in 1980 indeed proved, even to the most incorrigible of cynics, that the welcome and support which the *Revised Framework* received in 1976 was not an aberration but the beginning of a process. It showed that our governments, having become increasingly aware, if not alarmed, at the growing gap between promises and performance and having come to recognize that to continue with the historical colonial trends was not only futile but was also fraught with the dangers of continued mass poverty and the consequent risk of political and social instability, were willing to try a new development approach.

It is also fair to add that our leaders, in adopting the Strategy and Plan, were not unaware of at least three crucial factors – time, sacrifice, and assistance from abroad. In all development efforts that require problems to be identified, analysed and decisions taken as to how to solve them, time is very important. African countries are, therefore, not so naive as to think that the goals and objectives

which they have set themselves will be achieved overnight. Indeed, they are aware that the process will be a lengthy one. Similarly, they are aware of the basic truth that there is no such thing as instant development and economic growth. Hence, there is no way of avoiding either sacrifice or the real costs of development and economic growth. Finally, they are also aware of the need for assistance from abroad. However, such assistance must be supportive of our new approach to development. I shall come back to this point shortly.

Indeed, our Heads of State and Government made this abundantly clear in their Declaration of Commitment when they solemnly declared as follows:

1. That we commit ourselves individually and collectively on behalf of our Governments and peoples to promoting the social and economic development and integration of our societies with a view to achieving an increasing measure of self-reliance and self-sustainment;
2. That we commit ourselves individually and collectively on behalf of our Governments and peoples to promote the physical integration of the African region in order to facilitate social and economic intercourse;
3. That we commit ourselves individually and collectively on behalf of our Governments and peoples to establish national, subregional and regional institutions which will facilitate the attainment of the objectives of self-reliance and self-sustainment;
4. That, most specifically, we commit ourselves, individually and collectively, on behalf of our Governments and peoples to:
   (a) Self-sufficiency in food production and supply;
   (b) The complete implementation of the programme for the United Nations Transport and Communications Decade in Africa;
   (c) Subregional and regional internally located industrial development;
   (d) Co-operation in the field of natural resources exploration, extraction and use for the development of our economies and for the benefit of our peoples and the setting up of appropriate institutions to achieve these purposes;
   (e) The development of indigenous entrepreneurial, technical manpower and technological capacities to enable our

peoples to assume greater responsibility for the implementation of our individual and collective development goals; and,

(f) Co-operation in the preservation, protection and improvement of the natural environment.

We hold firmly to the view that these commitments will lead to the creation at the national, subregional and regional levels of a dynamic interdependent African economy and will thereby pave the way for the eventual establishment of an African Common Market leading to an African Economic Community.

V. THE FUTURE OF AFRICA'S DEVELOPMENT

Let me hasten to add that in spite of this Declaration and in spite of the adoption of the Strategy and the Plan, Africa's economic situation has continued to deteriorate since their adoption. Indeed, I have since my 1980 end-of-year assessment of Africa's economic performance during that year and of the prospects for the coming year (1981) been talking about Africa's six devastating and debilitating crises. These are (i) chronic food deficits; (ii) pernicious droughts which are spreading throughout Africa; (iii) high costs of imported energy; (iv) deteriorating terms of trade with the consequential chronic balance of payments deficits; (v) mounting external debts; and, (vi) poor economic management. The worsening economic conditions in Africa have remained unabated.

The question then is, why has there been no dramatic or at least some significant change for the better since the adoption of the Strategy and the Plan? The answer to this question lies partly in what I said a while ago – time. There is no such thing as instant development. A development strategy that runs counter to conventional wisdom and challenges orthodoxy and a Plan that calls for fundamental structural changes are not unlikely to experience a slow start in their implementation. A complete and sudden revamping and reorientation of government policies and programmes is something that is difficult to happen particularly if such a government is faced – as indeed all African governments are so faced – with a menacing economic crisis which daily challenges the very survival of their economies.

But in spite of the lack of dramatic-turn-around, the Strategy and the Plan provide the long-term basis for Africa's socio-economic

survival and development. In saying this, let me recall what I said earlier about the search for the establishment of a new international economic order. As we all know, the negotiating process on the new international economic order is yet to begin in spite of the tremendous effort of the General Assembly of the United Nations; in spite of the persistent pressure being extended by Third World countries; and, in spite of the strong advocacy of the Brandt Commission in its report entitled *North–South: A Programme for Survival.* Indeed, the North–South Summit held at Cancun, Mexico, in the fall of 1981 was a disappointment for all. It fell short of even minimal expectations. It produced no new guidelines nor any clear impetus for future negotiations. It did not even come close to launching the idea of a world economic recovery programme. This failure to launch the negotiating process for restructuring the international economic system in the face of rapidly deteriorating international economic situation has led the Brandt Commission to issue last month, another report entitled *Common Crisis* in which it proposes emergency measures for immediate and urgent international action.

Indeed, no breakthrough has been achieved for even initiating the negotiating process for bringing about North–South agreements on any or all of these issues and for taking concrete steps towards improving constructive North–South co-operation because the North has continued to stall and has failed to substitute 'imagination for tradition; generosity for shrewdness; understanding for bargaining; toughness for caution and wisdom for prejudice'.[12]

This is why we strongly believe that there is no alternative to a vigorous pursuit of the implementation of the Strategy and the Plan. In this connection, we have recently conducted another study on the prospects of Africa to the year 2008. This study which is entitled *ECA and Africa's Development, 1983–2008* is one of the major contributions of the secretariat of the Commission to its Silver Jubilee Anniversary celebrations. I have no doubt that you are all aware that 1983 is the Silver Jubilee Year of ECA.

In exploring the possibilities for the future, this preliminary perspective study has concentrated on two scenarios – one is an analysis of Africa by the year 2008 under the assumption of the continuation of the historical trends; that is, under the assumption of the continuation of the present socio-economic trends and patterns and policies while the second is an assessment of the nature and content of a development scenario by the year 2008 based on the goals and objectives of the Strategy and the Plan.

The time horizon of 1983–2008 has been chosen because of the need to have a period long enough to highlight the importance and implications of structural changes in production patterns and the life styles of our people and partly because of the legitimate desire to analyse the kind of Africa that may exist by the year 2008 when ECA will be celebrating its Golden Jubilee.

Although we are all familiar with the current economic plight of our people, the future that emerges from the historical trends scenario is horrid. If it ever comes to pass – which may the Almighty forbid – the 1960s and the 1970s may by the 1990s and during the first decade of the 2000s appear in retrospect to have been almost a golden age! To imagine that the African region will be externally dependent in all critical areas by 2008 than it was in 1980 is more than a cause for consternation. Yet according to the historical trends scenario the continent would require more food imports and more food aid. Over 90 per cent of all the capital goods required for development would still have to be imported even almost half a century after independence. Fewer people relative to the population would be able to have access to education, health care and pipeborne water. Cities would become even more overpopulated shanty towns as housing would have become less available; and, social services would deteriorate both in terms of quantity and quality.

The political consequences of such a scenario are too grave to contemplate. Riots, crimes and misery would be the order of the day by the year 2008, if present trends were to continue. And with the weak and fragile socio-political systems, the sovereignty of African states or whatever may still remain of it, will then be seriously at stake. Indeed, as I said earlier on in this lecture, Africa marching toward the future hand in hand with the past and the present has no dignified future at all.

However, Africa can invent or will a dignified future for itself – a future that will give rising prospects of prosperity, of economic self-determination, and of national and collective self-reliance and self-sustainment. This is the normative development scenario predicated on the proposition that the path – the narrow and difficult path – to that future lies in the determined and vigorous pursuit of the goals of economic decolonization through the implementation of the objectives of the Strategy and the programmes and projects of the Plan.

No doubt, there are heights that the African economy will not have been able to reach by 2008 even after a relentless pursuit of the

goals of economic decolonization. Given the limits to any expansion at so short a span as 25 years which this willed future based on the Strategy and the Plan can achieve, we must not pretend that the year 2008 will be an El Dorado. But it will certainly be a much better qualitative and material life than is promised by the historical trends scenario based on the continuation of the colonial and neocolonial economic policy. For us Africans there is therefore no, repeat, no alternative to the total economic decolonization of our respective economies and of the economy of Africa as a whole. And the Monrovia Strategy and the Lagos Plan of Action together with the Final Act of Lagos provide a sound basis for this. They provide a basis for making a planned but nevertheless complete break with our undignified past. But above all, they provide also an opportunity for willing for ourselves a dignified future.

VI. CONCLUSION

Before bringing this lecture to an end, I wish to make two or three closing remarks. Even after we should have changed course in favour of the normative scenario as required by the Strategy and the Plan, there are certain conditions which are essential for success and for the full realization of our objectives. The most important among these is sound and efficient economic management.

In the 'willed' future on which our normative scenario is based, the role of government is crucial to any success – as planners, as entrepreneurs, as promoters of social and technological innovations and as allocators of scarce national resources. Yet evidence abounds of poor economic management or, to put it differently, of a high degree of economic mismanagement in many an African country. Colossal wastages of public funds in the midst of severe shortages constitute one of the many paradoxes that are currently the plight of Africa. More often than not, such wastages are due not only to ignorance and inefficiency but also to greed and avarice by those who have been put in a position of authority and responsibility and who have sworn to protect the interests of the people.

But the wastage of public funds is only one of the problems connected with the efficient mobilization of resources in general. We are all aware of the problem of leakages of foreign exchange resources through over and underinvoicing by indigenous and foreign enterprises, through the collusion between our public officers and our foreign suppliers and through smuggling. There is also the problem of the non-maintenance of our existing capital

assets which constitutes a most regrettable yet avoidable source of resource wastage. One only has to go round Africa, as I do frequently by the nature of my current responsibility, to see how fast public assets are deteriorating due to benign neglect. Furthermore, the way we exploit our natural resources, including land utilization to which I referred earlier, also constitutes a serious wastage of resources and the consequent environmental degradation should surprise no one. Finally, there is the enormous wastage of human resources, both through the non-use or non-efficient use of available manpower and through brain drain. Our failure to create the environment which is conducive to R & D activities is resulting in growing emigration of scientists, medical doctors, and scholars out of Africa to developed countries.

Indeed, the poor management of our economies, has put a question mark on the ability of the public sector to play the kind of dynamic role in the development process called for by the Strategy and the Plan. This has led some well meaning people as well as some highly reputed institutions to put too strongly the case for the privatization of the African economy. However, the question is not one of private enterprise versus public sector. It is a question of efficient mobilization and utilization of scarce resources.

Let me say quite clearly, here and now, that I believe in a strong private sector. Let me add however that I also believe in a dynamic public sector playing a pervasive role in socio-economic engineering. What is required is for each society always to strive to achieve a judicious balance, an optimality, in the allocation of role and responsibility to both sectors and then for each to play its part efficiently with honesty, integrity and dedication.

Finally, I did say earlier that both the Strategy and the Plan by putting all emphasis on self-reliance and self-sustainment do not exclude the need for international assistance. But while we need massive transfer of resources from developed countries to Africa, we need, no less importantly, their understanding, their appreciation and, above all, their acceptance of our perception of the kind of development that we need in Africa, of the direction we wish to pursue, and of our goals, strategies and priorities. If Africa is to develop the necessary self-confidence to pull its economy out of the shadows of backwardness and underdevelopment, it is essential that our partners-in-development respect our priorities, perceptions, goals and strategies. It also means that the provision of financial and technical assistance from such partners must reflect those African priorities and goals. It is only by so doing that the

ghost of the suspicion that the African economy is being manipulated by outside powers with a view to frustrating the achievement of national and regional economic objectives can be laid to rest.[13]

Let me now bring this lecture to an end. There is no doubt that a great deal more can still be said on the topic which I have chosen for today's lecture. I also have no doubt that there must have been a lot to disagree with in what I have said. Therefore, if the lecture provokes new thoughts, new ideas and new approaches, it would have served a useful purpose. It is my earnest hope that our universities and our social and economic research centres will join ECA in this search for a genuinely African-oriented development strategy which will bring about the total economic decolonization of our continent and lay the foundation for an enduring African socio-economic prosperity.

IV The Lagos Plan of Action: Main Features and Some Other Related Issues

International Conference on 'OAU, ECA, The Lagos Plan of Action and the Future of Africa'

University of Ife, Ile–Ife, Nigeria 26 March 1984

THE LAGOS PLAN OF ACTION AND THE FINAL ACT OF LAGOS

(a) Origin, Goals, Objectives and Characteristics

The General Assembly of the United Nations has designated the regional economic commissions as the centre for general economic and social development within the United Nations System for their respective regions. The regional commissions are also fora for negotiations and harmonization of development policies. The Lagos Plan of Action including the Final Act of Lagos is the product of such a role of centre for general economic and social development and of forum for negotiations and harmonization of development policies by the ECA for the African region.

But what is the Lagos Plan of Action and Why the Lagos Plan of Action?

I must confess that since 1980 when the Lagos Plan of Action, including the Final Act of Lagos, was adopted by the Assembly of Heads of State and Government of the Organization of African Unity, at its Second Extraordinary Meeting devoted to economic development problems of Africa, held in Lagos on 28 and 29 April 1980, the Plan has meant many things to many people and organizations. To some, it is a plan to be costed to the last Kobo just as national development plans are costed. To others, it is a political economy document with long-term objectives. To us who participated in the formulation and adoption of this seminal document, the Lagos Plan of Action means all of and more than these aspects highlighted by these groups of interested individuals and organizations. Indeed, since projects are to be designed to implement the goals and objectives of the Plan, dollars, francs, naira, kwacha, cili, etc. will be involved. Since an Economic Community takes a long time to create, the Plan has long-term dimensions. However, and this is very important, a long journey must be started somewhere and it has its different sectors. Thus, when all is said and done, a serious and sympathetic reading of the Lagos Plan of Action and associated documents will leave no doubt that the Lagos Plan of Action has short, medium, and long-term aspects and that it has more to do with how things should be done than a national development plan.[14] Hence, the Lagos Plan of Action is the instrument which African countries, through their Heads of State and Government, have fashioned to attack their economic, social and technological problems so that they may not only initiate and nurture an internally-generated and self-sustaining development and economic growth process, but also attain national and collective self-reliance.

But why the Lagos Plan of Action? The answer to this crucial and pertinent question has been ably given by the Heads of State and Government in the opening paragraph to the Preamble to the Plan, namely, that

> The effect of unfulfilled promises of global development strategies has been more sharply felt in Africa than in the other continents of the world. Indeed, rather than result in an improvement in the economic situation of the continent, successive strategies have made it stagnate and become more susceptible than other regions to the economic and social crises suffered by the industrialized countries. Thus, Africa is unable to point to any significant growth rate, or satisfactory index

> of general well-being, in the past 20 years. Faced with this situation, and determined to undertake measures for the basic restructuring of the economic base of our continent, we resolved to adopt a far-reaching regional approach based primarily on collective self-reliance.

In other words, the impetus to the formulation and adoption of the Lagos Plan of Action was the dissatisfaction with records of two decades of planned development and the realization that if things were allowed to continue as before, the unsatisfactory past could sometime in the future be judged a golden age.

There was no doubt that whatever economic indicator one might like to use, the economic situation of African countries deteriorated from the 1960s to the 1970s. This was particularly the situation in aggregate output of goods and services, food and agriculture, industry, particularly manufacturing, external economic relations with adverse balance of trade for many countries of the region and balance of payments problems in general for all of them. There were of course the problems of external debt. Similarly, there were social problems such as un- and underemployment, malnutrition, high infant mortality rates, unequal income distribution, and many others. Unfortunately, all these problems have become intensified in the first half of the 1980s. But, if we take account of the fact that we started from a very low level in all these economic and social areas, we can easily acknowledge that some achievements have been made. In this connection, there has been progress in education, health standards, environmental sanitation, transport and communications and even in per capita income level.

However, what was and is worrying is the fact that the balance sheet did not and does not portray a happy future if the declining trends and the current policies were to continue. That was the remote cause of the call for a new strategy for economic growth and development in Africa. The immediate cause of course was the approaching Third United Nations Development Decade for which a new Strategy was being prepared in the 1970s, and the decision of the United Nations General Assembly at its sixth special session in April/May 1974 to call for a new International Economic Order based on a Declaration and a Programme of Action for its achievement.

The Declaration and Programme of Action contained those very demands which had been made over the years without sufficient consideration of their contributions to the economic and social

progress or non-progress of the developing countries in general and African countries in particular. Moreover, such demands ignore the fundamental fact that even if they were met by the developed countries, African countries would not be able to benefit from them because the various infrastructural facilities like requisite human skills and institutions are just not there. In any case, these demands are at variance with African leaders' declarations such as self-reliance, self-sustaining development, sovereignty over natural resources, equitable participation in international economic relations. It was against this background of apparent contradictions that the groundwork for what came to be known as 'The Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa', to give it its full title, was done.

Now, what are the goals, the objectives and the characteristics of the Plan including the Final Act of Lagos? As should be expected of a programme, plan or strategy which is a critique of past policies, approaches and measures, the Lagos Plan is an instrument for redressing the imbalance inherent in African economies including the excessive external dependence which I have already spoken about. Thus, the basic philosophy underlying the Plan and the Act is self-reliance, national and collective, in the sense of capacities and capabilities at the national and intercountry levels to formulate and apply autonomous decisions, to generate and implement independent ideas, to identify problems and analyse them in terms of domestic, Africa intercountry and extra-African requirements for their solution, as well as capacities and capabilities at national and intercountry levels to meet, albeit progressively, the greater parts of the region's needs in terms of factors of production and of final goods and services.

A corollary of this basic philosophy is the concept of internally-generated, self-sustaining development. In addition to the idea of basing development and economic growth on internal factors of production, distribution and consumption, this concept adds the dimension of sustainability in terms of techniques of production, the composition of goods and services and of a style of development and economic growth that will constantly draw on the reserve power of the society to renew itself over time. Together, self-reliance and self-sustainment imply the essential need of making domestic human, physical and financial resources the constant stimuli for the economic growth and development of nations. In saying this, we have to bear in mind that self-reliance and self-sustainment do not and cannot mean autarky or complete cut-off from the rest of the

world. What they mean and emphasize is a meaningful redefinition of interdependence.

From the concepts of self-reliance and self-sustainment emerge the following proposals about approaches to planned development and economic growth in Africa. First, there must be a thorough knowledge of the natural and human resources of any country or territory if any meaningful development and economic growth process is to be generated and sustained. Second, from the information obtained, the types of goods and services to be produced and of the skills to be developed can be determined. Third and lastly, the type of technology to be imported or developed and of development institutions to be established can also be determined. All these are based on the simple thesis that, in the circumstances of the African region today, and in the context of self-reliance and self-sustainment, the supply of natural resources/raw materials expected to be available for development and economic growth and the choices of commodity and service composition of output would determine the pattern of skills to be developed, the types of technologies to be imported or locally developed, the pattern of equipment to be imported or produced at home and the type of institutional services to be organized. In effect, the Lagos Plan of Action calls for fundamental restructuring of African economies not only in the sense of increasing the share of the secondary sector in the overall output of goods and services but in the sense of changes in the sources of inputs into the process of production and distribution, and in the ownership of the factors and institutions of production and distribution.

The reorientation called for by the Lagos Plan of Action including the Final Act of Lagos has implications for sectoral linkages, the process of planning and plan implementation, and participation in the development process. It is clear that if industry is to function properly, then natural resources exploration and development must receive proper attention. If goods are to be delivered where they are needed, transport and communications must be well organized. If widespread poverty and unemployment are to be realistically tackled, then planning must move away from the present attachment to macro-economic planning, with emphasis on monetary values, to planning in terms of real values related to the groups that are expected to be affected. There must be attention to the spatial, group, and sectoral aspects of planning. Similarly, planning will have to embrace both the public and private sectors. It is presumptuous, to say the least, to suggest that widespread poverty

and unemployment, as well as effective participation in the development process, can be realistically addressed without planning embracing both public and private investment decisions and projects. In this connection, it is important to stress the role of entrepreneurs whether in the public or private sectors and that of 'corporate' planning in both sectors.

As it is, the Lagos Plan of Action and the Final Act of Lagos deal with all economic and social sectors although with varying emphases. There are, for instance, the African Regional Food Plan which was adopted by the Conference of African Ministers of Agriculture in 1978, and the United Nations Transport and Communications Decade in Africa, declared in December 1977 by the General Assembly in response to the call of the ECA Conference of Ministers, both of which were incorporated in the Lagos Plan of Action in 1980. A programme for the Industrial Development Decade for Africa has since been adopted by the United Nations in response to the call of ECA and UNIDO. However, what is important is the emphasis on linkages between sectors.

It is also in the context of this reorientation that the Lagos Plan recognizes the role of all decision-making units in the economy – the political class (whether civil or military), government departments at all levels, public enterprises or corporations, mixed enterprises, private enterprises (whether national or foreign), universities and institutions of higher learning, research institutes, trade unions, industry, mining and agriculture, intergovernmental institutions of all types.

If what I have just said constitutes the rationale, the goals, the objectives and the characteristics of the Lagos Plan of Action, whose responsibility is it to implement the Plan and the Act? I believe this question is very important for your conference whose main duty should include not only a deep examination of the merits and demerits of the Plan and the Act but also the analogous question of what is happening to the Plan and the Act. In examining this question, I should advise you to bear in mind that the prerogative to define policies belongs to Governments and the definition of appropriate policies to interpret the Lagos Plan of Action and the Final Act of Lagos at the national and other intergovernmental levels is very crucial to the implementation of the Plan and the Act.

But having said that, I should like to add that the Plan and the Act recognize the important role which external assistance can play, including external assistance created by the joint efforts of Governments themselves and which is available from institutions such as

the United Nations System, intergovernmental African institutions such as the Organization of African Unity, African Development Bank, ECOWAS, to name only a few. Therefore, one other aspect of the Plan is the role of external resources in the implementation of the Plan and the Act. Indeed, the Plan and the Act have implications for foreign aid and technical assistance. The central philosophy of the Plan and the Act is no doubt self-reliance. However, self-reliance does not exclude relevant assistance. In fact, it is when there is a measure of self-reliance that assistance can be more fruitful. Thus, as African countries double their efforts to mobilize the necessary human, material and financial resources, the international community should encourage them by supporting their efforts with massive transfer of resources. As far as ECA is concerned, since 1980, the Plan and the Act have constituted the marching orders for its secretariat and our programmes and priorities have been reviewed and designed with a view to promoting the Plan and the Act.

As far as implementation is concerned, it is clear that since the Plan and the Act were adopted four years ago, more progress has been made in the implementation of the requirements of the Final Act – particularly the requirements relating to the strengthening of existing and establishment of new economic groupings – than those of the Plan. In this connection, I should like to mention the signing of the Treaty establishing the Preferential Trade Area (PTA) for Eastern and Southern African countries in December 1981 and that of the Economic Community for Central African States (ECCAS) in October 1983. The PTA is now being run by its own secretariat and arrangements are well advanced to establish that of ECCAS.

(b) Some other Related Issues

This leads me to a consideration of some of the issues which have been raised about the Plan and the Act and about the possibilities of implementing them.

First, there is the question of the political character of the Plan and the associated problems of implementing compromise decisions. There is no doubt that the Plan is a political document and it could not have been otherwise. However, it is also clear that since the Plan addresses social and economic problems which were and are still real, the Heads of State and Government were genuine in their commitment.

Second, there is the charge that the Plan and the Act are addressed to long-term objectives, such as the creation of an African Eco-

nomic Community by the year 2000 and not to short and medium-term problems such as rehabilitation of existing projects. There is no doubt that the economic co-operation and integration do take time to create and sustain. But there is also the fact that economic co-operation and integration depend on building blocks in the different sectors and the Plan and the Act provide for a lot of activities in these areas.

Third, it has been argued that the Plan advocates delinking from the rest of the world and so is a prescription for disrupting the world. In this context, we have already said that self-reliance and self-sustainment cannot mean complete severance from the rest of the world. However, if decision to internalize the supply of factors of production, goods and services on a gradual basis, using national and African intercountry resources, is regarded as delinking, then the charge holds. Then, in this particular case, we should not forget that even the developed countries do pursue policies of making their countries less dependent on and so less vulnerable to some developing countries for some strategic resources.

Fourth, there is the issue of resources, particularly financial resources, for the implementation of the activities called for by the Plan and the Act. The implementation of the Lagos Plan of Action and the Final Act of Lagos will require an enormous amount of financial resources, including external financial resources. However, it is our belief that there is a lot that can be generated at home if the will is there. In this connection, there is the urgent need for member States to make the Plan a national policy-making document and identify the role which the different decision-making units in the economy can play. But, more importantly, there is need for member States to take measures to arrest the enormous wastes that result from misuse of the resources that are available including physical assets such as building, vehicles and equipment and improve the mobilization of resources.[15] The roles of inland revenue and customs services are particularly important.

Finally, there is the view, especially of political scientists oriented to development and economic growth, that because of the various political orientations of African countries and group interests, there may be various coalitions between African and foreign governments, between African and foreign professional groups including business interests, and other coalitions too numerous to mention, that may prevent or slow down the implementation of the Plan and the Act. I believe such coalitions are possible and constitute potential sources of diversion. However, in view of the pull and push

factors that are ever present in the African situation, such diversion is not likely to last long. The push factors are mainly the increasingly hostile external environment. The pull factors are the growing aspirations of the youth and other groups in African countries.

But having made all those points, let me touch briefly on another element in the economic growth and development game of Africa – the present economic crisis gripping the continent, the drought, the poor agricultural performance, the incessant electricity supply cuts, the shortage of water, the increasing balance of payments problems, the inability of governments to make ends meet, and other problems. Because of the seriousness of the situation, the Secretary-General of the United Nations has taken the initiative to alert the international community about it and the external assistance required. Similarly, the Economic and Social Council of the United Nations has decided to devote a greater part of its work during its 1984 summer session to the subject just as the Conference of Ministers of ECA at its forthcoming meeting in Conakry, People's Revolutionary Republic of Guinea, is gong to devote a lot of time to the discussion of the issues involved.* Even in African countries and in international aid circles, the question of survival and rescue is the issue. As a result of the critical situation, there are fears that the Lagos Plan of Action may be in danger as it may be declared irrelevant. I believe the fears are real. However, there are at least two points which we need to bear in mind. First, most of these phenomena have been with us for a long time and are, in fact, some of the remote causes of the decision to formulate and adopt the Lagos Plan and the Act. What has happened is that they are now intensified. Second, the solutions to these problems have short, medium and long-term aspects. Therefore, the Lagos Plan of Action and the Final Act of Lagos retain their relevance to the economic growth and development of Africa. What we need to realize is that the present crisis has reinforced the fact that there is no future without the present just as there is no present without the past. Thus in tackling the present problems, their implications for the future and of the future for them must be constantly examined together and borne in mind.

*This meeting was held in Africa Hall, Addis Ababa, May 1984. (ed.)

II. THE LAGOS PLAN AND THE FUTURE OF AFRICA

The theme of this conference has rightly linked the Lagos Plan with the future of Africa. This is as it should be because a plan is necessarily an instrument for achieving goals and objectives identified for the future. However, in talking about the future we are in the realm of speculation where not all the elements are known and where those that are known may change over time depending on the environment. But we are also in the important area of using imagination to guide our actions. And, in this connection, there is the underlying belief that we can design a future for ourselves and attempt to attain it. This is what the Heads of State and Government have done in adopting the Lagos Plan of Action and the Final Act of Lagos. Some of the elements of that 'willed' future are the determination to reduce excessive dependence on external sources for almost all the requirements for meaningful development and economic growth, the desire to foster genuine African economic co-operation and integration, the will to promote effective participation of their peoples in the development process and the associated enhancement of human dignity, and the objective of providing high standards of living for their peoples.

Because of our perpetual interest in the future of Africa, we in ECA secretariat decided in 1983 to reexamine the possibilities of better future for African countries. Thus, we produced a document entitled 'ECA and Africa's Development 1983–2008 – A Preliminary Perspective Study' for discussion at our Silver Jubilee Anniversary. In the study, we worked with two scenarios – one based on an assumption of continuation of present policies and trends and the other on a desire to pursue *a 'willed' future.*

The picture given by the exercise on the first scenario was horrible. Not only will we become more dependent than now, we will in fact be in the ditch. The second scenario which reflected the elements of the Lagos Plan of Action and the Final Act proved to be the only alternative. Thus the relevance of the Lagos Plan of Action and the Final Act for a desired and desirable future for Africa is not in doubt. But whether we shall attain it or not depends on the present generations of governments and their leadership, and on us their followers albeit with the strong support of the international community. In any case, the main elements are there – there is abundance of natural and human resources. Some of the institutions are already in place. What we may be lacking may be the will to act and the determination to be committed.

V Statement at the Eighth Summit of the Authority of Heads of State and Government of the Economic Community of West African States

Lome (Togo) 4 July 1985

When on the 29th of May 1975 our leaders from all the 16 countries signed the ECOWAS Treaty in Lagos, not only was history made in West Africa, in particular, and in Africa, in general, but it was also clear to all that we had embarked on an exciting but difficult, complex and, therefore, challenging task where only total political commitment can make the realization of our objectives within our grasp. I warned about these difficulties at the international press conference which it was my honour and privilege to hold immediately after the signing of the Treaty. And, as it had turned out, these ten years have been quite chequered. But what is most important is that not only is our Organization still alive, not only has it made significant gains here and there during the course of the past ten years, including surviving teething problems, but also there is a growing desire on the part of all its members to strengthen it, and to rationalize and streamline the network of subregional co-operation institutions in West Africa.

Economic co-operation among sovereign countries is a most difficult undertaking. Therefore, total and steadfast political commitment is a *sine qua non* in order to make a success of it in spite of all the inevitable odds, strains and stresses. As I have said again and again African countries have no alternative but to co-operate among themselves. In an increasingly interdependent world, in a world where there is more and more talk about South–South Co-operation, intra-African co-operation has become an imperative necessity. And with the current economic crisis that all our economies are facing, sub-regional economic co-operation provides each subregion the opportunity of evolving a collective approach to national survival. The lesson of post World War II era is that our world has become so interdependent that no country however powerful, however strong, can go it alone. But in order to

sustain such economic co-operation, all co-operators must ensure that it is mutually advantageous to all concerned. In other words, sub-regional co-operation must be seen as an instrument for national survival and prosperity.

That is why I personally welcome the decisions which your august body took last year on the various issues set out in the ECA Report on proposals for strengthening economic integration in West Africa.

The paramount objective to which all our countries must be firmly committed because it is the only viable option available to West Africa is that of establishing a single economic community for the sub-region, with specialized departments or branches to be endowed with the required degree of autonomy, but whose particular objectives and programmes will need to be rationalized, centrally co-ordinated, and harmonized in an optimum manner, as is definitely not the case now.

How exactly such a major programme for the advent of real economic integration among our countries can best be achieved, that is to say, on the basis of what time-frame, stages and procedures, are undoubtedly some of the basic issues on which all our leaders and their governments must exercise their minds in the coming months.

But, important, complex, and challenging as these issues may be, let us not forget that they refer only to modalities, and means towards an end, which, in the final analysis, is not just the economic integration of our sub-region but, much more importantly, our economic and, therefore, our political liberation.

Let me also voice my personal conviction that the economic and political statesmanship which, time and again, the leaders of the countries in this Sub-region have demonstrated they possess in abundance will enable us to reach these goals. You can rest assured that in these endeavours, the ECA Secretariat will continue to be a frontline partner with all the means at its disposal, modest as they may be.

In any case, nothing less than such statesmanship will be required, if our Sub-region is to make its own precious contribution to the timely realization of the objectives set out in the Lagos Plan of Action and the Final Act of Lagos. For as I have stressed again and again, a strengthened, revitalized ECOWAS, along with the Preferential Trade Area for Eastern and Southern African States and the Economic Community for Central African States, are the three main instrumentalities which I see as forming the nucleus

around which an African Economic Community can be gradually established by the year 2000. There is no gainsaying that, by virtue of its seniority, size and potentials, ECOWAS has a historic responsibility to lead the way in this respect.

The problems facing West Africa are enormous and have a debilitating impact on the vitality of its economies. For there is no gainsaying the fact that West Africa as a whole has been performing more poorly than the other sub-regions in Africa. West Africa is the sub-region with the most damaging recession: not only did the drought hit all countries in 1983 and 1984 but the largest country, Nigeria, suffered from the contraction of its oil revenues. Sub-regional GDP has been declining since 1980; it fell by 3.5 per cent in 1983 and by a further 1.2 per cent in 1984. The Sahel countries recorded a decline in GDP of 0.4 per cent in 1983 and of 3.1 per cent in 1984.

The first area of major concern is that of food shortages and lack of food security despite the fact that ECOWAS as a whole has rich and fertile land. Whereas the intensity of the drought affecting Africa led to a drop of 2.6 per cent in gross agricultural output, in 1983, the loss in output suffered by West Africa was as high as 6.6 per cent. The available evidence on overall output in 1984 is still tentative. In West Africa the overall situation was only slightly better in 1984 than it was in 1983. Countries such as Niger, Burkina Faso, Mali and Mauritania are on the critical list of food-deficit countries. Senegal and Cape Verde are also critically affected. All these countries have become dependent on emergency food aid. Food imports have soared to a high level while agricultural productivity continues to decline.

Why is this so? Why do we face such a critical food crisis when ECOWAS as a whole has rich arable land? The reasons are many. Apart from the drought, our own policies have also played a role in aggravating the crisis. For instance, most of our member States continue to place low priority on agriculture as evidenced by the low share of resources allocated to agriculture in the national budgets. Even where agriculture was selected as a priority area, the production of cash crops continues to be given prominence and food production accorded low priority. There is hardly any country in West Africa where food and agriculture sector absorb up to 20 per cent of total public expenditure. In most cases the proportion is much below 10 per cent. And yet we acclaim it as our priority sector. Moreover, we have over the years gradually changed from the consumption of our traditional foods (cassava, yams, maize, etc.) to

wheatbased food and rice and yet we do not have the capacity to produce these, particularly wheat, in sufficient quantities. This means that ECOWAS will forever remain a net importer of wheat with all the attendant foreign exchange problems.

Secondly, drought and desertification continue to be a major threat to our civilisation and indeed to our survival in West Africa. Presently, countries such as Niger, Burkina Faso, Mauritania, Mali and Senegal face very serious drought problems. Cattle and livestock continue to die in millions and the loss of human life continues unabated. Because of the drought and desertification, many of our critical development projects have had to be curtailed or abandoned altogether, thereby seriously jeopardizing the overall growth prospects of this sub-region. It is true that nature has been harsh to our countries. But, apart from natural calamities in West Africa, the widespread and uncontrolled cutting down of trees, overgrazing, poor soil conservation and poor water management have seriously aggravated the impact of the drought and also assisted the advancement of the desert. Therefore, largely by our own neglect, we are sentencing some of our people to death and starvation due to lack of water.

In the field of manufacturing, West Africa has suffered from continuous decline in output during 1980–1984 period – the average annual decline of 4.0 per cent reached the crisis level of 10.7 per cent in 1984. Throughout West Africa, industry, instead of being an engine of growth, has aggravated the crisis, as it is a veritable source of foreign exchange leakages because of its dependence on foreign factor inputs.

The fourth area of major concern is that, in spite of the existence of ECOWAS and many specialized institutions, relatively very little has been achieved towards real economic co-operation in the major economic sectors such as agriculture, energy and natural resources, industry, transport and communications, manpower development, trade liberalization and customs, and financial and monetary co-operation.

Fifthly, one of the areas in which much remains to be done, notwithstanding remedial steps already being taken, is in the field of transport and communications structures which continues to be on the North/South basis, with intra-West African links being still underdeveloped. While ECOWAS has some modest achievements in this sector, particularly in telecommunication, much still remains to be done if ECOWAS trade is to develop and prosper. It may also be mentioned that the potentials of air transport for promoting

intra-West African trade need to be fully exploited. Unless this is done during the coming years, the level of trade and co-operation will continue to remain too low to sustain self-sustaining growth.

Two further problems need to be highlighted within the context of our attempt to find a lasting solution to economic and social problems faced by our countries. These are external debts and population growth. I will briefly outline each of these issues.

The problem of external debt in the West African Sub-region as in other parts of developing Africa, has reached crisis proportions. For instance, in 1980, the total outstanding debts of the countries in the Sub-region stood at US$15.95 billion. By 1983, this had increased to US$35.05 billion, i.e. an increase of 119.8 per cent. In 1984, the total outstanding debt was estimated at US$77.00 billion. Several factors can be seen as contributing to this phenomenal increase in external indebtedness. At the international level, the official development assistance (ODA) to Africa in general has significantly declined since 1980 and has by and large remained low. This has forced our countries to borrow more from commercial sources at less favourable terms, and has been aggravated by the persistently high interest rates in the major industrialized countries coupled with fluctuations in exchange rates of the major world currencies which left our economies in disarray. At the national level, some of our member States have had difficulties in instituting effective mechanisms for external debts management. Similarly, machinery for domestic savings to reduce external dependence also remains seriously underutilized in some of our countries.

The high rate of population growth in our countries is another serious problem which we have to face and resolve effectively if our rates of growth are to be improved. Our sub-region has one of the highest population growth rates in the world. Five of the countries (Mali, Ivory Coast, Liberia, Guinea Bissau, Gambia) had growth rates of between 3.0 and 4.0 per cent in 1973–1982. All the others had rates of over 2.0 per cent. In Nigeria, it is estimated that at the present growth rates, the population will double itself in twenty years and triple in 30 years. The implications of this for development are indeed serious: we shall need more food, more clinics, more hospitals, more schools, more houses to cope with the growing populations. The question is shall we be able to cope? Therefore, effective demographic control is one of the means by which development in ECOWAS can be attained.

I have singled out these few problematics in order to emphasize the enormity of the crisis facing our countries. I believe it is essential

to reorientate the development programmes for ECOWAS against the hard realities of life. It is extremely important for us to draw up a set of priorities which should form the basis for such development and co-operation. Therefore, in addition to the priority areas which were mentioned in the Memorandum on West Africa Economic Recovery Programme adopted at the Sixteenth Session of the Council of Ministers of ECOWAS, held here in Lome from 19 to 20 November 1984, specific attention should be given to selected critical factors.

These are but a few of the thoughts which I thought I should share with you as Your Excellencies celebrate the 10th anniversary of ECOWAS. This celebration should be one of rejoicing, of evaluation and appraisal and of planning ahead and rededication for the task ahead during the years ahead. The countries of West Africa are tied together by geography, history, culture and economics. The people of West Africa have one destiny and it lies in their power to ensure that destiny is a dignified one through a mutually beneficial network of effective co-operation. Our leaders and people are to be congratulated that in spite of all the difficulties of the past ten years, ECOWAS still exists. We have to rejoice that in spite of the teething troubles of its first ten years, the foundation has been laid for ECOWAS to become a force to reckon with as a potential instrument for engineering socio-economic transformation in West Africa on the basis of self-reliant and self-sustaining development.

We have to draw the necessary lessons from the experience of the last decade so that we can avoid our past mistakes and build on our achievement and successes, limited as they may appear to be. This is not an occasion for recrimination but one of rededication and recommitment of all our governments and their peoples to the pursuit of the ideals of ECOWAS – ideals which motivated us to establish the Organization in spite of all the obstacles, opposition and difficulties. Let us not deceive ourselves or be deceived. We are all in the same boat. It is therefore our sacred collective responsibility not only to ensure that the boat remains afloat but also that whatever the weather may be – be it calm or turbulent – our ship keeps sailing on steadily to its destination. May we be much nearer the attainment of the ideals and objectives which inspired the founding of ECOWAS ten years from now.

PART TWO

SECTORAL PERSPECTIVES

A precondition for socio-economic development at the global level is that high levels of performance should be attained at the sectoral level. The speeches and lectures in this section deal particularly with the place of major sectors in the African development experience, problems confronted in maximizing sectoral contributions to growth and development, and strategies and approaches for improving performance. Almost all of these speeches were delivered to specialized audiences convened specifically to deliberate upon and formulate recommendations on technical issues.

CHAPTER FIVE

Agriculture and the Rural Sector

I Address to the Conference of the Association for the Advancement of Agricultural Science in Africa

University of Ibadan, Nigeria 10 April 1978

It is indeed one of the ironies of our time that a continent which is *pro tanto* an agricultural economy is becoming increasingly dependent on imported food. The food crisis which faces Africa today is symptomatic of the challenge which confronts the Governments and peoples of Africa in engineering the socio-economic transformation of the continent as rapidly as possible. Unless this is done and done very quickly, Africa will remain a crisis-ridden economy going from one crisis to another, lamenting its fate and looking for some *deus ex machina* to come and bail it out.

How has a predominantly agricultural economy like Africa's come to face a food crisis? And what are the main manifestations of the African food situation? What efforts are being made at the international, regional and subregional and national levels to solve this crisis? And how successful have these efforts been? What are the prospects for the future?

These are some of the questions to which your Conference should address itself. They are, without doubt, questions which are easier posed than answered. But they are nevertheless questions to which African political leaders, policy-makers and scientists must find appropriate answers, and that rather urgently. For a continent which cannot guarantee its people three meals a day cannot seriously claim to be achieving any measure of self-reliance, whether nationally or collectively.

The food situation can be assessed through different approaches, none of which gives a complete answer to the questions raised. In some African countries, the food crisis has manifested itself in the form of high food prices; in others, it is reflected in shortages or absence of basic essentials; in yet others it has led to very high food

import bills. The problem is complex but the picture is clear and unmistakable.

When, however, one looks closely it is doubtful that, with the exception of 1975, food prices have increased much faster than the general level of prices in most countries. Some of the increase in food prices is undoubtedly due to poor production in sub-Saharan Africa. For example, while during the sixties food production roughly kept pace with the increase in population, the average annual growth rate of food production since 1970, based on FAO's index numbers, has been only 1.2 per cent – a rate which is much less than half the annual growth rate of population. The poor performance of African countries in food production is particularly marked in the Western, Central and Eastern subregion where the average annual growth rates for the period 1970 to 1976 have been 0.3, 0.8 and 1.7 per cent as against 2.2, 2.6 and 2.8 per cent respectively during the sixties. However, some of the increase in food prices in Africa can be regarded as a consequence of a world-wide inflationary trend; even more, some of the increase in food prices can be seen partly as a result of economic growth which naturally creates tensions in the food market which do not occur in a stagnant economy.

Another measurement of the food situation is found in the analysis of dietary energy supplies. In 1972/74, only six countries in Africa were persistently above requirement; in 24 countries, representing 75 per cent of the population of developing Africa, the nutritional situation has deteriorated and there were sharp falls in as many as 18 countries including Ethiopia, Kenya, Nigeria, Rwanda, Tanzania, Uganda, Zaire and the Sahelian countries. Consequently, these areas suffered most from protein-calorie mal-nutrition or kwashiorkor. A very high proportion of African children suffer from kwashiorkor and, consequently, have grossly retarded physical and mental growth and development.

Increasing food imports are often mentioned as an evidence of a deteriorating food situation. Many African countries have become increasingly dependent on food imports, and projections of cereal deficits indicate that the situation will continue to deteriorate in the future. Dependence on food imports has become a serious hindrance to the development of African countries, especially at a time when, as in recent years, the balance-of-payments deficits of many of them have grown dramatically under the combined effect of rapid increases in prices of manufactured goods and oil and oil-derived products, and of the decline in economic activity in

developed countries which has caused a lowering in the volume of exports from tropical African countries. Although there were signs of improvement in 1976, particularly in the prices of coffee and cocoa, the long-term picture remains basically unaffected. FAO projections indicate that, by 1980, the global deficit in cereals in the African region (which does not include Egypt, the Sudan and Somalia) will be over 6 million tons, mostly in wheat. In addition to wheat, the other food imports are livestock and dairy products.

Even here we must be careful to be sure whether much of the increase in imports is due to genuine shortages in domestic production or to inadequate internal transportation and marketing arrangements or – droughts and desertification apart – to a changing preference of the well-off and the not-so-well-off in urban centres for imported foods. It will be noted that the bulk of imports in the past, and as is projected, consists mainly of wheat, livestock, meat, fish and dairy products. Indeed an inspection of food shops in African capital cities reveals an amazing range of fresh and processed foods: beverages, vegetables, meat, fish and dairy products. Even what are called convenience foods are beginning to appear. There are very few of these items which are not products – in their raw state – of the Region and one immediately begins to wonder whether, at the Regional level, the problem is not mainly a reflection of the failure of intra-African trade to develop.

In summary, then, we can say that the food crisis is due to poor production, agro-climatic changes, the fact that a large percentage of the Region is classifiable as arid or semi-arid (this is higher than anywhere else), and the ease of penetration of imported foods from developed countries.

* * *

There is no doubt that the consequences for Africa of the present food situation are very serious indeed. The food crisis reduces the already low standard of living of a large portion of the urban populations, seriously threatens the young and increases the weight of rural poverty. It consititutes a serious brake to development efforts because it has resulted in a diversion of national efforts and foreign exchange earnings to provide temporary reliefs and, doubtless, adds to the foreign debt. Politically, it has deepened the dependence of African countries on the industrialized, surplus food producing countries. Food is increasingly being recognized by these countries as a weapon – one of the principal tools in the

negotiating kit of the industrialised countries. A CIA report prepared shortly before the World Food Conference states that food shortages in Third World countries could give the United States a measure of power it had never had before. In bad years when the United States could not meet the demand for food for most would-be importers, Washington would acquire virtual life-and-death power over the fate of the multitudes of the needy.

This is not as absurd a notion as one might think nor is it the only way in which food economies of Third World countries may become vulnerable. Today, powerful transnationals in the fields of fertilizers and other agricultural chemicals, implements, tools, and machinery, seeds research, multiplication, certification and distribution, irrigation equipment, food processing, and food marketing are moving into agriculture, promoting concentration of rural land ownership, introducing new large-scale capital intensive technologies and displacing rural peasant farmers through vertical integration of agricultural production, processing and marketing. Alliances are established with local business elites and with policy-makers and planners anxious to 'modernize' agriculture. This process is not by any means confined to the Third World countries.[1]

In view of the dire consequences of the food crisis even for the very survival of African States as sovereign nations, how has the present situation developed and why has it been allowed to develop? The causes of our present dramatic situation are, of course, very complex and they must have been building up slowly during the fifties and sixties to produce the cataclysmic effects at the beginning of the seventies. Besides, the food crisis is only an aspect – though a major one – of the general weakness of the agricultural sector in the African economy.

The dominant factor seems to be the general backward state of the rural areas which are the food producers. From 70 to 90 per cent of all farmers still operate under subsistence farming conditions. Lack of roads, water, transport and other infrastructural facilities do not allow them to be reached by extension workers or marketing services. This situation has more often than not encouraged the most dynamic elements of the population, especially the youths, to migrate faster than they would otherwise to urban centres. Therefore, the number of food consumers tends to increase rapidly, while, at the same time, the number of food producers remains stagnant and their age structure and capacity to produce deteriorate. The little they produce is jealously guarded as their guarantee against inflation and the unstable, I nearly said unreliable, market situation.

Other insidious forces have been at work. Through lack of land use planning and management, large areas of fragile potential, due to poor soils or marginal climatic conditions, have been turned into deserts or semi-deserts. This is the case in the Sahelian range lands where indiscriminate build-up of herds, as a result of vaccination campaigns and uncontrolled expansion of cropping, have led to catastrophes when weather conditions changed. This is also the case in several Sudanic zones with high population pressure, where the traditional habit of shifting cultivation led to nearly complete exhaustion of the soil area. Let us remember that almost 90 per cent of all agricultural production increases during the sixties have been reached through expansion of cultivated areas, and only 10 per cent through increases in yields per unit area as such. Although land seems to be abundant in many African countries, such a rapid increase, as was withstood in the sixties, was possible only on good land, and labour was relatively cheap. But this expansion could not fail to destroy those fragile soils which should not have been put under production in the first place.

This deterioration of our capital heritage – soil – whether in the Sahel range or in the less vulnerable areas in the Sudanian or Guinean zones, is a consequence of the disruption of social structures caused partly by the monetarization of our economies and rapid urbanization. You hear people say that the traditional land tenure system is responsible. This is not true. Under the traditonal system, land was respected. Tribal groups had rights for food crops and on certain areas of pastures and certain water fountains and wells. These rights were respected and carried obligations as well for the users. But with the particular process of modernization which has been allowed to develop and the pressure of demand on cattle prices, these basic traditional principles of rights and obligations were often neglected and sometimes forgotten and land has become a 'no man's land' which is now being constantly exploited even to complete destruction.

From a study made by FAO in 1977[2] 44 percent of African soils are subject to drought, which is almost twice the world average. It is even stated that 55 per cent of the area of Africa is already affected or likely to be affected by desertification against only 4 per cent in Asia and one per cent in South America. Desertification and drought are therefore two of the major problems of our continent. In spite of this constraint, the percentage of soils without serious limitation is estimated at 16 per cent of total area, which is only 1.6 points lower than the world average of 17.7 per cent. But one serious

problem is that the 16 per cent of good soils are not evenly distributed in the region. Some countries have a very large proportion of poor soils, often subject to drought and erosion.

Another distinctive feature of African agriculture is that the continent uses by far the least amount of fertilizer. Out of 84 million metric tons of plant nutrients consumed in 1973/74, only one-and-a-half millions were used in Africa.

Other developing continents such as Latin America or Asia consume, respectively, 3 and 8 times more than Africa. If the global African picture if already bleak, it is sure to be worse for particular areas or groups of population within the region. Although precise data are lacking, it is generally assumed that the most-affected zones are, on the one hand, arid or semi-arid areas, especially those with high population densities and, on the other hand, low income urban dwellers. The situation is such that there is no assurance of a satisfactory food crop for any given year in areas with irregular rainfall, and that, even in areas where the climatic conditions are more favourable, it seems that the increased food demand generated by urbanization, industrialization, and the general increase in the level of living, has failed to trigger a sufficiently dynamic response from the agricultural sector.

It is not only the general trend of our economies toward urbanization, modernization and monetarization which is responsible for the present food situation. The economic policies pursued by African governments since independence are also partly culpable. Very often these policies have accelerated the trend, through poorly-conceived and ill-advised measures, rather than counter-balancing the depletion as it should have done. The general policy of most newly independent African governments has been to put emphasis on import-substituting industrialization of marginal economic significance which was considered to be the symbol of a modern nation. This policy was not successful and could not be, since all the basic elements for building a modern nation in terms of supply of raw materials, market outlet, and expertise were missing and not planned for. It took time to realize this and, by that time, we had lost almost two to three decades.

Within the agricultural sector itself, the same obsession with what were believed to be "modern" ways led to very negative attitudes: food crops and the traditional food producer, the small peasant and rural infrastructure were considered as negligible and not improvable. It was felt that food would be always forthcoming, as a result of some mysterious "automatic increase" and emphasis was

put on the so-called "cash crops" (which seems to imply that food was not supposed to be sold by the producers for profit). Furthermore, since the small farmer was considered too old fashioned to improve his cultivation techniques, he was short circuited. Instead, many governments relied and embarked upon the establishment of large-scale farms, generally managed by the public sector, and often using foreign expertise, or such new-fangled schemes as farm settlements.

This agricultural policy was vigorously pursued such that in all agricultural services priority was systematically given to export and industrial crops. Agricultural research, agricultural credit, extension networks, agricultural input supply, agricultural marketing services were all geared primarily to export crops. Occasionally, these export crops were, at the same time, food crops such as groundnuts, palm oil, cocoa, kola-nut.

One other major feature of the economic policy which prevailed during the two decades after independence was the *cheap food policy*. This policy aimed at bringing or keeping down food prices in the urban areas both as an economic tool for attracting industrial investors because of low salaries, and as a political means for the satisfaction of the vocal and politically volatile urban dwellers. This policy was achieved through the fixing of low retail prices for the basic food commodities; through imports of food on concessional terms and through subventions from public budgets for the major food items. Such a policy was very detrimental and created a disincentive to food producers. It was therefore not surprising that many farmers chose to produce less food. The contradiction in this policy appeared in full light when the underlying economic and financial tensions became too strong to be borne any further. When the cost of agricultural inputs and oil prices increased considerably relative to their revenues, commercial farmers producing food were caught between ever-increasing production costs and fixed low producer prices. Consequently, many of them went out of production. Meanwhile, the increasing prices of food items on the world market made it more and more difficult for the governments to continue to subsidize urban food prices at the consumer's level, especially because previously artifically-low price had encouraged demand. There came a time, in 1976 and 1977, therefore, when several African governments were obliged if not compelled, to reduce considerably the amount of their price support. The resulting sudden increase in the cost of living that followed happily brought public attention to the food problem.

During recent weeks we have been reviewing in connection with preparations for the Regional Food Plan for Africa, what role a number of multinational organizations in Africa can play in the resolution of the Region's food problem and we have had to assess the food situation within the area of operations of each multinational organization.

The three economic groupings studied (the ECOWAS, UDEAC, and Maghreb Permanent Consultative Committee) are at present relatively self-sufficient in only a few products, though even in these products the position may somewhat deteriorate if concerted action to meet the increasing demand is not taken. Integrated development programmes and projects which would help this at the grass roots level, backed by extension and marketing services, credit and price incentives, will go a long way in attaining food self-sufficiency in the three subregions.

In other words, the three economic regions analyzed indicate basically a weak position for food, with the ECOWAS region (particularly the Sahel) being the worst off so far. By 1990, all indications are that the self-sufficiency position would not have improved if present production and demand situations remain as they are. There is, however, hope that if these economic regions were to increase their investment and productivity inputs in the agricultural sector, and particularly food, full self-sufficiency can be attained by the end of the century.

If effective solutions are to be found, we must be clear about the reasons which account for our getting where we are. Firstly, for as long as the urban elites, to whom policy-making and planning are entrusted, believe that finance capital and foreign exchange are the sole – or even the principal – source of dynamic and desirable socio-economic change for so long will the food and other problems persist. These beliefs derive from canons of neo-classical economic theory and the development models to which they have given rise. So far removed are these theories and models from the realities of day-to-day economic activity that it is only since the 1960s that they had to confront – not very successfully – the fact that economic growth depends on such real factors as skilled manpower, natural resources, technology, domestic production of capital goods and development of capital services. In spite of the dominant role of markets in capitalist economic theory, little attention is paid to the need to transform the national market. All eyes are fixed on the distant horizon beyond the seas. And it is doubtful whether much of

this reality has yet begun to modify, if not oust, the macro-economic abstractions of yesterday's theories.

The situation is, of course, not helped by the fact that upper and middle income classes in the urban sector tend to include a wider range of imported foods in their diets, by the relative ease with which imports can be organized, and parliaments persuaded to vote funds for 'vital' supplies or food aid secured.

There is another sense in which many policy-makers and planners are burdened by abstraction. Most of them – as will become obvious later – are really unfamiliar with actual processes of production and not all truly understand the complex inter-locking nature of socio-economic systems.

Few countries have built up any comprehensive and usable picture of their soil, water and plant resources as well as knowledge of local climates and their patterns of variation. This has sometimes led to serious failures of agricultural plantation schemes. Again the handling of the subject of technical inputs has been – and no doubt continues to be – casual. I refer here to implements, tools and machinery, to fertilizers and other agricultural chemicals, to the development of food processing facilities, to storage, packaging and transportation. What little research is carried out in these subject areas is haphazard and dependent on the choice of researchers rather than on a solidly-based structure of research, experiment, application and feedback related to planned priorities in agricultural development in general as distinct from export crops in particular. It is often unnoticed except by other researchers. This by no means reflects adversely on the dedicated work of individual research workers but on policy making and planning organs. In my view, this is a subject of considerable importance in assessing the ultimate value of the work of international and regional – not to say national – agricultural research centres.

I have already referred to the general neglect of the development of domestic markets. What strikes me as even more serious is the unawareness of the burden that marketing would place on the farmer. Marketing requires up-to-date information on market locations and characteristics, and on ruling prices of products of interest to the farmer. It calls for packing and transportation, the building up of distribution networks and outlets, the construction and maintenance of storage facilities, and resources for financing stocks and overheads of the marketing system, as well as considerable managerial capabilities. So burdensome is the marketing

function that it is usually entrusted to marketing co-operatives or associations or specialized companies. Its scope and efficient functioning are matters of vital interest, not only to the farmer but also to policy-makers and planners concerned with the general health of the socio-economic system. What is clear is that marketing, especially of food, cannot simply be left to look after itself.

I also drew attention to the very large proportion of the region that is classifiable as arid and semi-arid. I fear we shall have to pay much more attention to this subject, particularly because of the possibility that desert conditions may be on the increase and that the world may be undergoing a protracted period of climatic change which, whilst not necessarily catastrophic, may be sufficiently harsh to warrant special anticipatory measures, particularly with regard to water and food.

Food, in particular, seems to me to raise questions of cropping patterns and their effect on small-holder production. This aspect may call for more attention than we are now giving to it, since it affects such major innovations as quick-maturing varieties, double cropping, the adaptation and use of chemical and biological technologies, as well as the economics of food production and marketing in general.

It is not clear that socio-cultural factors receive more than lip service in policy-making, programme and project design. The familiar categories of Western economic analysis have so impressed themselves on us that we easily substitute abstractions of Western man and woman – or, for that matter, the western business corporate entity – for African men and women in our own systems. For example, food production, processing and marketing often depend on women but the cash returns on sales only partly accrue to them so that any cash incentive effect is muted. Training courses and credit facilities are generally designed – subconsciously – for men. In respect of food production this might in some cases represent a misdirection of resources. It is not always known to policy-makers, planners and administrators what incentives will work with whom. The pattern of allocation of labour time is often unknown and some of the impact of new technologies which could have been anticipated are unforeseen. In short, far too little is known of the social dynamics and far too much is presumed from generalizations – sometimes by foreign observers with little insight into structural or behavioural realities.

My point is simple and well known. Agriculture in Africa is a complex system of technologies, resources, and social relations

none of which can be altered without affecting the other and none of which should be approached without understanding of the rationale underlying the system. It is thus not fully understood how far socio-cultural factors affect what is often described as the absorptive capacity of the system. The mere availability of ample financial resources and the readiness of governments to invest in agriculture to meet domestic needs for food and agricultural raw materials by no means guarantees satisfactory results. It is not unreasonable that this may defeat the region in attempts to utilize a fair share of the $1.2 billion to be made available by the International Fund for Agricultural Development to the Third World.

A major element to which close attention needs to be paid is intersectoral linkages. Five such linkages have been identified:

- inter-industry production linkages (mainly related to the supply of technical inputs to the food and agricultural sector, and the supply of food and agricultural raw materials to other sectors for processing and distribution);
- consumption linkages;
- saving/investment linkages associated with the patterns of intersectoral flow of financial resources;
- employment linkages;
- linkages with the foreign sector.

It is the weakness of these linkages (which in advanced market economies are supposed to emerge in response to market forces), the failure to recognize their importance and to foster their development that accounts to a great extent for the rural/urban, agriculture/industry, dichotomies, for the failure of the socio-economic system as a whole to take off, and for the failure of employment opportunities to expand.

It is, indeed, difficult to see how any process of self-sustaining and self-reliant development, economic growth and general welfare can be initiated in the absence of such linkages. What we had in the region were national economies in which bits and pieces of the agricultural sector were linked to the external sector and propelled or declined accordingly; in which investment in agriculture was tied to these bits and pieces. It is now suggested that to these we should not add bits and pieces of industrial activity similarly tied, not to the rest of the system but to the external sector. I am laying stress on this point because I consider it of critical importance not only for food and agriculture but for national economies as a whole.

It is for this reason that I feel the Association should devote a good

deal of attention to research into the methodologies of evaluating linkages, to the modalities of promoting linkages, to studies of economic and technological factors to be taken into account in the deliberate development of linkages, etc., and associate these with seminars and workshops for policy-makers, or general planners, and for project designers, planners and managers.

The reference to linkages brings us to the very large subject of biological, chemical and mechanical research, invention, adaptation and innovation now frequently associated with the somewhat over-done concept of the "green revolution". It will have been obvious, from my earlier comments, that there can be no revolution in agriculture and production and distribution that is green, i.e., that can be brought about merely by a major change in biological or chemical technologies, without changes in mechanical technologies and without far-reaching institutional and psychological adjustments as well. For a revolution in agriculture to take place in the region not only must all these aspects be involved but certain limitations on the biological and chemical breakthroughs constituting the green revolution must be overcome.

First, there is the limited crop coverage of the new high yield varieties: wheat and rice, but not yet maize and sorghum and other cereals and root crops which are important elements in food consumption in Africa. Second, there is the fact of large areas of cultivable land which receives poor or excessively concentrated rainfall, so that there is either too much or too little water at different seasons. Third, there is the availability – in terms of price and delivery facilities – of chemical fertilizers and detailed knowledge of its efficient use. Fourth, there are the required complementary inputs of implements, tools and equipment and, even where labour intensive technologies are available, to mobilize, train and supervise wage labour in farming.

These problems make it necessary to consider the question of land reform. Without going into it in detail I would like to make two general observations. The first is that we tend in Africa to be trying to adapt institutions and factors and conditions to imported technologies but not to develop technologies which grow out of existing institutions, factors and conditions many of which are not susceptible to rapid alteration. The second is that of adopting the patterns of development and life styles which they support, if not create, elsewhere. The outstanding example today is the reality of mass unemployment and poverty now pervasive in the region and the social and income stratification which the "green revolution"

appears to bring in its trail. This is so fundamental an issue that we simply ought not to ignore it. As Erich Jacoby points out "technology is not neutral in its relations to the different social and political groups in the countries".[3]

The importance of the issue of food in Africa is likely to increase for at least three reasons. The first is the apparent tendency of desert conditions to spread. The second is the likelihood of recurrent droughts and famines. The third is population growth. As is commonly known the demand for food and other agricultural products depends on the rate of population growth, the structure of population (including particularly children and lactating mothers), income distribution and exports. As regards population, present estimates put the region's population by the year 2000 at between a high of 855.1 million; a medium of 813.1 million; and a low of 746.5 million. How are these estimates to be regarded? Demographers and economists argue that as per capita incomes rise, the birth rate tends to drop faster than the survival rate so that population growth slows down. What are the prospects of income rising so fast, particularly in the rural areas where the bulk of the region's population lives, as to effect a slow down in population growth by the year 2000? What are the causal relations between increases in income – assuming a broadly even pattern of distribution – and decreases in population growth rates? At what level of real incomes does this 'demographic transition' factor begin to operate? To what extent, if the theory is universally valid and not merely a cultural phenomenon of Western societies, will this tendency be counter-balanced by the effects of widespread introduction into rural areas of preventive medicine and health care – as distinct from curative medicine? Certainly for the next two decades it seems to me more likely that the region's population will continue to increase and to do so more rapidly than at present.

With great reluctance I am constrained to put off reference to other challenging aspects of food and agriculture in order to put forward some suggestions to the Association in addition to one or two others indicated earlier.

Conferences such as this are of great value to the scientific community for obvious reasons. Their value is likely to be enhanced if we can devise some ways of promoting the interest in them, of the young potential scientist or technologist. We should perhaps go further to attract the attention of these young men and women – often in their teens and not yet in the university – to the work of the Association.

This statement has been critical of policy-makers and planners. It would therefore not be sufficient for scientists and technologists to come together to bring each other up-to-date, exchange experiences, assure themselves of the value of their work, and so on. It is necessary, if the region is to move in new directions and to do so quickly, to open a continuous dialogue with policy-makers and planners in both the public and the private sectors. I refer here to high level officials in ministries of (or equivalent organs responsible for) planning, finance, education, transport, science and technology, rural development, in public utilities and in private business. I consider this a vital function of the Association in the next decade.

The time may also be at hand for the Association to act as a catalyst for concrete projects; for it to organize working groups, workshops, etc., to define areas of action in operational terms, for consideration by governments, to go further and assist governments in organizing consultancy services for projects (national and multinational) of strategic importance for the development of food and agriculture. The Association may well need to make itself an indispensable part of the region's capabilities for practical action. In so far as the Economic Commission for Africa can assist in this, let me assure you that we stand ready to do so within, of course, the limits of our own resources.

II Background Notes on Africa's Food Situation and Policies and Programmes

North South Food Roundtable

Washington D.C. 24 July 1981

1. INTRODUCTION

It is sad and unfortunate, but nevertheless true, that agriculture in Africa is in distress. This is very disturbing not only to Africa but also to the entire international community. One cannot but be frightened of the persistently deteriorating food situation and the pernicious drought that are threatening to strangle Africa's economic resurgence.

At the outset, it is imperative to reiterate the fact that solutions to Africa's food problem rest largely, if not solely, on the sets of decisions being taken by the governments of African countries. Therefore, assistance to enable the governments of Africa to attain a reasonable level of food self-sufficiency must, of necessity, start with an effort to bring to the attention of all governments the need to revitalise their food production and increase domestic investment and budgetary allocation to the agricultural sector without which the perennial problems of food shortages, undernutrition, and malnutrition may never be resolved.

The African continent, in addition to being faced with the rapidly deteriorating food situation and increasing dependence on food aid and food imports, continues to face ominous accentuation of mass poverty, the risk of natural resources depletion and of environmental degradation. Life expectancy at birth remains low, while nutritional deficiency and the danger of physical disintegration remain serious. The continent is plagued with large scale unemployment and inflation, and continues to labour under the crushing burden of inherited alien socio-economic structures and patterns. Little wonder that Africa is the least developed of the world's major regions.

To some extent, some of Africa's current economic problems have arisen from factors external to the countries and some are even beyond their immediate control. This is not to overshadow the fact that given more than two decades of political independence, some of the problems have arisen and persisted as a result of genuine ignorance and lack of understanding or appreciation of the economic implications of certain non-economic modes of behaviour and of decisions being made at national, subregional and regional levels in Africa.

2. BRIEF ANALYSIS OF AFRICA'S FOOD SITUATION TODAY

Although Africa as a whole faces a grave food and agriculture situation which threatens the survival of its people in an environment that nature has, in many respects, endowed generously, the food situation and problems differ from one country to another. Thus, any effective framework for increased food self-reliance in Africa is, of necessity, only an indicative one, within which national governments would need to formulate and execute policies and programmes that are country-specific. The following analysis which

must perforce be general would therefore need to be reinforced and modified when applied to specific countries.

(a) State of domestic ouput

During the 1970s, African agriculture failed, by ever-widening margins, to produce sufficient food for the population of the region. While population increased at a rate approaching three per cent every year, and urbanization proceeded at unprecedented rates, food production merely inched ahead. A negative annual rate of increase in average food production per head of population (–0.7 per cent) during the sixties worsened (–1.1 per cent) during the seventies.

(b) Accelerating food imports: some discernible trends

To bridge the yawning gap in food supply, import of cereal products into Africa, particularly wheat, has been increasing rapidly enough to be definitely embarrassing, particularly for a continent whose Guinea Savannah vegetation (most suitable for cereal production) is of the size, though definitely not of the productivity, of the prairies in the Americas. Imports which were valued at US$22.2 million per country, per annum, for the average of 1961/65 rose to US$64 million in 1968, and are projected to reach US$125 million per country, per annum, in 1990 and US$216 million by the year 2000, by which time also Africa's aggregate import bill for cereals alone would be reaching US$8.6 billion.

Between 1961 to 1965, Senegal and Egypt each imported, on the average, annually, over US$80 million worth of cereals. Barely twenty years later, eight countries – Algeria, Egypt, Libya, Madagascar, Morocco, Nigeria, Senegal, and Zaire – have exceeded US$80 million per annum cereal import. If this trend continues well into the 1980s (and it surely will if immediate and effective remedial actions are not taken now) then in five years from now, in 1985, it is estimated that twelve African countries will each be importing cereals to the value of well over US$80 million annually. And by the end of the century, twenty-three, nearly half of all African countries, will each be importing, annually, over US$80 million worth of cereals. The fact that 95 per cent of the cereal import is wheat is merely lancing the boil and not a healing.

As far as livestock products are concerned, African governments, in an effort to improve the nutritional base for most of their populations, have had to resort to imports of meat, milk, eggs and other livestock products. The import bill for livestock products has

equally been increasing steadily, with meat and milk accounting for over 90 per cent of this class of imports. Import of livestock products rose from an average of US$13 million for each country per annum in 1961/65 to US$17 million in 1980 and is projected to reach US$225 million by the year 2000.

The rise in the value of imports is the product of the growing number of countries which have become importers as well as the growing quantities of imports. Between 1961/65, on an annual average, only two countries, Algeria (with US$89.5 million) and Nigeria (with US$78.2 million) imported livestock products worth over US$60 million. Twenty years later, in 1980, seven countries in Africa – Nigeria (US$217.4 million), Egypt (US$179.9 million), Algeria (US$177.4 million), Libya (US$104.3 million), Côte d'Ivoire (US$94.6 million), Zaire (US$79.6 million), and Morocco (US$61.7 million) – have exceeded the US$60 million per annum mark. With a continuation of this trend, this number will increase to twenty-four by the end of the century. In other words, by the year 2000, each of twenty-four African countries will be spending, annually, well over US$60 million in importing livestock products alone.

Thus cereals and livestock products, together, account for over 93 per cent of Africa's total food import bill. Each African country on an annual average has a total import bill of US$101 million for cereals and livestock in 1980. This represents an increase of nearly 10 per cent per annum from 1960, reaching US$156 million in 1980 and, if the present trend continues, is projected to reach US$231 million in 1990 and US$433 million by the year 2000, by which time the aggregate import bill for the continent, for cereals and livestock products, will tip well over US$17 billion per annum.

(c) Value of food aid

In Africa today, some 34 countries suffer from almost chronic food deficits which affect a total of 260 million people, half of whom are under 14 years while the rest are women and the aged (65 years). Food aid for Africa totalled US$862 million in 1980. The target of 10 million tons of international food stock has never been reached. By early April 1981, only about 1.9 million tons of food aid had been pledged or committed, against the total Africa's requirement of 2.6 million tons. World carryover stocks of cereals are estimated to decline to 210 million tons by the end of 1980/81 crop season, which is equivalent to only 14 per cent world's consumption in 1981. Weighing this against the 17–18 per cent estimated as the minimum

for World Food Security, the 1981/82 will therefore begin with a much worse picture than at any time since the World Food Crisis years. Most of these stocks declines are expected in the major cereal exporting countries which also means increasing cereal prices with dire consequences for African importers.

International assistance will continue to be needed in building national, subregional, and regional reserves, and more importantly, in the construction of infrastructure such as storage facilities and related infrastructure which will be required in direct response to increased production and established reserve stocks. Such structures will also act as added incentives to producers. Management of stock, and market intelligence, are two areas where international assistance will also be of great benefit. But, all said and done, the key to food security is not food aid but improved food production and increased food availability at national, subregional and regional levels.

3. MAJOR FACTORS RESPONSIBLE FOR GROWING FOOD SHORTAGES

(a) Investment policies

For decades, agricultural policies being pursued by most African governments, present a regional picture of extreme bias towards export crops such as cocoa, coffee and rubber to the exclusion, if not neglect, and detriment, of food crops. Consequently, the share of public agricultural investment has barely exceeded 10 per cent of total national investment, including foreign aid and grants, even in countries where the export earnings from agriculture are over 80 per cent of total earnings. Of this total agricultural investment, only a dismal proportion trickles down to the food subsector. It is clear that most African countries have hitherto paid only lip-service to agriculture. In spite of many pronouncements and "catch phrases" on the pivotal role of agriculture, they fail to provide the means for implementing progressive measures essential for its development. The attitude of bilateral and international agencies to agriculture generally, and food in particular, is no less regrettably disappointing if not damaging. In the absence of massive investments in all African countries to remedy the past neglect, it will prove difficult if not impossible to change the future trend of a heavy, and increasing, dependence on food import and food aid.

The outstanding problems that have retarded the improvement

of food production in Africa include the institutional set-up and poor agricultural production services. While the promotion of institutional reforms falls within the exclusive responsibility of each government, strong political and financial commitments at national and international levels are essential, if rural institutions and services are to be effective in the process of expanding food production and improving the nutritional balance in the region. It is not enough for governments to recognize the need for reforms. Adequate financial, technical, and human resources need to be committed in a systematic and continuous manner if the neglects of the past are to be corrected.

In order to meet the requirements for sustained expansion and modernization of rural economies, particularly in the area of the use of improved seeds, fertilizers, pesticides and other technological inputs, women and youth programmes must inculcate the valuable aspects of agricultural life.

(b) Paradox of Persistent Drought and Incessant Flooding

The drought situation is very serious. In this connection, it must be admitted that the drought is partly aggravated by decisions and actions of the governments and people of Africa, as reflected in indiscriminate felling of trees, erratic burning of bush and other agricultural malpractices. While the situation in the Sahel is not improving, the Eastern and Southern African countries have now, unfortunately, joined the group of the drought-stricken. Virtually the whole of Africa is drought prone, yet both at the national and international levels, we have failed to take cognizance of the seriousness of this problem and face it as squarely as we should. The imminent danger of the drought lies in the fact that the much needed food production increases cannot be accelerated, particularly at a time when the increasing demand for fuel and energy on the already depleted forest reservations will probably lead to further and worsening drought situation.

A corollary to the drought problem is the paradoxical situation, whereby, while the drought is being unmanageable, Africa's rivers, waterways, river basins, and lakes are not being controlled, giving rise to intermittent flood situations resulting from heavy precipitation. Unfortunately, as with the drought, one of the consequences of flood is erosion of all types, with significant loss of rich top soils and depreciating crop nutrients with devastating consequence on food and agriculture production. In addition, permanent damage can result in top soil wash-off with the sub-soil lamentably exposed

to weather and sun actions, the combination of which results in soil fragmentation, loss of nutrient, poor yields, and further desertification at a pace faster than that at which good soils can be replaced.

In nearly all cases, government activities at the national level either lack the consistency or are ill-conceived and have failed to solve these serious problems. International assistance to improve training and financial assistance for intergovernmental organizations to resolve most of their developmental constraints will be most helpful.

(c) Low Productivity

Decline in food productivity is attributable to an insufficient expansion in cultivated area, and persistently low yields. These, in their turn, have resulted from inadequate spread of improved and adapted technology, disease and pest damage, lack of infrastructure, inadequate and inappropriate research, poor extension and other services, recurring drought, and, more fundamentally, social and political constraints that inhibit the flow of resources to agriculture and militate against enhanced productivity in the sector. Very little has been done to improve the socio-economic conditions of rural dwellers in Africa who make up 80–90 per cent of the population of the continent. By and large, they subsist on uneconomically small holdings or as landless labourers.

(d) Obsolete and Ineffective Marketing Systems and Institutions

Since food crops and export commodities are, in the main, produced by millions of small and medium size farmers scattered over millions of hectares of farm lands that are often inaccessible or unmapped, it is only reasonable and fair that they should be the centre-piece of government policies, strategies and programmes if Africa were ever to reverse this worsening trend.

The role of marketing in export trade, domestic food trade and inputs and agricultural output is so vitally important and critical to agriculture development that it needs special treatment from other types of agricultural institutions. Marketing is probably one of the most crucial "multipliers" of economic development, particularly for an LDC which is experiencing rapid urbanization and a sluggish industrial sector. The farmers' response to production incentives from the government demand that not only are producer prices reasonably stable, but also that there is an effective organization to provide adequate channels of communications and distribution as well as facilities for input supply and output outlets; market infor-

mation and research on the type and quantity of commodity that can be sold (where, when and for how much) in order to take advantage of favourable production opportunities; handling facilities; durability of transport; processing institutions; and storage; to name only a few.

Other major constraints to marketing efficiency include poor infrastructural development, poor marketing management at the government, public and private levels, and communication difficulties. The improvement of the infrastructure, such as feeder roads and routes, transport and communications links (water, land, air), storage and processing facilities, etc., can reduce operation costs, narrow the gap between the farmer (rural) and consumer (urban) as well as facilitate resources mobility, and give rise to improved internal domestic trade, intra-African exchange and enhanced global international trade.

Specifically, as far as possible, the following constraints have to be eliminated:

(i) Inadequate or lack of investment in the improvement of marketing systems dealing with food crops and poor marketing infrastructure for livestock, fishery and forest products, particularly for domestic uses;
(ii) Inferior transportation-communication links suggesting inadequate produce evacuation;
(iii) Limited credit facilities;
(iv) Poor marketing information on quantities and prices of both output and agricultural inputs;
(v) Inadequate research and extension services and poor producer-pricing policies;
(vi) Poor planning and training at all levels which is the cause and/or consequence of weakness in administrative capacity.

(e) Severe Post-harvest Losses

Losses of food during and after harvest due to late harvesting and improper drying, transport, storage and processing practices, have seriously reduced the amount of food available to the population. Mechanical and biological damage leads to a loss, every year, of at least 10 per cent of the total grain harvest, and as much as 50 per cent of the harvest of some perishable foods. For livestock, significant losses occur during trekking to consumption centres, during slaughtering, and in the handling of meat and other livestock products including small stock. Additional to this is calf mortality, at

a rate as high as 50 per cent in some countries. Losses in livestock and livestock products are due, principally, to lack of veterinary care, inadequate attention to animal tracks, deficient slaughtering facilities, and backward post-slaughter processes. With fish, some 500,000 tons of the total annual catch in Africa are lost every year due to poor storage, handling and curing. In rich marine areas, catches by African countries are still below one third the total harvest. In addition, large quantities of fish are discarded at sea by trawlers.

To minimize food losses, the objective should be to make significant progress towards the achievement of a 50 per cent reduction in post-harvest losses by 1985. National and international efforts should be geared towards the following:

- careful assessment of the extent of food losses;
- formulation of national policies for food loss reduction;
- mass media campaigns to educate the public on methods of reducing food waste;
- construction of appropriate storage and other facilities;
- establishment of central technical units;
- promotion (through research, infrastructural development, and incentives to farmers and fishermen) of improved methods of drying, preservation, storage, pest control, and processing;
- improvement of livestock routes and holding grounds;
- training of technical staff for food loss control work, preferably through subregional/regional institutions, seminars and workshops, which can be financed through finance institutions.

4. ISSUE OF FOOD SECURITY AND FOOD AID

In order to cope with the predicament of food security and food aid in the future, concerted efforts should be made initially by African governments to increase local food production and keep seed stock of the major basic foodstuffs, primarily cereals, which can be drawn upon while arrangements are being made to augment supplies from foreign sources.

(a) At national level

The foodstocks needed for adequate food security vary from country to country depending on many local factors. In view of this it is proposed that an appropriate proportion of total production (e.g.

about 10 per cent, as a first step) should be set aside in the form of strategic national food reserves, to tide over food emergencies.

For food security to be effective the following measures are essential:

- establish a national food security policy and programme of activities;
- increase of food production;
- formulation of national food reserve policies and programmes;
- construction of storage facilities for cereal reserve stock;
- creation of grain reserves from domestic and external sources;
- strengthening of grain stock management;
- improvement of related marketing and transport facilities;
- improvement of crop forecasting and national early warning systems supported by improved national weather information;
- training of national staff in the above fields.

(b) At subregional level

The need for collective self-reliance calls also for the establishment of subregional food security arrangements in Africa. This approach has already been initiated in the Sahelian zone, where a concrete scheme has been adopted by the eight member countries of the Inter-State Committee for Drought Control in the Sahel (CILSS). This scheme, which with some modification may be applicable to other subregions, consists of:

- national stocks belonging to the countries individually, which are directly managed and utilized by them;
- subregionally owned stocks placed under the administrative and financial management of a subregional authority (new or already in existence), and involving stocks held by national and/or subregional institutions.

(c) International programmes

Since the World Food Conference of 1974, a number of international arrangements to deal with world food shortages have been started and those already in existence strengthened. Some of them are worth mentioning:

(i) The Global Information and Early Warning System on Food and Agriculture – including development in international markets, crop conditions and import needs of LDCs.

(ii) The World Food Council was established.
(iii) The Committee on World Food Security (Minimum World Food Security Plan at 17–18 per cent of annual world consumption which is 1.5 billion tons in 1981).
(iv) The Committee on Food Aid Policies and Programmes.
(v) The New Food Aid Convention (allocation target: 10 million tons of cereals agreed by 1974 AFC).
(vi) The International Emergency Food Reserve (target, 500,000 tons).
(vii) The ASEAN Food Reserve.
(viii) The Ministerial Council of the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS).
(ix) Food Security Assistance Scheme.
(x) World Food Programme (target: US$1 billion for 1981/82).

Adequacy of production is a necessary condition for any meaningful world food security situation. For Africa this is particularly urgent. The fundamental solution to the food security problem in Africa lies in increasing the availability of food produced in the region. Hence, rural development, increased food production, and the reduction of post-harvest food losses, are, in the long run, the most important components constituting a programme of food security.

5. POLICY RECOMMENDATIONS

In the short-term, there are urgent steps which need to be taken. These include increasing food availability, and improved food consumption policies.

(a) Increasing Food Availability

Recently, there have been a number of very serious developments in the global perspectives for the food and agriculture sector which will continue to have significant impact on the economies of African countries in the foreseeable future. Three of these features that are of immediate concern to Africa are as follows:

(i) the long term *decline in the share of primary commodities* in total world trade;
(ii) the rise in the share of *advanced countries in world exports of primary commodities*; and,
(iii) the increasing share of *developing countries in world imports of primary commodities*, particularly food. The decline

will further be experienced under conditions of stronger competition from developed economies. To aggravate this pending disaster, there is the embarrassing situation whereby Africa is increasingly importing more food items, not from among themselves, but largely from the developed countries.

In simple language, Africa in the 1980s is facing a declining world trade in primary agricultural products, the receipts from which most African countries depend upon almost exclusively, for their foreign exchange. Whereas food aid will have only a transitory impact, improvement in trade position for African countries, on the other hand, will not only improve their immediate balance of payments position but also their capacity to deal with the food situation.

Within the context of this group, therefore, the first and primary relevant short term marginal policy is an immediate improvement in the terms of trade of African exports in the world market, specifically by reducing the export restrictions, duties and export quotas on those exports, in order to improve the balance of payments position, among other things. To implement these policies, it may also be necessary to have concessional equipment, chemicals, etc. which is likely to be more effective than food aid.

Secondly, as part of short term marginal policies will be the implementation of the measures recommended in the Lagos Plan of Action and the short term action plan enumerated in the ECA document[4] presented to planning and finance ministers at the ECA Conference of Ministers in April this year. In summary, this document identified necessary action in the following areas:

(i) *Increased sociological awareness:*

The need for improved and better sociological change of attitudes to farming and agriculture is real and urgent and the mass media have always proved effective in matters of this nature. It is the governments' responsibility to immediately foster this public awareness.

(ii) *Reduction of food losses:*

The short-term efforts that could be undertaken will bring about an immediate increase of food availability by more than 10 per cent. These feasible measures include mass media campaign, improved market intelligence, increased surveillance of supply and distribution information for foodstuffs and drought through the use of remote sensing and early warning systems. A wide range of mass education and

domestic food crops preparation and processing will also be necessary.

(iii) *Improved storage and marketing institutions:*
There is a lot to be said for measures for improved agricultural marketing institutions generally and for food crops in particular, which, if undertaken with immediate effect will become useful assets, and serve as a pivot for subsequent measures. These efforts should embrace areas such as storage, distribution, and pricing, both for domestic, subregional and regional trade in food products.

(iv) *Increased food production:*
Increased food production is a desideratum and this must be vigorously pursued without delay through the use of better inputs, seedlings, other inputs, and improved cultural practices such as timely planting, weeding and harvesting including the effective use of chemicals wherever feasible.

(v) *Drought and flood control:*
The drought problems should be tackled with increased vigour. Governments should immediately undertake measures to stem further land and soil degradation as a preliminary effort to control and combat drought and flood. To save costs, such measures should be simple, inexpensive and should embrace mainly those materials using local materials and voluntary labour. The problem of drought and desertification can be assuaged through increased use of underground water for irrigation, particularly with the use of bore holes. This has the additional advantage of reducing the instability of food production arising from the present high dependence on rain-fed agriculture.

Other immediate measures recommended for combating drought and to avert future desertification would include the massive planting of trees and undertaking of anti-erosion and soil conservation practices, both at the national and subregional levels. This will improve not only soil fertility but equally the climatic and ecological environment, two highly desirable factors in the effort to increase food production on the continent, and the use of remote sensing.

Flood control lies in better exploitation of Africa's waterways, rivers and lake basins through regulating water levels to achieve an optimal use of common (intergovernmental)

rich potentials of the lakes and river basins for agricultural development including fish and fish products, and resources of the sea.

(b) Food consumption policies

In the AFPLAN studies jointly prepared by ECA and FAO, food self-sufficiency ratios (SSR) and nutritional levels formed the basis of nutritional standards set for improving the appalling dietary patterns in most African countries. It was appreciated that if Africa were to develop at a faster pace, it will face a higher rate of increase in food demand and will need to achieve the maximum feasible increases in food production. Analysis of this "better performance" perspective, that is, the Maximum Feasible Production Demand level, indicates that if African countries vigorously pursue appropriate strategies and receive adequate external support, the overall food SSR for Africa would improve to reach 94 per cent by 1985 and remaining at that level up to 1990.

(i) *Deficient dietary energy (protein) supply*

The traditional diet in some countries may be deficient in particular nutrients such as protein or vitamins, even though it may provide adequate energy (calories). Thus, the deficiency of protein has been observed in the root-based diets prevalent in some Central and Western African countries. In addition, even where adequate food supplies are generally available, particular groups are more vulnerable in meeting their nutritional needs. Although, on average, rural incomes are generally lower than urban incomes and there are many more of the comparatively poor in rural areas, studies in various countries have shown the existence of more serious malnutrition among the urban poor. Amongst the malnourished groups, post-weaning infants, children up to the age of five years, and pregnant and nursing mothers, are particularly at risk.

A general issue is to solve this problem through adequate price policies designed to achieve low staple food prices in urban centres, and simultaneously providing adequate incentives and equitable income to farmers. A low staple food price policy is usually supported for the welfare benefits of increased food consumption by the urban poor and rural landless labourers, the possibility of containing the pressure for industrial wage increases, thereby allowing higher indus-

trial profits and faster industrial growth; and lower labour costs of providing administrative and/or expanded welfare services. However, without a strong agricultural base, industrial development in Africa will be largely superficial.

(ii) *Accelerated urbanization*
Apart from subregional differences, the consumption of animal proteins is generally greater in the large urban centres than in the rural areas. The relatively higher incomes in the large towns provide the means for greater demand for the animal protein-rich food commodities. Nevertheless, rapid urbanization has also created a poverty-stricken urban class which is particularly vulnerable to malnutrition and undernourishment. The problem appears to be more serious in the oil-producing countries.

Perhaps the obvious answer to this problem, at this stage, is a free market. Improved domestic marketing will go a long way to balance total domestic supply and stabilise consumption. This, coupled with increased intra-African trade in food products, through the elimination of trade barriers between African countries, will clearly improve subregional and regional food consumption patterns, minimise hoarding and generate a more balanced supply and availability of food products.

6. INTERNATIONAL CO-OPERATION ON FOOD

While, in the final analysis, the long run solution to the food problem in Africa rests largely on the initiative and sustained efforts of the African governments themselves, the tremendous impact of international co-operation in the area of agricultural research, food aid, and trade is not to be underrated or ignored. International efforts would indeed need to be more vigorously pursued and funding facilities considerably expanded. Areas of particular relevance, at this instance, will embrace immediate, short run proposals, which are discussed presently.

(a) Areas of immediate action

These are the areas that require a most urgent action and immediate international support:

(i) *The food window*
The proposal by the World Bank to create special credit

facilities for governments that run into balance of payments problems, with respect to food imports, should be given international support as urgently as possible to alleviate the plight of the starving masses of Africa. The idea would be that each government would, as the need arises, be given special soft loans to facilitate the foreign exchange cost of food imports.

(ii) *Consistency of aid policies*
Many aid policies are not consistent both in duration and comprehensiveness. Sometimes, some aid programmes reflect inconsistency in objectives, and implementation is sometimes of too short a time span to make real impact. This therefore suggests that within the context of food and agriculture, aid should be adequately planned out for a reasonable length of time sufficient to attain the desired objective. The *ad hoc* approach of the past has had only little, real impact.

(iii) *Financial assistance*
To implement the agricultural sector of the Lagos Plan of Action, estimated to cost US$22 billion, massive financial assistance must be for clearly stipulated food programmes and projects. This approach will serve as an impetus for governments to focus clearly on desired objectives and appropriate programmes of work.

(b) Short run measures

The immediate action should be supported simultaneously with the short run measures some of which are mentioned below:

(i) *Trade liberalization*
Most African governments depend largely on one or two agricultural exports for over 60 per cent of their foreign exchange earnings. The share of African exports in this global trade has been declining and the terms of trade (reflecting low prices, export quotas and trade barriers) have been to the detriment of African exports, resulting in an ever worsening balance of payments crisis. If these restrictions are minimized, or completely removed, as the case may be, it would generate convincing feeling of direct assistance towards the improvement of the economic situation of Africa.

(ii) *Implementation of the AFPLAN*
The African Food Plan (AFPLAN) is estimated to need financial support of US$28 billion (1975 price) to implement the major recommendations. Within the context of Development of Assistance Fund (DAF), the role of bilateral and international organizations in assisting with massive financial and technical support cannot be overestimated, in terms of supply of materials such as fertilizers, chemicals and other inputs as well as equipment and machinery.

(iii) *International research institutions*
There is currently a Consultative Group for International Agricultural Research (CGIAR) which finances and implements research activities currently undertaken by international research organizations such as IITA, ILCA, ILRAD, WARDA.* Not less than four of these international organizations, IITA in Ibadan, Nigeria and ILCA in Addis Ababa, Ethiopia, IBAR and ILRAD, Nairobi, Kenya, have made a significant impact on agricultural research in Africa.[5] They have over the years been extremely useful in assisting, directly and indirectly, some of the member States in the areas of agricultural development. Two very serious handicaps inhibiting the effectiveness of these organizations are:

(1) Lack of a co-ordinated comprehensive approach to a long and short-term development of agricultural research in Africa, that is, lack of concerted effort in trying to raise the standard and effectiveness of national research institutions.

(2) Lack of co-ordination of the work of these institutions with other development policies and programmes of national, subregional and regional agricultural research institutions. Also the lack of forum for systematic consultation

*IITA – International Institute for Tropical Agriculture, with headquarters in Ibadan, Nigeria
ILCA – International Livestock Centre for Africa, with headquarters in Addis Ababa, Ethiopia
ILRAD – International Laboratory for Research in Animal Diseases, with headquarters in Nairobi, Kenya
IBAR – Inter-African Bureau for Animal Research, Nairobi, Kenya
WARDA – West African Rice Development Association, Monrovia, Liberia
CIMMYT – International Centre for Improvement of Maize and Wheat, Mexico

with other agencies, institutions, and governments concerned with agricultural development in Africa.

(c) The long run measures

It is important to reiterate the fact that the long run measures should supplement and not be inconsistent with the immediate and short run measures, both of which should ideally merge into the long run measures and be supportive of them. The following long run measures are focussed on the long run development needs for the food sector in Africa:

(i) *International price support programme*

There is a need for international support programme for the food sector, which should complement international trade in food products particularly cereals, livestock products, as well as inputs such as fertilizers, chemicals, veterinary drugs, farm machinery and equipments.

The programme should also incorporate the establishment of industries for the extraction, manufacture, distribution and effective use of these farm inputs at reasonable prices and the development of the capacity of African member States to manage and sustain these industries.

(ii) *Increased international funding for food projects*

Currently, there are a number of international and regional finance institutions assisting governments of developing countries with funds for food development. These institutions are constrained in their efforts by the lack of adequate expertise for project identification, formulation, implementation and evaluation in member States. It is important for the food development of Africa, that these financial institutions have available extra resources as well as special resources to enable them to assist member States in the massive training of indigenous personnel in the area of project analysis and implementation. And, in addition, the need for training in the area of management of food enterprises embracing imports distribution, agri-business management, food marketing, food storage and production forecasting can prove extremely valuable.

To sum up, it is difficult in notes such as these to cover everything. But, the objective here has been to identify the salient features of the food problems in Africa and to propose some practical and useful remedies and effective ways of resolving the food crisis in Africa.

III A Structural Approach to Africa's Food Crisis

Lecture delivered at the Hague Institute of Social Studies
13 January 1986

STRUCTURALISM, STRUCTURAL ADJUSTMENT AND STRUCTURAL CHANGE

First, let us begin by defining the terms structuralism, structural adjustment and structural change. And in doing this, let me express my indebtedness to Professor I.M.D. Little who in his recent book on economic development distinguishes between two broad categories of development economics – neoclassical economics and structuralism.[6] As Little points out, the word structuralism is not to be found in the earlier literature on development economics. It first came into use as an economic term with reference to the structuralist explanations of inflation of Latin America. Indeed, it was the Economic Commission for Latin America (ECLA) under the distinguished and indefatigable leadership of Raul Prebisch, that developed the structuralist theory of inflation. However, structuralism as an economic term was not completely absent from development economics literature as the initial set of structural hypotheses was formulated in the 1950s by writers such as Paul Rosenstein-Rodan, Ragan Nurkse, W. Arthur Lewis, Hans Singer and Gunnar Myrdal.

How then can we define structuralism? Let us turn to Little who has defined the concept in terms of visions of the world as follows:

> The structuralist sees the world as inflexible. Change is inhibited by obstacles, bottlenecks, and constraints. People find it hard to move or adapt, and resources tend to be stuck. In economic terms, the supply of most things is inelastic. Such general inflexibility was thought to apply particularly to LDCs. Peasants were hardly economic men and were stuck in the mud; people were ruled by custom and authority; entrepreneurs were lacking; and communications were poor ... As a result of poverty, demands, too, were inflexible, especially for food. If there was to be any development, the demand for

> imports would be highly inelastic, since capital goods must come from abroad. Demands also were inelastic, especially for food, for imports into developing countries, and for their exports. Such general inflexibility was thought to apply particularly to developing countries, but not exclusively so, for, as we shall see, there was much structural thinking about the adaptation of European countries to the situation in which they found themselves in the early postwar period.
>
> This alleged inflexibility was married to the evident fact that the production structure of developing countries was very different from that of developed countries. To achieve development, this structure had to be changed, and to achieve rapid development it had to be changed rapidly. The direction of the structural change required could be discerned by cross-country studies of the structure of production and trade. As development proceeds, these structures must approximate more closely to those of the MDCs (more developed countries).

As already indicated in the above cited quotation, the origin of structuralism may be traced to immediate postwar planning debate in Britain when the war-devastated Europe was trying valiantly to reconstruct its economy and several European countries had to introduce central planning to accelerate the process of structural change. Planning was espoused as a *sine qua non* because of the presence of a large number of disequilibria and the inflexibility of response to price incentives – i.e. structural maladjustment. And what Britain and the rest of Europe sought then was not the rehabilitation of their economies to pre-war level but a structural transformation of those economies. The Marshall Plan for the reconstruction of Europe itself encouraged this dirigiste approach to economic recovery. Fortunately, for Europe, as recovery took place, "the disequilibria, and inflexibility of response to prices, proved to be ephemeral, not chronic".[7] With this, structuralism disappeared as an issue in Europe and neoclassical economics regained its position as the "mainstream" economics which provided the basis for public policy. As we all know, the neoclassical vision is the very antithesis of the structuralist vision. "Neoclassical economics can be described as a paradigm that tells one to investigate markets and prices, perhaps expecting them often to work well but also to be on the watch for aberrations and ways of correcting

them. Perhaps the single best touchstone is a concern for prices and their role."[8]

Structural adjustment unlike structuralism arises from the need for an economy to respond to either internal or external shocks or both with the objective of regaining the pre-shock growth path of the national economy. These internal shocks (e.g. inappropriate policies, political revolutions and/or coups d'état) and external shocks (e.g. increase in oil prices, balance of payments disequilibria) may adversely affect growth unless structural adjustment policies are applied. The expression of 'structural' in this context "reflects the need for discrete, as compared to marginal, changes. Responding to these shocks will also necessitate a reordering of priorities as well as a reconsideration of policy instruments."[9]

Structuralism and structural adjustment must not be confused. The former implies the need for a fundamental structural change in the economy while the latter is aimed at enabling the economy to regain pre-shock growth path. Structural adjustment policies for engineering fundamental structural change are long-term in nature. While structural adjustment policies can aid the process of structural transformation, it can also inhibit it depending on the nature of the policy package put in place in the adjustment effort. Proponents of structural adjustment share a neoclassical vision of the world with its emphasis on flexibility in resource flow and utilization, on the ready adaptability of people to changing opportunities and prices, and with its assumption that the price mechanism can be expected to work rather well. It is not, therefore, surprising that structural adjustment policies constitute the main requirements of the IMF in extending the Fund Facility to developing countries. And the World Bank has for some time now supplemented IMF's effort by assisting countries suffering from external and internal shocks in carrying out Structural Adjustment Programmes (SAP) with Structural Adjustment Loans (SAL) for implementing a Bank-approved package of policy reforms.

A STRUCTURAL ANALYSIS OF AFRICA'S FOOD CRISIS

Unfortunately, one of the causes of Africa's underdevelopment and of its multiple crises is the pervasiveness of structural disequilibria. As was pointed out by the United Nations, in a study which was published in 1958,[10] the most significant development in the African economy since the beginning of this century has been the enlargement of the money economy involving the shift of resources from subsistence production to production for sale. As we all know, subsistence economies are characterised by (i) lack of specialization on a significant scale; (ii) stationary technology with production still being carried on by means of simple techniques and implements which have not undergone any substantial change over many generations; and, (iv) inadequacy of concrete government policies and investment programmes. These four characteristics are of course structurally related. Thus, specialization is a prerequisite for exchange as well as for development of skills and technological advance. And in the absence of such advance, expansion of output and consequently of marketable surplus will eventually reach its technological limit. Finally, in the absence of a market (i.e. domestic market) there will be no incentive for producing a surplus and no scope for specialization.

Although the African economy of today is far more sophisticated than and different from the static economy of the beginning of this century, fundamental structural transformation is yet to take place, and therefore, these features still manifest themselves. The dualistic nature of the African economies has persisted as these economies have remained fragmented with cleavages between the export enclave – modern agricultural sector and the mining sector – and the subsistence sector; between urban and rural areas; and between industry and agriculture. This dualistic nature of the African economies also largely accounts for their rigidities and inability to adapt significantly to changing circumstances. The underdevelopment of Africa's abundant natural resources is a consequence of these factors and, of course, at the same time the cause of its continued backwardness for, as everybody knows, the development of natural resources in order to promote an endogenous process of development is dependent, in the final analysis, on the indigenous productive capacity of a people.

There also exist enormous gaps between available knowledge of improved technology and the technological development of Africa.

Africa today, unfortunately, suffers from technological stagnation which in turn accounts for low productivity not just in agriculture but in all the other sectors as well. The lack of suitable and efficient techniques and the absence of development personnel and skills have a lot to say for the low productive capacity in African agriculture. The shortage of innovators and managers is a great barrier in the initiating and carrying out of new enterprises, the introduction of new and appropriate technologies, and in breaking up with previous patterns of development.

By suitable and appropriate technology, we mean the one which is technically and economically feasible, i.e. compatible with African agricultural farming systems, and which is also socially acceptable (compatible with community structures). In this connection, the "hardware technology" (machinery, tools, fertilizers, etc.) will not by itself be adequate for development since agricultural development is not mechanically undertaken alone. Rather, non-material factors which will impede the adoption and application of new technology must be taken into account. These include economic, social, political, cultural and institutional/organizational structures. It is to be noted here that for most of Africa, labour-intensive technology will be the ideal. This type of technology is, however, difficult to find in the international markets, and Africa has not yet reached the stage of being able to develop its own technology or to adapt existing ones for its use.

Other structural problems which face African agriculture include the land tenure and farming systems, lack of adequate research backups, and the burden of rural-to-urban migration. We shall come back to these later.

It will thus have become clear that any permanent and long-term solution to the food and agriculture crisis in Africa must address itself to the structural disequilibria that pervade the sector as well as the whole economy. In particular, the sharp bifurcation between the traditional and modern sectors must be removed; the excessive dependence on external stimuli such as foreign expertise, foreign technology and foreign trade must disappear; the pervasive inflexibility in the flow of resources and factor inputs must be eliminated; and, markets must increasingly mean domestic markets – dynamic and responsive – and not external markets. In other words, a fundamental structural change must take place. It is in the course of achieving such a structural change in the food and agriculture sector, that the African green (or is it brown?) revolution will take place.

NEO-STRUCTURAL FACTORS AGGRAVATING THE FOOD CRISIS

An analysis of the food crisis will be incomplete if we fail to take into account three factors which have aggravated the food crisis. These are environmental degradation, population crisis and, paradoxically as it may sound, food aid.

With the recent Great African Drought of 1983 to 1985 and the disaster that it wrought still fresh in our minds, we can no longer afford to ignore the relationship between environmental deterioration and agricultural stagnation. Indeed, there is an urgent necessity to move from rhetoric to concerted action in removing the constraints that the African environment imposes on food and agriculture production.

The first area of focus is to put an end to soil erosion which has been caused by overcultivation, overgrazing and deforestation and which in turn are leading to the prolongation and the intensification of the dry spells.

Even worse, is the fact that stripping vegetation from the soil allows the wind to throw more dust into the air. This dust reduces the amount of sunshine reaching the earth's surface, with consequent rain-reducing effects. The devastation that could be brought about by soil erosion was forcefully demonstrated by the experience of North America in the "Dust Bowl" of the 1930s which had turned the rich farmland of the central plains of the United States into an agricultural wasteland. The growing aridity in Africa together with the dust clouds of the expanding desert makes the African situation comparable to that of the areas affected by the Dust Bowl in the 1930s – where land became parched from an extended drought and the wind kicked up dust as it now does in the areas of the Sahel. African governments and farmers will therefore have to do what the Americans did more than half a century ago by adopting a far-reaching soil conservation policy, reclaiming the once productive land, and by combating desertification.

It is commonly agreed that there is a population problem in Africa. Although Africa has experienced and is still experiencing the highest rates of population growth, it is far from being an overpopulated continent. The average population density of Sub-Saharan Africa is only 16 per square kilometre. This compares favourably to 100 and 225 per square kilometre in China and India respectively. There are even large pockets of human infertility and

low fertility throughout Central Africa: in Cameroon, Central African Republic, Congo, Gabon and Zaire.

Nevertheless, Africa faces a population crisis not just because it is increasingly unable to feed a growing proportion of its population from its own domestic production but also because – and more importantly – it does not have the productive capacity to earn the wherewithal to command its additional food requirements through commercial imports. Whereas its population has been growing at the rate of 3.1 per cent per annum, its food production has increased annually at the rate of 1.7 per cent. Whenever there is a drought-induced emergency, the food aid-cum-imports dependency increases considerably further.

African population pressures come not only from rapid growth rates but also from migration as well. African governments live in cities, and, not surprisingly, their policies favour the cities. As the 1984 report of the Overseas Development Institute puts it,[11]

> It is now generally accepted that policies followed by many African governments have contributed to reduced farmer income and incentives, especially overvalued exchange rates favouring imports, heavy taxation on export crops, inefficient state marketing and other agricultural service organizations, subsidised food imports and food aid. Urban incomes, often indirectly derived from agricultural taxation, are substantially above those of the farmer. Cheap food in the cities, where other social amenities and consumer goods are also concentrated has contributed to rural-urban migration.

Paradoxical as it may sound, food aid appears to have contributed to the aggravation of the food crisis. Food aid as a remedy for critical emergencies cannot be faulted. The battle to save lives, to ameliorate suffering and to reduce the impact of hunger and famine on the affected population not only makes food aid inevitable in emergency situations but also makes it an imperative necessity. However, when food aid becomes the permanent, soft option to bringing about the structural transformation of the agricultural sector so as to achieve food self-sufficiency, it becomes counter productive. As the Presidential Commission on World Hunger noted in its final report,

> At best, there is an inherent contradiction between food aid which increases the dependency of recipients upon donors, and measures to increase purchasing power and basic food pro-

> duction within developing countries themselves ... In some cases, food aid undermines the efforts of recipient nations to develop a more self-reliant base of their own. Food aid has also enabled some recipient governments to postpone essential agricultural reforms, to give low priority to agricultural investments, and to maintain a pricing system which gives farmers inadequate incentives to increase local production required for greater self-reliance in basic foodstuffs.[12]

A STRUCTURAL SOLUTION TO AFRICA'S FOOD CRISIS

It is clear from our analysis so far that the African food crisis is part and parcel of the general but fundamental development crisis faced by Africa and that this in turn is due largely to Africa's failure to achieve a major structural breakthrough in its economy. Therefore, an enduring solution to the food crisis can only take place within the context of a structural solution.

As far as we are concerned in the ECA, the two pillars around which the structural transformation of the African economy must be built are the principles of self-reliance and of self-sustainment.

In the case of food and agriculture, let me quote, *in extenso*, from what I said on 20th June, 1979 in an address to the Preparatory Committee of the General Assembly for the International Development Strategy for the United Nations Third Development Decade:

> ... much greater attention would have to be paid to food supplies as well as to agricultural raw materials for industry. Much more work would have to be done on soils research and mapping, on water resources exploration and evaluation and on agro-climatology. Thorough reviews would be required of the organization of research and development in agro-biological, agro-chemical and agro-mechanical areas and of the means by which priorities are chosen, programmes established and funded, resources mobilized, and results communicated effectively to both farm supply organizations and to farmers. The local structure of farmers' organizations as a necessary complement to centrally organized policy-makers, planners and programmers and suppliers would have to be overhauled and a fresh look taken at the links between global, regional, and national research and development organizations. The two-way channels through which new knowledge and established experiences, credit and new forms of tech-

> nology for predominantly small-scale farming flow would have to be reconsidered. So also would rural industrialization (associated with rural township and imaginative human settlements policies) designed to provide complementary resources and services for agricultural production and for general rural development and to take advantage of local comparative advantages in producing parts and components for central plants.[13]

Six years after this statement had been delivered, the African Heads of State and Government in their response to the African economic crisis, exacerbated by the drought-induced emergency, adopted African Priority Programme for Economic Recovery 1986–1990 whose immediate emphasis is on the food and agriculture sector and whose approach is structural. In other words, the promotion of the recovery of the sector is seen within the context of the structural transformation not only of the sector itself but also of the economy as a whole. Inter-sectoral linkages and balances are emphasised. Thus, while food and agriculture constitutes the centre of the *Priority Programme*, its structural linkage is clearly established with the industrial sector (for the provision of agricultural implements and tools, fertilizers and pesticides and also in processing agricultural products); the transport and communications sector (development of feeder and access roads for the marketing of agricultural products and the supply of basic inputs and essential consumer goods); infrastructural facilities (provision of rural health and education services and public utilities); research and development (including facilities for transmitting R and D results to potential users, the institutional devices for marketing and distribution); and, human resources development (training of workshop operatives, farmers, supervisors, and highlevel managers, restructuring the subject offerings in second – and third – level educational institutions to increase their relevance to the promotion of structural change as well as become more practical and less theoretical).

Thus, the current food crisis in Africa, grave as it is, must be seen as a reflection of the structural disequilibria and paralysis that the whole African economy is suffering from. Africa is today paying dearly for its failure to achieve a structural transformation of its economy since independence. The Lagos Plan of Action attempted in 1980 to lay down the framework for engineering such a transformation in the long run. The *Priority Programme 1986–1990* has

focused on structural transformation of the food and agriculture sector and with it the rural sector. It is to be hoped that the international community will lend its full support to African governments in the full realization of the objectives of the *Priority Programme*. In this connection I would like to join the Committee on African Development Strategies, chaired by Lawrence Eagleburger and Donal McHenry, to fervently plead that "Africa must be helped to help itself ... and (that) those who would help ... must act quickly."[14]

IV Managing Rural Development in Africa

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If economic development is to be self-sustaining and internalized and if national self-reliance is to be realized, integrated rural development must be pushed at all levels of government and adequate resources must be allocated for this purpose. Development to be realized must be grassrooted and properly managed. Hence the importance of an effective management of rural development. While African Governments have for decades talked a lot about their rural development programmes, we know that, in terms of results, only lip-service was paid to the significance and the potentials of rural development and very little was actually accomplished. We also know that our transport and communications systems were all organized and managed not with the view to opening up the rural areas, but in order to provide convenient outlets for the rural exportable products to the sea ports and thence to the metropolitan centres. Similarly, the development of education and other social services was directed primarily to meet the needs of commercial and urban centres.

Thus, for ages, our African village communities lived their own lives without being closely integrated with national government and other aspects of the greater society. The villages and the bulk of

peasant farmers played only a marginal role in the money economy; and their physical and institutional isolation kept them completely out of the mainstream of the national development process and modernization effort. This is not to say that with money derived from their export earnings rural inhabitants have not slightly improved their living standards. The point being emphasized is that rural development has been marginal, piecemeal and ineffectively managed.

You will therefore appreciate why the centres of economic activity and of relative prosperity in our African countries today are mainly the towns and the few economic enclaves, such as a gold, diamond or manganese mining township, a coffee or tea plantation, or a timber and saw-mill location, and the headquarters of local and central administration. The rest of our vast region consists of a network of isolated villages, which grow a few export crops or depend almost entirely on subsistence farming. Thus, in contrast to the outstanding progress made in our African towns and cities, our rural sector has so far practically remained at nearly the same low level of living as in the pre-independence days. Apart from the fact that this constitutes a social injustice in itself, it has created a number of problems which have severely slowed down overall economic development, affecting the entire national population. The low level of living of the African rural population has been an important reason for poor crop yields and low productivity on the farms. It has also been responsible for the slow development of other economic activities.

I am prepared to concede that political independence and self-determination have generated new ideas and methods for bridging the gaps which existed between "governments" and "the governed", and between our relatively flourishing cities and our stagnating countryside. But, I throw it as a challenge to you to determine whether, by and large, the pre-independence institutions and the management procedures of governmental agencies have actually undergone any radical reforms, in order to cope more effectively with the management of rural development and integrate the rural areas with the rest of the economy.

When we examine the policies and development plans of most African Governments since independence, we clearly find that a great deal more attention is being paid to rural development than was the case during the pre-independence period. The rural sector is more and more being recognized as the key sector in African development; and more and more African countries are attempting

to do something about it. The arguments advanced in favour of rural development are sound and irrefutable. This is so, not only because of the importance of the great weight of the population engaged in the rural sector, or even because of the present high share of national income accruing from agriculture; but particularly because the potential and the possibilities of development are much greater in the rural sector than in the other sectors. Roughly 80 per cent of the population of our Africa region is occupied in the rural sector; and the rural areas to be developed constitute more than 90 per cent of the available land. But there is still an excessive reliance upon the traditional subsistence economy, which acts as an obstacle to the achievement of any high level agricultural productivity and of the much needed improvement in standards of living, nutrition, education and health of the African rural communities.

Apart from the fact that rural activities at present occupy and will continue, for a long time, to occupy the larger part of the economically active population in all our African countries, they are also the main source of foreign currency for purchasing the much needed capital goods upon which our governments rely for accelerating their development programmes. What is more, our rural sector constitutes the main, if not the only, source of raw materials for existing or projected industries, which are themselves dependent upon the expansion of agriculture.

When we look more critically into agriculture, we find that, in most countries of the region, agriculture has tended to prove difficult and problematic, on account mainly of technical, human and social factors. In many instances, shortage of water supplies, poor and inadequate communications and access to market centres, human and animal diseases, and inadequate credit facilities have constituted serious constraints to rural development; so have the general scarcity of technical services and traditional resistance to change. Agricultural productivity has been limited by communal and other systems of land tenure, traditional methods of exploiting the land, local attitudes towards keeping and selling of livestock and fragmentation of holdings.

What is more, we find that the agricultural and co-operative ministries, the agricultural development corporations, marketing boards and the rural community development services in the English-speaking countries of our region – as well as the *Animation Rurale* and the intensive production support programmes provided by development corporations in the French-speaking areas – are all organized as vertically streamlined controlled units. They are

often not well co-ordinated with other parallel rural development units in the field. Even if they reach the community level, they do not mesh well with each other and with the extension services of education, health and nutrition. And there is much duplication of effort.

This failure to co-ordinate the various programmes reaching the community level, coupled with the tendency to spread available services too thinly, has led to the general situation where the average farm producer does not have access to either the proper combination or quality of institutional facilities and services he must have to increase his production and income.

Added to these general problems and obstacles are the special difficulties brought about by foreign settlers, who have (under colonial regimes) competed with indigenous populations for the use of their land; by the pressures of overpopulation in a few countries of the region; and by the more serious problems of what has come to be called the "rural exodus" of the productive group of the rural population.

If we turn to *land tenure*, we find that the problems connected with land holding and land use are very diverse, since, in the various countries of Africa, land tenure and usage systems are determined by different tribal, political, historical and economic factors. Improved agricultural production techniques require suitable land tenure arrangements. Improvement of land tenure usage systems can play a multiple role in promoting rural development and progress. By itself, as a means of achieving rural welfare objectives, it can provide the necessary security and inducement which are essential if rural communities are to be established and to function effectively.

Some systems of land tenure in Africa have, in another way, acted as an obstacle to the proper expansion of credit institutions, because of the confusion often created by titles or deeds of ownership in a system that invests ownership of property in a group rather than in the individual.

Food storage methods in most African rural areas are still primitive, resulting in heavy seasonal losses in farm yields. Consequently, to enable rural production to meet the increasing demands from urban centres, measures should be taken to stimulate increased productivity per farmer, and to make use of practicable but inexpensive storage devices to preserve what has been produced, for a more even distribution of supplies.

Health improvement is fast becoming a regular feature of rural

development programmes in the region. In recent years, through the use of drugs, the development of health centres and clinics, education and extension service in preventive measures, and the launching of campaigns against various forms of diseases and malpractice, some improvements have already been made in the health of rural communities throughout Africa. These improvements are reflected in the decrease in the mortality rate and the rapid growth of population in recent years. But, despite these gains, general health conditions of the rural population are still very poor – the average life expectancy in this sector is exceedingly low and the mortality rate is still very high.

Education (both formal and out-of-school) has come to be recognized as the keystone of any realistic rural development programme. Agricultural advance is not possible without the full involvement of the younger generation, the women and the adult farmer. This is necessary to enable the rural family as a whole to work effectively in improving the rural environment, productivity and, ultimately, their own welfare.

In this regard, we should agree fully with those who consider that at this stage in African development, the primary contribution of education should be the inculcation of particular attitudes to work and living conditions which directly raise productivity and efficiency in labour utilization, as well as facilitate the necessary institutional reforms. This, you will agree, is one of the main objectives of adult education. Considering that the large reserve of our African labour force, upon which our Governments will depend during the next five to ten years for the execution of their national development plans, is illiterate and not easily responsive to the modernization process, it is logical that a concentration of our education programmes should be directed towards this bulk of latent adult labour force upon which our countries immediately depend for development. Investment in adult education can make an immediate impact on African development, whereas an indiscriminate expansion of primary school enrolment and other formal education programmes can have the effect of distorting priorities in the allocation of scarce capital resources and delaying the developmental effort.

If we turn our attention to community development, we do not see that the problems and the prospects are any better. There are still many concepts and systems of the pre-independence era which our Governments have unconsciously carried into the present administrative systems for coping with their rural development problems. Some of these have tended to produce certain rigidities

in policies and programmes, while others have forced our administrators into partisan attachments to one form of system or another; and they have not sufficiently yielded to much realistic reassessment of their true worth in contemporary African conditions.

Community development programmes have, since the World War II, been inaugurated in all the English-speaking countries of Africa, with interesting similarities and differences in administrative structure, in programme emphasis, in levels of staff and training facilities and in their place within the national development plan. During the last decade, an effort was made by some French-speaking African Governments (notably, Morocco, Algeria, Senegal, Niger and the Malagasy Republic) to infuse popular participation of local people into the task of their socio-economic development programmes. This movement, which has been strongly backed by the French metropolitan government, has come to be known as *Animation Rurale*. Its objective, like that of community development, is to "animate" all sectors of the local population into development activity.

In most instances, the community development or the *animation rurale* programme commenced with a small pilot scheme in a small rural area. But sooner or later, it extended to a wider area. In some regions of the world, as in India, Pakistan, the Philippines and Afghanistan, the programme quickly developed to become part of a large integrative plan involving several key ministries engaged in rural development. In other countries, notably in Africa, the programme has stayed put under the administration of one ministry and has acquired all the prestige and the necessary trappings of a functional professional agency of government. Like the organizational structure of the agricultural services, the community development programmes are organized as vertically controlled units. They are not well co-ordinated with the other rural extension services of agriculture, health, nutrition and education; and they even endeavour to compete with and duplicate the efforts of those other extension services.

So far, I have only examined some of the reasons why the rural sector has come, in recent times, to be recognized as the key sector in African development, and what problems are being encountered. The more difficult aspect of this address is to examine critically how our various African Governments are tackling the problem of rural development, what essential strategies they are employing, and with what success, and what are the pressing administrative and

management problems which confront them in their rural development programmes.

I have already pointed out that some of the rural development programmes operate under such labels as *Animation Rurale* (in some French-speaking countries) or Community Development (in the English-speaking countries). Others have taken the form of extension services and facilities, operated by individual government agencies, in such fields as agriculture, education and training, health, nutrition and social welfare.

In the United Arab Republic, some attempts have been made, at their rural Combined Units, to combine and integrate the services of rural education, health, agriculture and social welfare, in a comprehensive fashion at a rural centre. In other countries, rural development ministries are being established for the same purpose. Some countries, notably on the West Coast, are beginning to follow the FAO scheme of Agricultural Development Centres which can be incorporated into more comprehensive Rural Development Centres, to deal with all aspects of rural development. Many East and Central African countries have designed multi-purpose training centres, at local and district levels to provide support to their rural transformation programmes which derive their impetus and popularity from such political philosophies and slogans as *Ujamaa, Harambee* and "Self-Reliance".

You may wish to note that, in recent years, a number of African countries have tried to initiate agricultural/rural development programmes based on the integrated approach. The ZAPI (Zones d'action prioritaires intégrées) in the United Republic of Cameroon, the Integrated Agricultural Development Projects in Sierra Leone, CADU and WADU in Ethiopia, the integrated development action in Northern Togo, are but some examples of what has been done, and from which some lessons could be drawn. The 60-year old Gezira scheme in the Sudan is another more striking illustration of a comprehensive approach to rural development.

Both in the formulation and implementation of many of these programmes, various obstacles have been encountered. Some of these have been identified as *organizational or administrative obstacles* – involving duplications in the patterns of organization of the people; unilateral approaches to reorientation of existing institutions or the creation of new types of institutions which will make voluntary community action fully effective and which will provide the necessary channels for regular governmental services.

Others have been identified as communication obstacles – involving the changing of such age-old attitudes and practices as are obstacles to social and economic improvements; acquisition of knowledge and new skills; incentives; and the promotion of greater receptivity to change.

In most African countries, several ministries or agencies are simultaneously involved in various aspects of rural development and extension services but their activities are seldom coordinated. Each service or project is usually implemented under the exclusive responsibility of one ministry and is insufficiently co-ordinated with other areas of activity which fall within the competence of the other ministries. Thus, the ministries of community development have had exclusive responsibility for a network of services at the village level which they claim are capable of developing the rural community. The ministries of agriculture, education and health have likewise made exclusive claims for their respective extension services in agriculture, in rural education and in rural health. In the circumstances, the lives of the rural communities have been rudely compartmentalized in order to prepare them to receive these services projected separately from the service headquarters. Governments' requests to international agencies for technical assistance projects seldom deal with more than the specific sector with which their request is concerned. Consequently, insufficient data is given on the status of aspects of the project which fall under other sectors, but which are essential to the success of the requested project.

At the international technical assistance level, the philosophy and approach to rural development by the various United Nations agencies have so far been divergent; and, in some cases, even conflicting and confusing to recipient governments. Some agencies overemphasize community and general social development (community development or *animation rurale*) approach, without comparable emphasis on increased agricultural production and incomes. Other agencies tend to place too much reliance upon production, with almost complete neglect of the social, human and institutional factors.

Rural development involves a great deal more than agricultural production although we accept the fact that the economic base of most African rural areas depends on agriculture. Similarly, rural development involves much more than teaching the rural people to read and write, or building roads, clinics and schools, or any of the other rural sectors promoted by any one extension discipline. The

very concept of rural development demands the due application of the accumulated knowledge and organization of government as well as of the international services in an integrated, rather than in an isolated or fragmentary way. Such an integrated approach has the primary objective of the mobilization of human and material resources in the rural areas, with the view to stimulating all-round growth in the rural sector and generally improving the living and work conditions of the rural population. If it must be based upon an interdisciplinary and interagency approach, then it stands to reason that African countries must reconsider their present sectoral extension services and their traditional governmental structures which promote them. They need to design a new machinery and a new strategy which would accommodate, in an *integrated fashion and at each local level*, the major national technical services which have essential contributions to make to rural development. Such technical services which, by extension to the village and rural communities, can make contribution to rural development are: agricultural services (including credit and agricultural co-operatives), rural health and nutrition, public works, community development, and adult education and mass media.

As you will no doubt have already noted from what I have so far said, the most crucial stage in rural development is unquestionably the implementation stage.

By experience we know that plan formulation and plan implementation are two inseparable processes. The problems and difficulties that transpire during implementation have called for a more realistic planning. Any plan or policy, however theoretically laudable, is bound to fail if it does not take problems of implementation into consideration.

Quite rightly the rural people have neither faith in, nor respect for, ambitious plans that will not bear any tangible fruits. Therefore, unfulfilled promises that escalate the expectations of the rural masses (whether these promises are embodied in so-called development plans or not) have proved costly in that they have widened, rather than narrowed, the gulf between government and rural masses and have made the latter even more distrustful of the former. In consequence, governments find themselves, not infrequently, fighting an uphill task in winning back the confidence of the rural masses in order to free them from the sense of isolation that befalls them. Thus, while preaching to the rural masses to discard their traditional beliefs and methods, we the academicians and practitioners involved in the administration of development, should

change our own set ideas about planning for rural development. The plans that are formulated without prior consultation with the people for whom they are presumably made, and which are brought down from above for implementation at the grassroot level, are doomed to failure from the outset because such plans fail to consider the political, social and cultural realities that exist at the loci of programme delivery. The rural masses should be brought into the mainstream of the development effort and should be allowed to speak their minds as to what they want. Of course, it is possible that they may have their priorities wrong, but this should not be used as pretext to deprive them of the opportunity to speak on matters which affect them so deeply. They should also be encouraged to participate in the actual planning and in the implementation of the required action.

The management of rural development is a difficult undertaking. Most governments in Africa have established "bounded-site" projects in some rural areas, mainly for their foreign exchange earnings capacity. A number of settlement and irrigation schemes, which fall within the category of bounded site projects, have also been tried. Such projects, although they are rural development projects, are run from the centre and have a large foreign aid component, both in terms of finance and in terms of technical expertise; their management is almost invariably centralized and technocratic. In addition, they are generally independent of field administration and are directly linked with the centre because of the high political priority attached to them. Sectoral programmes for rural development have also been launched from time to time but they are likewise almost exclusively run by the central government. We find that those rural development projects which do not have high political priority do not receive a fair share of budgetary allocation and good administrative and technical staff support and, at times, they are abandoned rather prematurely when they fail to yield quick results.

One of the main factors that fail rural development schemes is the concentration of the best qualified administrators, technical personnel, professionals and skilled men in the cities where there are adequate social amenities and where they can easily catch the eye of their superior officers. These people are discouraged from going to the field because there are no incentives to induce them to go there. First, adequate housing is not available in rural areas for such staff. Second, going to the field often involves separation from family. Even when it is possible for the rural development worker of the professional class to take his family with him, he will

most certainly worry about the health and education of the family because facilities for such services are either inadequate or totally absent in rural communities. Third, rural development requires a great deal of patience, hard work, perseverance and a deep understanding of the traditional behaviour and idiosyncracies of rural communities. Finally, the rural development worker feels that he has been thrown into oblivion because he is often forgotten and his work often passes unnoticed and unappreciated by his superiors. These difficulties impose a heavy burden on the rural development worker and require him to make sacrifices which he simply cannot, especially if he has a family. For these reasons, qualified and competent staff have managed to avoid being posted to the rural areas. And even those few who do not succeed and are posted to the rural areas achieve little, if anything, because they are demoralized by lack of incentives.

Therefore, a major factor in the lack of attraction of rural communities for qualified staff derives from the piecemeal approach to rural development and the lack of essential components or amenities (housing, medical, educational, commercial, etc.) in planning rural development.

Of special significance to the management of rural development is the institutional framework. This may, of course, be directed by ideology. In the socialist systems, for example, the Party may have branches throughout the country which exist collaterally with government departments and which play a significant role not only in mass mobilization for rural development but also in the choice of priorities. In such systems, we see a fusion of field administration with local government. In other sytems also, it is possible to have field administration and local government institutions exist side by side and maintain a symbiotic relationship.

Both field administration and local government play very important roles in rural development and a partnership between them represents a partnership between government and the people. Unfortunately, however, we often find that the structures of one kind dominate those of the other. A conflict between field administration and local government is often the cause of stagnation; or even deterioration at times. But we know from experience also that there can be a crippling conflict within field administration; and this conflict is almost invariably between the generalist administrator and the specialist officers. The roles of these two types of field officers are of vital importance to rural development. The generalist administrator has been in the field, as we all know, long before the

advent of the specialist and has therefore consolidated his position and achieved a fair measure of trust and acceptance. The aspect of the field generalist's role that bears special relevance to rural development is the fact that he has developed a knack of communicating effectively with the rural people. There are instances in which the specialist fails to acquire popular acceptance for his programmes and calls upon the field generalist to come to his rescue. On the other hand, development requires technical functions to be performed and this is where the specialist's presence becomes a matter of utmost necessity. I do not think we can argue therefore about the complementarity of the roles played by the generalist and the specialist in the field. The only snag here (and I am afraid it is a big one) is that this complementarity is not always in evidence in practice and the relationship of these two types of officers is often marred by conflict.

We find in our African countries local councils which were established as agents of rural development. The tragedy is that many of these are on the brink of insolvency, if not actually insolvent and receiving subventions just to be able to pay their staff. Yet, invariably, we find that these councils must remain in existence because their abolition may entail a heavy political cost for the government. Even where the council is in a good financial position, stagnation may be due to poor staffing and the low quality of councillors. The low quality of staff and councillors owes its origin mainly to the absence of a genuine decentralization and this is due partly to the acute shortage of high calibre staff. Paradoxically, however, it is this low quality of staff and councillors that discourages the devolution of meaningful functions to local councils.

I regret to say that genuine decentralization is not very much in evidence in most of our African countries. Deconcentrated central departments generally lack the authority to cope with situations that require summary action and are therefore discouraged (some would perhaps say forbidden) from improvising. But in rural development what is needed is more than mere administration. The officers in the field (generalists and specialists alike) become teachers, trainers, and salesmen to spread the idea and techniques of progress among tradition-bound rural inhabitants. Moreover, field work is such that no two situations are exactly the same and much will depend on the judgement of the man on the spot and his ability to influence the attitude of the people towards development projects. Once he is bereft of discretionary power he will tend not to rely on his judgement and to refer everything to a higher authority. This will only

reinforce the attitude of fatalism and resignation on the part of rural communities. I think you will agree with me that few things are more damaging to rural development than this.

Local councils are not by any means the only machinery for mass mobilization. Political parties play a major role in this because the process of mobilization includes a measure of politicization which the political parties are better equipped to perform. Hence the role of political parties as agents of social and political change which no doubt has a bearing on rural development. It must be admitted, however, that it is through local councils and village committees that the people can have a real opportunity of managing their own affairs, provided there exists genuine decentralization. Governments must avoid being paternalistic and must truly involve the people in their own development; otherwise, they will inculcate in them a sense of dependence which could have far-reaching consequences.

In the management of rural development, there can of course be no escape from evaluation. We need to evaluate policies, targets, strategies, performance and the extent and quality of popular participation. Evaluation is necessary for the improvement of performance, for policy review and development, for the determination of replicability and for the examination of costs and benefits. But evaluation is difficult because there are many things that cannot be expressed in quantifiable terms such as popular enthusiasm, putting across new ideas to local populations and the quality of educational programmes. It is also difficult to evaluate performance because of the many factors that seem extraneous, yet bear on the performance of employees; for example, family illness, worries about the future of children and other factors affecting employee morale. With all its imperfections, however, evaluation is necessary because, in the light of it we review policies, reset targets and discover gaps in performance. Information feedback is also necessary whether it is part of evaluation or not. If after evaluation, a programme is found to be successful in one area, the feasibility of replicating it elsewhere can then be studied. It is for these reasons that more attention should be given to evaluation and to providing the necessary administrative and technical capability for undertaking the task involved as an integral part of the rural development programme.

V Statement to the Regional Meeting on Problems and Needs of Africa in Community Water and Sanitation

Addis Ababa 4 August 1980

The subject of our meeting today is one that has a significant impact on the life of every man, woman and child. Safe water supply and sanitary disposal of wastes are essential components in primary health care in particular, and overall socio-economic development in general. There is in fact no single measure that can so improve the economic and social progress of a community as the improvement of health consequent upon the provision of ample and safe water supply and sanitary services. To mention just a few of the direct benefits: the demand on scarce health services is reduced, the improved output of the healthier labour leads to improved yields, the release of women from the drudgery of carrying water over long distances permits them to engage in other more productive tasks, and the greatest number of preventable mortalities and sickness of children attributable to lack of sanitation would be avoided. I would however like to recall that the situation of this vital sector in many countries in Africa is extremely unsatisfactory. We have noted at the African Regional Meeting in 1976 that nearly two-thirds of our population do not have reasonable access to safe and ample water supply, and an even greater proportion lack the means of hygienic waste disposal. During the Habitat Conference at Vancouver in 1976 and later in 1977 during the UN International Conference on Water Supply at Mar del Plata, governments committed themselves to take steps to provide reasonably safe and ample water supply to all their population by 1990. An Action Plan was formulated in terms of which the Decade will see the implementation of national plans. The period since 1977 was meant as preparatory to enable the governments to work out the necessary plans for implementation during the Decade. It will, therefore, be incumbent upon us to assess the preparedness on the part of the governments in regard to current status of community water supply and sanitation, and to work out a programme for implementation of specific plans and projects during the Decade at the national, subregional and regional levels.

In this connection, I wish to invite your attention to the current status contained in the report presented by the World Health Organization following investigations conducted in 46 African countries. In its report, WHO points out that "the sector has not received high priority by the majority of the countries in the past and that substantial increase in national commitment, as well as external technical and capital co-operation, are required to register the needed improvement". The report further points out that "the national sector plans in terms of the Decade's goals need to be developed in 40 of the 46 countries. In all countries, planning mechanisms are reported to be absent". Some 30 countries indicated the need for external co-operation in project identification and 20 countries in project preparation. The current status of manpower is listed as a severe sector deficiency or constraint in over 90 per cent of the countries. 50 per cent of the countries showed the need for institutional reorganization. 20 countries are stated to be experiencing deterioration of existing systems. In one country, the rate of deterioration is equal to the rate of new construction. In several countries, the present set up in the sector is reported to be incapable of effectively utilizing already available capital assistance.

The WHO report presents a dismal picture. If progress is to be registered, it is obvious that something dynamic requires to be done. A new sense of urgency and a new sense of purposive dedication are called for. It appears that routine resolutions and routine action, as before, will not lead us forward. The designation of the Decade is meant to generate a new enthusiasm. A new approach and concerted effort on the part of all national and international organizations must be brought in.

A great sense of urgency is required in preparing national plans, in order to provide realistic targets for the Decade and to work out a methodology for monitoring their implementation. In the absence of such plans or projects for the Decade, as is the position in many countries at present, no meaningful targets can be fixed for the Decade and therefore no monitoring can take place. We have lost time in preparing these national plans. These plans were meant to be ready today in order to be implemented during the Decade. But if we start making the plans during the Decade, naturally we start the decade with a handicap. Therefore, redoubled vigour is called for, particularly in the initial years of the Decade, in order to make up for the lost time. There has been a suggestion in the WHO report, for the constitution of National Action Committees and it seems a

good suggestion for your consideration. An important task for this meeting is the preparation of programmes of action at the national, subregional and regional levels including proposals for the establishment of appropriate institutional mechanisms for co-ordination and monitoring of progress at all levels, and indicating specific requirements in respect of capital, manpower, institutional reorganization and technical assistance and advisory services in this sector.

The supply of water to communities is often from two main sources, namely surface water in streams and rivers and ground water. Current knowledge of these sources is far from complete. In fact, it appears from the results of the ECA cartographic inventory of relevant surveys, that there are a number of serious gaps in current knowledge. It is also apparent that ground sources are untapped in places while they are over exploited in others.

Ground water is the sole source of supply in arid parts of Africa, and the need for a more accurate assessment of the available supply in these regions therefore is a matter requiring urgent attention.

It goes without saying that the control of the quality of community water supplies is of no less importance. Programmes of actions in respect of community water supplies should therefore contain measures for effective monitoring and control of pollution and contamination.

The problems of manpower require a fresh approach. The need is for well qualified personnel who would be prepared to work in remote areas under difficult work conditions. Efforts are needed to attract better quality technicians to work in the sector of community water supply and sanitation. Adequate training is of course necessary at all levels. At the university level, it may be appropriate to introduce the subject of hydrology early in the curriculum. With regard to sub-professional level staff, there is need to arrange intercountry programmes for this purpose and to consider the advisability of establishing training institutions on a sub-regional basis.

To maintain efficiency of service, it would be desirable to work out interregional research programmes in which experts from various countries would collaborate in studies of water assessment, control of water quality, development of appropriate technology, the standardization of equipment and the provision of maintenance facilities.

It is commonly recognized that major constraints in the water supply and sanitation sector are institutional, organizational,

managerial, and financial, rather than technical. The point I wish to emphasize is that a major thrust can only be achieved by involving the people at large. I am now referring to what is commonly called community participation. This should no longer remain a mere slogan. Mass campaigning for mobilization of the people at large should be promoted in order to motivate active community participation. Community participation need not focus only on material and labour contribution, but should be oriented towards making the community feel that the installations are there because they desired them, and that it is in their own interest to attend to their proper use and maintenance. People from villages, districts and provinces should therefore be involved in the planning, construction, operation and maintenance of the water supply and sanitary installations. The endeavour should develop into a national movement in which all sections of the community have a role to play. This broad-based character of community participation should be reflected in the various committees both in the national as well as the regional level.

VI Address to the Meeting of African Intergovernmental Group of Experts on Aspects of Application of the Provisions of the United Nations Convention on Law of the Sea

Addis Ababa, Ethiopia 17 September 1984

We could be challenged sharply by nationals, as well as external elements, for our current interest in resources of the sea when we have not yet developed fully the capabilities to exploit the land-based ones. I believe, however, that it would be fitting for us to remind our detractors, equally, of the potential for increasing Africa's food production and energy resources, and that non-attention to our marine resources will not augur well either for the continent's future economic and social development, or for her prospects of utilizing her entire natural resources, sea as well as land based, to the fullest extent in her development efforts. We are therefore coerced, by existing circumstances, vis-à-vis the dismal

look on the face of international efforts to achieve a new international economic order, and the need to identify all possible sources of wealth and assist African countries to develop capabilities to exploit them, to chart together a viable development strategy for the continent in this field. Action must be taken now to ensure that proper decisions will be taken by African countries on the use and management of the oceans. The body of knowledge to permit wise policy choices should therefore be developed now. What, in consequence, are the possible "ocean futures" for Africa? It is within this context that the situation must be viewed and within which this meeting has been convened.

Let us recall that some 150 countries of the world, including African States, participated in deliberations lasting nine years and leading to the adoption of a United Nations Convention on the Law of the Sea. Africa's participation was significant; so also is the fact that 43 African nations are, as of now, signatories to the Convention, and these 43 countries participated in the deliberations of the First Session and resumed First Session of the Preparatory Commission for the International Sea Bed Authority and the International Tribunal for the Law of the Sea, both of which are instruments to be established to oversee the implementation of the provisions of the Convention. This interest by Africa is at once to be considered an indication of the regional and national importance of the ocean dimension in Africa's socio-economic development, and of the document which has been described in some quarters as an international agreement on a comprehensive set of new laws to regulate the behaviour of all nations, their citizens, institutions, ships and aircraft in the oceans.[15] Some 40 per cent of the area of the entire ocean and most of its resources have now been placed under the jurisdiction of coastal states. Because each inhabited island or coastal state, no matter how small, possesses an "exclusive economic zone" (EEZ) of 200 miles in radius, this new area under national jurisdiction is greater than that of all continents. And Africa with its long coastline has gained a very large portion of new territory. What then is to be done within this newly acquired region? Let us now take a look at this territory and beyond.[16] Under the Convention, coastal states have been accorded rights to exercise sovereignty over their territorial sea of up to 12 nautical miles in breadth, and in a 200 nautical mile EEZ with respect to natural resources and certain economic activities. They would also have some control over scientific research and environmental protection and preservation in this zone.

The continental shelf which usually extends for at least 200 nautical miles from the shore, and out to 350 nautical miles, or even beyond sometimes, also falls under the jurisdiction of coastal states for the purpose of exploring and exploiting it, without prejudice to the legal status of the water or air space above.

Landlocked states would not only participate in exploiting part of the EEZ's fisheries but also in sharing with coastal states revenue derived from exploiting oil and other resources from any part of the shelf beyond 200 nautical miles. All states would enjoy the traditional freedoms of navigation, overflight, scientific research and fishing on the high seas, i.e. all parts of the sea not included in the EEZ, in the territorial sea, and on the internal waters of a state. They would also be obliged to adopt or cooperate with other states in adopting measures to manage and conserve living resources.

But, this is not all, beyond the territory earlier described there is the vast area covered by the oceans outside the limits of EEZ and beyond the boundaries of national jurisdiction known as "the Area" which is the common heritage of mankind. All activities in this Area are to benefit mankind as a whole and, as we all know, the Convention has provisions for the establishment of the International Sea Bed Authority which has responsibility to acquire technological and scientific knowledge relating to activities in the Area of exploration for, and exploitation of, resources therein. The Convention also makes provision for the settlement of disputes in the EEZ and the Area.

The wealth of the regions of the sea and sea bed, that is, the EEZ and "the Area" just described, composed of a variety of mineral, energy, biological and space resources;[17] minerals such as manganese, nickel, cobalt, copper, zinc and silver are to be found from manganese modules and polymetallic sulphides on the deep sea floor. Commercial sand, gravel magnetite, rutile, zircon, diamonds and gold are to be found within 0 to 200 metres deep of the continental shelf, not to speak of the phosphorite modules and metalliferous muds beyond. Energy sources in the EEZ are, for example, the currently exploited natural gas and oil offshore deposits, energy from the tides and waves as well as that converted from the differences of temperature between the surface waters and those at a depth of between 50 to 100 metres. A temperature difference of at least 20°C in the tropics is required for adequate energy conversion.

As far as biological resources are concerned there are a vast number of organisms in the EEZ and beyond which can be exploited

for food, chemicals and drugs not to mention the fisheries resources. Ocean space is also increasingly being used for recreation by man as well as a depository of hazardous industrial and domestic wastes and for the transport of bulk materials such as crude oil. Such uses of ocean space result in pollution, sometimes in coast erosion, and even as a threat to certain marine habitats which can be useful as stabilising agents preventing some kinds of pollution. We therefore see that although the vast wealth is available, activities designed by man for their exploitation have to be such that the threats to the existence or early depletion of these resources will be minimised or non existent.

The questions to be posed at this juncture relate to whether Africa's policy-makers and planners are aware of the implications of the outcome of the United Nations Convention on the Law of the Sea?

- the responsibilities of maritime states vis-à-vis the Convention?
- the problem of maintaining the 200 mile EEZ for maritime states?
- the problems of identification, exploration, evaluation and exploitation of the natural resources base in this context?
- the typology, particularly of mineral resources, and plate tectonic picture of the East and West coasts of Africa?
- the establishment and maintenance of national sovereignty over resources of the sea?
- the requisite legislation and machinery for the implementation of the required plan of action?
- the development of relevant industries and arrangements for inter-African collaborative measures including trade?
- the pollution of offshore areas due to oil exploration, merchant marine movements, fishing operations etc.?
- the development of relevant manpower at all levels of operation in marine science and technology?
- the participation of landlocked African states?
- mechanisms for developing know-how on management and finance?

A closer look at the Convention and instruments which have been created to administer its implementation, will reveal that it seeks to redress the imbalance of scientific and technological resources between the industrialized and developing countries. It promotes scientific and technological co-operation in marine scientific

research, in education and training to understand data collected, to gain technological knowledge and other know-how about the resources in the EEZ and the Area. This is so because developing coastal states, for example, which could not carry out marine scientific research in the EEZ, because of lack of capabilities to do so, could give consent to foreign countries to conduct such research activities provided nationals participate, have access to research results, and assist in their interpretation.

On the other hand, the International Sea Bed Authority, in awarding contracts to consortia to exploit the resources of the deep sea bed, could arrange for the education and training of developing country nationals during the conduct of such activities. In short, the Convention provides for the development, and transfer of technology from the industrialized countries and the promotion of scientific and technological capabilities for the exploitation of marine resources. The conclusion to be drawn from this observation is that the authors of the Convention are fully aware that significant funds are required to obtain the highly qualified people, the very specialized vessels, the equipment and installations for oceanic research, for the development and utilization of marine resources, for understanding the socio-economic consequences of such activities and so on. In order to exploit the vast resources earlier outlined, African States must ensure their accessibility. The technology must also be available to support these efforts, and most important of all, the exploitation must be undertaken at a price for which the demand is adequate otherwise the entire exercise could not be justified economically. African countries, it would seem from the above reasoning, have no other viable alternative to co-operation in facing the challenges posed by the exploitation of these resources. Comprehensive national programmes therefore have to evolve to make this approach possible.

Many co-operative schemes have been developed in the past. Although quite a good number of these have become extinct, some of these still exist. It is the responsibility of African States to see that these should be strengthened and made to flourish. ECA and UNESCO were at the point of establishing an African network of training and research sites in physical, chemical and biological oceanography and ocean engineering when the expected funds from UNDP were no longer made available. Efforts are still underway to search for requisite funds. The OETB, ECA and other relevant agencies of the UN are currently engaged in the execution of a joint project for the evaluation of technological infrastructure

for coastal and maritime development. Other UN assistance programmes of, for example, UNESCO, IOC, UNEP, FAO etc. exist and should be examined by member States, if they are not already participating in them, for their utility and relevance. But the private sector should also be encouraged to participate in this venture under terms beneficial to member States, both at the national and regional levels, in the sense that the development of local marine scientific and technological capabilities should find pride of place in such activities.

Your task, therefore, at this meeting, is to use your special experience and knowledge of the Convention to examine all the pros and cons presented, and concentrate on proposing ways and means to focus African efforts on the development of capabilities for exploitation of their marine resources. In this endeavour, training at different levels in marine science and technology, in relevant R & D, in pollution control, in fishing techniques, in the conduct of oceanographic surveys, in the setting up and management of viable trade and industrial mechanisms should prove important. The role of African policy-makers and planners in this exercise should also be given some consideration, because without their understanding, co-operation and support the implementation of the proposals will never take place. Therefore, the organization of conferences and seminars to increase, not only the awareness and development of programmes by technicians, but also of the policy-makers and planners, should be considered. Another aspect worth examination is how the relevant UN agencies and international organizations, as well as private and government agencies, could be made to contribute more effectively in the development of the required capabilities.

Finally, mechanisms for the development of an effective African voice and participation in the deliberations of the various instruments set up to oversee the implementation of the Convention should be considered and proposals made to bring this about.

CHAPTER SIX

Industry

I Speech to the Third Conference of African Ministers of Industry

Nairobi, Kenya 17 December 1975

This third Conference of African Ministers of Industry is meeting at a critical juncture in international economic relations. It marks a transition from a period characterized by debates on the concepts and principles of development policy, to one basic challenge of which is the search for, and pursuance of, practical action to eliminate mass poverty and to build a world economic order in which the developing countries can command an equitable share of world productive capacities and incomes. The first Conference of African Ministers of Industry was held in the wake of the adoption of the International Development Strategy for the Second United Nations Development Decade, and the second Conference was held in an environment of rapidly changing international developments fundamentally influencing the pace and orientation of industrialization in our continent. The intervening period was marked by an unprecedented intensification of public discussions on the world economic system, a historic outcome of which was the adoption of the Declaration on the Establishment of a New International Economic Order at the sixth special session of the General Assembly.

The far-reaching recommendations and basic prescriptions of the Declaration have subsequently been the subject of scrutiny and intense discussion at the sectoral, regional and national levels. The objective has been not to modify the basic precepts of the Declaration, but to define more precisely the approaches recommended and to create the necessary national and regional structures to derive maximum and equitable benefits from new forms of international trade and investment. The Second General Conference of UNIDO and the seventh special session of the General Assembly, which devoted special attention to this objective, consti-

tuted giant steps in fostering international conciliation, consensus and commitment to the principles and determinants of rapid growth and development in the Third World.

There is no longer any debate over the strategic role of industrialization in raising standards of living; nor over the decisive influence of political and social factors on the pace and pattern of industrialization. We need not dwell either on the oft-repeated arguments of striking appropriate balances between agriculture and industry, between import-substituting and export-promoting strategies, and between labour-intensive and capital-intensive technologies. These are not exclusive of each other. Our biennial Conferences of African Ministers of Industry have contributed, in no small degree, to the clarification of issues and the definition of goals and policies at the regional level. These have been instrumental to the cross-fertilization of ideas which led to the Declaration on the Establishment of a New International Economic Order and more specifically to the Lima Declaration and Plan of Action on Industrial Development and Co-operation.

The fact that a remarkable degree of consensus on goals and principles was achieved, and that African countries succeeded in advancing their common interests coherently and consistently in recent public discussions, augurs well for the future. Their actions have no doubt sprung from a commitment to develop self-reliance, a determination to concert action in pursuance of pre-defined targets and objectives, and renewed consciousness of the collective strength of African countries. The momentum of the last two years must now be kept up and efforts redoubled to translate the prescriptions of the Lima Declaration into practical action.

The objectives of this Conference, as I see it, are twofold. First, it must evaluate industrial performance in Africa; and, second, it must draw up a coherent and concrete programme of action for speeding up the implementation of the Lima Declaration at the African regional level.

The review and appraisal of industrial performance is a regular feature of the agenda of the biennial Conferences, as it provides a suitable opportunity for taking stock of past performance and for an exchange of experience. Such a scrutiny permits a proper assessment of difficulties encountered, enhances the formulation of appropriate remedial measures and provides an essential framework for fostering collective action. Your deliberations this time are particularly significant, as the mid-way point of the Second United Nations Development Decade has now been reached.

The persistent mood of uncertainty which has beset the world economic system during the last two years has had a profound effect on industrial expansion in Africa. The overall picture that emerges is that growth rates were less than average; employment expansion fell far short of the increase in the labour force; and commodity earnings, after earlier gains, stabilized in the latter part of 1974 and declined substantially in the course of 1975. While recession was the cause of the downward trend in commodity earnings, inflation raised industrial costs sharply, thus tending to reduce Government revenues or limiting possibilities for reinvestment. Aid inflows fell short of target and African countries faced mounting problems of debt servicing. The inflow of direct foreign investment does not seem to have fallen; however, the main burden of industrial financing continued to fall on Governments.

In the circumstances, the structural change sought for in the composition of output has not come about, despite the efforts directed at promoting industrialization over a decade and a half. Between 1970 and 1974, the share of industry in GDP rose by only half a percentage point, to 11 per cent. This gives serious cause for concern, for time is not on our side. Given this poor performance, the time has come for African Governments to undertake an agonizing appraisal of the effectiveness of the industrial policies which have been pursued so far. During the past decade and a half, African countries like most of the rest of the developing world, have pursued policies of encouraging private (mainly foreign) investment by generous provisions of fiscal and other incentives. It was thought that these, combined with high protective duties, would somehow lead to the gradual emergence of a dynamic and self-sustaining industrial sector.

Unfortunately, things have not worked out like that. Instead, African countries are today, as a consequence of these policies, littered with heterogeneous collections of high cost industries often of quite trivial significance. However, there is now growing recognition that industry has an inner structural logic, that linkages within the industrial sector are as important for its viability as linkages between industry and other sectors. There is also the growing recognition that the importance of a sector depends not so much on its size as on its growth-promoting impact on other sectors.

The regional picture, unsatisfactory as it is, still conceals wide differences in the performance and structure of industry in individual countries. For example, only 16 out of 40 countries have succeeded in substantially exceeding the minimum rate of 8 per

cent set in the International Development Strategy for the manufacturing sector. In some countries, major thrusts have been made in the establishment of basic industries including petrochemicals, iron and steel and non-ferrous metals. There are major projects under way for the construction of large-scale pulp and paper mills, timber and agro-industrial complexes. In some countries, a state has been reached where the domestic market offers possibilities for the integrated development of industry, especially for capital and intermediate goods. But the fact remains that 18 out of 46 countries in Africa are among the least developed in the world, and that a large majority have not been able to raise the rate of their industrial growth to the minimum level of 8 per cent per annum. The gravity of the problems faced today underlines the momentous task ahead of us, to raise Africa's share of world industrial production from its present level of 0.6 per cent to at least 2 per cent by the year 2000.

The second main purpose of this Conference, as I suggested earlier, is to evolve practical measures and develop viable programmes and instruments for implementing the Lima Declaration. Because of the diversity of problems and divergence of needs, not all the prescriptions could have equal weight to all countries at all times. Each region, each country will have to reassess its resources and needs in order to chart the best course of action so as to fully benefit from new forms and instruments of international co-operation. The commitment to redistribute world production and trade on a more equitable basis is not by itself a sufficient condition for expanding Africa's industrial base. That can only be the outcome of sensible policy measures, innovative action and an integrated response to the new challenges.

Multinational industrial co-operation should be the basic policy objective of African countries, in the light of perceived and pressing needs, and in the light of the new challenges ahead of us. It is the means by which collective self-reliance can be developed to speed up the process of industrialization in Africa. African governments have devoted too much time and too much effort to deliberating over multinational co-operation, but with too few practical results, especially in the field of industry. The time has come for us to rededicate ourselves to the principle, and to pursue with renewed vigour and commitment, concrete programmes of multinational industrialization.

Let me say quite frankly, that given the realities of the African situation, in multinational industrial co-operation lies this

continent's best hope for meaningful industrialization and for the full and immediate exploitation of our abundant resources. For with a few possible exceptions, the average African country has such a small population base, and such extremely limited effective demand, that it cannot achieve any significant industrial development without co-operating with other countries. Little wonder that half of the African countries are "non-industrial" and Africa is the least industrialized region in the world. Fortunately, the conviction is growing, even if rather slowly, that co-operation in the production and distribution of manufactured goods on a multinational basis is in the national interest of every African country, as it is a necessary condition for the successful achievement of national social and economic goals.

At the same time, the new opportunities offered for expanding the extent of the market, within the framework of the new international economic order, must be vigorously and fully exploited. The principles of sovereignty over natural resources, and redeployment of productive facilities, open up new and vast opportunities for the creation and expansion of industrial facilities for exporting manufactures and semi-manufactures. Several countries have sufficient resources, or command absolute advantages, in the supply of key industrial inputs to make significant thrusts in the export market. Such industries include petrochemicals, pulp and paper, iron and steel, non-ferrous metals, electronics and food products. An export thrust in this way, combined with a serious programme of multinational industrialization, would provide Africa with a viable structure of basic industries to speed up and sustain industrialization through backward and forward linkages.

In pursuance of a basic industrialization policy, there is the danger of becoming increasingly dependent on the transnational corporations, as the know-how and technology needed are component parts of the investment package. This must be avoided if we are to maximize the fruits of industrialization. Domestic capabilities in industrial management and technology must be developed in the shortest time possible. We must have our own industrial chemists, pulp technologists, mechanical engineers, metallurgists, food technologists, timber experts, textile technologists, etc. to conceive, develop and implement industrial projects. And we must have the financial specialists, marketing experts, businessmen, managers, skilled technicians, engineers, etc. to negotiate contracts successfully and operate industrial enterprises efficiently. Intra-African

co-operation and collective action must be pursued seriously to provide the basic conditions for deriving optimal and equitable benefits from industrialization.

There is need for Governments to manifest, in practical ways, their readiness to foster collective action by making the necessary financial contributions and extending hosting facilities for multinational institutions. It is only when we focus our attention on the specific instruments and mechanics of co-operation that we can be sure that we are seriously acting to develop African self-reliance. The challenge before this Conference, therefore, is the promotion of a set of inward-looking policies and instruments, so as to derive substantial and equitable benefits from the outward-looking policies of the international community.

II Speech at the Third Meeting of the Follow-up Committee on Industrialization in Africa

Addis Ababa 4 November 1976

It is conventional for opening statements by the Executive Secretary to say that I welcome participants to such and such a meeting. This is one of the occasions when it is far more than diplomatic courtesy. I do genuinely welcome you to this meeting of the Follow-up Committee because I believe we have come to a crucial moment in the work of our Commission in the field of industrial development. We either go forward from here or retreat. It is for this reason that I ask, in advance, for your forgiveness for anything that I shall say which may sound harsh, critical and perhaps unfriendly.

Perhaps I should explain that what we shall say arises from growing anxiety about the future of our region. When we look at other developing regions planning to achieve a share of over 12 per cent of world output of manufactures by the year 2000, when we consider the already considerable base from which they are starting, when we take into account the realism of their appraisal of past performance and future problems and prospects, when we note the firm, vigorous action being actually taken at national and multinational levels, we cannot avoid a feeling of dissatisfaction with our

own performance. We also have fears that forces are being set in motion which, in the case of our region, may easily frustrate the implementation, inevitably at the level of Governments, of the decisions we take here, however fundamental, realistic and urgent.

What troubles us is the feeling that these decisions and recommendations may be having little impact on what actually takes place at Government level. I do know intimately the difficulties of bringing this about. But unless it happens, our efforts here will be fruitless. I hope to explain shortly why I have brought this subject up now.

The African region, as we all know, is amply endowed with natural resources sufficient to raise the level of living of our people many times above the present level. Africa produces more than 50 per cent of the most important metals in industrial use, for example, 80 per cent of its chromite, 70 per cent of its cobalt, 50 per cent of its bauxite, 45 per cent of its iron ore, 40 per cent of its uranium, 40 per cent of its tantalite, 25 per cent of its copper, 25 per cent of its manganese ore, 16 per cent of its tin and a large share of oil, in addition to producing a large share of tropical products and fibres. We know that this is merely scratching the surface. Our forests and other resources, if carefully evaluated, developed and exploited, are no less ample. We have growing populations capable of supplying all the manpower we need if we really work on the problem of fitting them for the new roles and tasks.

We have pursued, in the past ten or more years, two industrial policies in succession: import substitution and manufacturing for export, neither of which can establish the basis for self-sustaining, self-reliant growth and diversification of the national product. Our dependence on the outside world – for skilled manpower of all kinds and all levels, for capital equipment, intermediate goods, spare parts components and accessories, simple tools and implements, industrial technology, markets and marketing – is almost pathetic. We virtually beggar ourselves to pay for all these. Yet dependence and poverty continue to increase.

Today, Latin America and Asia manufacture and sell abroad machine tools, ships, cars, mining equipment, railways rolling stock and other industrial products, too numerous to mention here. This is not only a credit to them, it is also an indication of what we could do.

In pursuance of the two objectives I mentioned earlier, viz. import substitution and manufacturing for export, we have not only distorted policies – in terms of self-sustainment and self-reliance – but distorted conditions and instruments. The pattern of incentives is ill-designed; investment centres, development banks, and similar

institutions are questionable in terms of the approaches to the new international economic order. One may even, with your permission, doubt how fully aligned in structure and personnel to the new purposes are the ministries themselves. It is therefore not merely the reorientation of policy, but also of restructuring instruments, that is in need of consideration. Without these it is unlikely that new ideas, concepts, operational requirements will go far.

At the national level in many member States, we find a so-called industrial sector made of a heterogeneous collection of industrial products, many of marginal significance for self-sustainment. In broad terms, we find a pattern of distribution of effective demand arising from often highly unequal distribution of incomes, poverty of national transport and communications systems, poor integration of national markets and underdeveloped network for the distribution of both capital and consumer goods, an unbalanced internal specialization of production for both exports and local consumption, and the large and growing absorption of resources by the capital and a few other cities which practically determined the structure and location of industry. In general, therefore, we encounter a dual structure of consumption leading to a dual structure of production, with an associated dual character of technology and manpower. It is therefore not merely concepts that need change but also policies and instruments. Moreover, detailed knowledge of what the industrial sector is now, is essential to altering it.

I do not wish to overstress the need for the acceptance and application of new concepts, policies and instruments at the national level. What is clear is that major deficiencies of recent industrialization policies include: the failure to introduce adequate programmes and policies in the industrialization strategy for persistently reducing external dependence in manpower capability, the failure to increase indigenous capability for technological problem identification and problem solving, tendencies to encourage industrialization based on inadequately co-ordinated projects located in urban areas, limited search of the opportunities for complementarities among African countries, high degree of dependence on foreign industrial finance for feasibility studies and investment, inadequate priority in the development of such critical areas as machine tools industries, upgrading existing workshops for the production of spare parts and components to facilitate backward integration of existing final products assembly plants, and inadequate policies and programmes for the utilization of the large amount of African industrial raw materials for the development of industrial branches in the con-

text of an integrated strategy which, in time, will internalize the industrialization process.

The centre-piece of an effective industrialization strategy based on the Lima Declaration should, I believe be:

(i) Integration of industrial development policies and strategies with other economic sectors especially rural development and agriculture;
(ii) Systematically planned targets, programmes and proper complexes in chemical and petrochemical, metals and engineering industries with special reference to the production of spare parts, components and machine tools development;
(iii) Integrated functional programmes for the development of industrial technology and industrial manpower; and,
(iv) Development of national and multinational policies and instruments for effecting complementarities in industrial raw materials, subcontracting, multinational industries, and intra-African trade in manufactures.

It will be recalled that the Declaration singles out, at the national and multinational levels, the establishment of the following:

(i) Basic industries such as steel, metallurgical and petrochemical industries;
(ii) Mechanical engineering, electrical and chemical industries;
(iii) Processing industries to satisfy the needs of the population for consumer goods and local production for the purpose of replacing imports and increasing exports.

An example may help. The development of the metals and engineering industries could be initiated through the identification and upgrading of existing metalworking enterprises – e.g. workshops of public enterprises such as railways, power, etc., mining enterprises, private foundries – to enable them to undertake production of spare parts, components, accessories and machine tools.

It is easy to be sceptical about these possibilities but I assure you that they have been the basis of the successful beginning of the metals and engineering industries in many parts of the world. I therefore suggest that we need to undertake an inventory and evaluation, and design development programmes for such potential points of initiation of the development of the metals and engineering industries. I am arguing that we are now about to pass the state of mere talking.

The illustration I have just given, in very brief terms, is intended to buttress the view that it is within the context of national priorities, subregional priorities and regional priorities, as determined from the planned programme on industrialization strategy, that the African region will be able to participate in the planned inter-regional and global negotiations in the redeployment of world industrial production capacity. The programme on African industrialization strategies and policies will enable the African countries to develop a common framework and determine the objectives for consultation and negotiation, both with other developing countries in regard to industrial co-operation, as well as in negotiation and consultation with industrialized countries.

There are a number of implications of this whole programme on which I wish to lay stress. The first is that, in order to ensure that these programmes are effectively implemented several measures are proposed. First, active participation by African governmental experts in the design and formulation of these policies, strategies, programmes and projects, through short-term secondment to the Commission; the utilization by ECA of governmental and parastatal experts as short-term consultants, more effective utilization of workshops and seminars in which African governmental and private experts would participate while at the same time ensuring exchange of experience with similar experts from other developing regions.

The second is the importance of two hitherto neglected aspects of planned development, i.e. programming and project analysis design planning and management. There is no easier way of destroying the rationale of a national plan and of credibility in planning in general, than by permitting widespread and persistent dislocations of programmes and projects. In my view, this weakness may well be of much greater significance since it concerns plan implementation, than the exercise in aggregative calculations on which the plan is based. It is therefore my intention to place the subject of ways in which programming competence in Africa can be rapidly improved before one of the proposed meetings of experts and, if possible, to make it the subject of one or more seminars.

An even more paralyzing factor, we now think, is the inadequacy of indigenous capabilities in project analysis, design, planning and management. Without urgent and far-reaching measures to develop these capabilities, the region is likely to be beggared simply by the burden of foreign payments for project analysis and design services. A programme for developing such capabilities would

include the introduction of courses in a wide range of special subjects (e.g. industrial technologies, business finance, manpower development, management) at third level education, firm agreements with foreign and domestic enterprises on programmes of manpower development over and above their immediate individual needs, and close monitoring of these agreements, the imaginative search for training opportunities in other countries and measures for arresting or reversing the brain drain. As with programming, I intend at some time in the near future to place the subject of how the numbers, range and quality of project specialists can be rapidly expanded in the region to working groups and seminars for detailed examination. There is little or no possibility of promoting a new international economic order within the region without effectively dealing with the problems of competence in programming and project design.

The third is the mobilization of resources in ways that are consistent with a genuine search for self-sustaining socio-economic change and with an increasing and substantial measure of self-reliance. It would lengthen this statement inordinately if I were to go into detail on this subject. All I wish to lay emphasis on now is the paramouncy of the kind of arguments we advanced in the Revised Framework of Principles with which I hope you are by now familiar, and the specific proposals in our work programme of which the African Industrial Development Fund is only one.

III Speech at the Extraordinary Meeting of the Follow-up Committee on Industrialization in Africa

Addis Ababa 10 March 1980

We, of course, interpret the lessons of UNIDO III in the light of African circumstances; and you will have opportunity at this meeting to examine these lessons carefully in terms of the framework of what our objectives are here in Africa. Fortunately, this year we can also discern, in the recent decisions of OAU Heads of State and Government to hold a summit on economic matters, some signs of

progress, testifying to the fact that a top level effort is underway which calls for and amply justifies more intensive co-operation on a regional scale, with a view to fostering the development of our continent with dignity and self-respect.

In most cases, resource utilization for industry must be viewed interrelatedly. The fact remains that no single country is self-sufficient with regard to either the resources or the markets for all resources, and only a few countries in this world possess the right combination of resource potential to individually sustain a dynamic development of industry.

In terms of technological choice, the potential for establishment of an industry is not only dependent on the reserves or availability of one type of basic resource. It is equally dependent on other complementary resources, e.g., alloys, additives, preservatives, etc., as well as on the distribution of energy resources. Thus, the problem of exploiting and utilizing one resource for industry, often raises the question about its characteristics in relation to other resources and fuels. This is in addition to huge investments in infrastructure, communications, not to mention the expensive feasibility studies before the resources can be exploited and developed at all.

In some parts of the world, the acquisition of basic resources was inextricably bound up with the winning of empires, with wars and with political power plays. For practical reasons, African countries cannot employ this approach. The only practical alternative available to African countries is intra-African co-operation in pooling resources, finance, capacities, capabilities and markets which would greatly facilitate industrialization among the participating countries, on the basis of self-sustainment and collective self-reliance.

There is no alternative to co-operation in industry, at least sectorally, among the poor and underdeveloped countries of Africa, which can lead each country to self-sustaining industrial development and self-reliance. This entails an attack on a wider front, if we want to overcome the traditional obstacles to co-operation for industrial development. More is needed than just investing in new factories or ensuring and guaranteeing adequate export markets; certain aspects of the institutional barriers must be broken or changed. The institutional problems have been with us too long without any serious progress being registered, and observations we make, year after year, are becoming the same old refrain. Yet, these problems are not beyond solution. They can be over-

come under a gradual programme or plan of action which, through successive stages, would facilitate the necessary adjustments, and unfold within a broad and flexible enough framework to provide adequate compensation for the sacrifices to be obtained. To my mind, such solutions are more likely to emerge in concrete terms if they are first explored and implemented by the African countries among themselves, thus avoiding the intrusion of external influences and pressures taking the form of divisive manoeuvres.

At any rate, in order to co-operate effectively, we must start with a plan, however modest it might be, with a view to eliminating dependence on the outside world. With such a plan, the African region would perhaps hope to come closer to attainment of the Lima target of raising her share of world industrial output to at least 2 per cent by the year 2000. The plan should have at least the following characteristics:

(a) induce structural transformation in the African countries;
(b) ensure intra-industrial specialization in production in order to reap the economies of scale;
(c) put emphasis on the growth-generating capital and intermediate goods sector, including basic metals, engineering, heavy chemicals – all of which typically entail very high investments.

We know that, in the majority of African countries, the share of capital and intermediate goods in total manufacturing is very insignificant. In other words, there are too few industrial units within the capital and intermediate goods sector, such as steel and steel products; mechanical and electrical engineering; petrochemicals and chemicals industries; building and construction materials industries for manufacture of parts, components and accessories; and even servicing industries, and the like.

These are really the exciting areas of co-operation in industry, which should receive greater attention than co-operation in consumer goods sectors as such. Co-operation in the basic industries will make co-operation in consumer industries automatically fall into line. However, co-operation without intermediate and capital goods industries lacks growth-generating features, and hence cannot be instrumental in promotion of industrial take-off so that the incentive to co-operate will correspondingly weaken.

In practical terms, of course, a plan for multinational industrial development should also identify and upgrade existing nuclei of basic industrial activity, such as railway workshops, existing

foundry and forging facilities, power and energy potential, etc; which can boost the capacity of other economic and industrial branches.

When it comes to the implementation of the plan of action, it would be necessary for African Governments to establish and make intensive use of institutions which would safeguard and promote the African interests. Almost all of the schemes created for economic co-operation deal with the subject of industrialization, but this has proved to be the most difficult area to tackle and where progress has been minimal, irrespective of the instruments and regimes of co-operation used. In those instances where agreements are reached on the components of a multinational industrialization policy, the absence or lack of machinery for follow-up, particularly at the national level, has made it difficult, if not impossible, to implement joint decisions. Indeed, there has been no dearth of initiatives in testing alternative approaches and instruments for promoting industrial co-operation. What seems to be evident is that the approaches used were either untimely, in terms of preparatory work and infrastructures needed to achieve co-operation, or they did not measure up to the magnitude and complexity of the issues inherent in any collective scheme.

Discussions of a circular nature appear to have frequently dominated the subject; either project studies were undertaken without the requisite political backing, or else, when the political will existed there was a lack of readily available implementable projects. Even where both the project studies and the political will existed, often there was not sufficient intellectual determination and clarity for effective follow-up.

The relative weakness of practical follow-up action in collective industrial enterprise is jeopardizing the achievement gained in the political field by opening the way for foreign domination in the economic field.

In this connection, the implementation of a plan for intra-African industrial co-operation can greatly benefit from some of the inter-country instruments of action already launched or approved by the African Governments. These include:

(a) The Regional Centre for Technology;
(b) The Regional Centre for Engineering Design and Manufacturing;
(c) The African Higher Technical Institute for Training and Research;

(d) The African Industrial Development Fund.

The African States have committed themselves to the establishment of these important projects, and it is incumbent upon them to provide the practical material support required to get these projects off the ground.

In addition, there is need to consider the importance of setting up an African institution in the field of industrial services, which will have the capacity to assist in preparation and evaluation of feasibility studies; selection of equipment and location of plants; project formulation, appraisal, supervision and operation; evaluation of tenders, bids and contracts; managerial skill development, etc. It is a well known fact that the African countries are already losing considerable amounts of foreign exchange resources through increasing importation of such services from abroad. An African institution in these fields would thus make a contribution no less important than capital itself to the development process.

In accordance with a resolution adopted by the Fifth Conference of African Ministers of Industry in October last year, ECA, OAU and UNIDO will soon undertake preparatory activities towards the creation of an African Regional Centre for Consulting Engineering and Management. It is expected that such a Centre will establish relationships with national consultancy organizations and will enhance their effectiveness and capabilities without competing with them. Being able to draw on multinational staff and experience will speed up their own institutional development and promote their standing in the field of industrial consultancy.

If viable multinational industrial enterprise has to be created and sustained, another type of institution in the field of production and distribution is also required. At the last Conference of African Ministers of Industry, there was a general recognition of the need to establish new instruments of industrial co-operation, especially in the form of multinational corporations owned by the African countries for the purpose of, *inter alia*, undertaking joint ventures, and taking advantage of complementarities in natural resource endowments and markets.

Such African multinational industrial corporations should be created, especially in the key priority industrial sectors, where the need to promote the establishment of multinational enterprise is most urgent.

Through multinational industrial co-operation, large-scale, high productivity industries could be created jointly between two or

more countries, so that the full benefits of industrialization could be secured for African countries. Such corporations would act as instruments for promoting specialization and complementarity which would minimize the wasteful use of scarce resources.

Initially, at least, we should see merit in a flexible and pragmatic approach which does not insist on all countries participating and on all possible projects being examined. Provided there exist the political will and the intellectual determination to get down to concrete aspects of co-operation, it should be possible to mobilize the requisite capital, manpower, raw materials and markets easily.

The formation of African multinational industrial corporations could be facilitated if promoted through the existing national industrial corporations, financial institutions, state holding companies, and public utilities, depending on the preference of the participating States and on the institutions and corporations they create. Apart from avoiding high level politics and protocol, building on existing institutions and corporations might reduce the pain of establishing new (costly) administrative and organizational structures.

It is no longer a question of agreeing on the merits of industrial co-operation. The problem now is to move from the preaching stand into the arena of action. The existence of the political will can no longer be doubted either. The important thing is to find the way, not the will. And yet, there is no challenge today of such urgent importance in the implementation of industrial development in Africa.

IV Address at the Meeting of the African Regional Meeting on a Common Fund under the Integrated Programme for Commodities

Arusha, United Republic of Tanzania 6 October 1977

We are gathered here to take stock of the negotiations that have been going on since the fourth session of UNCTAD regarding the setting up of the Common Fund as an essential element of the Integrated Programme for Commodities, and to harmonize our stands with respect to the forthcoming meetings of the Group of 77

and the resumed session of the Negotiating Conference on the Common Fund.

It cannot be denied that most of the attempts made so far to deal effectively with the commodity markets, through a commodity-by-commodity approach, have failed. This is illustrated by the fact that it took the United Nations no less than 16 years to negotiate a cocoa agreement and that, in more than 30 years of action in the field of commodities, the international community has been able to negotiate only six commodity agreements, namely, those on coffee, tin, cocoa, olive oil, sugar and wheat. And – even more remarkable – most of these agreements are far from functioning effectively. It is also public knowledge, that one of the basic obstacles in all these efforts aimed at getting international commodity agreements to function in a more satisfactory manner, from the standpoint of the developing countries, has been finance.

The adoption of resolution 93(IV) last year in Nairobi constituted a major step forward in that that resolution called, among other things, for a multicommodity approach, and for the establishment of a common fund as a key and a central element in the effort to stabilize and reinforce commodity markets, by financing stocking arrangements and other measures. Whether these arrangements and measures should be financed "within the framework of international commodity arrangements", as provided for in the Manila Programme of Action, or merely "in co-operation with the international commodity arrangements", as many of us in the African region now advocate, is a question which no doubt needs careful consideration. Most of the preparatory meetings held so far on various commodities have confined themselves to requesting additional studies and technical analyses or to deciding to convene other meetings at the expert level. For this reason, African countries are gravely concerned as to the possibility of concluding international arrangements on all the commodities covered by the Integrated Programme for Commodities between now and the end of 1978, as provided for in resolution 93(IV).

However, in the work we are about to undertake, we should not lose sight of the fundamental objectives, motivation, spirit, and events which led to the adoption of UNCTAD resolution 93(IV). We are here to prepare our strategy for the coming negotiations, and above all, to define *what is negotiable and what is not negotiable.* Great flexibility is therefore called for. However compelling short term exigencies may be, let us remember that our rewards for meeting tomorrow's necessities will be tremendous. In the negotia-

tions, we should be resolute, while remaining realistic, and hold firm to our legitimate aspirations for and efforts to build a world different from the past.

To that end we should not forget that: *We need a fund but not any type of fund.*

If it is to be an effective instrument in the challenging task of restructuring the world economic order, the Fund should be a central instrument and an important source of the resources needed to regulate commodity markets and to finance other development measures.

The scope of the Fund's activities should therefore not be limited to the financing of stocking arrangements. We believe that the Fund should be able to operate both within and outside the framework of international commodity agreements. If the Fund were to operate exclusively within the framework of international commodity agreements, many developing countries, particularly those in Africa, would, in all likelihood, be unable to derive any immediate benefits from it. In fact, any such restrictions of the Fund's competence would result in helping the strong commodities and not the weak ones which need most help.

In this connection, it is sad to note that the weak commodities are largely produced by the weakest members of the international community – the least developed countries and those countries most seriously affected by the economic crisis, for example Chad with its cotton and the Gambia with its groundnuts. Since it takes time to negotiate a commodity agreement, it is necessary that the Articles of Agreement of the Fund contain provisions for helping those countries whose commodities will take time to negotiate.

Furthermore, there are commodities which do not lend themselves to agreement, either because of their physical characteristics or because of political situations which affect their markets – an example of this is the situation which exists between the United States of America and Chad. While the United States may agree to the creation of a fund and even subscribe to its capital, it is doubtful that it will go so far as to accept the regulation of the cotton market, because it will probably consider such regulation to constitute direct interference by the Fund in the market.

The Fund should therefore be able to finance national stocks, nationally held, and other measures, such as diversification, quality improvement, development and research, and export promotion and measures which may not necessarily be carried out within the framework of International Commodity Agreements (ICAs). The

Fund should, however, respect the autonomy of ICAs, lending them financial assistance, when necessary, without interfering in their management and operational activities. Because of their specific character, ICAs have expert knowledge of the products with which they deal and are therefore the instruments most competent to devise effective means for adequately meeting those problems which arise in connection with their specific markets.

Turning now to the problems of special measures for the least developed countries, I should like to say, that being a continent which contains far more least developed countries than any other developing region, Africa should see to it that measures are taken not only to safeguard the interests of these countries but also to help them move ahead. Provision therefore should be made to exempt these countries from capital subscriptions. Moreover, if and when an ICA decides to exempt them from capital subscriptions, they should also be exempted wholly or partially from the payment of levies from export quota restrictions and, if possible, from production control. Least developed countries should also have access to the Fund's lending facilities at a lower rate of interest. For all these purposes and others, provision should be made from the start for financing other measures which are not implemented within the framework of international commodity arrangements. Hence the need for the Fund to operate through the "second window" as well. This could be achieved, from the beginning, through the setting up of a separate account to be constituted through voluntary contributions and portions of retained earnings accruing from the Fund's operations.

The Common Fund should be an institution different from existing financial institutions – international or regional. In particular, it is important for the developing countries to have a "decisive role" in the decision making process of the Fund.

However, in fairness to all, the subscribed capital could be divided into two parts carrying different percentages of vote. For the first part, a given and minimum percentage of the total vote of the Fund should be set aside, as this would be a very small amount of the total capital subscription to be raised on an equal basis. This percentage of votes would remain stable and would not change with the growth of the Fund's capital through subscriptions and loans.

A second part of the subscribed capital of the Fund should be raised equally by all members, on the basis of their ability to pay. Votes would then be allotted proportionately according to the amount of the contributions.

Unless a formula of this type were devised and adopted, the Fund would be no different from existing financial institutions, in which the developing countries as a whole have little, if any, influence on the decision making process.

V Statement to the 7th Meeting of the Conference of African Ministers of Industry

Addis Ababa 26 March 1984

The Conference of African Ministers of Industry represents a model in interorganizational collaboration and in intra-African co-operation. Instituted a decade and half ago, it is co-sponsored by three organizations – ECA, OAU and UNIDO. It is under the joint stewardship of these three organizations that proposals of the programme of work of this Conference are articulated. It is also their joint responsibility to monitor follow-up actions and the implementation of agreed resolutions and programmes. It was this collaboration that enabled the three organizations to spearhead all the initiatives that led to the proclamation of the Industrial Development Decade for Africa 1980–1990 (IDDA) by the General Assembly at its 35th session by its resolution 35/66B which also calls upon UNIDO and ECA, in close co-operation with OAU, to formulate proposals to implement the programme for IDDA and monitor its progress. Indeed, the three secretariats formalised their co-operation by signing in 1981 a co-operation agreement, and by institutionalizing an Inter-Secretariat ECA/OAU/UNIDO Committee on IDDA. It is my fervent hope that the terms of this agreement will continue to be respected by all the parties concerned, both in letter and in spirit, so that together we can serve effectively the cause of Africa's industrialization.

On its part, the Conference of African Ministers of Industry was the first sectoral ministerial conference to be institutionalized. Since its inaugural meeting from 3–8 May 1971 under the joint sponsorship of ECA and OAU, it has contributed tremendously to a greater understanding of the role of industry in the socio-economic development of Africa and in the process of economic decolonization in Africa. It has ensured the acceptance, by all African Govern-

ments, of the importance of industrial development as a driving force for economic growth and overall development in Africa. It has articulated, during the course of the past six meetings, the role of industrialization in freeing Africa from underdevelopment and economic dependence. It has emphasized the imperative necessity for African countries to create an industrial base designed not only to meet national interests but also to strengthen subregional and regional co-operation and thus create conditions conducive to regional and subregional collective self-reliance. At the same time, it provides the framework for strengthening the effort of each country. Indeed, your conference, during the preparation of the Lagos Plan of Action in 1980, saw African industrialization as having six major objectives – the satisfaction of the basic needs of the population; the exploitation of local natural resources; the creation of jobs; the establishment of a base for developing other economic sectors; the creation of the basis for assimilating and promoting technological progress; and, the modernization of society.

Because of the heterogeneous character of our industries, their interminable need for subsidies in one form and another, the considerable dependence of many of them on imported factor inputs, and their failure as a whole to mitigate unemployment or to provide a dynamic thrust to the African economy, the industrial sector has become a crisis sector. Thus, the crisis of industrial stagnation should now be added to the growing list of crises afflicting our poor beleaguered continent – food crisis, energy crisis, climatic crisis arising from drought, cyclones, earthquakes and other natural disasters, balance of payments crisis and external debt crisis.

How can we talk with confidence about tomorrow if today is very shaky? How can we speak with conviction and credibility about the future of Africa's industrial development if existing industrial plants are being closed down or, at best, are operating at less than full capacity? There is no doubt that African manufacturing enterprises urgently require rationalization, rehabilitation and revitalization. This will require the material, technical and financial support of donor countries and financing institutions. May I therefore seize this opportunity to appeal to them to come to our support in putting our ailing industrial plants back on their feet, back to full production so that the sufferings of our people can be ameliorated? In the name, and on behalf of Africa's suffering masses, who today are short of such essential commodities as detergents, soap, toiletries, baby foods, drugs and medicines, shoes and clothing materials, I appeal

to the entire international community to accord high priority to the rehabilitation of Africa's industrial enterprises in their emergency assistance.

Assuming that this appeal receives positive response, and through co-operative effort African Governments and the international community are able to rehabilitate our ailing industrial enterprise, what about the future – both in the short run and in the long term? To be able to answer this question realistically, we must first address ourselves to another question – what are the challenges that we face during the next 20 to 25 years in Africa?

These challenges can only be fully grasped if we comprehend the socio-economic parameters within which we have to operate in the years ahead. Let me cite the most important of these – the demographic parameters. According to the ECA perspective study, Africa's population is projected to be between 997 million and 1,077 million in 2008. It was approximately 258 million in 1958 and 440 million in 1980. This projected massive increase in population is due to the fact that Africa has the highest rate of population growth in the world i.e. 3.2 per cent. Even a population policy designed to curtail the birth rate of growth, will take at least a whole generation before it can begin to have any impact on overall growth.

Given such a projection, our urban population, which is rising faster than the overall population – at the rate of 4.9 per cent per annum – will increase from 120 million in 1980 to 472 million in 2008; approximately 178 million children will require primary education in 2008; 152 million will require secondary education; and, 124 million will require higher education. The corresponding figures in 1980 were 80 million, 65 million and 58 million respectively. And our labour force will be between 400 million and 510 million by the year 2008.

What are the implications of these demographic phenomena for industry in Africa? What do they mean in terms of the six objectives of industrialization which have been inscribed in the Lagos Plan of Action? Are we geared to be able to satisfy the basic needs of a population of between 997 and 1,077 million in the year 2008? Will we be capable of creating jobs for a potential labour force of between 400 and 510 million? Can we cope with the basic infrastructural requirements – water, electricity, intra-city transportation, housing, energy and telecommunications, to mention only a few, of 472 million urban dwellers twenty-four years from now? Will we be able to put into primary schools 178 million children and into secondary schools about 152 million children? What do these mean

in terms of the school uniform they will wear, in terms of the textbooks they will use, and in terms of the school equipment, particularly scientific equipment, they will require? Are we going to be importing these materials? What about the salaries for these teachers? Today, many of our institutions for higher learning are already suffering from lack of adequate resources, particularly classroom accommodation, essential textbooks and scientific laboratories and equipment.

Let me illustrate in quantitative terms the implications of all these for Africa's industrial development by the year 2008 – for the manufacturing of consumer goods, for intermediate goods and inputs and for capital goods. In our perspective study, we have taken two consumer goods – textile fabrics and pharmaceuticals – to illustrate the point. On the basis of the assumption of per capita income growth of 2.3 per cent per annum and an elasticity of 0.83 of per capita consumption of fabrics, the per capita consumption of textile fabrics is projected to increase from a level of about 2.0 kg. in 1980 to 3.2 kg. in 2008. Even this projected African per capita consumption for the year 2008 is lower than, say, Latin American per capita consumption of over 4 kg in the 1970s. But low as it is, it implies that total demand for textile goods will be increasing from 0.8 million tons in 1980 to 3.4 million tons in 2008. Production of textile goods will, if demand is to be totally satisfied without resort to imports, have to move from its 1980 level of 0.3 million in 1980 to 3.4 million tons – a phenomenal increase of more than eleven-fold.

As far as pharmaceuticals are concerned, since bulk drugs for formulation are currently imported, our self-sufficiency ratio for modern drugs is close to zero. In 1980, the total expenditure of individual households on drugs was US$2.2 billion. Historical trends would imply continuing complete dependence on foreign supply of pharmaceuticals with a total household expenditure of US$15.6 billion by 2008.

In our projections of the demand for and supply of intermediate products we concentrated on three products: fertilizers, cement and iron and steel. Let me use the first two products to illustrate further the challenge we face. As you all know full well, fertilizers, including pesticides, are essential inputs for increasing agricultural production and productivity – particularly food. On the basis of the projected level of food production by the year 2008, the ECA projection of total fertilizer requirements is 7.88 million tons, under the historical trend scenario and 21.49 million tons under the normative trends scenario. In 1980, total estimated production

amounted to 1.422 million tons. How to increase our fertilizer production by 554 per cent over the next 24 years even under the minimal historical trends scenario – not to talk of increasing production by almost 1,500 per cent poses a more than daunting, nightmarish task. And yet, if we do not, our food and agriculture situation will deteriorate further for lack of essential inputs or we will depend on imports which we can hardly pay for.

In the capital goods sector, the requirements for agricultural machinery and transport equipment pose even a greater challenge. Let us look at tractors to begin with. I need not tell you that the utilization of tractors affects the rate of agricultural and food output and that conversely, a continued low-level of tractor supply would have inevitable serious implications on Africa's overall economic development. Under a certain number of assumptions, the projected demand for tractors will increase from 253,000 in 1980 to approximately 802,000 in 2008 – a 317 per cent increase.

With regard to commercial and passenger vehicles, the projected increases in demand for production are even much greater. They are projected to increase from 1.7 million to 19.9 million and 3.3 million to 29.9 million respectively during the next 25 years.

I hope I have said enough to illustrate the scope and magnitude of the challenge that lies ahead – both in coping with the current emergency situation, and in rehabilitating existing industries, as well as in laying the foundation for self-reliance in industrial development. It is crystal clear to me that if we are to surmount the hurdles that lie ahead and rise to the challenge, we must adopt a number of operational guidelines. Let me suggest a few.

First and foremost, we must agree, that henceforth, all new industrial enterprises must have the very minimum of import contents. No industrial enterprise which does not use local raw materials must ever be set up in Africa. In other words, industrial enterprises depending on imported raw materials must henceforth never be established.

Secondly, all our endeavours at industrialization should henceforth reflect our factor inputs. In the face of the potential large labour force projected for the next two decades, and for the existing level of mass unemployment, we must adopt and adhere strictly to a policy of labour intensive industrialization. Capital-intensive industrialization strategy is not in the interest of Africa. This means that we must intensify our adaptive technology capability and intensify our efforts for technical manpower development so as to

reduce our dependence on imported expertise. There is no doubt that if industry develops, the consequent rise in incomes will permit a substantial expansion of employment to take place in the economy as a whole, but this, by itself, will not be sufficient to cope with the rapidly rising labour force unless we adopt deliberately a labour-intensive industrialization strategy.

Thirdly, our future industrial enterprises should aim at maximizing linkages – forward and backward linkages as well as lateral linkages. We must therefore accept, as a fundamental principle, that major alterations in the socio-economic structure are mandatory; that industry needs agriculture as much as agriculture needs industry; that a structure which is partly a foreign enclave and partly an urban enclave in a vast sea of rural backwardness is ill-suited to dynamic growth and change. We must also realize that industry has an inner structural logic and that linkages within the industrial sector are as important for its vitality as linkages between industry and other sectors. Finally, we must perceive that the importance of the industrial sector depends not so much on its size as on its growth-promoting impact on other sectors.

Fourthly, whatever else we may or may not do, we should henceforth ensure that our industrialization is on balance, even in the short run, a foreign exchange saver rather than a foreign exchange spender. So far, our industries are, on balance, a major source of foreign exchange leakages. While at the beginning of the industrialization process, expenditure of foreign exchange tends to increase because of the importation of capital goods and spare parts, and sometimes of fuel and a rising outflow of profits to foreign investors, we must strive hard to reduce this over time. I am quite sure that if we follow the first three operational guidelines, we can easily achieve this objective – particularly if our industrialization process makes it possible for incomes to rise faster than imports, and if we strive to maximize internal returns and the profit margins through built-in incentive mechanisms. It is well known that corporate saving is one of the major sources of industrial investment. While the foreign investor repatriates his profits, the indigenous industrialist will, *ceteris paribus*, reinvest his profits, thereby creating new industrial capacity. It is therefore important that, from now on, Governments should ensure that the indigenous enterprises fully participate in the investment promotion of selected projects. The planned establishment by ECA of Pan-African Federation of Chambers of Commerce and Industry, which is expected to become

operational later this year, should play an important role in joining our governments in the promotion and implementation of industrial projects.*

Finally, fullest advantages have to be taken of the economies of scale through an aggressive policy of intercountry industrial enterprises. I am more than ever persuaded that the possibility of achieving a breakthrough in industrialization depends largely on our ability to promote joint industrial enterprises at intercountry and subregional levels. Industrial co-operation among African countries also offers increased bargaining power. Fortunately, there is a growing resurgence of interest in co-operation at subregional level. The Preferential Free Trade Area of Eastern and Southern Africa (PTA), the Economic Community of West African States (ECOWAS), and the Economic Community of Central African States (ECCAS) provide virtually unlimited scope for industrial co-operation.

VI Statement at the Joint OAU/ECA Meeting of African Experts on Energy

Addis Ababa 24 March 1980

As we are all aware, energy resources play a fundamental role in the economic and social development of any society, and progress is reflected in a regular and often substantial increase in energy consumption. Energy influences the rate of growth and economic development because it determines the rate of development of all other sectors of economy. Frequently, a slowdown in the production and supply system, or a simple lack of adequate energy, considerably impedes or even paralyses the operations of the productive machinery of a country. Energy is an indispensable element because, by taking advantage of available energy resources, a country can strive effectively towards the creation of an economic climate conducive to industrial development. Consequently, there is a close interrelation between development

*The African Federation of Chambers of Commerce came into being in September 1984 (ed.)

of energy resources and development of such sectors as agriculture, transportation, industry, etc.

While many African countries have suffered from the effects of revaluing the price of hydrocarbons, it is however equally true that our countries, which are still weak and vulnerable, suffer not only from the increase in the price of petroleum products but also from the backlash of the economic recession in the developed countries. The latter are recklessly imposing disproportionate increases in the price of manufactures and services which they sell to the former and reducing their aid, on the pretext of their balance of payments or social policy constraints.

Six years after the beginning of the great oil crisis, it has become clearer than ever before that the economy of most countries depends, above all, on their energy supplies. Thanks to the resources that it now has, as well as the possibilities in this field, Africa can play an important part in the world energy game, even if it has so far not thoroughly exploited all its assets.

The possession by African countries of reserves of energy products such as oil or uranium, places them in a strategic position in the world economy, and often brings them considerable export receipts which they need to carry out their various economic development projects. Yet Africa's energy wealth is very unequally distributed.

The energy sources that have been exploited so far in Africa include hydrocarbons (petroleum/gas), coal, hydroelectricity and uranium. Of these, petroleum has remained for decades the most important source of energy in the world. About one-tenth of the world's crude oil supplies originates from Africa, although most of this is exported because the present industrial capacity of the continent is too low.

Closely linked to oil is natural gas, which is yet another hydrocarbon wealth on the continent. But its exploitation, and especially its storage and transportation, are much more difficult than for oil. Many countries let their natural gas burn while oil is being extracted through lack of facilities and techniques enabling them to store it. Thus, some 40 billion cubic metres of gas are being flared every year, whereas only 15 billion cubic metres of gas are consumed.

A few years ago, it was customary to look down on coal which fuelled the industrial boom in Europe because of petroleum being relatively cheap. However, coal does remain an important energy resource on the continent, not only for all of Southern Africa, but also for countries such as Nigeria and Morocco.

On the whole, Africa produces only about 3 per cent of the

world's coal requirements, although South Africa ranks among the first ten world producers. African reserves are estimated at over 88 billion tons, of which more than half are in South Africa. Elsewhere in Africa these reserves run the risk of not being all exploited, because for the countries concerned, the problem of profitability is more acute than ever. For instance in Zaire, previously one of the biggest African producers, production has considerably diminished due to the growing costs. Similarly, Madagascar and Botswana have important reserves that are not being developed.

The good point about hydroelectric energy is that it is inexhaustible and is most suitable, not only for power production but also for irrigation, river regularization, etc. This type of energy is probably the main hope for Africa in the field of agriculture and construction. Indeed, hydroelectric complexes not only supplement the energy needs, but also have boosted agricultural activities in Egypt, Nigeria, Ghana, Mozambique, Angola, Zambia, Zimbabwe, Zaire, Ivory Coast. In Ghana, the Akosombo plant produces nearly 4m kilowatts per hour and supplies Togo with two-thirds of her electricity needs. In Mozambique, the huge Cabora Bassa hydro-electric project produces 18 billion kWh every year. In Côte d'Ivoire, the Kossou Dam on the Bandama River has a less spectacular production (1.2 billion kWh for 1977) but its importance to the country's economy, particularly agriculture, is considerable: development of crop cultures, particularly that of rice, expansion of rural husbandry, creation of a vast fishing industry.

The plan by South Africa to produce nuclear weapons at her nuclear plants has brought into the limelight the strategic aspect of uranium in Africa. Although a strategic mineral, uranium is yet quite expensive to exploit, and, as a result, it has scarcely been exploited as a source of energy in the developing world, especially in Africa where there are vast deposits of the mineral.

Today, Africa produces about a quarter of the uranium extracted in the world (excluding China, USSR and the Eastern bloc countries). The main producers in Africa are South Africa (Third World producer behind USA and Canada); Niger and Gabon. Madagascar, and especially Zaire, used to be important producers but mining activities were stopped in 1968 and 1961 respectively, because of the problem of profitability. This problem might well be worth reconsidering since the prices have soared so dramatically. The most important uranium reserves in Africa are in South Africa, Algeria, Gabon, Niger, in Central Africa and Namibia. There is also some uranium in Somalia, Chad, Mali and in Mauritania.

In the case of Niger, the uranium extracted in the Arlit sector is a real treasure, even if most of the profits are still in the hands of French and German investors. As the fifth producer of the mineral, Niger draws from uranium more than half of its export receipts. The reserves are estimated to be over 40,000 tons, and extraction is beginning to take place in various other places in the country such as Akouta, Madonela, Azlik.

Finally, Africa has enormous resources of solar, wind, biomass and geothermal energy. They can be fully exploited only if research and development activities are systematically carried out, and if the mobilization of all the scientific, technological and industrial capabilities available at the national and regional levels is done.

It should be pointed out that, whereas Africa's energy potential is immense, it is hardly used, and it is unanimously recognized that economic development consists above all in the capacity to consume energy productively.

On the other hand, you should bear in mind that we are already beginning to experience the reality that some of the above mentioned resources are not limitless, and that they already approach the physical and economic limits of development. There is, therefore, no alternative but to look beyond our present sources of energy to other less conventional resources.

Africa has adopted a development strategy for the next decade which has as its main priorities, the attainment of regional self-sufficiency in food, an internally-generated industrial development process, and the physical integration of both the national, subregional and regional economies of Africa through the provision of transport and communications network. There is no need to emphasize the crucial role that energy has to play in attaining these objectives. It is, therefore, incumbent on us to have a clear assessment of our current and future energy requirements and of the most economically accessible source of energy to meet these requirements.

The demand for energy in the ECA countries has been rising rapidly in response to an ever increasing rate of consumption of commercial forms of energy. In order to meet this increasing demand, there is a strong need for a rational energy policy – both at national and regional levels. Such policy should provide guidelines for further discovery and development of conventional and new and renewable sources of energy, in a manner that enhances national development strategies and that is compatible with the development interests of groups of nations.

Such policies will require a careful appraisal of future energy requirements, of energy resources and reserves and methods of production of these resources. In order for these policies to be successful, the following problems must be resolved: problems of lack of trained technical and management manpower, problems of inadequate institutional base, problems of insufficient financial capacity and problems of lack of up-to-date equipment.

Particular attention and a high priority should also be given to the following aspects of energy resources development and utilization:

- exhaustive inventory of the continent's energy resources;
- accelerated development of the region's hydroelectric power resources, in partial substitution for costly imports of petroleum and its derivatives as a source of energy; in this context, interconnection of high voltage networks among neighbouring countries, in order to make maximum use of hydroelectrical potential and standardization of electrical equipment, should be given special attention;
- permanent endeavour to utilize national hydrocarbon resources for the petrochemical industry and only as a last resort for power and fuel;
- increased utilization of coal for power production;
- rural electrification and availability of fuel and energy in rural areas and a significant increase of rural population's standard of living as final goal;
- training of high level national personnel specialized in all aspects of intensive exploration and utilization of the continent's energy resources;
- promotion of the use of solar, wind and biomass energy as an alternative source, particularly in the least developed countries; and,
- creation of African multinational organizations to deal with systematic extraction and planned utilization of energy resources.

The above mentioned objectives can be achieved through large scale co-operation among African countries, with joint efforts, with strengthening of institutional capabilities, and significant increase of manpower availabilities through multinational training centres.

In the context of these activities, African countries should evaluate the need for trained personnel for their energy resources development. They should:

– provide systematic training for technicians, engineers and researchers;
– provide objective means for the selection of candidates for scholarships and fellowships abroad;
– organize periodic training seminars and provide necessary training equipment such as libraries, etc; and,
– start immediate training of experts in the field of nuclear energy, through a combined programme of training abroad and the acquisition at home of small nuclear reactors for research and training purposes.

Under these activities, assistance is necessary and this should be sought through international organizations or on a bilateral basis. Also, there should be an international flow and exchange of technical information through centres established at national, sub-regional, and regional levels, to ensure an intensification of efforts in the development, adaptation and transfer of technologies for harnessing, direct utilization, and conversion of renewable sources of energy such as solar, wind and biomass.

Finally, national, subregional and regional institutions in the sector of energy resources need to be set up. They should be based upon long-term programmes in conformity with the overall economic development plans and policies. Emphasis should be placed on institutions capable of forecasting and planning for energy resources development, both at the national and sub-regional or regional levels. These institutions should also be able to carry out experimental work on the most promising forms of new energy sources, study the practical application in new technological fields, train the needed personnel, and finally make economic and technical recommendations on the practical application of new sources of energy.

Above all, establishment of a co-ordinating machinery is a necessity of crucial importance.

To sum up, Africa needs to develop as fast as possible, new sources of energy, new technologies and new modes of distribution. Well conceived programmes need to be developed so as to broaden the existing energy resource base and to lessen the prevailing dependence on the relatively small number of major energy suppliers. Specifically, such programmes should include an intensified search for fuels on land and off-shore; improved methods of recovery; and, the substitution of coal and new sources of energy for oil where appropriate. Given the present level of oil prices, utiliza-

tion of coal is becoming competitive, as is the exploitation of oil shale and tar sands. Nuclear power is increasingly attractive in those countries which have reached, or will reach, a sufficient level of demand to support the large nuclear plants which are economic to operate.

Renewable sources of energy, such as geothermal, solar and wind power, and the associated new technologies, should be developed at an accelerated rate, so as to permit their utilization as early as possible. Efficiency in energy use and conservation should be given a high degree of priority, within the framework of the broad energy planning and management which will be required. A greatly reinforced effort in regional co-operation, in particular, for the benefit of energy-poor African countries, will have to be set in motion. The net result of these various measures should result in new patterns of energy demand and supply.

In the long run, problems of the exhaustion of non-renewable energy sources have to be faced, and the impact of increased energy consumption on the environment studied. It should be borne in mind that we are already beginning to experience the fact that they already approach the physical and economic limits of development. There is, therefore, no alternative but to look beyond our present sources of energy to other less conventional resources.

A large number of African countries have undertaken steps to analyse their long-term energy requirements and formulate national energy policies, in the light of changing world energy supply patterns, increased costs, supply interruptions and environmental considerations. Such policies aim at ensuring the uninterrupted supply of energy with minimum cost to the economy for its growth. This also implies the seeking of maximum energy utilization efficiency. However, this may not always be possible, because of the choice between utilizing indigenous low efficiency energy resources or importing high efficiency resources. This consideration also affects national energy policies with respect to the type of energy mix that a country should adopt keeping in view considerations such as interfuel substitution, new technological developments, and geo-economic parameters of international energy trade. In such cases, the goal should be to seek a balanced consideration of varying views. Long-term planning of energy resources should, therefore, be considered fundamental to the formulation of overall national economic development plans.

By switching to intermediate energy forms as input energy, very often the efficiency of the energy utilization can substantially be

raised. Better energy utilization results, in these cases, by better conversion conditions of the alternative energy form itself, or by its fitness to perform a more advantageous conversion chain or process.

Of course, replacement of fuel oil or natural gas by coal or even by low grade coal in boilers, will lead to a several percentage points higher thermal efficiency, when this substitution is possible or desirable both from economic and/or energy policy points of view.

Energy substitution may produce interesting results even in classic industrial processes, as for instance partly replacing coke in blast furnace by fuel-oil or natural gas.

A special case of favourable energy substitution may develop with nuclear energy. It does not substitute other fossil fuels by replacing them in thermal power plants, but by covering in the future an increased share of electrical energy demand. Also, in long range perspective, it will take over electricity generation no more continued in obsolete shut down conventional thermal power plants. In this manner, nuclear energy may contribute in a very strong manner to stretch the fossil fuel reserves especially when it will integrate as well large heat deliveries from combined heat/power nuclear plants.

Finally, it has to be stressed that improving efficiency of energy utilization represents a wide, long range system of actions, co-ordinating and integrating single and combined energy conversion and transport processes, watching the real usable energy demand and trying to cover it by a minimum of consumption of primary energy resources. This minimum will seldom correspond to the theoretical figure, as economic and energy policy factors have also to be considered in the final decision. But it will be important for the decision-making process, to be always aware of the real limits and possibilities.

Finally, a few words about geothermal energy.

Despite considerable geothermal potential existing in a great number of African countries, especially in the central and eastern part of the continent associated with the tectonic unstable zone of the Rift Valley, very little was done to develop this energy.

Fragmentary exploratory works to evaluate the potential have started during the last years in Algeria, Kenya, Uganda, Ethiopia, Cameroon, Burundi and Mali. It seems that the most favourable conditions, from the geological and economic point of view, exist in Ethiopia, Kenya and Cameroon, but a proper estimation has not yet been made.

A co-ordination of the efforts between the UN agencies, the interested developing countries, and assistance from the developed countries, under the guide of ECA appears to be necessary. As you can see, this meeting is taking place against a difficult background. It is against this background also, that as experts, you have a heavy responsibility. What is required, I believe, is to evaluate as thoroughly as possible the present situation and future trends of African energy resources development and utilization, to see how best we can co-operate in this field and to submit recommendations to the governments of our countries on the ways and means of ensuring African full energy independence.

VII Speech to the Intergovernmental Meeting of Experts on an African Regional Centre for Consulting Engineering and Management

Addis Ababa 14 September 1981

What, it may be asked, is the economic and technical environment which necessitates the creation of an African Regional Centre for Consulting Engineering and Management? First, African Governments rely almost entirely on borrowed money from abroad and on foreign consultants to plan and implement industrial projects, due to lack of sufficient investible funds, adequately skilled manpower, and appropriate information.

Second, the experience gained by the various African States, in their endeavour towards industrialization in the recent past, has sufficiently proved that importation of industrial concepts, technologies and designs, however good and successful elsewhere, did not automatically imply equal success in Africa. This has automatically led to the axiom that optimal results from industrial development could only be achieved if they were ensured, in the stage of micro planning and conception of projects, to take due note of the local environment. Therefore, where technologies and techniques have to be imported, the same should be appropriately altered and adjusted to suit local circumstances.

Third, the process of industrial development has become so complex that co-ordinated planning, appropriate technological inputs, and rationally-designed effective strategies for implementation, are indispensable to the realization of the desired goals. Consultancy organizations have to provide these inputs to ensure appropriate solutions.

Fourth, the Lagos Plan of Action entails massive investments for the achievement of accelerated industrialization and self-sustainment in Africa. To achieve a massive increase in industrial production, new industrial projects have to be established, and the optimization of existing investments has to be undertaken in order to increase their productive capacity. This would call for tremendous efforts and streamlining of consulting engineering and management services existing in Africa, in order to ensure the establishment of industrial projects consistent with the socio-economic goals and aspirations of the masses.

However, in most cases, African countries have had to resort to foreign sources for procurement of consultancy services for a large number of their projects both in the private and public sectors. While the total expenditure of time and money relating to the planning and engineering activities may be a relatively small proportion of the total outlay, insufficient attention to detail has often led to results which are considerably at variance with expectations. Not only is certain essential infrastructure for industrial development generally inadequate, but also the local environmental influences and conditions are often different from those prevailing in the advanced countries from which the consultancy services are usually procured.

Only local professionals, who are most familiar with local circumstances and the various environmental influences, could, if given opportunity, be in a better position to provide realistic techno-economic solutions for African industrial enterprise.

On the basis of estimates by the Joint ECA/UNIDO preparatory mission, African countries are likely to spend very huge sums of money (estimated at between US$5 and 10 billion a year) on all types of consultancy fees during this UN Third Development Decade. If the proposed Regional Centre could save the African States just 50 per cent of this amount, this will be a substantial relief for all our governments.

It is also estimated that the basic categories of industrial consultancy account for 6,000 man-years every year in Africa, including: (a) investment related consultancy; (b) financial management,

accountancy, auditing; (c) industrial planning, corporate planning, productivity improvement. In addition to this, there are a large number of consultancy activities, of mainly a brokerage character, such as real estate firms and agents, etc. Beyond strictly industrial consultancy, there are urban planning, agricultural, mining, education and cultural advisory services which are excluded from consideration, in relation to the proposed African Regional Centre for Consulting Engineering and Management. The functions of the Regional Centre will be directed to the three main groups of activities mentioned above.

The African countries are endowed with diversified, and, in many cases, bountiful physical resources. The bulk of their agricultural, mineral and forest resources have, however, not been fully exploited and processed, in accordance with the real needs of these countries. Many countries have been compelled to resort to exportation of their resources in raw form, thus depriving them of much value-added and employment opportunities. As a whole, however, African countries among themselves possess technologies, industrial consultancy capacities, financial resources, manpower and managerial capabilities to exploit and develop their resources, and also have the captive markets to absorb the final products collectively. This provides wide scope of complementarities among the African countries for better utilization of their valuable physical resources and industrial consultancy capacities for accelerated industrialization and achievement of collective self reliance.

In the absence of organized collective African approaches, most foreign consultancy firms, who are mainly motivated by short term financial gains, have emphasized national approaches rather than multinational solutions. In this connection, they have trained their own manpower to be deployed in other developing nations. They have accumulated vital data and robbed the indigenous consultants of excellent opportunities for utilizing their own expertise and knowledge. Thus, excessive reliance on foreign consultants has frustrated the objectives of collective self reliance in the African region.

Recently, however, various African member States have made some efforts towards promotion of local consultancy organizations. On the other hand, there is need for an overall organization which can pool together the existing capacities and capabilities in the African countries into a total package of consulting engineering and management services and, at the same time, provide complementarity among the African countries, essentially based on the

criterion that each country should concentrate on the areas of its strengths, in a manner which will lead to maximum mutual benefit.

Some member States have already established institutions for industrial consultancy and management services for their development programmes. The findings of the preparatory mission show that the facilities available to foster rationally designed development programmes, in conformity with national priorities and policies, vary considerably from country to country in terms of sectoral coverage, areas of specialization, competence and levels of expertise. It must be emphasized, however, that most of these consultancy institutions are either managed by professionals from foreign countries or are operating as subsidiaries of transnational firms. Apart from that, some of these institutions have acquired sufficient experience by virtue of their having carried out local assignments even though the cost of their services is usually extremely high.

A number of indigenous African consultancy organizations (private and public) have in recent years developed certain capacities and capabilities for rendering industrial consultancy and management services, and are capable of evolving solutions in conformity with the local environment. In spite of this, most African countries still resort to foreign consultants to acquire services at much higher costs, even services which could be obtained from indigenous sources at reasonable costs. The Centre is expected to fill the gaps and become an effective instrument for promoting the services of indigenous organizations and professionals and for accelerated growth of technological competence.

However, there are other African countries which, due to their small size and resources and other diverse factors, internal and external, have not been able to create their own consultancy services. It would be pertinent to add here that none of the countries in Africa is in a position to cater fully for its requirements of consultancy services from indigenous sources. It would be a rational and realistic approach, therefore, if use could be made by countries, of services available in other African countries, especially in view of the fact that such services would result in solutions more appropriate to the local environments and would probably cost less. The nature of such co-operation would involve not only joint working on various projects, but also developing simultaneously local capacities and capabilities of the type and, to the extent these are feasible, in relation to needs of a given country.

The technical contributions of other developing and developed

countries, wherever necessary, are not precluded from the concept of co-operation envisaged in the proposal of creating an African Regional Centre for Consulting Engineering and Management. Such contributions could indeed be utilized on a selective basis in the spirit of mutual interdependence of nations and technical co-operation among developing countries.

In conclusion, although the idea of creating an African Regional Centre for Consulting Engineering and Management Services has been discussed at various sessions of the Conference of African Ministers of Industry and its Follow-up Committee, the proposed Centre would have a broader role to play. Besides contributing to reduction of foreign consultancy costs, which drain the region of much of its foreign exchange savings, it will also help to enhance the following:

(i) the growth objective for African industry as stated in the Lagos Plan of Action;
(ii) the substantial investment requirements to achieve this growth objective, accompanied by the necessity of streamlining new and existing industrial operations, and preparing a large number of relevant projects;
(iii) the role of consultancy and management services in expanding industrial environments;
(iv) the efforts of existing national consultancy organizations, and reduce dependence on costly outside services; and,
(v) the potential of a well-managed Regional Centre to respond to the problems of the relevant African industrial development objectives.

The mission report on the establishment of the Centre takes account of the implications for Africa in its efforts towards implementing the Lagos Plan of Action and lays great stress on the need and urgency for establishing the Centre. We, at ECA, see the Centre as an important regional instrument for harnessing, developing and directing available investment resources into proper uses and thus taking an important step towards achieving the objectives of collective self-reliance and self-sustained industrial growth. Thus the Centre will both assist to improve Africa's grasp of these complexities and gradually develop an effective modality by which Africa can be better assisted.

CHAPTER SEVEN

Trade

I Statement to the Fourth Meeting of the African Ministers of Trade

Algiers 24 November 1975

Today, I should like to go in some depth into some conceptual and practical aspects of trade as part of the exercise the ECA secretariat is carrying out in interpreting the New International Economic Order as applied to our region. Trade is to us a means not an end. It is a broad means to several other means. When we speak of greater access to the markets of advanced countries, we actually interpret this as greater access to means e.g. technology, capital goods and services, skills, research institutions, education and training facilities, raw materials – essential for restructuring our socio-economic systems so as to make them largely self-sustaining and responsive to changes in the needs of our people. Of course, we do not exclude from imports pharmaceuticals, consumer durables and non-durables. Thus, in considering our trade relations with particular countries or groups of countries we must have in mind what we can sell to that country and what particular forms of technology, what special types of skill, what kinds of capital goods and services and so on, that country or group of countries has that we need today and in accordance with our national strategy and plan and therefore must obtain through trade. We move, in effect, from the general to the specific. We decide beforehand that we need now the technology for petrochemical production not the technology for soft drinks manufacture. Tomorrow, we may, having got our petro-chemical industry going, be concerned with the technology and skills for manufacturing aluminium products not textiles, as the case may be.

Moreover, I have noticed that the countries which have been most successful in accelerating growth and diversification have not only been specific as to what they want at any one time, they have also been careful to weigh alternative sources for this technology, that type of skill or capital equipment. They have not been content

with an undiscriminating acceptance of any kind of technology, or skill or capital goods from just any kind of source.

It seems to me, that this is one of the lessons we learned from the association between the 18 African States and the EEC under the Yaounde Conventions. Mere access to trade opportunities, in large expanding dynamic markets in advanced countries, does not by itself guarantee that somehow this will lead to the massive internal socio-economic changes that each country must undergo, as part of the process of accelerated growth and diversification of output and its equitable distribution. Trade is only one of the components in the engine of economic development. I feel that one of the major challenges which faces the region in the trade sector in the future is, therefore, how to determine the specific requirements and their timing, to identify the most appropriate source and to negotiate what is to be exchanged for what. It will be obvious, I hope, that we have a fairly well defined strategy and plan at the national or multinational level extending beyond the conventional three or five years. No serious strategy for transforming socio-economic systems in Africa can, in my view, be based on a perspective of as short a period as five years.

Let us now turn to another issue that we consider critical in terms of the New International Economic Order: the relationship of trade to production and economic cooperation. It can no longer be doubted that the expansion of intra-African trade and the restructuring of Africa's foreign trade are unlikely to take place without major changes in the production structure of the African economies. I personally doubt whether such changes in the production structure can, with few exceptions, take place on the basis of individual national economies in the region. There seems to have persisted, up to recent times, the conviction in governments that economic cooperation is an 'extra', that we first solve problems of national socio-economic development and then turn to possibilities of multinational cooperation. This is feasible, but only up to a point – a point that does not seem to me sufficient to initiate self-sustaining and self-reliant growth. In other words, I am firmly of the view that economic cooperation in the production of certain goods and services is a necessary condition in the pursuit of national socio-economic goals. But this is not all. For years we believed that if we ensured national political and economic stability, if we provided generous fiscal and other incentives to foreign private investment, if we gave the private entrepreneur a free hand to go where he liked

and (almost) do what he liked, we were creating what was called the right 'investment climate'. Today we know from direct and extensive observation that an investment climate means, first and foremost, large expanding and diversifying markets with opportunities for making profit, selling goods, technology or skills; or vast deposits of exploitable natural resources in dynamic world demand. Where the two are combined we may be said to have a super investment climate. We note that great powers who daily threaten each other with nuclear disaster, and each of whom solemnly warns us against the other, nevertheless conduct extensive negotiations with each other for the exchange of capital goods, consumer durables, food, technology, skills, and raw materials. We can, by combining, create the same attractions, obtain what we need, on the best terms through negotiations, and provide protection against economic domination. Again, obtaining the best requires care in choosing both the factor input and its source.

The last point I wish to make is concerned with trade mechanisms but goes a little way beyond this. We see intra-African trade as a larger version of trade at the national level where, we believe, the orientation of trade policy towards extra-African markets has led to a similar orientation of the development of institutions, procedures and information. It is urgently necessary to correct this by greater attention to the design of institutions and procedures, and the organization and use of information pertinent to internal trade patterns, the problems of distribution and marketing, and the internal redistribution of effective demand.

Similarly, at the intra-African level, we need to think of the possibility of regional markets for, say, cereals, fats and oils, different groups of industrial raw materials organized around exchange markets. At present, countries in the region with surpluses and deficits have no efficient means of establishing contact with each other.

A major institutional gap exists which can really not be filled by chambers of commerce and the like. What is needed are regional specialized centres where supply and demand can be matched. This may easily be extended, once established, to serve intercontinental trade. At the intra-regional and the intercontinental levels we need to act quickly and firmly in such matters as the development of shipping, land surface transport, and air cargo transportation. I fear we may still be trapped in the debates and policy positions of the past. We also need to pay much greater attention to problems of

transport facilitation and intermodal transport arrangements, all of which may turn out to be more important for intra-African than for extra-African trade.

At this point I want to argue that the time has come to break out of the mould of ideas which really began taking shape in the 1960s. For effectively securing and holding on to the world markets for semi processed raw materials and manufactures, we must begin to talk of the role of industrial design centres, of standardization, of quality control rules and advisory services, of the need to strengthen African competence in engineering design and in the science and technology of materials. These have profound effects, not only on dynamic self-reliant growth but on international trade projects. We need to begin to learn and to use widely the *lingua franca* of international business.

For all these we need a whole new set of attitudes, competences and institutions. Small industry and faded collections of tinned foods, textiles, and packets of cigarettes in little corners of our embassies must disappear. International trade promotion officers must be highly trained specialists. Embassy staff must include provision for experts in the products and services we need from abroad and postings must be tailored, as they are in advanced countries, to current interests we have in particular foreign countries.

We will also need policies and institutional devices for the multinational pooling of key imports, for the aggregation of marine cargoes, for coordinating policies and operations of state trading agencies, and for facilitating multinational purchase and supply commitments. These mechanisms will reinforce the bargaining position of countries of the region in securing, on reasonable terms, the imports they need.

It will be clear from all this that I envisage what might almost be described as an explosion of purposeful, imaginative activity consonant with the implementation of the New International Economic Order.

II Address to the Joint Symposium of Presidents and Secretaries-General of African Chambers of Commerce

Addis Ababa 16 June 1981

What role can Chambers of Commerce be expected to play in the implementation of the programme in the Lagos Plan of Action? One can think of a number of answers to this question, and I am sure all of you have come here with concrete proposals to make in this respect. But before we do so, and indeed to enable us to do so in the most appropriate manner and with a proper overall perspective, perhaps a broader question must be answered first, namely, what role could and should Chambers of Commerce, and more generally private businessmen, play to assist our countries in meeting the challenge of national development, in the light of Africa's current social and economic conditions, of which the development of intra-African trade is part and parcel?

The economic situation now facing our continent is, I am quite sure, too well known to all of you to warrant my dwelling on it at some length. As you all are aware, it has been my painful duty to call, privately and publicly, from time to time, the attention of African Governments in particular, and of the international community in general, to the rapidly deteriorating social and economic conditions in Africa. I have been doing this, as indeed I did very recently when I addressed the Nigerian Association of Chambers of Commerce, not because I am an alarmist by nature or a pessimist by disposition, but because of the imperative necessity of appropriate ameliorating measures being taken urgently, in order to put African economies on the road to self-sustaining development and internally generated process of economic growth.

Between 1960 and 1980, not only did economic growth rates in Africa not rise as had been planned, they actually fell. Indeed, except in those countries blessed with minerals, including petroleum, and a very small number of agricultural countries, the output of goods and services declined progressively between 1960 and 1980. This decline is a reflection of poor agricultural performance, with its serious repercussions in terms of hunger and malnutrition, balance of payments crises arising from poor earnings from raw

materials and excessive payments for services such as shipping, banking, insurance, brokerage, consultancy and growing external debt burden.

All these, and much more, have resulted, in 1980, in sagging and sluggish economic growth, with the continent being severely hit by world inflation, growing unemployment and mass poverty, coupled with what, in my 1980 end-of-year statement to member States of the Economic Commission for Africa, I called the "four devastating and debilitating problems" facing Africa, namely, chronic food deficit, pernicious drought, the impact of apparently inexorably rising costs of imported energy, and deteriorating terms of trade and balance of payments crises and the associated debt burdens. To these must be added the malpractices by some transnational corporations and the legendary and chronic inefficiency and high propensity to wastage of resources by public enterprises.

The current social and economic problems facing developing African countries underline the magnitude of the challenge of national development. At this juncture, it is essential that we have a meeting of the minds as to what we mean by development, as distinct from economic growth. It is now becoming increasingly clear that development is a process that has to be internally generated and sustained. It means the transformation of the economy and society and the internalization of the factors of production, distribution and consumption. It means the establishment of a modern society capable of self-sustaining economic growth at a reasonable rate.

Thus, while development is concerned with the fundamental restructuring of an economy leading to fundamental changes in its society, economic growth focuses attention on periodic changes in such major economic parameters as gross domestic product, gross national product, savings and investment, etc. While, in the final analysis, development will lead to growth, economic growth will not necessarily lead to development, if the necessary linkages among domestic sectors are not established and if the internal development of the necessary factor inputs is not deliberately promoted. Moreover, while activities related to economic growth can easily be concentrated on a single indicator such as the gross domestic product, those related to development activities will have to deal with multiple objectives both on the supply and the demand sides. They will have to be concerned both with the real and financial aspects of development. Still, while economic growth may be pursued wholly for its own sake and such issues as the composition of output in relation to demand satisfaction, the question of who

produces and who consumes, as well as of where and how to produce may only be indirectly addressed, such crucial issues constitute the heart of "development". This is because it is only development which tackles such fundamental objectives as direct attack on mass poverty, self reliance and self sustainment even when using the instrument of economic growth.

Intra-African trade promotion can be viewed as a key instrument for making it possible for our countries, not only to lessen their excessive dependence on the outside world, and in particular the developed market economy countries with which we do more than 80 per cent of our trade, but also by enabling them, that is to say our countries, to make optimum use of the resources available in the region as a whole and promote the indigenous development of our factor inputs. This should be substantially facilitated by the fact that our products will be able to find much wider markets.

Already in West Africa, as all of you know, the Economic Community of West African States (ECOWAS), in the launching of which I am proud to have made some contribution, has been in existence for some years now. Other groupings, such as UDEAC and the Community of the Great Lakes in Central Africa, have also been functioning for a number of years. I am pleased to inform you that the ECA is currently actively engaged in helping the other subregions in setting up such groupings. One major effort in this direction is the ongoing negotiations for the establishment of a Preferential Trade Area for Eastern and Southern African States, as a prelude to establishing an economic community of Eastern and Southern Africa.

In the implementation of all these schemes, indeed to actually bring them into fruition, your members quite obviously have a major, if not the major, role to play. Not only are there tariff reductions to be taken advantage of, but also productive investments to be undertaken, on a multinational basis, between enterprises located in different countries, or between nationals of a number of countries as happened in the case of SOFAM, a metallurgy plant set up recently in Dakar under the joint ownership of a group of Nigerians, Togolese and Senegalese. In this and other ways, it is my earnest hope that we shall be able to establish the proper framework for a meaningful expansion of African production through promotion of intra-African trade, not only in raw materials, but also in food and non-food products.

In the light of the foregoing, it should be clear that, by engaging themselves more and more in this type of trade, your members will

not only be making good business for themselves, but will, as well, be adding a new dimension to their present role by truly becoming *promoters and managers of the socio-economic development* of their individual countries and of the region as a whole, side by side with the public sector.

Against this background, the role which your Chambers are now called upon to play is to us, in ECA, of fundamental importance.

First and foremost, perhaps, is the task of disseminating information to your members about the Lagos Plan of Action, in terms not only of the new orientations it contains for our overall socio-economic development and intra-African trade expansion in particular, but also of its practical implications for, and the opportunities it opens up to, individual businessmen.

Another important task should be, now that the initial personal contacts have been made by means of this Symposium, not only to maintain them, but also systematically develop them at all levels, i.e. at individual levels as well as at multinational levels.

In so far as the latter are concerned, I wish to emphasize that, while the process cannot and should not be expected to take place overnight, there is need to think seriously, as of now, of ways and means of setting up subregional Associations of Chambers of Commerce, wherever these do not yet exist. That is to say, in fact, if my information is correct, in all subregions, except West Africa, where a Federation of West African Chambers of Commerce is already functioning. The ultimate objective to be aimed at, in this respect, should naturally be the creation of a Federation of African Chambers of Commerce, the counterparts of which have long been in existence in all the other regions of the world.

While the creation of such groupings is likely in the long run to have a positive impact on intra-African trade, many concrete steps can and ought to be taken in the meantime, including the following:

The first one would be for those Chambers represented here, which are not yet members of AATPO, to take appropriate steps to join it.

Another one would be for you to submit to AATPO and ECA not later than 1 September 1981, a list of importers and exporters of key commodities which are available for intra-African trade, together with conditions of supply as well as product specifications, and addresses of the businessmen concerned. ECA itself is currently making preparations for the publication of an African Trade Directory, for which this type of information will be an important input.

Thirdly, your Chambers could undertake to keep their know-

ledge of the trade environment of their respective countries up to date, by exchanging publications and all relevant economic and statistical data, including those relating to tariff and non-tariff barriers, distribution channels, and tenders which may be of interest to their respective members.

A major point in this connection, and one which is causing great concern at the moment, would be the exchange of information about national trade fairs, with a view to ensuring not only the participation therein of other countries in the region, but also to avoiding holding them at about the same time.

Your Chambers could also make special efforts to assist in the organization of businessmen's missions geared specifically to intra-African trade promotion, as they have traditionally been doing for businessmen's missions from developed countries.

Lastly, there is much room for technical assistance between your respective Chambers, some of which have a lot of experience to share with others, especially with regard to training of staff.

III U.S. Trade Policy and Developing Countries: Special Measures for the Least Developed and Other Low Income Countries

Overseas Development Council, Washington, D.C.

28 September 1984

1. INTRODUCTION

These are trying times in international economic relations. For years, all efforts to forge a new set of economic relationships between the North and the South, between the developed and the developing countries, have yielded no fruitful and positive results. This failure to resolve the current problems in North/South economic relations continues to pose a great threat to world peace and to undermine the economic interdependence of the international community. Five years have passed since the publication of the Brandt Commission's Report – *North South: A Programme for Survival.*[1] The Cancun Conference of Heads of State and Govern-

ment on which so many hopes were pinned in 1981 did not lead to a breakthrough. In fact, there was a setback soon thereafter, as most industrialized countries facing deteriorating economic conditions at home adopted self-centred measures which further exacerbated North/South economic relations. Meanwhile, the list of issues which are waiting to be resolved is getting longer with each issue becoming more complex and difficult with the passage of time. Needless to add that the persistence of these problems, and the fact that solutions do not appear to be in sight, have brought increasing economic and social hardships to many countries not only in the developing world but also in the industrialized world as well. However, for the former, the lack of any solution continues to pose a serious threat to their very survival.

Indeed, this crisis which has engulfed the international economy for so long has been inducing "an impulse to contract".[2] It has proved beyond doubt that it is a crisis of contraction: contraction of production, of employment, of trade, of credit, of aid, and of economic growth. And it is a common crisis since it afflicts both rich and poor countries, and market, mixed and centrally planned economies whether they are industrial or agricultural communities.[3] The world economy has remained for too long in the midst of what has been universally described as "the worst economic situation since the 1930s". Between 1980 and 1981, world output increased by only 1 per cent, and between 1981 and 1982, 1982 and 1983, and 1983 and 1984 world output performances were respectively as follows: 0.8 per cent, 2.2 per cent and 4.0 per cent. If the international economy as a whole is to get out of the economic doldrums in which it has been for some years now, the major issues of our times must be addressed and addressed promptly without further procrastination. Given the prevailing climate of international relations, many cynics may regard this assertion as nothing more than a pipe dream. Yet in the final analysis, is there any viable alternative? No doubt, the key to any such solution is in the hands of the OECD members states which together constitute the world's most powerful economic system in terms of production, employment, trade, credit and aid. And among this group of countries, the leadership role of the United States is most crucial.

Although all the issues crying for resolution are interrelated, we are focussing only on foreign trade, not only because it is the concern of this Conference but also because trade policy is very central to the resolution of the current crisis. And for the least developed and other low income countries – the wretched of the earth – which are

overly dependent on foreign trade – a solution of the trade issues will certainly constitute a turning point, not only in their search for economic revival, rehabilitation and reconstruction, but also in their relations with the industrialized countries.

Therefore, our main concern is to identify the elements and contents of a package of special measures in the foreign trade sector which can be put together for the least developed and other low-income countries. While Global Negotiations for a New International Economic Order, under the aegis of the United Nations, are still the most desirable approach for resolving the present crisis and averting further collapse of the international economic system, there is a growing and urgent need for the special problems of the least developed and other low income countries to be addressed without much further delay. Indeed, in view of the current stalemate in launching the global round of negotiations, a readiness on the part of all concerned to negotiate in small groups and on single issues, within the framework of the overall objectives, might provide a way out of the present deadlock and be the beginning of a pragmatic solution to the global crisis which will eventually lead to a new Global Round of Negotiations in the United Nations on all the issues – trade, finance, food, energy and external debt. Put together, a package of special measures for the least developed and other low income countries might prove a test case of the international community's readiness to be pragmatic and eclectic.

For there can be no doubt that unless such special measures are forthcoming, the trade prospects of this group of countries are far from being bright or, to put it bluntly, are very dim indeed. This is even more so in Africa south of the Sahara, where these countries are most concentrated and where the impact of the crisis is being felt most seriously.

II. DEVELOPING COUNTRIES' FOREIGN TRADE PATTERNS, 1960–1983 – A REVIEW

In the 1960s, world trade grew at about 8.0 per cent a year and in the 1970s at an average of 5.7 per cent. Indeed, from the 1950s until 1973, the rapid economic growth which was witnessed by the world was accompanied by an even faster growth in international trade. The eight year period between 1965 and 1973 can be said to have marked the peak period in international trade when it grew at an average of more than 8.5 per cent per annum, in the face of GNP

minimal average growth rate of about 6 per cent. Developing countries as a group experienced corresponding high growth rates in their exports during this eight year period. Conversely, the performance of their export trade since 1980 has, on the whole, been negative (–0.5 per cent). Exports of both fuel and manufactures increased in importance over the years, while the share of agricultural commodities in total merchandise exports declined from 50 per cent in 1965 to 23 per cent in 1980. The boom of world output and trade which began in the 1950s and built its momentum through the 1960s was sustained until 1973. But, the regional composition of world trade changed very little during the whole of this period, although there were variations from time to time. Thus, during the twenty-year period, between 61 and 68 per cent of world exports came from the developed market economies while the same group of countries accounted for between 63.5 and 69.5 per cent of world imports. The corresponding figures for developing countries, including oil exporters and oil importers, the newly industrializing countries and the least developed, and other low income countries, were on the average only 12 per cent for exports and 11.3 per cent for imports.

As regards the relative importance of the exports of manufactures to those of non-fuel primary products for Africa, exports of manufactures accounted for only 11 per cent in 1970 and 9 per cent in 1980. Primary commodities accounted for over 80 per cent of Africa's merchandise exports throughout the period as against between 43 and 50 per cent for Asia. As far as merchandise imports are concerned, there was a growing dependence of low income oil importers on the importation of food and fuel which together accounted for 20 and 26 per cent for Africa and Asia in 1970 and for 47 and 53 per cent for both respectively in 1980. Africa being the least industrialized region in the world still imports more than one half of its requirements of manufactures. And the dependence of the low income countries on foreign trade is shown by the ratios of exports and imports to their Gross Domestic Product.

It is perhaps appropriate at this point to focus at some length on the patterns of foreign trade in Africa. Africa, after all, has the unfortunate distinction of having the largest number of the poorest among the poor countries of the world – whether they are called least developed countries as defined by the United Nations General Assembly,[4] or low-income countries as defined by the World Bank.[5] Either of the two classifications includes as many as 26 countries. Indeed, it is probably more realistic today to classify the entire sub-

Saharan Africa (with the possible exception of one or two countries) as least developed.

African trade has grown considerably faster during the past thirty years than ever before in modern times. The rate of growth of exports has averaged 3.9 per cent per annum in the 1950s, 9.3 per cent in the 1960s and 21.5 per cent in the 1970s. On the whole, between 1950 and 1980 Africa achieved an annual growth rate of 11.1 per cent in its exports. The corresponding figures for imports are 5.3 per cent in the 1950s, 4.9 per cent in the 1960s and 22.2 per cent in the 1970s – the average for the whole period being 9.5 per cent per annum. However, these averages conceal serious disparities in the performance of different countries and sub-regions. While the countries of North and West Africa achieved an average annual growth rate of over 12 per cent between 1950 and 1980, those of Eastern and Southern Africa and Central Africa subregions achieved only 7.9 per cent and 4.7 per cent respectively over the same period. And four countries achieved negative growth rates in the 1950s and 1960s while in the 1970s the number was reduced to one. As many as 21 in the 1950s and 15 in the 1960s achieved less than 5 per cent growth rates. However, in the 1970s, 37 African countries were able to realize growth rates of over 10 per cent. The corresponding number of countries in the 1950s and 1960s were 7 and 12 respectively. Thus the 1970s was the decade when Africa's export performance reached its peak. However, this acceleration in the rate of growth of the value of exports in the decade of the seventies was primarily due to the two large oil price hikes of 1973/74 and 1978/79. These have also brought about a fundamental change in the structure of African exports. The value of crude petroleum exports has gone up from just over $200 million in 1960 (3.8 per cent of total African exports) to $67.4 billion in 1980 (about 73.5 per cent of total exports).

Other changes in the relative importance of the twelve leading African exports commodities which in 1960, 1970 and 1980 accounted respectively for 55.6 per cent, 66.3 and 84.7 per cent of the value of African total exports, include the emergence of coffee as Africa's number two export commodity, with copper coming third and cocoa number four. Cotton which had held the premier position in 1960 was pushed to the sixth position in 1980. As of now, Africa's five main export commodities are crude petroleum, coffee, copper, cocoa and phosphates.

The virtually total and complete concentration of African exports on primary commodities is the major cause of Africa's economic

instability, external dependence and continued underdevelopment. And as we shall discuss below, given Africa's low level of technology and productivity and the dependence of its agriculture on the rains, the drought which began in the 1970s in the Sudano-Sahelian region of West Africa and has since spread to over 36 countries in sub-Saharan Africa, has weakened to its very foundation Africa's fragile economy. More of this later. Meanwhile, let us conclude our analysis of Africa's foreign trade patterns.

On the directional flow of Africa's exports during the period 1960 to 1982, the pattern is one of geographical concentration in a few regions, following very closely the historical colonial links. Thus, Africa's export trade is overwhelmingly with the developed market economies of the member States of the Organization of Economic Cooperation for Development (OECD) which among them absorb between 78 and 84 per cent of the value of African exports over the years. And within this group, the member States of the European Economic Community hold the pride of place, accounting for between 40 and 61 per cent during the period. They are followed by the United States of America whose share, although tending to vary over time, has risen from 9.7 per cent in 1960 to 20.6 per cent in 1982 having reached the peak of 31.5 per cent in 1980. The United States has thus become a major trading partner for Africa. Its foreign trade policy is therefore of considerable significance to African economies and, given their fragility, any adverse changes in US foreign trade policy have serious repercussions in Africa.

The composition of Africa's exports to the United States has consisted of primary commodities; mainly minerals and related products. United States mineral imports which accounted for 11.5 per cent of its total imports from Africa in 1970 rose more than sevenfold to 80.9 per cent in 1982, thanks to the importation of crude petroleum. On the other hand, USA share of Africa's exports of food, beverages and tobacco declined from 16 per cent in 1970 to 12.1 per cent in 1982, while that of African textile yarn and fabrics, in which Africa has a labour comparative advantage, declined from 4.8 per cent in 1970 to 1.6 per cent in 1982. Perhaps the worst decline during this period was that relating to chemicals which dropped from 3.8 per cent in 1970 to 0.6 per cent in 1982.

Africa's export trade with the centrally planned economies of the Council of Mutual Economic Assistance (CMEA), which has never been important, stagnated during the period under review. It averaged only 4.5 per cent throughout the period. On the other hand, Africa's export trade with other developing countries showed

a steady upward trend between 1960 and 1982 – rising from 5.0 per cent to 11.0 per cent. But in contrast, intra African export trade showed a consistent downward trend. It decreased from 8.5 per cent in 1960 to 4.1 per cent in 1982 with a trough as low as 3.1 per cent in 1980.

In recent years, especially since the early 1970s, the fast growth in Africa's imports, unmatched by corresponding increases in its export, has resulted in a huge accumulation of deficits on the visible trade balance. The situation has been seriously aggravated by significant adverse movement in the terms of trade against Africa. All these have resulted in a continuous drain of foreign exchange reserves. The decline in official development assistance and net capital flows in the 1980s has forced African countries to resort to commercial borrowing at high interest rates. Consequently, developing Africa's outstanding external debt, including undisbursed sums, is estimated to have reached US$150 billion at the end of 1983 compared to US$77.5 billion in 1980. The ratio of debt service to export earnings for developing Africa as a whole reached 22.4 per cent in 1983 compared with 10.7 per cent in 1980. These averages conceal considerable disparities among African states. For many countries, particularly the least developed ones, their ratios of debt service to export earnings range from 30 to 60 per cent.

These developments could not have come at a worse time. For as the saying goes, it never rains but pours. As already noted, Africa is currently suffering from a widespread, severe and persistent drought which in the early 1970s was localized in a few countries in the Sudano-Sahelian region but has now spread to 36 countries in virtually all parts of Africa south of the Sahara, and some northern African countries. In addition, Africa continues to suffer from time to time from other natural disasters – cyclones, earthquakes and volcanic eruptions. As if these were not enough, some drought-affected countries recently experienced deluge of rains causing severe flooding. One of the many tragic consequences of drought and other natural disasters has been the fall in output of food and agricultural production including, of course, export crops.

In the light of Africa's recent and current experience, is it any wonder that many people are reopening the issue of the role of foreign trade in the economic development of the continent? Without in any way intending to dwell at length on this topical issue, it is important to examine, once again, the proposition that foreign trade constitutes the engine of growth for developing countries. No special measures for the least developed countries will accomplish

much unless there is a clear recognition by all concerned of the real, as distinct from the imaginary and exaggerated role of foreign trade in the development process in low income countries.

III. ROLE OF FOREIGN TRADE IN FUTURE DEVELOPMENT PROCESS OF LDCs AND OTHER LOW INCOME COUNTRIES

It is clear from our analysis so far that there was an unprecedented expansion of world trade in the post World War II period. The rates of this expansion were in excess of global production growth. It is also clear from our analysis that developing countries in general, and the middle-income countries in particular, benefitted considerably from this expansion in global trade. Unfortunately, even during these heydays of rapid expansion of world trade, the low-income countries benefitted only marginally. In fact, many low-income countries, particularly those in Africa, suffered a decline in their share of world exports. Thus, Africa's share of world exports declined from 3.9 per cent in 1970 to 3.4 per cent in 1979. The question, then, is to what extent does foreign trade constitute an engine of growth in developing low income countries which are mainly primary commodities producers, and whose export trade is typified by an inflexible structure, with heavy concentration on only a few agricultural and mineral commodities – the so-called monocultural economies?

These low-income and least developed countries, most of whom were until recently under colonial tutelage, inherited, at independence, theories of development and economic growth whose main hypothesis was to link the rate and direction of internal socio-economic change with the rapid expansion of the foreign trade sector. These countries, in trying to put these theories into practice in order to bring about socio-economic change, succeeded only in reinforcing the existing pattern of production, with its heavy concentration on agricultural production for export and its dependence on the importation of skills, technology and capital goods and services. Unfortunately, the relatively low elasticity of demand for agricultural products, the attempt by many developing countries to expand the production of export crops at the same time, in an effort to compensate for falling prices, the differing elasticities in the production of tree crops and annual crops in response to changes in export demand, the fact that for some products such as beverages, the volume of consumption is habit determined, the shift in consumption pattern in developed countries in favour of consumer

durables, the emergence of synthetic substitutes and the various cyclical factors in the developing countries – all these led to instability in export volumes, prices and incomes and in foreign exchange earnings with which to pay for the imports.

In an effort to minimize the impact of this instability, and halt the shrinkage in the foreign exchange earnings of individual low-income countries, a policy of diversifying the production of agricultural export commodities was adopted. Efforts were also made to intensify the establishment of multinational systems for commodity management and price stabilization. Unfortunately, both policies failed to achieve the desired objectives. The policy of diversification of agricultural production for exports, which was attractive as a means of reducing the monocultural nature of the economies, failed to take into account the geographical and commodity constraints on exports from the whole of the developing world to a few advanced countries. The developing countries committed a fallacy of composition, because they failed to take into account the fact that while the expansion of production of a particular commodity may be beneficial to a particular country, should all the countries capable of producing the commodity expand quite significantly their production of it, the world will soon be inundated with the supply of the commodity with consequent fall in its prices.

As for multinational arrangements for commodity management and price stabilization, the impact of such arrangements has been extremely limited because (i) of the high cost involved; (ii) many of the products concerned were susceptible to quality deterioration; (iii) non-members, driven by necessity, undermined the pricing formula by increasing production and selling below the price floor agreed upon by participants; and, (iv) the success of any multilateral commodity management and price stabilization arrangement requires the full support of the industrialized countries and most particularly of the United States. Unfortunately, such support has been either not forthcoming or at best half hearted. In this connection, it is worth noting that up till now the Integrated Programme of Commodities, which has been agreed to in principle since 1976 at UNCTAD IV, is yet to become operational due to lack of effective backing by the major industrialized countries.

It is all these facts that have led many economists and policy makers, particularly from the low-income countries, to conclude that their countries cannot rely on their "economic growth being induced from outside through an expansion of world demand for

their traditional export of primary commodities. That emphasis on trade under the existing international division of labour is not only misplaced but may be regarded as calculated strategy by the capitalist countries to mislead the developing countries".[6] In this connection, it must be pointed out that in the nineteenth and early twentieth centuries for some countries, such as Canada, Australia and New Zealand, the export of primary commodities did constitute for them the engine of growth but their special circumstances must be fully understood to be recognized. These are (i) that the countries concerned were countries of recent settlement which were able to receive large doses of investment from metropolitan countries; and, (ii) that the primary commodities being produced were important raw materials and food for the then rapidly industrializing countries of Europe whose populations were at the same time growing fast. In other words, economic development is diffused through trade only when the pattern of advance in the industrial countries happens to be such as to cause a rapidly rising demand for the exports of the developing countries concerned.

In the immediate post-World War II era, the moves towards trade liberalization within the industrialized countries stimulated the rapid growth of industrial exports from the developing countries and thus brought about a growing international specialization and exchange of manufactures. Indeed, trade in manufactures was not restricted to developing/developed countries' relations but spread also among developed industrialized countries. Thus, in contrast to the pre-war period, there was a large trade in manufactures among the industrialized countries – a development that was considerably aided by the establishment of the European Economic Community (EEC) which broke down trade barriers within Europe. The United States which, after the war, had emerged as the most dominant economy in the industrialized world was fortunately "both willing to accept discrimination against its exports by the European Community and Japan and receptive to increasing imports".[7] The Newly Industrializing Countries (NICs) of Latin America – Brazil and Mexico – and of East Asia – Hong Kong, Singapore, Taiwan and South Korea – took advantage of this (in the same way as Australia, New Zealand and Canada did in the 19th and early 20th centuries) by pursuing a vigorous policy of export-oriented industrialization which enabled them to achieve rapid economic growth. Thus, while world primary exports grew very slowly and the share of developing countries in this trade rapidly diminished, the exports of manufactures, being less sensitive to slower growth in industrial

countries, have continued to grow, albeit more slowly, despite less buoyant demand.

Unfortunately, the assertion that an export orientated development strategy can constitute the basis of rapid economic growth and development in developing countries errs, because it has simply universalised the peculiar circumstances of the experience of Canada, Australia and New Zealand in the later 19th and early 20th centuries and the recent experience of the NICs. It is therefore incorrect simply to state blankly that "in most less developed countries, exports are the most important active factor in generating economic activity".[8] It depends on the nature and composition of the export trade, in relation to the state of demand and foreign trade policy in the importing countries. Hence a linear relationship between export trade and economic growth is too simplistic and unreal. A recent study by the Economic Commission for Africa has proved this conclusively as far as developing Africa is concerned.[9]

In this study, the ECA, in its attempt to establish the relationship between exports trade and economic growth, compiled data on real *per capita* GDP and exports for the period 1970/1979 for 34 African countries. In selecting these countries, care was taken to make the sample as stratified as possible so as to include the major export commodities of Africa. Thus, Benin, Burkina Faso (formerly Upper Volta), Chad, Egypt and Sudan (for cotton), Zaire and Zambia (for copper), Angola, Cameroon, Ethiopia, Côte d'Ivoire, Kenya and Rwanda (for coffee), Algeria, Angola, Congo, Libya and Nigeria (for petroleum), Kenya, Malawi and Uganda (for tea), Mali and Senegal (for groundnuts), Morocco, Togo and Tunisia (for phosphate), Angola, the Central African Republic, Congo, and Sierra Leone (for diamonds), Liberia (for rubber) and Central African Republic and Congo (for wood) have been covered by the study. These commodities accounted for about 82 per cent of the total value of Africa's exports in 1980.

This is not the time nor the place to go into the details of the methodology of the ECA study. These are explained in full in the study. Suffice it to say that on the basis of pooled regression equation which was calculated by using *per capita* real GDP and export growth rates, the results reveal that there is no high degree of correlation between *per capita* GDP and exports growth rates. The coefficient of determination is quite low although the value is statistically significant at the 5 per cent level. This would mean that

for every 1 percentage point increase in exports, GDP per capita will increase by 0.28 per cent. Put differently, the contribution of exports to economic growth is about 24 per cent while the remaining 76 per cent growth in GDP per capita is explained by factors other than exports.[10]

From the analysis of the data, four groups of countries emerged. The first group of countries comprises those with a negative export growth rate and a negative GDP per capita growth rate. The second group comprises countries which have experienced a negative growth rate in their exports while attaining a positive growth rate in their *per capita* GDP. The third group comprises countries which have achieved increases in both the rates of growth of exports and per capita GDP while the fourth and final group comprises two countries which, while achieving an increase in export growth rates, have also experienced a decrease in per capita GDP.

From what we have said earlier, the reasons for this lack of a high degree of correlation between GDP growth rates and exports growth rates should have become crystal clear by now. As the ECA study so simply but aptly puts it, "offering more of the same things to the same people who no longer want more of them has been one of the major impediments in the export trade of developing Africa over the last three decades".[11] It can never be the role of the type of foreign trade with which we are familiar in Africa "to be the prime mover of socio-economic transformation in any country. The engine of growth should be technological change, with international trade as lubricating oil and not as fuel. And the gateway to technological change is through agricultural and industrial revolutions, which are mutually interdependent".[12]

This having been said, there is no question about the valuable, even if limited, contribution of export trade in particular and of international trade in general to the development process. What is being argued is that while having some is definitely better than none, more and more is not necessarily better and better, for international trade is not the only source of national economic strength nor should it even ordinarily be the most important. The most important sources of national economic strength are indigenous factor inputs, abundant natural resources, a highly skilled, energetic and motivated labour force and a development oriented economic policy and strategy. Such a strategy will be based on the principles of self reliance and self sustainment, will be inward looking rather than externally oriented, and will not make a sacred cow of foreign exchange earnings. In such a development strategy, "external trade

is seen as being mainly supplementary in character and not constituting the heart of (Africa's) development effort".[13]

To dethrone an export oriented development strategy from the pedestal of the prime mover of economic development, the engine of growth etc., is not in any way to deny the advantages of trade particularly in Africa which abounds with a large number of minuscle States which are at best economically unviable. As the late Paul Baran, a leading Marxist economist in the United States put it, "the costs of development in a small country, poorly endowed with energy and material resources, will be increased and growth held back, unless it is prepared to take fairly full advantage of the international division of labour".[14] Therefore, the continued expansion of the export trade is not only desirable but urgently required, provided it is not done at the expense of the expansion of the domestic market, including subregional and regional markets. The question which then arises is what special measures are required both by the LDCs and other low-income countries as well as by their major trading partners, principally the United States, in order to revitalise their export trade and bring about progressively the required expansion?

IV. SPECIAL MEASURES AIMED AT ENHANCING THE CONTRIBUTION OF FOREIGN TRADE IN THE DEVELOPMENT PROCESS

Let us first consider measures required to be taken by the international community. These measures will be classified under two broad categories – short and medium term measures aimed at ameliorating the impact of the current economic crisis faced by the LDCs and other low income countries and long term measures required to rehabilitate, revitalize and reconstruct their economies, bring about structural transformation and generally enhance the economic prospects of the LDCs. The special measures we shall be talking about in this section are those to be taken by the international community, particularly the major trade partners of these poor countries, and most specifically by the United States directly or under its leadership. And, in considering the requirements of LDCs and other low income countries, we shall focus almost exclusively on the needs of sub-Saharan African LDCs, although we believe that our proposals can apply *mutatis mutandis* to others in that category.

If the crisis which the African countries currently face is to be contained, urgent special international measures are necessary to

provide immediate relief. Four of such measures come readily to mind. The first is taking appropriate steps to ensure an immediate improvement in the export earnings of the LDCs by devising special short term arrangements for stabilizing their export earnings at remunerative levels. Available statistical evidence, incomplete as it is, shows that between 1979 and 1981 alone, African countries exporting coffee, copper, cocoa, bananas, vegetable oils and tea suffered a loss in earnings of about US$2.2 billion, due to the fall in the prices of those commodities. And, according to a recent World Bank study, the loss in income due to deterioration in the terms of trade between 1980 and 1982 was 1.2 per cent of GDP for sub-Saharan Africa; middle income oil importers suffered the biggest loss (3 per cent of GDP), and low income countries suffered a loss of 2.4 per cent of GDP. During the same period, 1980/1982, prices of non-oil primary commodities declined by 27 per cent in current dollar terms. Losses of income due to deterioration in terms of trade thus constitute one of the major recurring external shocks for Africa.

African countries, particularly the LDCs, are consequently constantly going through what the World Bank has aptly described as the "boom and bust cycle".[15] Commodity booms resulting in high export earnings, invariably lead to increased public spending, because such high export earnings, apart from increasing household incomes of the exporters also yield high public revenues through export taxes. And given the instability in the prices of these commodities, the bust sooner or later follows resulting in severe damage to the economy, economic depression, mass retrenchment of public servants, and the closure of essential services which, in the best of circumstances, are grossly inadequate. The "boom and bust cycle" is certainly a factor in growing social unrest and political instability in Africa. An immediate improvement in export earnings will reduce social and political tensions that are now pervasive in Africa, as the proceeds of such earnings will go some way in enabling the beleaguered African governments to contain the crisis.

A second and complementary special measure which can provide immediate relief, is for developed countries to increase the volume of their imports from the LDCs and other low-income countries, through removal or at least reduction in trade barriers. For example, quantitative restrictions and other non-tariff measures have severely retarded the growth in the exports of such minerals as copper. At the very minimum, there is an urgent need to adopt standstill measures on these barriers.

Another area which calls for immediate measures is the reversing of the downward trend in external capital flows to Africa. The ECA Conference of Ministers has estimated in their *Special Memorandum on Africa's Economic and Social Crisis* that net capital flows to Africa declined sharply from US$14.2 billion to US$7.8 billion in 1983 – a development that had forced African governments to resort to commercial borrowing at high interest rates.[16] The World Bank has not only just confirmed this ECA observation of a downward trend, but has even projected the persistence and worsening of the trend for the 1985 to 1987 period if no special actions are instituted by the industrialized countries.

Fourthly, there is an immediate need for increased balance of payments support on appropriately concessionary terms, to enable the LDCs to meet their critical import requirements which are particularly essential for arresting the crisis and laying the foundation for economic rehabilitation and reconstruction. Without such support, LDCs will continue to be short of agricultural implements, fertilizers, spare parts and other inputs which are not available locally.

These are four immediate special measures which are required to assist African LDCs to improve their export trade and to arrest the rapidly escalating economic crisis that has engulfed African countries. Needless to add that they are far from being comprehensive. But if fully implemented they will go a long way in restoring the contribution of foreign trade in the development process to its pre-1969–70 position. However, for a lasting solution to the African economic problem, and in order to enhance the contribution of export trade in achieving this lasting solution, other measures of medium and long term nature are required.

The first of such measures of medium and long term nature is the need to institutionalise effective price stabilisation arrangements through the full implementation of the Integrated Programme of Commodities. The concerted effort of developing countries since UNCTAD IV in Nairobi in 1976, to restructure the commodity system deserves the full support of the United States. The US and other industrialized countries that have not yet done so are urged to ratify UNCTAD's Common Fund Agreement and undertake complementary measures as stipulated under the Integrated Programme of Commodities. One of the arguments often stated for lack of support by the US for the Common Fund is the conviction on its part that the Fund would neither actually stabilize export commodity prices nor would its benefits, such as they are, accrue

only to developing countries, in view of the fact that many developed countries are also major exporters of the many commodities included under the programme. Surely, these difficulties are not insurmountable. There can be no doubt that "stabilisation of export earnings has undeniable advantages. It always stabilises incomes (by definition), an essential consideration since this enables the developing countries not only to solve their balance of payments and exchange rate problems, but also to regulate their overall economic development, improve the conditions in which this development is planned, and alleviate their debt management difficulties".[17] And as to the fear that the bulk of the benefits will go to developed countries, the OECD has dispelled such fears because, according to simulated results for the period 1961/1972, almost two thirds of payments under such a scheme would have been made to the exporters of copper, sugar, rubber, coffee and cotton. All these commodities, except rubber, are among the eleven most important exports of African countries. It has also been estimated that the payments received by African countries would have been twice as great as those received by Latin America or Asia.[18]

The second medium and long term measure required, to put the foreign trade sector on a proper footing, and give it a most positive role in the development process, is the liberalization of trade in primary commodities and the lowering, if not total elimination, of customs duties. Such a measure would yield large and increasing benefits to developing countries particularly the low income countries and the LDCs.

It can, of course, be argued that some of these benefits are theoretical, and that, in reality, liberalising trade in primary commodities and lowering customs duties does not invariably result in increased trade flows, as a recent study by Joanna Moss and John Ravenhill shows. Indeed, the study also shows, that contrary to ACP aspirations for an improvement in their export performance with the Europeans, the EEC share of ACP exports declined.[19] This negative result has been a source of disappointment to those who had expected that the duty free access enjoyed by the ACP States to EEC markets could be potentially decisive for their economic development. As the authors conclude, for the EEC, such negligible results "must be somewhat embarrassing ... Yet, it is questionable whether the Community will be particularly upset by the pattern of the development of its trade relations with the ACP. For if ACP aspirations are to be realized, this would obviously impose substantial domestic costs on the Community in the form, for

instance, of structural adjustment. To date, the Community has not shown itself willing to bear such costs. This is a major factor behind its refusal to meet ACP demands for a substantial improvement in the terms of the Lome trade regime. It has been less costly, both in economic and political terms, for the Community to emphasize financial aid as its principal contribution to ACP development needs".[20]

Indeed, at the heart of the problem is the unwillingness of the industrialized countries to make the required structural adjustment. The future prospects of export trade for the LDCs and other low income countries will remain dim if they are to be based in perpetuity on primary products. Therefore, there is required trade liberalization in processed commodities which, in the African context, would mean export of chocolate rather than cocoa, exporting diamonds already polished and set, and canned fruits rather than fresh fruit etc. etc. Unfortunately, the extent of protection on processing is a major obstacle to development in LDCs and other low income countries. According to a UNIDO study, developing countries could earn an extra US$44 billion (gross) per annum if their exports of seven major minerals had been taken up to the metal bar stage. Yet it is just such progress that protectionism prevents. As the Brandt Commission rightly concludes, "there are few trade reforms of more importance to developing countries, especially the poorer among them, than the removal of these types of barriers".[21]

These then are some of the special measures which, if implemented by the major trade partners of Africa, will go a long way in putting the export trade on a firm and dynamic footing. These measures are far from being exhaustive and comprehensive. In fact, they constitute a minimum package. It is my earnest hope that the United States will play a leading role in developing concrete special measures to meet Africa's dire needs for economic survival, rehabilitation and reconstruction. As is to be expected, US trade policy *vis-à-vis* developing countries, especially those in Africa, is a result of many interrelated factors and includes a strong dosage of political considerations. Thus, American policy towards developing countries tends to be greatly influenced by the East/West relations. A second important consideration is economic. In other words, developing Africa and other low income countries are viewed as important export markets for American exports and, vice versa, as sources of supply of important strategic and needed industrial raw materials. A third important consideration which goes into shaping American policy towards developing Africa is the

realization that many world problems require collective action if lasting solutions are to be found.

It can therefore be considered natural that the United States should try to use its trade policy to derive optimum benefits through economic relations with developing countries in terms of both exports and imports. American policy makers should therefore try to help their export industries to increase production capacities to take advantage of acquired increased market outlets. In many of the developing countries, the absorptive capacity is considerable and keeps increasing as a result of unprecedented population growth rates. Under the medium variant of the population projections by the ECA secretariat, the population of the African region could be maintained to a slightly slower annual growth rate of around 2.9 per cent between 1983 and 2008. In other words, it could just about double from the estimated 482 million in 1983 to 997.3 million by the year 2008. The importance of this potential export outlet to the American exporters must surely be of considerable interest. The American Administration cannot be indifferent to prospects of exploiting such a promising exporting outlet for most of its manufactures and services.

Conversely, the American economy is also interested in the African region as a source of supply of important strategic raw materials. The United States is understandably keen to ensure that it has access to as much of these as possible. Hence, the American Administration is conscious of the need to use its trade policy to cultivate good economic relations with African countries, especially those with a potential to supply such important strategic minerals and energy fuels. All these provide a good basis for a substantial OECD initiative, under US leadership, in designing in collaboration with the African governments, a trade strategy for sub-Saharan Africa in the context of broader development objectives.

V. DOMESTIC POLICIES REQUIRED FOR ENHANCING THE CONTRIBUTION OF FOREIGN TRADE IN THE DEVELOPMENT PROCESS

Such a programme of action will have to cover more than the trade sector, although this may be the catalytic factor. And no matter how well meaning it may be, it will require appropriate domestic policies or changes in domestic policies in order to ensure full impact on the African economies. Indeed, African governments have proved

extremely responsive to making policy reform and adjustment. As far as the agricultural sector, particularly export sub-sector, is concerned, such policy reform and adjustment have concentrated on seven major areas: (i) the development of appropriate remunerative price policies; (ii) improvement in institutions serving the agricultural sector; (iii) increased efficiency in the use of resources; (iv) reorienting agricultural production systems and conservation programmes to take into account the growing drought proneness of Africa; (v) provision of adequate infrastructural facilities for agricultural development and marketing; (vi) the development of farm oriented and, therefore, practical agricultural research programmes and effective extension services backed up by adequate credit systems; and (vii) a dynamic and imaginative manpower development scheme, for all levels of manpower, to cope with the challenge of engineering an agricultural revolution in Africa.

But it must be emphasized that such policy reforms and adjustment measures, as have been advocated, are unlikely to be implemented in the absence of substantial international assistance. As the World Bank quite rightly emphasised in its *Sub-Saharan Africa: Progress Report on Development Prospects and Programs*, "policy reform, without increased donor support, is unlikely to do more than mitigate reductions in per capita incomes which will otherwise result from adverse terms of trade. This is clearly an unattractive prospect. If programmes of policy reform which have already begun in some African countries are to be maintained, and if the number of countries embarking on such programmes is to be significantly increased, major increases in financial support through concessionary assistance from the donor community are urgently required".

Herein, then, lies the linkage between the special measures proposed for the international community to initiate, in support of Africa, and the programme of policy reform and adjustment to be undertaken by African governments. While the one emphasizes the principle of international co-responsibility in helping LDCs and other low income countries out of their economic quagmire, the latter enthrones the principle that the responsibility for the development of the economy of Africa is solely that of Africans themselves, and that the transformation of African economies and societies is largely an internal one.

The late Harry Dexter White, the American counterpart of Lord Keynes at Bretton Woods, did say critically of the then US Govern-

ment in so far as its attitude to international cooperation was concerned that:

> Where modern diplomacy calls for swift and bold action, we engage in long drawn out cautious negotiation; where we should talk in terms of billions of dollars, we think in terms of millions; where we should measure success by the generosity of the government that can best afford it, we measure it by the sharpness of the bargain driven; where we should be dealing with all embracing economic, political and social problems, we discuss minor trade objectives, or small national advantages; *... we must substitute, before it is too late, imagination for tradition; generosity for shrewdness; understanding for bargaining; toughness for caution; and wisdom for prejudice.*[22]

It is our earnest hope, in Africa, that the richest nation on earth will use its wealth in the interest of peace, justice, and humanity, by assisting the African countries and other LDCs – the economic underdogs of the international community – in building the prospects of a better and more hopeful future.

CHAPTER EIGHT

Banking and Finance

I Speech to the Working Party of the African Group at IMF/World Bank

Addis Ababa 21 July 1975

One of the major features of the present international situation is the breakdown of the old monetary order and the provisional character of the arrangements that have taken its place. The Governments of African and other developing countries had hoped that the establishment of SDR's would constitute a real milestone in international monetary affairs. However, progress in the monetary field has instead been arrested. The prospects for an immediate increase in SDR's have weakened considerably, thus jeopardizing the prospects for a link with additional development finance. And this has happened during a period in which the developing countries have played a somewhat larger role in decision making in the monetary field.

It is now necessary to pursue the goals of monetary reform in a new global setting. The basic requirements of African countries remain the same. They must have liquidity "rules" which are consistent with their development interests, adjustment machinery which does not impose excessive burdens on them, and a framework in which they can play an appropriate role.

However, they cannot comply with any system of rules if they are deprived of the resources needed for their development. In the present crisis an effort has been made to meet emergency needs first, but the emergency programmes are not very likely to help Africa to develop. What is needed is to implement the measures outlined in the Programme of Action for the Establishment of a New International Economic Order. The time has come to make provisions for automatic, dependable and increasing flows of development assistance to African countries on terms which are more favourable to them. At the same time they should be given easier access to capital markets, and adequate solutions should be found for their debt problems.

Measures must also be taken in the field of trade, in order to ensure that those taken in the monetary and financial fields, are not undermined by a continuing decline in the real value of the foreign exchange earnings of African countries brought about by collapsing commodity prices or deteriorating terms of trade.

There is also a need to look at the geographic aspects of the problems facing us. Up to now the historic North–South pattern has prevailed, but I hope that in your discussions you will consider the immense advantages to be had by establishing closer relations among the countries of the Third World. The acquisition of financial surpluses by the oil exporting countries of the Third World has put a new stamp on things. In future, and sooner for some than for others, these countries will be able to utilize more and more of their surplus for the transformation of their own economies, but, for the time being, they are in possession of resources which could be invested in other countries.

The aid efforts of the oil exporting countries are of considerable magnitude. They devote a much larger share of their GNP to external aid than the developed countries. Their efforts could, however, extend beyond the provision of aid. Why should African countries not offer satisfactory outlets for the investment resources of oil exporting countries? Might it not help, to solve the exchange and payments problems of the developed countries, to create conditions in which they could reduce their deficits by exporting more capital goods to Third World countries that had benefitted from investments made by the oil exporting countries? The existence of financial resources in relatively abundant quantities, and not apt to be invested immediately in the countries to which they belong, gives the international community an opportunity to accelerate the pace of change in the Third World.

In these summary remarks I have tried to outline in very broad terms some issues that are particularly relevant to African countries. Permit me now briefly to share with you some of my ideas on these issues.

International monetary reform

The efforts to devise a new international monetary system were undertaken mainly because of the breakdown of the Bretton Woods system, when the Government of the United States of America declared the inconvertibility of the dollar in August 1971. Now the increase in oil prices has created a new set of circumstances. One of the major accomplishments of the reform exercise so far has been

the giving of greater permanency to the Interim Committee of the Fund and to the related Joint Bank Fund Development Committee, in which developing countries can help to make decisions concerning money and development. On the other hand, the Interim package contains some elements, such as flexible exchange rates, that may adversely affect the economies of developing countries.

A key issue in the future may be control of international liquidity by an international body, in which the developing countries are ensured of being able to participate effectively. In the past, substantial increases in liquidity, most of which favoured developed market economy countries, were effected through the use of reserve currencies, and were not under surveillance by an international body. In the long run, this problem may be solved by converting to a system in which SDR's are created annually by international agreement, and are distributed in a way which reflects the need of developing countries.

A second topic is that of measures for gradually reducing the role of gold in the international monetary system. Such measures might include the establishment in IMF of a gold substitution account which would permit countries seeking to mobilize gold to exchange it for SDR's, at a negotiated price at somewhere between the official and the market price. The profits derived from such a system could be redistributed to developing countries. However, no agreement concerning gold should be considered acceptable if it is not part of a package which will increase substantially the flow of financial resources to developing countries. Furthermore, no decision on gold should accentuate the already inequitable distribution of international liquidity.

Another question is the establishment of facilities that can provide concessional resources, in particular to low income countries. This measure may include the establishment under IMF auspices of a trust fund, which will grant loans on clearly concessional terms i.e. at rates below the present IMF rates of 4 or 6 per cent and the oil facility rate of 7 per cent.

Aid targets

Financial flows to developing countries take a number of forms. The United Nations International Development Strategy calls upon each economically advanced country to transfer financial resources each year in the minimum net amount of 1 per cent of its gross national product and to progressively increase its Official Development Assistance (ODA) to 0.7 per cent of its gross national product.

The volume target for ODA focuses on governmental responsibility for making financial resources available on concessional terms for development purposes. The ODA target is, therefore, generally regarded as being the target for "aid" or assistance. The developed countries, taken as a group, are now further away from meeting the target than they were at the beginning of the Second United Nations Development Decade. ODA averaged 0.53 per cent of the gross domestic product of the developed countries in the period 1961/1962, and declined to 0.35 per cent in 1968/1969 and 0.32 per cent in 1972/1973. The OPEC countries as a group have contributed 2.2 per cent of their GNP to ODA.

Two important observations may be made in this connection. First, the ODA target might be modified to include grants and concessional loans that would yield a "grant equivalent" of 0.7 per cent of the GNP of each economically advanced country. A firm date for achieving the revised target should be set. Second, consideration might be given to mechanisms making resource transfers automatic and not dependent upon annual budgetary appropriations. One such mechanism might be the establishment of a link between the creation of SDR's and additional development assistance. Other possibilities include the institution of a tax on certain international transactions, the proceeds of which would be used for development purposes, or the adoption of a system whereby the resources accruing from exploitation of the sea bed and ocean floor were utilized to the benefit of the developing countries.

Access to capital markets

The problem of securing an adequate flow of capital to African countries has grown in urgency and is now very acute in a number of them. In view of the vast quantities of resources now flowing into world capital markets, it seems reasonable to assume that significant amounts could be raised for loans to African countries. The Eurocurrency market and other essentially short term money markets could have an important role to play in transforming short term deposits into medium term and long term loans for development.

A major problem seems to be increased access to these markets for the smaller and poorer African countries. Although there are indications that the proportion of lending to developing countries has increased, it appears that comparatively few African countries have gained access to capital markets, and that the countries which have succeeded in obtaining loans are either relatively large

countries or countries with mineral resources. Ways and means of alleviating the costs and risks attendant on borrowing from capital markets will have to be found before they can meet the development needs of African countries, particularly those among the least developed of African countries. The costs and risks involved are, in part, due to the commercial character of the loans and, in part, to features that are peculiar to this type of lending; for instance, it is typical of such loans that many of the repayments fall due at the same time and must be paid in one lump sum, and that the interest rates are floating.

In order to facilitate access to capital markets, consideration might be given, first, to the provision of technical assistance to African countries seeking capital on world capital markets. Second, to the adoption of a system in which debt instruments issued by African countries are guaranteed by the Governments of developed countries and by multilateral lending institutions. Finally, the establishment of a special interest subsidy facility that could be used to finance the difference between payments made at interest rates prevailing in capital markets and those which would be made at rates consistent with the long term debt servicing capacity and development needs of the African country might be reconsidered. Since new financial resources have recently become available in a number of developing countries, the outlook for such a facility may have improved since the question was last considered within the framework of UNCTAD.

Debt problems

The present arrangements for dealing with debt relief have essentially been *ad hoc* ones limited to exceptional and critical cases, and based on the doctrine that the relief should be confined to the minimum needed to permit the resumption of debt service payments. For a longer term solution to the debt problems of the developing countries, consideration might be given to the following issues: a country should be regarded as a *prima facie* candidate for debt relief, irrespective of whether a crisis situation is imminent, if it is unable to realize adequate savings for its development programme, or to increase its import capacity to the minimum level required for that programme. The international community should agree on operationally meaningful rules to ensure that future debt relief is examined in the broader context of a country's development objectives. Suitable institutional machinery should be created to

conduct debt renegotiations on a more systematic basis than the present *ad hoc* arrangements.

Participation in decision making in multilateral institutions

Multilateral institutions, such as IMF and IBRD, are bound to play an increasing role in the development process. In order to bring the policies of these institutions more into line with the aspirations of developing countries, the voting power of these countries will have to be increased.

In IMF, the quota determines the country's national currency contribution and its access to credit, as well as its weight in decision making. Countries which dominate international trade and income have an overriding say in decisions that are binding on all members of the Fund, whether they relate to matters affecting individual countries or to institutional questions. While decision making in IMF ought broadly to reflect the international balance of economic power, it might be appropriate to explore ways and means of separating voting power from access to Fund resources, for instance through support from IMF for international funds; and reexamine the distribution of voting power in view of the fact that the voting rights were determined at a time when the international balance of power was in the hands of a smaller number of countries than is the case today.

Although quotas in IBRD do not give automatic access to credit, they are of crucial importance in determining its lending policies. Any increase in participation by developing countries other than OPEC countries must therefore imply a significant increase in their voting share from the present 31 per cent. In view of the fact that the Bank's membership now comprises virtually all the countries of the Third World, under the present voting structure, with an expansion of capital subscriptions by Part I and OPEC countries, their share will be eroded. One way of maintaining or improving it could be to increase, through an amendment to Article V, section 3(a) of the Articles of Agreement of the Bank, the basic vote from 250 to whatever is needed to reach a desirable distribution of votes, such as 40 per cent for "other developing countries", 15 per cent for OPEC countries and 45 per cent for Part I countries (instead of 64.3 per cent as now).

Economic cooperation among developing countries

One essential element in the Programme of Action for the Establishment of a New International Economic Order is the develop-

ment of greater collective self reliance among the developing countries.

A central problem in the strengthening of economic cooperation among developing countries is how best to secure a substantial increase in the flow of financial resources from capital surplus to capital deficit developing countries. This may also include suitable forms of triangular cooperation among these two groups of countries and the developed countries. It appears that such an increased flow of funds will not come about of its own accord through the normal working of market forces. Special arrangements may be required, such as appropriate mechanisms to ensure security of investment and a reasonable return to the investing country; a code of conduct for the transfer of technology associated with such investments; and the adoption of principles governing the mixture between debt and equity in investments which take place on a joint venture basis.

Such investments in African countries would allow those countries to reduce their dependence on the transnational corporations of developed countries, not only as regards financing, but also in terms of the basic investment strategy to be followed.

In view of recent developments in the world economy and new institutional arrangements in GATT and IMF, African countries again raised the issue in September 1974 at the fourteenth session of the Board. A draft resolution was submitted recommending the establishment of a high level standing committee in UNCTAD, which *inter alia* should undertake consultations with the parallel bodies in GATT and IMF with a view to facilitating coordination. The draft will be considered at the Board's fifteenth session in August this year.

To ensure that African countries speak with one voice in all international meetings, you may wish to include a reference to this problem in the position papers you are preparing for the Washington meetings.

II Speech to the High Level Intergovernmental Group of Experts on the Establishment of an African Monetary Fund

Addis Ababa 4 October 1982

As all of you are aware, we are meeting here at the express request of no less than our Heads of State and Government themselves who, at their Economic Summit held in Lagos in April 1980, after having taken the momentous and truly historic decision to establish an African Monetary Fund not later than 1985, directed that, "a high level expert group should be set up as soon as possible to study and recommend the modalities for the establishment of an African Monetary Fund and submit its report thereon to the Ministerial follow up committee on International Trade and Finance for African Development not later than 1982".

Today, therefore, marks the beginning of what is likely to be one of the most intellectually stimulating, challenging, and, hopefully, economically and politically rewarding adventures that we, in the African continent, have ever embarked upon, since our liberation from colonial rule.

That this meeting is taking place at a time of great disarray in the international financial and monetary field with exceptionally severe repercussions on the developing world, including our own countries, is a fact which hardly needs to be brought to the attention of this gathering of eminent representatives of African Central Banks and Ministries of Finance. Indeed, many of you, I presume, are just back from the annual meetings of the IMF and IBRD held in Toronto, where the acute balance of payments problems, the external indebtedness crisis facing the developing world, the instability in the exchange rates of the major world currencies, with the attendant repercussions on the exchange rates and the local purchasing power of our own currencies, etc., were discussed at length, both during and outside the official sessions.

In short, we have reached a stage where the spectre of the 1929 crisis and the fear that such a crisis might occur again, albeit in a slightly different form, have come to haunt some of the most optimistic among us. And, yet, badly needed as it is, we seem to be as far away as we could be from a true reform of the international

financial and monetary system, and the so called North/South Dialogue has become a mere whisper.

Meanwhile, while we no doubt appreciate whatever assistance we have received in the past and will continue to receive from such institutions as the IMF and the World Bank, in tackling some of the above mentioned problems, the limits of, and the constraints put on, such assistance, by virtue of the various conditionalities attached to it, have become painfully obvious to all of us. Hence the need, the urgent and inescapable need, for us to use whatever ways and means are at our command, including the creation of such institutions as the African Monetary Fund, to help ourselves.

Having said this, I wish to stress that, as we, at ECA, understand the decision taken by our Heads of State and Government, the African Monetary Fund is not being proposed as a substitute to the IMF, nor is it intended to be a panacea which could help us overcome all the problems which the IMF, for all those years it has been in existence, has not been able to resolve. Far from it!

What we believe, however, is that the African Monetary Fund should be regarded as an institution which has a crucial role to play, in full cooperation with other relevant national, sub-regional and regional institutions, including the African Development Bank, the African Centre for Monetary Studies, and the existing subregional Clearing Houses, to cite just these few, and which would aim primarily, whatever else it does, at assisting us to promote the socio-economic development both of our individual countries and of the African region as a whole.

To this end, it will surely be necessary for it to be able to provide direct financial assistance for the balance of payments deficits of member States and thus limit, if not obviate, the need to have recourse to the IMF, or act, as it were, as some kind of counter-vailing force to the rigid orthodoxy and conditionalities of the IMF. But, if the African Monetary Fund is to make the kind of contribution to the socio-economic development of our member States that we all hope for, however limited this may be because of our resource constraints, it will also be necessary for it to be able to assist member States in financing structural adjustments in their economies.

Whatever may be the outcome of this exercise, I think it is of utmost importance that we do not lose sight of two basic facts. First and foremost, that the African Monetary Fund should be designed in such a way as to respond to our own needs, as we ourselves perceive them. This means, *inter alia*, that while it cannot do us any

harm, indeed it will most likely be very useful for us, to know what solution was devised, or what method was used by say, the IMF, the Andean Reserve Fund, or the Arab Monetary Fund to tackle a particular technical problem, we should not feel constrained to adopt the same stand, irrespective of whether or not such a stand would meet our needs, simply because there existed a precedent to it.

And the reverse should naturally be also true, in the sense that we should not be afraid of adopting a stand that may be similar to that taken by any existing institution, simply because it was taken by this particular institution, so long as we are convinced that such a stand happens to be the best response to our needs.

A second consideration that I believe we should all bear in mind has to do with the politico-economic background against which the decision for the establishment of an African Monetary Fund was taken by our Heads of State and Government.

In other words, the promotion of financial and monetary co-operation, which includes the creation of the Fund, cannot and should not be considered in isolation from the overall integration process which our Heads of State and Government have decided to intensify in such a way as to be in a position to set up an African Common Market by 1990 and an African Economic Community by the year 2000.

The main implication of this is that the coming into being of the African Monetary Fund is bound to have a positive influence on the ongoing integration process, depending on the way it is designed and is made to function.

At the same time, however, there is need to ensure that the experience of other relevant African institutions which have been in existence for some time now, the problems and obstacles they have met with, at the initial and later stages of their development, the pragmatic way in which some of these institutions have been able to overcome their problems, are fully taken into account in the design of the Fund.

III Towards an African Monetary Fund

Meeting of the African Governors of Central Banks

Tunis 16 June 1984

The African banking, monetary and financial institutions are characterized by a wide variety of systems based largely on the structures which existed during the colonial period. At that time, there were fairly sophisticated currency zones such as the pound sterling zone, the franc zone, and the escudo zone. There were also common currency boards of issue such as the West African Currency Board which administered common currencies or readily convertible currencies in the British possessions. The French colonial power also had similar arrangements for its African territories.

These structures had been designed principally to serve the interests of the colonial powers and were used as conduits for channelling investments and other resources from the metropolitan powers to the colonial territories and *vice versa* or among the colonial possessions. As such, they were not designed to promote the social and economic development of the colonies and territories. In fact, a substantial portion of the domestic savings and other resources that were generated by the banking and other financial institutions of the day, were repatriated to the metropolitan countries through various channels including dividends, share capital transfers, salaries, pensions, insurance premiums and inter-corporate transfers.

On attaining political independence, the African Governments by and large retained the banking and financial institutions which had been created by the former colonial powers but, in most cases, the monetary and currency arrangements soon broke up. Independent national currencies were established and the convertibility which groups of colonial territories such as the East African Shilling between Kenya, Uganda and Tanzania and between Malawi, Zambia and Zimbabwe, enjoyed, were stopped gradually. In fact, the only currency arrangement that really survived is that of the former French West Africa and the former French Equatorial Africa which adopted the "Communauté financière africaine" backed by the French franc. Guinea and Mali withdrew from the CFA and adopted independent currencies.

The African countries, having inherited the banking and monetary institutions established by the former colonial administrations, found it hard to maintain the independent nature of their currencies and eventually were forced to "peg" them to one or the other of the major world currencies. The major effect of this pegging is that with the fluctuations in exchange rates of the major currency, the pegged currencies became extremely unstable, thereby making it difficult for the countries to implement their fiscal and monetary policies. At the same time, the devaluation of any of the major currencies causes a chain of reactions which have destabilizing effects not only on monetary policies but also on the development prospects of the African nations.

It was in recognition of this that the Lagos Plan of Action, in reviewing the African financial and monetary sector, called for the restructuring and reorientation of the African monetary and financial policies at the national, subregional and regional levels with a view to redressing these issues. The aim of restructuring and reorienting national and subregional institutions, is to make them more responsive to the expressed needs and current problems of African countries, as well as to enable African countries to absorb shocks emanating from disruptions in the international economic changes. The Lagos Plan of Action, therefore, called for the establishment of appropriate monetary and financial institutions to deal with these problems. One of the most important of such institutions to be established is the African Monetary Fund (AfMF).

THE RATIONALE FOR AN AFRICAN MONETARY FUND

Most African Governments continue to face severe economic and financial problems partly due to adverse developments in the international economic environment, and partly due to the absence or inadequacy of subregional and regional monetary, financial institutions to assist the African countries to formulate monetary and fiscal policies directed at the problems that are area and regional specific to the continent. Most African economies have been adversely affected by high rates of inflation in the industrialized countries, in the presence of a decline in the unit prices of the exports of primary commodities. Consequently, foreign exchange earnings have also been drastically reduced while the balance of payments deficits have increased.

At the time when the Lagos Plan of Action called for the establishment of an African Monetary Fund in 1980, the global economic

environment had just slipped in a deep recession. But its impact on the developing African countries was just beginning to be felt. Since then, the African economic situation has deteriorated into an unprecedented economic crisis characterized by acute shortages in foreign exchange due largely to the collapse in commodity prices. At the same time, the widespread drought has halted, or seriously reduced, agricultural production in many countries, thereby making it difficult for most countries to produce sufficient food to feed their rapidly rising population.

Consequently, imports of food and other essential goods continue to increase and the already chronic balance of payments of most African countries has been aggravated further. Domestic savings potentials have been reduced and resources required to finance industrial and agricultural production are no longer readily available. This has, in turn, reduced the chances for expanding intra African trade. Most African business houses and wealthy individuals hold their money and invest a good portion of it overseas. Worse still, almost all African Governments hold their foreign reserves in the industrialized countries.

It is against this background that the proposals for the establishment of an African Monetary Fund are being advanced. Therefore, given the nature and magnitude of monetary and financial problems of African countries, the establishment of an African Monetary Fund would be expected to play an important role in assisting the individual African countries to cope with their domestic monetary and financial problems. It is also expected to be a vehicle for promoting financial cooperation among African countries and institutions as well as between Africa and the rest of the world. The proposed fund would also encourage the harmonization of exchange control legislations and practices and the removal of monetary and financial barriers to the development and expansion of intra subregional and intra African trade.

The proposed African Monetary Fund would achieve the following broad objectives:

(i) to assist in providing finance for balance of payments deficits on current accounts, and for structural adjustments in the economies of member States to improve their balance of payments positions;
(ii) to promote the liberalization of trade and work towards eventual elimination of payments restrictions among countries of the region, to facilitate the linkage of all the

subregional clearing and payments arrangements into an African learning and payments union, which may constitute a window within the African Monetary Fund and thereby to assist in the development of intra-African trade and improvement of intra-African trade channels;

(iii) to promote convertibility of national currencies;

(iv) to promote the use of national currencies in the settlement of intra-African trade and other intra-African current account transactions;

(v) to provide a machinery for the harmonization of exchange rate policies of African countries and for an appropriate exchange rate regime that could ensure stability in the exchange rates of member States;

(vi) to assist in the harmonization of exchange control regulations and practices among member countries *vis-à-vis* the rest of the world;

(vii) to promote the development of financial markets in Africa;

(viii) to promote cooperation in monetary policies among African countries; and,

(ix) to work towards the development and eventual establishment of an African common currency.

In order to achieve the above objectives, the African Monetary Fund would endeavour to provide short and medium term credits to finance balance of payments deficits of African countries. It would assist them in seeking loans from international financial markets for balance of payments purposes by contributing to the strengthening of their negotiating capacity *vis-à-vis* these markets. The Fund would also assist in guaranteeing loans to its members on agreed terms and conditions, provided that the loans are used for balance of payments purposes. It would also be so designed as to accept and manage any special funds placed at its disposal by member States, non-member States and organizations, provided the respective terms and conditions are consistent with its objectives.

POTENTIAL ROLE AND IMPACT OF AfMF

The past three decades of development in Africa have clearly shown the problems of ensuring self sustaining growth in the absence of an independent monetary policy for Africa as a whole. Therefore, against the background of the scope and objectives of the proposed African Monetary Fund described in the preceding paragraphs, its

role and impact is expected to be fundamental and far reaching. As I said at the Commemoration Lectures Programme organized by the National Bank of Egypt in Cairo in 1979 on Africa and the New International Economic Order, in the past "we created domestic institutions or encouraged foreign ones to undertake the mobilization of domestic savings, without recognition of the consequences of such mobilization in the absence of domestic capital goods and services industries". I therefore advocated the "decolonization of Africa's colonial monetary arrangements and the setting up of an African monetary system".

The AfMF would, therefore, be an effective instrument in assisting the African member countries to deal effectively with the following critical issues: effective management and utilization of domestic and external resources through proper allocation of such resources; the adoption of appropriate and nationally agreed structural adjustment measures and programmes designed to generate healthy economic structures; the introduction of appropriate national incomes and fiscal policies in line with new measures for enhancing domestic savings and investments; the development and expansion of intra-African trade and monetary and financial co-operation to promote self-sustaining development.

Several other areas can be identified in which the AfMF would play a decisive role. Among the most important ones are the following:

(a) the AfMF would be an important vehicle for the encouragement of individual African private investors to invest their resources in other African countries in so far as it would guarantee such investments through a solidarity fund window. This would significantly promote collective self reliance at the regional and subregional levels. Public investment in other countries in productive ventures would also be encouraged through new structural adjustment programmes to be initiated by the AfMF;

(b) African countries would be encouraged, as a matter of priority, to hold a good portion of their foreign exchange earnings with the AfMF. This would not only improve the regional liquidity situation but would also encourage intra-African trade, especially in agricultural products such as food, cereals and other staple crops. This would not only reduce external imports of these items but would also accelerate the growth of industries in these sectors;

(c) the AfMF would, through the adoption of new efforts and measures to deal with the balance of payments problems of its member States, significantly improve the monetary situation of the African countries. This would be achieved by ensuring that the AfMF would examine a more rational way of evaluating each country's balance of payments problems, so as to assess more accurately the level of the current account deficit and thereby adopt support measures which reflect the real needs of the country concerned. This should be followed by the provision of increased financing to correct the structural imbalances. At the same time, the question of conditionalities would be examined within the context of the real needs of the country concerned;

(d) the promotion of increased flows of concessionary resources into the African member countries would be facilitated by the proposed AfMF, especially through the creation of specific funds and facilities to deal with critical sectors such as the promotion of intra-African exports; the identification of private sources of financing on more appropriate terms; and the attraction of multilateral and bilateral institutions to hold their reserves with the AfMF would greatly boost the resources available to member States for development;

(e) the establishment of a common unit of account, which would be one of the major tasks of the AfMF, will eventually lead to the establishment of an African common currency. This would greatly improve the prospects for intra-African co-operation within an African monetary regime where the need for earning hard currency to pay for intra-African imports would be reduced. At the same time, the establishment or strengthening of the regional payments arrangements through which trade among the African countries would be financed, is another very important innovation envisaged under the AfMF.

The AfMF is a real and genuine effort on the part of the African Governments in the realization of collective self reliance. Hence, the proposed AfMF could also be used as a channel for initiating and strengthening the dialogue for monetary and financial cooperation within the already existing subregional groupings such as the Preferential Trade Area for Eastern and Southern African States (PTA), the Southern African Development Coordination Conference (SADCC), the Economic Community of Central African

States (ECCAS), the Economic Community of the Great Lakes (CEPGL), the Central African Customs and Economic Union (UDEAC), the Economic Community of West African States (ECOWAS), and other subregional economic groupings. The AfMF would also play a significant role in promoting the proposed African Common Market and the African Payment Union.

IV The African Development Bank and Africa's Current Economic Crisis: The Perspective of the Economic Commission for Africa

Symposium on What Future for The African Development Bank

Held at Tunis *10 May 1984 in Commemoration of the 20th Anniversary of the Bank*

Needless to say that for us at ECA this is a joyous occasion. For as some of you may know – and I won't be surprised if there are participants here who do not – the African Development Bank is the baby of the ECA Conference of Ministers. It was created by resolution 52(IV) adopted by the ECA in March 1962 barely four years after the Commission itself came into existence and fourteen months before the OAU was founded. The motivation behind the creation of an African Development Bank was based on the desire by the Commission to have a regional bank designed to serve particular interests of independent African countries in a manner sensitive and responsive to the special problems of the region. Although the World Bank was already in existence by then, it was rightly felt by the ECA Conference of Ministers that Africa needed its own regional development bank which would develop into an institution whose purpose, objectives, policies and functions would be better dovetailed to the development objectives and priorities of the African countries more intimately than a global institution could be. In other words, ECA's perception of the role of the Bank, when it took the decision to establish it, was an instrumentality in

the hands of the African Governments in the implementation of national, sub-regional and regional development objectives.

Consequently, the principal objective of the African Development Bank is "to contribute to the economic development and social progress of its members – individually and jointly". The ADB's structure was therefore designed in such a way that it would fulfil, *inter alia*, the following functions:

(a) to use the resources at its disposal for the financing of investment projects and programmes relating to the economic and social development of its members;
(b) to undertake, or participate in the selection, study and preparation of projects, enterprises and activities contributing to such development;
(c) to mobilize and increase in Africa, and outside Africa, resources for the financing of such investment projects and programmes;
(d) generally, to promote investment in Africa of public and private capital in projects or programmes designed to contribute to the economic development or social progress of its members; and
(e) to provide such technical assistance as may be needed in Africa for the study, preparation, financing and execution of development projects or programmes.

It is gratifying that the child of yesteryear has become an adult of twenty. The birth of the child was itself an agonising and ecstatic experience – the agony arose because, as usual, our foreign friends and some of the potential foster parents thought that its establishment was premature. We therefore had to spend valuable time and energy in persuading them to our point of view. The ecstacy was generated by the challenge posed to ECA in embarking on such an ambitious project – an institution which was to become the second Pan African institution. We at ECA are naturally very proud to have watched the Bank grow over the years into a fullfledged financial institution capable of responding effectively to the needs of its member States. ADB has indeed come a long way in spite of a series of ups and downs, particularly during its formative years, and it is with a deep sense of satisfaction that we are now celebrating its twentieth anniversary.

This celebration also provides us with the unique opportunity of undertaking an agonising appraisal of the Bank. It is customary, on occasions such as this, to sit back and reflect on the successes and

failures of any organization so that its policies can be redesigned in order to enable it to proceed henceforth with renewed strength, determination and dedication. Therefore, the theme of this Symposium is extremely relevant and timely, especially when viewed against the background of the current economic crisis in Africa. The role which ADB can play in contributing effective and practical solutions to this crisis is therefore the thrust of this statement. And as is to be expected, it can only be in accordance with the ECA perspective but, as the brain behind the Lagos Plan of Action, the ECA perspective tantamounts to the perspective of all African Governments. I hope that, like a father who has observed his child grow up to maturity, my statement will be accepted for what it is – not as a criticism but as a genuine effort to look for ways of making this crucially important institution even more effective during the coming ten or twenty years.

In the first place, in reviewing the ADB and its operations, it is important to stress that at the time when its objectives and functions were defined, there was no common and properly articulated development strategy for the entire African region nor were there any properly identified priority areas for development at the country level. Despite this initial setback, the ADB, I am proud to say, has scored some very significant achievements. For instance, since its inception, the African Development Bank has made significant contributions towards defining such a strategy. It has also financed a number of projects in several sectors of critical importance to socio-economic growth such as agriculture, transport, public utilities, industry, education and health, in addition to lending to development banks in Africa. Public utilities sector projects have consistently received the largest share of the ADB's resources, accounting for an average of about 34 per cent of the cumulative lending between 1966 and 1981. The three major areas within the public sector which had special attention from ADB financing were electricity, sewerage and telecommunications projects. The other sub-sectors, namely, energy and water supply, have also received sizeable financing.

The development of infrastructure is another area where the ADB has made some significant contributions. As can be observed from available statistics, projects under the general category of transport sector were the second most favoured projects after public utilities. Within the transport sector, the Bank has financed a number of road projects, road maintenance projects, rural road projects, highway construction and maintenance projects, railways

projects, including a few inter-State road projects. The Bank has also provided its resources to port development projects as well as for shipyard repairs. ADB has also been very active in "Industry and Development Banks", especially agro industries, chemical industries, textile factories, flour mills and grain storage facilities, palm oil factories, cotton ginneries, iron ore projects, sugar refineries, etc. To supplement resources available at the national level, numerous lines of credit have been granted to national development banks engaged in financing industrial development.

Another area of activity of ADB has been the agricultural sector where the percentage share of its total cumulative lending has remained between 10 and 17 per cent since its inception. Activities in this sector include: arable land development projects, rural development projects, tea production projects, seeds production projects, rice production projects, and poultry projects. It would therefore seem that, according to the bank, agriculture is assigned a somewhat low priority after public utilities, transport and industry and development banks, in that order.

From its inception, the ADB has vigorously tried to increase its resource base so as to be able to respond more positively to the real needs of the member States. To this end, the establishment of the African Development Fund (ADF) in 1972 added a new and welcome impetus to the activities of the ADB Group. The ADF provides concessional loans and its authorized capital stock is contributed by both African and non-African countries. Since its inception, it has provided a valuable source of the much needed additional financing. ADF has acted as the soft window of the ADB and its activities have been very appreciated by its members.

Has the ADB Group fully responded to the development needs of the African countries? This is an important question requiring an in depth review and analysis, and time does not permit me to go into any details. All in all, I can say that ADB has evolved from a relatively insignificant body which it was in 1964 to a very powerful and well managed financial institution of today. It has, therefore, commanded respect and confidence from its member States as well as outsiders. However, it would be less than honest on my part if I said nothing about its shortcomings. Let me mention three.

Firstly, an interesting characteristic of the ADB's lending programme is that the ADB has been rather too conservative. For instance, during the two decades since 1960, a large number of African countries have become independent. Therefore, the countries needing assistance, especially in agriculture and food

production, have also increased. However, looking at the lending programme, it appears that the sectoral lending pattern of the ADB Group has remained almost the same throughout the period under review. To the extent that this is so, the ADB has failed to respond fully to the real needs of the countries, taking into account overall development objectives and priorities.

The ADF, on the other hand, increased its lending to agriculture up to 39 per cent of its total lending. The ADF also provided soft loans for industry and development banks although in percentage terms this only reached 4.6 per cent in 1981. In terms of actual projects financed, the ADF seems to have done better than the ADB, in that within a short period of ten years, it has financed a total of 213 projects as compared to 297 projects in 18 years up to 1981. In monetary terms, the cumulative total loans of ADF were FUA 1190.76 million in 10 years, as compared to a cumulative total of ADB of FUA 1335.02 million in 18 years.

Secondly, the ADB Group does not appear to have the necessary flexibility to respond adequately to Africa's development crisis. For instance, although an increased number of African countries fell into the category of least developed countries during the preceding two decades, the ADB did not appear to have adjusted its lending programme to meet special needs of these countries. In the same vein, despite the serious food shortage and food crisis facing many African countries, especially since the late 1970s and the early 1980s, the ADB's response to agricultural development, especially food production, storage and processing, could have been more positive than was the case. This is notwithstanding the new agricultural credits offered by ADF. This apparent lack of response is demonstrated by the fact that in 1981, for instance, only about 17 per cent of the ADB's total lending was allocated for agriculture, as against about 32 per cent in public utilities.

Thirdly, the ADB Group's policies have not apparently been adequately adapted towards the Lagos Plan of Action and the Final Act of Lagos which lays down a long term development strategy for Africa's development up to the year 2000. Its thrust is to foster collective self reliance through subregional and regional economic cooperation and integration. However, when one looks at the lending policy of the ADB Group, one does not get a clear impression that regional economic cooperation and integration is given the high priority it deserves. In fact, like many other international lending institutions, both ADB and ADF emphasize country programmes, as against or even to the detriment of, joint

projects involving a number of countries. Regional and subregional institutions such as ECOWAS, PTA, UDEAC, CEAO deserve full financial backing of the ADB Group in the implementation of their programmes.

The role of the ADB Group in the current African economic crisis

I need not repeat that despite some of these shortcomings, the ADB Group has responded, within the limits of its resources, to the needs of the African countries. But, in view of the struggle of many African countries for economic survival, what role can the ADB Group play in contributing towards the solution of the current economic crisis? But before attempting to proffer some proposals, I would like to clarify one major misconception. The African crisis is not merely a food crisis. While food security and food self sufficiency naturally have high priority in the solutions of the current economic crisis, I ought to emphasize that the crisis is multisectoral and multiform in magnitude, scope and impact. This being so, its solution should also be multidimensional covering all aspects of socio-economic development. The emergency aspects of the crisis include the provision of food, water, medicines and vaccines, as well as catering for the energy needs and the nutritional needs of the population. The drought has also triggered off displacement of population both intra-nationally and inter-country. However, it is most important that in trying to cope with the emergency needs of the drought-affected countries, we must not lose sight of medium and long term structural adjustment that would ensure that once the countries have emerged from such crisis, they are fully equipped to ensure that they do not slide back into the depth of the economic crisis.

Having said this, I would now like to turn on to what ADB and ADF can do in the current crisis. Here, I believe that the ADB Group has a very important and singular role to play, especially in the following areas:

(a) the problems of food shortages and food self sufficiency have been aggravated by the lack of priority in agricultural food production and food processing in many African countries, as well as adequate resources for transforming agricultural food production. Therefore, in order to alleviate the food crisis, the ADB and ADF in their medium and long term lending policies, must increase support to food production, storage,

distribution, marketing and trade, including agro industries and food processing. To this end, increased assistance should also be given to the African countries in the identification, preparation and presentation of sound agricultural projects for bank financing, paying special attention to the problems of the least developed countries. In the short run, the Group should find ways of joining hands with other international agencies in financing the emergency programmes for the procurement, storage, transportation and distribution facilities of food as well as in providing water through the development of water catchments, reservoirs, boreholes and artesian wells. They should also join hands with others in assessing the impact of such short term measures on the overall development prospects of the countries concerned;

(b) the African economic crisis has been aggravated not only by the absence of agro industries and food processing industries but also by very narrow manufacturing structures in most African countries. It was in recognition of this that the Lagos Plan of Action identified basic industries to include the following: food and agro industries, building materials, mechanical industries, electrical and electronic industries, chemical industries, forest industries and energy industries. These industries need to be linked with the other major sectors such as agriculture, transport, and trade, if the solution to the crisis is to be meaningful. The ADB Group should therefore bear in mind these vital linkages in their lending programmes;

(c) The ADB Group can also play a significant role in the development of technical and managerial skills to support the new development programmes. This is true regardless of whether such programmes are designed to address the emergency and short term aspects of the economic crisis or to meet the long term needs. To this end, the Group should be involved in the mobilization of manpower and personnel as well as in assisting the policy makers to develop appropriate development management policies and techniques that can fully address the current economic crisis.

The distribution of loans from the ADB and the ADF among the basic industries should be based on a new set of criteria which takes full cognizance of the current economic crisis of African countries. The question of 'bankable' projects should be based on the needs of

the African countries. At the same time, it hardly needs emphasizing that the increased availability of the ADB and the ADF finance in investment projects in the fields of food and agriculture, industry, transport, communications, energy, water and social services will also have lasting and positive impact on the external debt crisis of the African countries. ADB should ensure that these two institutions accord high priority to the financing of joint ventures that can promote cooperation and economic interdependence among African countries.

Concluding remarks

I have dwelt at some length on the major achievements and failures of the ADB Group largely because as I said earlier, the Economic Commission for Africa, having created this institution, is naturally very interested in its growth and evolution, in its successes and shortcomings and, above all, in the path it has carved for itself in the promotion of African development. Therefore, the triumphs and joys of ADB are the joys and triumphs of ECA. I have no doubt that the ADB and its subsidiaries are capable of responding in the years ahead more than ever before to African development needs. Indeed, as we see it in the ECA, the ADB Group has a crucial role to play in the solution of the current crisis and in laying the foundation for self sustaining development process. To assist the Group in achieving this objective the ECA pledges its continued support and cooperation in the years ahead.

V Foreign Debt and the Prospects for Growth in the Developing Countries of Africa in the 1980s

Conference on Foreign Debt and Nigeria's Economic Development organized by the United Bank for Africa

Lagos, Nigeria 5 March 1984

I. INTRODUCTION

One of the major objectives sought by the New International Economic Order is to secure favourable conditions for the transfer of resources to developing countries and to ensure that a country's resources are fully utilized for the development of the country concerned.[1] However, the unprecedented growth of the world economy since the Second World War has not been equitably distributed between the rich and poor countries. Within this international scenario, the increasing external indebtedness of the latter group of countries has wide ranging economic implications. This has rocked the foundation on which the economic prosperity of many African countries stands.

The financing of development through external borrowing is not a new phenomenon exclusive to developing countries. Some of the developed countries continue to depend on external borrowing for major investment projects. External indebtedness *per se* is not harmful. What is deterimental for many African countries is their inability to meet current debt obligations. This problem is compounded by the lack of information on the nature, structure and magnitude of the external debt, largely because the issues surrounding the external debt problems faced by developing countries are just beginning to be properly articulated. In fact, at independence, many African countries inherited huge amounts of foreign debt contracted by the colonial administrations, and have never emerged out of their indebtedness.[2]

The external debt problem can be visualized as a relationship between two variables – debt and export earnings. The debt is generated by the inability of a country to increase domestic savings, investment and export earnings, and by increasing import bills,

amortization and interest payments. As the gap between these variables widens and debt accumulates, interest charges rise and the country must borrow increasing amounts just to maintain a constant flow of net imports.[3]

The African experience has shown that once a country is trapped in this situation, it must borrow more in order to refinance maturing debt obligations. The other variable – income – must grow because the country's ability to service its debt depends fundamentally on continuing growth in output, which will ultimately allow it to close the gap between domestic saving and investment.[4] Accordingly, the thrust of this lecture is to assess the major issues affecting the external indebtedness of African countries with a view to identifying the nature, magnitude and causes of external debts contracted by African countries. Emphasis is also laid on the implications of the debt crisis for economic development and growth within the context of the Lagos Plan of Action.

II. STRUCTURE OF THE AFRICAN EXTERNAL DEBT

Complete statistical data for all African countries are not always readily available, and this makes it difficult to produce an accurate estimate of the magnitude of Africa's external debt. However, the total outstanding and disbursed debt for 42 African countries increased from US$10.7 billion in 1971 to US$77.5 billion in 1980. The major borrowers are the middle income African countries, which accounted for over 80 per cent of total outstanding external debt in 1980.[5]

A. Increases in total outstanding debt

In 1981 and 1982, total outstanding debt for all African countries was estimated at US$81.8 billion and US$86.2 billion respectively. The average annual growth rate of Africa's external debt, at 23 per cent, was far higher than for gross domestic product or exports of goods and services. Furthermore, the rate of increase of external indebtedness in Africa was much higher than in the developing countries as a whole, although Africa's debts accounted for only 19 per cent of total outstanding disbursed debt in 1982.

Outstanding debt disbursed by official creditors (both multilateral and bilateral) accounted for 67.5 per cent of the total debt in 1971 while private creditors, that is, suppliers and financial markets, contributed 32.5 per cent. By 1980, the official creditors' contribution to outstanding debts had decreased to 60.5 per cent while

private creditors had increased their share to 40 per cent. The increasing share taken by private creditors in debt of African countries was especially evident in countries such as Algeria, Cameroon, Egypt, Ivory Coast, Morocco, Nigeria, Tunisia, Zaire and Zambia whose heavy borrowing from creditors in most cases reflected their creditworthiness in international financial circles.

Although the total amount of public external debt (outstanding and disbursed)[6] increased throughout the 1970s and continued to show increasing trends in the 1980s, net inflows reached their peak in 1978, when they amounted to US$12 billion, and declined every year thereafter to less than US$6 billion in 1982. A serious structural change in the external debt of African countries resulted. There are two main reasons for the decline in net public financial inflows. First, amortization (repayments of principal) increased substantially during the 1970s thereby reducing the total of annual disbursements; by 1982 amortization payments were three times the figure of 1978. In 1978 repayments of principal accounted for US$9.4 billion of a total of US$15.0 billion in disbursements, which had been increasing through the 1970s, reached their peak in 1979, and then declined because of reluctance on the part of private creditors to extend further credit to the African region.

B. Privatization of international lending

An observable characteristic of the debt structure of African countries during the period 1971–1982 is the "privatization" of the international monetary system; the gradual shift from official to private sources for international trade finance.[7] For instance, private debts were only about 32.5 per cent of the total debt but this rose to 39.5 per cent by 1980. It is believed that in recent years this share has increased even further. In 1971, annual commitments by official creditors amounted to US$1,561.1 million while commitments by private creditors amounted to US$1,202.2 million. By 1978 and 1979 annual commitments by private sources stood at US$11,419 million and US$12,195 million respectively, as compared with US$8,874 million and US$9,481 million in annual commitments by official sources for the same years. It is also observed that loans from private creditors increased from US$900 million in 1971 to a high of US$10,000 million in 1978 and declined to US$9,989 million in 1979 while those from official sources increased from US$1,061 million in 1971 to US$8,375 million in 1980, having remained below US$6,000 million throughout the 1970s.

In terms of total external indebtedness, loans from official

sources, which constituted 65 per cent in 1972, declined to 58 per cent in 1982. Loans from multilateral sources declined from 81 per cent to 67 per cent while loans from bilateral sources increased from 19 per cent to 33 per cent over the same period. An inevitable consequence of such a structural shift in the source of credit has been a decrease in the proportion of concessional loans and an increase in the amount of debt contracted under variable interest rates. For example, in sub-Saharan Africa, concessional debt, which accounted for 50 per cent of the whole in 1972, declined to 35 per cent in 1982.

C. Deteriorating lending terms and conditions

In addition to the increasing incidence of external debt, there is also evidence of hardening terms of borrowing. For instance, the overall cost of borrowing increased from 4 per cent in 1972 to 10 per cent in 1982, partly as a result of increases in the interest rates in the private money markets which doubled, from 7 per cent to 14 per cent, during the same period. At the same time the average maturity of loans declined from 20 years to 15 years, the grace periods for most loans fell from 6 years to 4 years and the grant element of most official loans decreased drastically, from 37 per cent to 7 per cent of the total amount of the loan. The main reason for this is that as borrowers gradually lose their credit worthiness due to their inability to meet their current obligations, commercial lenders attempt to recover their principal and interest in as short a period as possible for fear of losing more money.

Total debt service payments by the majority of African countries increased from US$1.0 billion in 1971 to US$15.3 billion in 1982. The relatively high rate of increase in debt service payments accounts for the drastic decrease in net resource transfers, which reached a peak of US$10.1 billion in 1978 and declined every year thereafter to a level of minus US$0.3 billion in 1982. This implies that with disbursements of US$15.0 billion to African countries in 1982 there was a net outflow of resources amounting to US$0.3 billion after US$15.3 billion was paid in amortization and interest payments.[8]

III. SOME MAJOR CAUSES OF EXTERNAL INDEBTEDNESS IN AFRICA

The indebtedness of African countries stems from several factors which combine to influence macro economic performance, thereby

holding growth rates at a level too low for sustained development.[9] The major ones are: (a) decreasing export earnings against a background of increasing import bills; (b) poor economic management coupled with misuse of resources and colossal wastage of public funds; (c) the inability of countries to make full use of external aid to generate surpluses that would enable them to repay both loans and service charges; (d) national fiscal and financial policies and the absence of any link with development resources; (e) the lack of policies and institutions concerned with the mobilization and management of domestic resources as a means of reducing external debt; (f) the adverse influence of transnational banks and financial institutions on resource flow into and out of Africa; (g) the lack of trained personnel to administer national resource development policies; and (h) the lack of policy coordination among aid donors at the national level to guarantee the maximum economic impact of aid and loan packages.[10]

Likewise, African countries' debt servicing problems have, by and large, been the result of low levels of economic growth, particularly in national income and exports, and high interest rates in the face of low export revenues. Only high export growth can make their debt servicing burdens more tolerable.

Structural disequilibrium between import requirements and export earnings compels many countries to resort to external borrowing. The following factors are chiefly responsible: (a) concentration on exports of primary commodities; (b) rising import bills, especially of energy and oil; (c) increasing protectionism in OECD and the Socialist countries of Eastern Europe; and (d) the declining competitiveness of African products on the world market. In 1982, for instance, African countries' exports stagnated while their terms of trade deteriorated, and this intensified the real debt burden. The low income developing countries are said to have suffered a 30 per cent drop in their terms of trade between 1979 and 1982.[11] The declining terms of trade caused a sharp rise in the 1982 debt export ratio, suggesting that the debt servicing capacity of these countries had been seriously affected. Therefore, import management in the face of declining export revenues is another major area of weakness in most African countries.

It hardly needs emphasizing that the increasing number of African countries now facing or about to face serious debt servicing problems is a symptom of the deep rooted structural economic problems and serious imbalance manifest in the current development crisis. This crisis is in turn compounded by a series of sectoral

crises, relating to debt servicing crisis, stagnating export sales, deteriorating terms of trade, tumbling commodity prices, and high interest rates. In addition, world-wide stagflationary pressure makes it impossible for African countries to adopt an effective fiscal or monetary policy.[12] Some of these issues are briefly described below.

A. Declining export earnings

The African external indebtedness crisis, measured in terms of debt servicing capacity, arises because the world economy is facing a crisis. The crux of debt solutions lies in the "underlying structures" of developing countries and the international economic system.[13] The extent to which African countries experience difficulties in servicing their debts depends primarily on their production and export performances, their ability to attract new capital inflows, the volume and terms of the debts incurred, and their ability to devote foreign exchange to debt servicing without risking social and political repercussions from their failure to meet development objectives.[14] Likewise, African countries' debt servicing problems have, by and large, been the result of low levels of economic growth, particularly in national income and exports, and high interest rates in the face of low export revenues. Only high export growth can make their debt servicing burdens more tolerable.

The external indebtedness of developing countries, in Africa and elsewhere, is a continuing and growing problem. It has been observed that the debt service ratio – interest and amortization payments as a percentage of exported goods and services – on long term foreign borrowing, rose from 14 per cent in 1973 to 18.1 per cent in 1979 and 22.3 per cent in 1982.[15]

Moreover, the repayment of outstanding debts and interest requires consistent and rapidly growing exports of African countries to reduce their current account deficits.[16] African countries are increasingly losing the little competitiveness they enjoyed during the past decade. In 1982, the rate of growth of total external debt was 10 per cent – considerably more than growth in exports, which were seriously affected by the global recession.[17] Debt service payments have continued to rise sharply as a proportion of export earnings, reaching as high as 24 per cent in 1982 after 20 per cent in 1981 and 15 per cent in 1976–1977. This increase reflected the downturn in export earnings as well as a rise in outstanding debt.[18]

B. Fiscal and financial policies

In addition, the fiscal and monetary policy of a country has a tremendous impact on indebtedness. For instance, as the domestic economic situation deteriorates and the balance of payments begins to worsen (rising current account deficits, declining reserves), confidence in a country's economic management may weaken, leading to capital flight and a decline in net lending. With output and exports declining, reserves almost exhausted and debt servicing obligations increasing, a country's scarce foreign exchange resources are insufficient even to maintain existing levels of growth. Therefore, a situation is soon reached where a country defaults on its debt servicing obligations as well as on principal repayments.

A related issue involves Government policies on expenditure. There are cases where African countries have borrowed to finance current expenditure (for instance foodstuffs; military and civil service payrolls).[19] There is also borrowing for deficit financing. During the latter half of the 1970s rising interest rates, caused by anti-inflationary monetary policies and the burgeoning budget deficits of the developed countries, accounted for 50 per cent of the increase in debt servicing difficulties experienced by developing countries. Middle income African countries suffered most from the burden of high interest rates. These countries tend to depend more on commercial borrowing which, at variable interest rates and with shorter terms, requires more than double the amount needed to service the equivalent official debt.[20]

The rapidity with which short term debt has been accumulated during the past 10 years makes debtors more vulnerable to shifting conditions and more likely to renege on payments. The enormous surge in borrowing during the past decade outstripped the economic performance of some of the borrowing countries in Africa. For instance, commercial banks which in 1982 accounted for more than half of the outstanding US$700 billion debt, started to retreat during the third quarter of that year and lent less than they received from developing countries in principal repayments.[21] A number of these countries experienced arrears in external obligations and were obliged to seek a rescheduling of their debts. Thus, total debt servicing difficulties were caused by bunching of payments.

C. Exchange rate fluctuations

Exchange rate fluctuations, especially in the value of the United States dollar *vis-a-vis* other major European currencies, have in recent years become a common phenomenon in international financial and monetary relations. They essentially originated with the deficit in the United States balance of payments, followed by the devaluation of the pound sterling in 1967.[22] These were progressively followed by devaluations of other major OECD currencies which compelled a number of Commonwealth African countries to devalue in terms of sterling while others pegged their national currencies to the United States dollar.[23] Other African countries followed suit and were thrown at the mercy of the powerful Eurodollar and major currencies.[24]

The currency pegging coupled with floating exchange rates had far-reaching monetary and trade implications for most African countries, and hence affected their levels of indebtedness. For instance, some countries experienced a sudden increase in their import bills – as much as 7.3 per cent – whereas others increased by 16 per cent.[25] On the other side of the coin, export earnings suffered a decline due to the reduction in external purchasing power and the relative competitiveness of African goods abroad, causing adverse trade balances. The other result of exchange rate fluctuations was a drop in the export value of commodities and a reduction in tax revenue from exports.[26]

The overall effect of exchange rate fluctuations on indebtedness has been increased problems in debt management, especially servicing and amortization.[27] While it is difficult to assess its impact accurately, especially in view of the multiplicity of currencies in Africa, there is evidence to indicate that a considerable decline in Africa's foreign exchange reserves was brought about simply by exchange rate fluctuations.

D. The impact of transnational banks and financial institutions on Africa's external indebtedness

Transnational banks and financial institutions play a significant role in influencing the level of indebtedness of African countries.[28] They do so by making loans on less favourable terms, as discussed earlier, or through other forms of resource leakages. Their dominant role in the investment production and distribution processes also enables them to exercise tremendous control over resource flows to and from any given country.[29]

It is common knowledge that debt servicing difficulties also arise because of the activities of transnational corporations, which affect transfers of actual and potential foreign exchange by over invoicing exports, consultancy and other services rendered to African countries. Among the activities of transnational corporations that account for major resource leakages may be included the following: international shipping and containerization; the acquisition of technology by African countries; management and consultancy fees; international air transportation and cargo handling services; international telecommunications and postal fees; banking and financial services; insurance and reinsurance; mineral exploration and extraction agreements; advertising and merchandizing; international procurement and subcontracting; and purchases of armaments and weaponry. This list is by no means exhaustive, but serves to indicate the magnitude of the problem.[30]

African countries have also lost considerable sums of money through the activities of transnational banks, including: (a) losses of foreign exchange due to the manipulation of commodity prices, e.g. transfer pricing; (b) balance of payments difficulties caused by declining world prices for primary commodities engineered by such corporations, e.g. the operations of commodity exchanges and the London Metal Exchange; and (c) excessive transfers of profits and other capital gains, especially in the absence of effective national policies compelling them to reinvest a given portion of their profits in African countries.[31]

IV. DEBT MANAGEMENT AND THE PROSPECTS FOR GROWTH IN THE 1980s

The problems identified in the preceding section highlight the need for a debt management policy. The essence of such a policy is that a country should always assess its ability to repay the loan before the debt is contracted. Debt management as a major policy instrument has not yet found wide application in many African countries. Policy makers often fail to realize the repercussions of borrowing abroad on domestic development objectives and priorities. Deciding to contract a foreign debt means earmarking a portion of the borrowing country's future production. As indicated earlier, debt problems result from depressed export markets, high interest rates and excessive borrowing with little regard for ability to service the debts incurred. Therefore, poor debt management policies on the part of borrowing countries often result in serious

repayment and debt servicing problems and are to a large extent responsible for the African monetary crisis.[32]

A. Long-term policy on external debt

In analysing the prospects for growth in the 1980s and beyond, it is therefore pertinent to ask how debt management can be incorporated into the development strategies of African countries so as to reduce costly debt servicing problems in the future. Poor debt management, as evidenced by excessive borrowing in relation to the profitability of the project financed and to export earnings, inappropriate borrowing terms, and inadequate information about the volume and composition of external debt, continue to contribute to development crises faced by the African countries. Some experts point out that to manage debt effectively it is important to project accurately the time profile of debt service obligations, and forecast export earnings, domestic revenues and future access to various sources of finance.[33] While this exercise may be cumbersome, it would be worthwhile assessing in advance how to alleviate the difficulties likely to be experienced under a given loan agreement.

B. National bureau (council) for debt management and resource mobilization

Africa's external debt is now so grave that drastic action is needed. Related to the problem of economic and financial mismanagement is the perception of foreign resources as a catalyst in economic development. In an ideal situation, the effective management of external debt might entail three basic interrelated processes: (a) defining the purpose of the loan sought; (b) deciding how much to borrow, and where from; and (c) assessing repayment capacity. In countries where both private and public sectors borrow substantial sums, there is an urgent need for a national bureau or council to monitor and evaluate loans and assess their impact on the country's growth prospects.[34] This is particularly important in countries such as Nigeria, where the state governments can contract foreign debts without the prior approval of the Federal Government. It is equally essential in countries where individual government ministries or parastatals have the authority to contract foreign loans. Such a bureau would also help Governments to match debt service obligations with anticipated inflows of export earnings, and to avoid bunched debt service obligations.

One of the major tasks of the bureau would be to consider how

much to borrow. It should be understood that the decision itself would invariably depend on the skill and judgement of the decision makers. The purpose of external debt management is to determine how much foreign debt a country should contract over time, and on what terms. To make a sound decision, a country must accumulate information on the implications of alternative borrowing strategies. It must also consider the implications of its borrowing for its balance of payments and its development prospects.

Selecting the right sources of financing is a crucial element of external debt management. The other task of the bureau would thus be to choose the best combination of external finance – loans, grants, and direct investment – for individual projects and the economy as a whole, paying particular attention to profits, dividends, prepayments for exports and cash flows.[35] Grants and foreign loans on concessional terms are the cheapest, but often come with conditions not conducive to development. In any event, resources from grants have in the past been insufficient to meet requirements. Consequently, the choice of loan mix at the project level might involve the following decisions: (a) the highest possible grant element; (b) the minimum amount of commercial financing; (c) the maximum amount of capital that can be rolled over easily; and (d) the minimum amount of debt servicing in the first five to ten years of the loan.[36]

The maturing dates of new loans and the interest payable should be analyzed with a view to a tolerable debt structure; one with an adequate spread of maturities, a diversity of borrowing sources, and a margin of borrowing capacity for unforeseen requirements such as emergency support for the balance of payments. A more mundane aspect of debt management is the creation of a satisfactory system for registering and approving foreign debt to show who is borrowing, how much, and for what purposes.

C. Rescheduling of debts

A form of debt management that has become popular during the past two decades is debt rescheduling.[37] Most countries facing repayment problems currently resort to this form of financing. In the case of African countries, it is clear from the above analysis that their external indebtedness has been increasing at a tremendous rate over the past 10 years or so. This has forced them to pursue policies detrimental to their development interest. Some of them followed a retrenchment policy, decreasing imports to improve their external positions.[38] Imports by this group declined in 1982 by

16 per cent in nominal value terms from the previous year. Some countries that were unable to adopt such policies resorted to debt rescheduling under the auspices of the Club of Paris.[39] Debt rescheduling, which was somewhat unfamiliar in the 1960s and early 1970s, became common in the early 1980s.

Available information shows the following African countries to have rescheduled their external debts over the past three to six years:

Country	*Years of rescheduling*
1. Central African Republic	1981, 1983
2. Egypt	1976 (once)
3. Ghana	1966, 1968, 1970, 1974
4. Gabon	1978
5. Liberia	1977, 1980, 1981, 1982
6. Madagascar	1981, 1982, 1983
7. Malawi	1982, 1983
8. Morocco	1983
9. Mauritania	1981, 1982
10. Nigeria	1983
11. Senegal	1981, 1982, 1983
12. Sierra Leone	1977, 1980, 1982
13. Sudan	1979, 1980, 1981, 1982
14. Togo	1979, 1980, 1981, 1982
15. Uganda	1981, 1982
16. Zaire	1976, 1977, 1979, 1980, 1981, 1982
17. Zambia	1983, 1984

Source: Various country publications, World Bank Reports and A. Danvergne, "Le monde au bord du drame", *Le Point* No. 528, November 1982, pp.70–77.

As the number of African countries rescheduling foreign debts increased the amount of debt rescheduled also increased, from US$550 million in 1980 to US$1.4 billion in 1982 and US$5 billion in 1983. Rescheduling is easier when the principal cause of the debt crisis is one of maturity structure, with excessive numbers of repayments falling due in a relatively short period of time.

Despite the temporary relief which debt rescheduling offers, other more deep rooted problems have to be carefully considered before a country resorts to this policy option. In addition to excessive borrowing and bunching, there is a more basic cause of the debt problem – a deeper balance of payments crisis whose origins must be sought in monetary and fiscal policies, inflation, overvalued

national currencies, stagnating exports or excessive imports.[40] In such cases, a rescheduling of debt repayments brings short term relief; but unless the underlying causes are addressed, the debt problem is merely postponed and renewed negotiations become necessary a year or two later. The cases of Madagascar, Mauritania, Senegal, Sudan, Togo, Uganda and Zaire seem to bear out this view. Rescheduling as a strategy for debt relief depends on more than a package of new proposals. It requires specific actions and unique mechanisms.[41]

A more permanent way for African countries to obtain debt management, is to devise sound economic development policies and productive investment plans. Outside expertise may be valuable in deciding on debt rescheduling, but care must be taken not to aggravate the problem by incurring additional expenditures.[42] Rescheduling comes with certain conditions – deflationary programmes. Debtor countries are often urged to adopt strict austerity measures, including the phasing out of subsidies on certain industries, drastic reductions in public expenditure, especially on the social services, devaluation of the national currency as means of stimulating exports and the enforcement of fiscal controls.[43] In a country largely dependent on primary commodities for export earnings and where the manufacturing base is narrow, such measures often exacerbate rather than ameliorate the debt crisis; export earnings cannot increase very much over a relatively short period. At the same time, the forward and backward linkages in industrialization do not exist or are not strong enough to generate further growth or full employment. In such situations, debt servicing costs increase.

D. Global approach to the debt situation

Money and finance have emerged in recent years as the most crucial aspects of international relations. The international lending system appears strong and able to meet the resource requirements of the developing countries, but economically the developing countries are faltering, stagnating or declining. Their export performance, especially in the case of the low income developing countries, does not provide a healthy background for substantial borrowing from overseas. At the same time, the North–South dialogue has failed to breathe confidence into international economic relations.[44] Since a resolution of the developing countries' debt problems, based on expanding exports, can only come about through a major reform in the system of international negotiations, the external debt situation

must be dealt with in a framework that links it with the development of industry, agriculture, trade and finance.[45]

Experience in the developing countries, especially over the past five to seven years, has shown that once a country has slipped into serious debt, it cannot resolve its debt problems without the co-operation and understanding of the international lending system. At the African level, there has been a massive reduction in concessional lending by international institutions and massive defaults by debtor countries. Even the middle income countries that managed to cope with the energy crisis of the 1970s are now facing serious liquidity problems. It is true that many African countries are now threatened with insolvency; their cash flows have been depleted, and their chances of increasing earnings shattered by the drastic fall in the prices of primary commodities.

These circumstances make a strong case for global approach to the debt situation. The possibility of a global conference on external indebtedness, bringing lenders and borrowers together to review the world debt situation and recommend an international agenda for action, needs to be explored.[46] Such a conference would supplement the efforts of the Club of Paris and the donor conferences organized under the auspices of the World Bank, by showing the strong links between the developing countries' debt problems and their prospects for economic growth. Without economic growth their debt situation can only deteriorate, with serious consequences for world peace and stability. The other major task of such a conference would be to explore new ways of making the development institutions of the South strong enough to withstand the vagaries of the world economic situation.[47]

V. CONCLUSIONS

The prospects for growth in Africa in the 1980s and beyond will depend more on structural changes in Africa itself than on the international economic system.[48] There is a consensus that Africa's enormous development and financial problems require drastic political decisions and a bold, clear-headed policy orientation.[49] The apparent recovery in the developed market economies will catalyse development and growth in the African region only if appropriate domestic policies are followed. In other words, African countries will have to put their own houses in order. The current African debt problems are manageable, but they emphasize the urgency of structural adjustments in production and trade.

It cannot be overemphasized that the industrialized countries' policy of accelerating inflation and combating recession, together with the external debt crisis, will impose heavy penalties on many African countries. The impact will be still more devastating, however, upon economies that fail to respond to the harsher developmental and economic realities they now face with the requisite strict discipline. The prospects for growth appear good over the longer term, but they will be realized only if both creditors and debtors acknowledge their interdependence. In Africa the options for growth, and the most appropriate combinations of instruments for attaining it, vary from country to country, depending on such variables as levels of development, dependency on oil, composition of exports, size of the economy, credit worthiness and domestic economic policies. But of paramount importance is the policy of careful borrowing to finance economic projects that really can generate a self sustaining development momentum.

The solution to the problem of Africa's external indebtedness lies in acknowledging the fact that African countries must restructure their monetary and financial policies, both to meet current exigencies and to generate further growth. The international economic system also needs to provide the right climate, however, for countries to make the necessary structural adjustments. International institutions, transnational banks, and private lenders, must resist the temptation to "overlend", especially to countries considered to be "under borrowing". In addition, growth prospects will depend on the extent to which long term financing on concessional terms is made available for structural adjustments. The restructuring of existing debts (rescheduling) should therefore be viewed in the light of the long term structural nature of development problems and conducted, in parallel, with a search for new opportunities for domestic resource mobilization, intra-African payment arrangements and the proposed African Monetary Fund.

Finally, African Governments need to adopt drastic measures at the national level to curb public overspending, the wastage, misuse and mismanagement of resources, corruption, the individual accumulation of wealth, excessive dependence on foreign technical and managerial skills and competence; and the heavy use of foreign management and consultancy services at exorbitant fees where national expertise could suffice. For this purpose, they should seriously consider establishing the national bureau or council on debt management and resource mobilization discussed in this paper. They must also make serious and deep rooted structural

adjustments in industrial, agricultural and trade policies and institutions in order to address external debt as an integral component of their development plans and priorities.

CHAPTER NINE

Science and Technology

I Address to the Intergovernmental Meeting of African Experts on Aspects of Technology Development in Africa

Arusha, United Republic of Tanzania 3 October 1977

The basic concern of this meeting is with technology: knowledge – whether in the heads of people, whether embodied in blueprints, equipment, operating and maintenance manuals – systematized in such a way as to be more or less immediately applicable in enhancing the natural capabilities of men, individually or in groups, to produce and distribute goods and services for the improvement of the conditions of living and of work, for man, and for the survival of society.

At first sight, the key issues may be briefly stated as follows. Firstly, that this body of knowledge has been most extensively developed in advanced countries and is not freely available to developing countries except on terms which are often extremely burdensome to them. There is a clear need for competencies and institutions for negotiating ownership or user rights on less burdensome terms, within the broad framework of international agreements. Secondly, there is the problem of dependence in regard to transfer, i.e. we are confronted with the problem of competence in adequately identifying and defining the problem requiring a technological solution; in selecting the particular type and form of technology most suitable for the solution of the problem; in moving it to the location of optimum use; in setting its various parts up in working order; and, in operating and maintaining it. This range of capabilities measures the extent of our dependence, in terms of the existing stock of technology. The significance of dependence would then be measured by the extent of dependence in areas which we consider of strategic importance for development, e.g. pharmaceuticals, or transport equipment, as compared with soft drinks.

A third issue concerns the range and quality of capabilities

– entrepreneurial, technical, managerial, marketing, etc. – of potential recipients of technology for exploiting technologies fully.

These issues in technology are not only of great importance today but appear ominous in terms of the vast expansion in the region's economy. If this expansion were to be conducted under the present terms and conditions of access to existing technology, the region would be beggared long before the targets were reached. The cost effect would obviously be exacerbated by competition among the large number of Third World countries for imports of technology as each strives to reach its targets in these sectors.

But is this all? The term 'access' which I used earlier, suggests a stock of knowledge in different forms and sectors which is universally applicable and which meets every variety of present as well as foreseen and unforeseen needs. If therefore the owners of this stock were inexplicably to undertake to make the whole of it available to Africa, without restriction, and if we were in a position to choose, import, install and operate – would that be the end of Africa's problems in technology?

The answer is, of course, certainly not, because this would mean that we would rapidly produce in Africa all the ills that technology is inflicting, and is likely to inflict, on advanced countries: the cumulative destruction of the environment; the massive waste of natural resources; the steady increase of hazards to health and life of man and animal; the increasingly unmanageable volume of urban debris; the rapid rate of obsolescence of human skills and experience with its associated human and social ills; and, not least, the emergence of factor disproportions which economists are so fond of telling us are some of the most paralyzing characteristics of developing countries.

These two assumptions i.e. that the stock of technology to be transferred is likely to meet all our needs and that every bit and piece of it can without adaptation and without risk be seized upon and used, are clearly contrary to common sense, observation, or experience. We must therefore consider the extent to which we need to choose with care and the extent to which we need to adapt what we choose to our needs and conditions.

It has been pointed out that discussions on science and technology tend to confuse the universality of scientific knowledge with the specificity of technological knowledge. A piece of technological invention, for a process or product, is the result of a specific organization seeking, within the resources at its disposal, at a particular time and place, to solve a technological problem. Technology is therefore time-bound, resource-constrained, location-

specific and directed and managed within a business production matrix. This is even truer of the process by which a technological innovation is taken up by competing business enterprises, disassembled and subjected to intense trial-and-error research, with the object of finding substitutes for materials, improving design of parts, components and accessories, power engineering and overall performance. We therefore have no alternative but to consider such questions as: where are the business production matrices where such a process of adaptation can be carried out in African countries? What is the range – in terms of sectors and subsectors and in relation to planned development – of such matrices and what is their quality and orientation? How are they organized and what kinds of personnel and equipment do they make use of? How are they financed and by whom? How are the results of this activity transformed from laboratory prototypes into technologies for sale or diffusion?

These questions, it will be seen, lead us back to the point about the number, pattern, quality and orientation of the potential recipients of transferred technology and especially about the role of public enterprises. We need to learn a great deal more not only about who are the recipients of technology and where the main burden of adaptation and development will fall but about the factors which affect their willingness to undertake adaptation and development. We need to be conscious of the persuasiveness of machine sellers, risk aversion, the adjustability of new equipment and processes, the cost in resources and time of retraining, the burden of reorganization, plant layout or management, the maintenance factor, the availability of finance for investment in replacing equipment and processes, etc.

They go further and oblige us to ask what we mean by transfer and, indeed, what it is that is to be transferred. There is a tendency to rely on what I would consider a geographical concept of transfer. If we reject the assumption that the stock of technology available in advanced countries is in every respect suitable to all our present and future needs, both foreseen and unforeseen, and if we accept as reasonable the characteristics of technology as time and location specific, resource-constrained, we immediately come face to face with a concept of dependence, the economic, social and political consequences of which would be fantastic and need hardly be spelt out. What I wish to stress here is that we in ECA are less concerned with transfer in the geographical sense. As we all know, a machine or technique only expresses and partially embodies a corpus of knowledge. It is the mastery of that corpus of knowledge in such a

way that we are not only able to use it with the minimum of help, and to redesign and adapt it, but to conceive, design and produce new technology that has to be not so much transferred as obtained, improved and expanded.[1] From this point of view, a large volume and variety of technologies transferred in the geographical sense, may easily become a major obstacle to domestic adaptation and development of new technologies.

There are several implications of this interpretation of transfer. Firstly, it is clear that a much wider range of capabilities from science, at one end, to production and marketing, at the other, is involved, i.e., we need to think in terms of systems. Secondly, thinking in terms of systems requires that the locus of initiative, activation and manipulation of the transfer process must be firmly in the hands of the recipient country, subject to accommodation with the producers of technology elsewhere. Thirdly, a major policy decision is implied: each country has to make the choice between autonomous promotion of development and perpetual and increasing dependence. Once this decision is taken, it becomes relatively easy to work out the programmes, projects and instruments for initiating the process by which technology gradually becomes a domestic product. The experience of the USSR, Japan and China makes clear the importance of this policy decision. No matter what the African Centre for the Transfer, Adaptation and Development of Technology does, the principal object of strengthening national technological capabilities will not be achieved without such policy decisions by member States.

Thinking in terms of "systems" also makes clear that, where the socio-economic system is characterized by dysfunctional relations and enclaves, the technological multiplier can hardly be expected to work. It is not yet fully appreciated by our planners how extensive are these dysfunctional relations in many of our economies. There are enclave characteristics in education and training, in the pattern of production (for subsistence, for export), in sectors, in markets, technology, natural resource exploration and exploitation, transport and communications, industry, mining, urbanization, planning and plan implementation and even in government. It is possible to overcome the inhibiting effects of these structural deficiencies either by increasing the degree of socio-economic integration, including gaps in production patterns and in communications, or by engineering the kind of widely dispersed system of resource use, initiative and production favoured by China, or by some other

patterning. But we should be fairly clear which pattern we are basing decisions on.

I have spent this much time on some of the kinds of things which are pertinent to the dynamics of adaptation and development rather than to the statics of transfer for three reasons. Firstly, because I believe that purposes, objectives and targets determine instrumentation. If the former are poorly thought out, it is likely that the latter will be inefficient. Secondly, because I want to stress that the Centre will be concerned, essentially, with helping member States face the challenge of continuous invention, innovation and diffusion of both material and social technology. These are, in basic terms, the capabilities that have to be built into individuals and institutions. Thirdly, because I want to draw attention to the vast area of work in technological development to which we have so far, in Africa, paid little attention. An example is the lateral transfer of a given technology from purposes for which it was designed to purposes unforeseen by its inventor. A good illustration is the computer but I do not wish to convey the idea that these possibilities are only characteristics of advanced technologies.

A second example is the upgrading of traditional technologies, particularly for accelerating development in agriculture, industry and services in the rural sector. Here lie major challenges to our universities, polytechnics and research institutions, because the process of adaptation and development in these areas can be as complex and difficult as anything to be found in advanced technology. They need command of sophisticated knowledge and experience in, for example, design and materials, as may be found in electronics or marine technology. The idea that simplifying or scaling down technologies or of upgrading traditional technologies is simple, second-hand activity, cannot stand serious examination. As Paul Streeten remarks in discussing this subject "Understanding the atom is child's play compared with understanding child's play".[2]

An even more important reason for stressing work in this area, is not only its relevance to our needs for technology, but the fact that a few successes in such areas create the sense of individual, institutional and national confidence on which further advances in technology can be built.

We can thus have a Regional Centre which justifies itself merely by promoting efficient regulation, encouraging successfully the build up of national competences for negotiation, and placing governments in a position to make the considerable and almost

immediate savings in foreign exchange, that the practical experience of a number of developing countries has shown could be made. In countries with large capital investments, or in respect of large multinational projects, such savings could well exceed the US$1 million mark annually. Financial benefits would accrue directly to governments out of public utility programmes and state enterprise projects. In effect, therefore, investment in the Centre should yield direct and indirect benefits to member States far in excess of its monetary value and the temptation would be very strong to conclude that the Centre has fully achieved its objectives. In my judgement this would be an error of the first magnitude. I do not envisage the Centre as omnicompetent. I see it as carrying out a major synergistic function, in co-operation with institutions and agencies within and without Africa, within and without the United Nations.

II Statement to the Regional Meeting of the United Nations Conference on Science and Technology for Development

Cairo, Egypt 24 August 1978

In the past few years, several United Nations global conferences have been held with concentration on specific aspects of human life and welfare. Examples are the World Conferences on Population, Food, Environment, Industrialization, Employment, Desertification and Water Resources. All these had large components of science and technology, and accordingly, pointed to the ways in which the tools provided by these disciplines can best be utilized in order to attain the ultimate goal, which is the welfare of man. The 1979 United Nations Conference on Science and Technology for Development should, therefore, endeavour to embrace all the various aspects of socio-economic development and growth; examine present levels and the nature of the impact of science and technology on such development; identify major problem areas in the application of science and technology; and, put forward pointers

to the right direction for action at national, regional and international levels.

Technology is, at first sight, merely an essential input to production, and is bought and sold on the world market as a commodity in forms such as:

(a) Capital goods and services and productive systems;
(b) Human labour, usually skilled, including highly specialized manpower and management; and,
(c) Information, of a technical nature, such as blue prints and operating manuals, some of which is freely available and some of which is subject to proprietory rights and restrictions.

However, there is more to technology than this. Just as it is capable of enormously improving the material, intellectual and spiritual conditions of life so it is capable – when it ceases to be subject to social control – of waste of scarce resources, of environmental damage, of spiritual impoverishment and of promoting intellectual aridity. It is important that we should not lose sight of what is turning out to be a large and increasing cost side of modern technology – a cost that is not only difficult to capture in estimates of returns to investment but may also not even be measurable for social cost/benefit purposes.

The countries of the African region are deficient in all the forms in which technology is provided. They accordingly have to import technology on a large scale from the developed countries. Studies on the geographical distribution of research and development (R & D) in the world have shown that the Third World constitutes what might be called an R & D desert. Its share of world R & D has changed only from 2 per cent in the 1960s to 2.3 per cent in the 1970s. On the other hand, the USA, USSR, the Federal Republic of Germany, France, UK and Japan together spend more than 85 per cent of world expenditure on R & D, and have more than 70 per cent of R & D manpower. The six nations together spend on agricultural R & D alone more than the rest of the world spends on all types of R & D.

These figures are quoted only to illustrate what is often referred to as the technological gap between the developed countries and the developing countries. The trends also indicate that the gap is widening instead of narrowing. With this background, what should be the science and technology strategy of the Third World? And, with particular reference to our deliberations at this meeting, what should be the science and technology strategy for Africa?

Since science and technology are effective and indispensable tools for economic development, questions such as these raise the whole issue of development strategy. Are African countries to continue with development strategies whose results continue to perpetuate the colonial structure of their economies and thus aggravate their economic dependence? Has the time not been long due when African governments should seek alternative patterns of development which will make their countries less economically dependent?

Such a new strategy for development will have, as its primary objective, the achievement of a technological revolution in Africa within the shortest possible time. For the achievement of an increasing measure of self reliance, whether at national or at regional level, will be mere political shibboleths unless and until Africa has internalized the development of technology into its society; until science and technology has really begun to take root.

With regard to scientific research and technological invention, Africa offers a staggering range of challenges. However, the structure of most African economies prevents these challenges from being expressed as effective demands. The plural character of most economies, reflecting not merely the division into and imbalance between urban and rural, modern and traditional, but also the presence of so many enclaves and semi-enclaves, taken together with the pattern of income distribution and of consumption, and the relative absence of a capital goods and services industry, mean that, until some major effort at restructuring is undertaken, there will be very limited opportunities for absorbing imported science and technology and, worse still, for their local development. Neither appropriate technology nor, perhaps more correctly, technology for basic needs, can really take root without such deliberate efforts. I shall return to this point later.

My next point is transfer and here I should like to bring out clearly that we in the secretariat of ECA are under no illusion about the likely effects of opening the African region widely to imported technology. We have defined technological dependence as lack of capabilities (i) in defining development and production needs in technological terms; (ii) in identifying alternative forms of technology for satisfying those needs; (iii) in identifying competitive sources of procurement; (iv) in negotiating ownership or user rights; (v) in organizing importation and setting up management operations and maintenance; (vi) for adaptation within existing

uses or to new uses (i.e. lateral transfer); and (vii) finally, in development of new forms of technology.

All these measure the extent of dependence, whilst the significance of dependence is determined by the distribution of imported technology among basic or strategic industries.

Thus, the problem of strengthening domestic technological capabilities extends well beyond competent staff and efficient machinery for regulating inflows and negotiating the terms and conditions of ownership or user rights. It must include choice of technology in a much wider sense than economists are in the habit of describing it. Neither the Japanese, in the late 19th century, nor the Chinese in our time, left the matter of choice open. They were clear about national goals. They took the trouble to understand the scientific and technological realities intervening between what conditions were and what they desired for their countries. Their approaches were deliberate, structurally designed, practical and flexible.

They did not leave matters to destiny, international conferences, scientific councils, or transnationals – a Western synonym for market forces. They did not merely study reality and determine related objectives, they planned. They did not merely plan, they acted. I repeat: they acted. The Chinese, for example, recognized that the dual character of their economy was unlikely to change rapidly and therefore designed a dual approach to technology which deserves close study.

Our present preoccupation in the area of transfer is with costs and restrictive clauses. Important as these are, I have suggested that capabilities in definition of needs in technological terms, choice, installation, operation and maintenance and improvement may be more important. In any case, for Africa, the preoccupation with patents may be overdone in terms of the type of equipment that the region needs in very large quantities, and in which only one or two components are genuinely subject to proprietary rights and therefore to royalty payments or restrictive clauses. What is required here is capability to strip down equipment and identify for negotiation only those parts and components requiring negotiation. We are then likely to find that, for the most part, we are being chained with cobwebs. The real bind here is not patents – though we should support pressures for the reduction of their unduly restrictive character – but trade marks, the strength of which is largely built up by advertising, and the justification for which is often quite illusory. One has only to watch the succession, in the same channel on the same evening, of television advertisements in advanced market

economies for different brands of the same soap, to conclude that this form of product differentiation is irrelevant to Africa's development problems.

In the areas of transfer we also give too little attention to the principal actors: the transferor and the transferee. The Japanese realized, at the beginning, the crucial importance of the transferee: the potential recipient, user and developer of transferred technology. They had no alternative but to fall back on state enterprise. The Japanese established public enterprises "as the central focus of industrial and technological development in the modern sector, and these enterprises served as model factories where new production techniques were demonstrated for domestic diffusion purposes, skill training conducted for workers and experimental work initiated on adaptive exercise".[3] These factories were not set up to run on commercial lines, or make profits, or compete with the private sector. They were rather like the teaching company (analogous to the teaching hospital) now being considered in Britain. When one considers the sectoral spread of African private entrepreneurship today (small scale farming, petty trade, export/import trade, small scale transportation, building and construction, some banking and insurance, some small scale industry), its origins, motivations, sectoral preferences and limitations, it is difficult not to enquire what should be the role in technology transfer, adaptation and development of public enterprises in Africa.

We can go further. It is now fairly well established that small firms tend to provide the most fertile seed bed for technological development, and to ponder the role of industrial estates and similar business support institutions (including development banks – as distinct from investment banks parading under the title of development banks) in encouraging the development of technology. These are all questions we need to consider if we are to grapple with the subject matter of this Conference.

We now come to manpower where we note that, to take the case of industrial development, educational and training institutions are not turning out people skilled in converting raw materials into semi-finished and finished products. Ours are countries where few can tell, at any time, the role and numbers required of sheet metal workers, instrument makers, welders, core makers, experts in welding and forging; where few ministries have undertaken any national inventory of, say, metal working establishments not to speak of their evaluation for technological demonstration, training, adaptation, etc. Even more striking is the fact that governments

grant tax and other concessions to foreign (and even indigenous) private companies who undertake to train Africans but no one bothers to keep track of whether this is being done and whether what is actually being done is related to the country's manpower needs.

Our countries, like most other countries of the world, will continue to purchase technology from foreign sources, and there is, therefore need for effective machineries for evaluation, selection, unpackaging, transfer and adaptation of such technologies. But to achieve the required technological breakthrough, a key role has to be played by the innovation systems in our countries. These systems must have capability to find appropriate solutions to the problems of the physical and social environment of the countries, and to pass them on to the production systems. High priority should, therefore, be accorded to the innovation systems and their linkages with indigenous production systems.

Two key areas of specialization required for the development of technology presently trouble us: engineering design and the science and technology of materials. We, therefore, attach very great importance to two of our pipeline projects: the Regional Centre for Industrial Design and Manufacturing and the Higher Technical Institute, which are expected to meet urgent manpower needs in subject areas in which the region is markedly deficient at present.

A rough calculation from UNESCO's cautious estimates of the population of school going age and of enrolments in 1972 and 1985 (on the assumption that 1960–1972 trends persist) indicates that the region may, by 1985, have added well over 100 millions to the number of people above 17 years in 1972 who never attended school. At the middle level, we are concerned with the question of how the secondary school graduate can be provided with opportunities to acquire the specialization so badly needed in such large numbers (now and in the future) and for which the region is today spending such vast sums in foreign exchange.

Most of the late developers, among the present-day industrialized countries, met part of the manpower problem by deliberate programmes of sending large numbers of their people abroad for education and training, in specialized areas of science and technology, and followed this up with the development of what has come to be described as "centres of excellence" at home. As the UNCTAD study points out, the Japanese overseas study programme was quite structured as the Government determined each student's field, place and duration of study and, in addition, made it obligatory for him to work for the government upon return. This, of

course, meant work in the public enterprises and technical experimental stations, mentioned earlier. We are trying at ECA to meet part of this requirement through our project for an African Training and Fellowship Programme as well as in our work on manpower planning. To facilitate these two we are also organizing workshops on manpower profiles for basic and strategic industries.

Let me turn briefly to the impact of the structure of demand on the pattern of production and to the role of transnationals in technology development. At present, the markets for industrial goods in Africa are small in terms of production runs and scales of output. These sizes are even further fragmented by frequently minor styling differences, rather than differences in technical function which reflect the product differentiation bias of industrial R & D production in advanced countries.

We thus come up, first, with the problem of standardization, for which ECA has set up the African Regional Standardization Organization. I am not sure that the significance of the activities this institution is designed to guide, promote, and sustain, is as fully understood as we would like. I am even less sure that the consequences for standardization, of bulk purchasing and supplies, which the ECA is also trying to promote, is fully grasped. It is my view that these are areas of policy and action with a very strong bearing on the development of technology and I am happy to note that these have been central in the approach to technology, not only of the USSR and China, but also of Japan and doubtless many recently industrialized countries.

It would be difficult to avoid the question of transnationals in the transfer, development and trade in technology. Indeed, of the six major inputs into production and distribution processes, viz., skilled manpower, raw materials, capital goods and services, technology, finance, and marketing, the transnationals would seem to me to be most significant in regard to technology. The object of a transnational in supplying technology and associated know-how is not a one-shot affair, but a continuing relationship which enables it to continue to earn an income long after it has recovered its investments in R & D production facilities and even generous interest.[4] The extension of the control of transnationals from advanced technology to the vast potential area of what is now called appropriate technology, technology for basic needs, technology for the masses, now seems to be under way. Yet this is the principal area within which lies any hope of developing independent action

and establishing initial self-confidence required for widely-based research, invention and innovation. It is here that my anxiety lies, because I fear we underrate the importance of the subject in government as well as, to some extent, in academic circles. I firmly believe that a rapid change of attitudes and policy is required. If anyone doubts what transnationals can do I invite his attention to recent studies by the United Nations Centre for Transnationals, UNCTAD and other authorities.[5]

I could say a great deal more on the subject of this conference. I have, for example, not referred to the striking differences between the transfer to and the generation of technology in industry and in agriculture. I have made no reference to the role of women, on which ECA has substantial grass roots programmes involving appropriate technology, and so on.

This is because I wish to conclude by drawing attention to the region's approach to international negotiations. As you know, there have, since the General Assembly resolutions on a new international economic order, been several important conferences, consultations, dialogues and so on, including UNCTAD IV, the Paris (North/South) Conference, and consultations on the redeployment of industrial productive capacity. There are at least two major ones coming, namely, the renegotiation of the Lome Convention and UNCTAD V and the World Conference on the Application of Science and Technology for which this is a regional dress rehearsal. How will science and technology fare in these meetings? We tend to go to such conferences to petition for access to markets, for Stabex, and for goodness-knows-what. But we rarely have a set of agreed, specific and concrete objectives in mind. When developed countries take such meetings seriously they are clear what they want: supplies of uranium, zinc or phosphates; markets for television sets, tractors, or household appliances or even processed foods, all on terms that suit them.

My question, therefore, is whether this conference will enable member States to go to the World Conference in Vienna in 1979 with concrete, quantified and specific objectives in this vital field of science and technology for development. To be able to do this, this African Regional Meeting of the United Nations Conference on Science and Technology for Development must come out with a concrete plan of action indicating clearly, first and foremost, what national actions are required from each member State for engineering a scientific and technological revolution. Secondly, delineate

the scope and content of regional actions to be achieved through co-operation. And, finally, map out in concrete terms the issues for negotiations with the scientifically and technologically advanced countries.

III Keynote Address at the International Symposium of Commission VI of the International Society for Photogrammetry and Remote Sensing (ISPRS)

Ascon, Badagry, Nigeria 22 September 1986

I am pleased to note that this International Symposium will, among other things, discuss the potentials of photogrammetry and remote sensing as tools for promoting economic and social development. Many developing countries of the Third World have great need for the use of these tools in the implementation of their development policies, plans and programmes. These tools are a *sine qua non* for economic development because the planning, exploration, exploitation and rational utilization of the natural endowments of these countries will, to a great extent, depend upon the availability of up-to-date, relevant and reliable scientific data. Most of these countries either suffer from the dearth of such data, quantitatively and qualitatively, or "import" them at great costs and, more often than not, with considerable loss of time both in obtaining them and in putting them to use.

As far as African countries are concerned, the development experience of the last two-and-a-half decades has demonstrated beyond doubt the critical importance of the urgency of achieving rapid technological capability if overall development objectives and goals are to be attained. The fact that Africa has been facing a worsening and rapidly deteriorating economic and social crisis since the mid-1970s is well-known. Regrettable as it is, also well known is the fact that by 1980, the average African's standard of living was worse than it was ten years earlier. And since then, his social and economic situation has become aggravated.

There can also be no doubt about the crucial role which science and technology will have to play in the economic rehabilitation, recovery and development of the devastated African economies.

It may be asked: What is photogrammetry and what is remote sensing? While you as experts need no explanation of the meaning of these terms, the average intelligent person and policy-makers among them, do. Photogrammetry may be defined as the ensemble of scientific, artistic and technical studies and operations that come into play after the results of direct observations or the exploitation of an existing documentation, aiming at the elaboration and preparation of maps, plans and other forms of expression, as well as in its utilization. Remote sensing, on the other hand, may be defined as the science and art of obtaining information about an object, area or phenomenon through the analysis of data acquired by a device that is not in contact with the object, area or phenomenon under investigation.

These two definitions bring out areas of complementarity between the two disciplines, even though the devices for acquiring the scientific data and their analysis may be different. The data analysis process, in both cases, involves using various viewing and interpretation devices to analyse pictorial data, and/or computers to analyse numerical sensor data. The analyst extracts information about the type, extent, location and the condition of the various resources over which the sensor data were collected. The ultimate objective is, generally to present the information in the form of maps, tables, and reports which are usually presented to users for application in decision-making. By this means, photogrammetry and remote sensing can make significant contributions to effective planning, judicious exploitation and rational utilization of natural resources.

Here we may raise some pertinent questions. To what extent are these tools being used by Africans to plan, explore and exploit the natural resources in Africa? To what extent are they used in monitoring the weather situation, the desertification process, and as tools for enabling the African governments and people to be in a state of preparedness for any climatically-induced emergency? What efforts are being made to transfer these technologies to African experts whose responsibility it is to provide scientific data for use by African planners and decision-makers? Assuming that such scientific data are available to policy and decision-makers, how much use is actually being made of them in decision-making on the development of the natural resources? We are fortunate that the spectrum of the assigned activities of Commission VI of the Society

is sufficiently wide to enable it to focus on these and other pertinent questions.

Since one of the main end-products of these two sister disciplines is the presentation of scientific data collected, treated and analysed in the form of maps, tables, etc., it is relevant to have a quick bird's eye-view of the mapping situation at the medium scales in Africa, particularly the 1:50,000 and 1:250,000 series, which are immensely useful for the planning of regional development projects from the stage of exploration to that of exploitation.

In the early phase of the African mapping programme during the colonial period, priority was given to the production of reconnaissance maps. A survey of natural resources carried out by the Economic Commission for Africa in early 1960 revealed that, up to 1949, only 45 per cent of the surface of the African continent was covered by maps, mostly of a reconnaissance type.

Later, the same areas were supplied with more accurate maps at scales of 1:50,000 and 1:75,000 and, to a limited extent, with maps at scales 1:200,000 and 1:250,000. Thus, the early phase of the African mapping programme was sporadic rather than systematic and covered only a fraction of the continent's land surface. Besides, it was the perceived or actual needs of the colonial administrations rather than the development needs of the people and countries of Africa that determined the nature and content of the mapping programme.

As regards aerial surveys, records show that the first recorded blanket of aerial photographic cover for mapping purposes of Africa goes as far back as 1946. There was a sharp decline in aerial survey activities in the 1960s presumably because it was felt that available aerial photographs were still useful for subsequent mapping purposes. Today, the situation is only slightly improved. Some African countries, without the means and capabilities either to up-date existing maps or prepare new ones at suitable scales still use the old maps. An analysis of the situation in 40 countries for which data are available revealed that only 20 of these have coverage at topographic scale 1:50,000, out of which 12 have coverage between 0–25 per cent, 19 of these have coverage from 50–100 per cent, with 14 registering 75–100 per cent and 5 between 25–50 per cent coverage. At the scale of 1:200,000, 20 out of the 23 countries with data have a coverage of 100 per cent whilst at scale 1:250,000, 16 out of 26 have the same coverage. Most of these maps require considerable updating because of their age. Enormous gaps

at these planning scales still remain to be filled if we are to derive maximum benefit from the use of maps and generate information required for the implementation of Africa's Priority Programme for Economic Recovery (APPER) (1986–1990). We cannot escape the conclusion that the basic topographic maps, accurate and up-to-date for planning and development, are still deficient in most African countries.

Until the advent of the photographic camera and the aeroplane, resource information could be acquired only by direct observation on the ground. This method is burdensome and involves considerable time to cover any large area. From the early thirties, the primary means of gathering geographic and resource information have been medium- and low-altitude aircraft, various types of camera and film, and numerous other devices to facilitate photo-interpretation and map production. However, after the Second World War, remote sensing from spacecraft became the standard mode for resource data collection. Through research, it was soon discovered that this offshoot of space science and technology has a number of advantages over the two previous modes – direct observation on the ground and data acquisition by means of medium- and low-altitude aircraft. These advantages are noticeable in the relative reduction in costs of surveys, practically unlimited overview, high efficiency of data acquisition and feasibility of exploration from general to particular, to mention only a few.

The development of remote sensing has witnessed two revolutions since the 1970s; namely, the launching of the landsat series of earth-observation satellites carrying advanced sensors, and the refinement of computer technology which now permits the measurement of homogeneous areas noted on tapes carrying landsat data. Five of these satellites are known to have been launched by the National Aeronautics Space Administration (NASA). The first three, which are no longer operational, carried multispectral scanners (MSS) which initially provided resource data for virtually all areas of the world. The succeeding landsats 4 and 5 carry advanced sensors (thematic mappers (TM) and multispectral) which provide continuity of data compatible with the data from the earlier satellites. For mapping purposes, the present satellite images have certain defects which are currently the subject of scientific investigation by camera and sensors designers.

As science recognizes no terminal points in investigation, the

developed countries are continuously conducting experiments to rectify those defects with a view to improving the quality of the satellite images for stereoscopy and higher resolution with clear definition. Notable among these experiments are the Metric Camera (launched by the European Space Agency), Low Format Camera (LFC), ERS–1 and the Spot (by France). The era of a new generation of satellites has now begun as an increasing number of developed and developing countries are entering the race of satellite launching for multiple purposes. The effect of this is that the sources of geographic and resources data information will increase. Developing countries which have the greatest need for data and information, for proper inventory and development of their natural resources, should take advantage of the wealth of available information sources by acquiring necessary skills and expertise to be able to benefit from the applications of these rapidly advancing technologies.

Let me now turn to the question: What is the state of the development of surveying, mapping and remote sensing at national, subregional and regional levels in Africa?

I shall attempt to provide an overview from information available at the secretariat of the Economic Commission for Africa, based on missions to a large number of African countries during the past 10 years, to appraise the capacities and capabilities of their national cartographic and remote sensing institutions to provide, at least, basic geographic information data for resource development and management, etc. We have been able to classify surveying and mapping institutions in Africa into three broad categories. Firstly, national institutions which are fairly developed to meet most basic requirements; secondly, national institutions which although existing are under-developed and therefore are unable to satisfy national needs; and, thirdly, national institutions which are still in their embryonic stages.

In the Eastern and Southern African subregion, there are only 7 countries that come under the first category whilst 9 and 3 come under the second and third categories respectively. In West Africa, the same number of countries have well developed institutions that can meet basic needs whilst 6 and 3 countries come under the second and the third categories. In Central Africa only 3 member States have fairly developed national institutions whilst 3 and 3 countries come under the second and the third categories. However, in the Northern African subregion, all the 6 countries have well developed surveying and mapping institutions which can reasonably cater for

the geographic information data required for the planning and development of their economies.*

It does not necessarily mean that the institutions which are categorized as fairly or well developed achieve the same level of sophistication in surveying and mapping as in the developed countries of the world. Most of them have had to perform under difficult conditions resulting from inadequate modern equipment such as stereoplotters, theodolites and electro-magnetic distance measurers for provision of ground controls. Their low rating with similar institutions in the developed countries of the world is also connected with inadequate number of personnel with the right technological training, skills, expertise and a good mastery of the art or science of map making. Some of these demerits can be traced to the rather meagre budgetary provisions which governments make available for the development of their national surveying and mapping, including remote sensing, institutions. They mostly represent centres of operations of the colonial administrations and, after independence, have been able to put only a few bricks on the foundation already laid.

The institutions in the second category have remained stagnant due to the low premium which the governments place on the profession of surveying and mapping and are therefore stifled of resources to nurture them. Those in the embryonic stages are still to see the light of day because enough efforts are not being made by the

* *Eastern and Southern Africa*

Category "a" 1. Kenya 2. Uganda 3. Tanzania 4. Ethiopia 5. Madagascar 6. Zambia 7. Zimbabwe
Category "b" 1. Somalia 2. Mozambique 3. Angola 4. Malawi 5. Mauritius 6. Seychelles 7. Lesotho 8. Swaziland 9. Botswana
Category "c" 1. Comoros 2. Angola 3. Djibouti

West Africa

Category "a" 1. Ghana 2. Sierra Leone 3. Nigeria 4. Liberia 5. Senegal 6. Burkina Faso
Category "b" 1. Niger 2. Mali 3. Mauritania 4. Togo 5. Benin 6. Gambia
Category "c" 1. Guinea 2. Guinea Bissau 3. Cape Verde

Central Africa

Category "a" 1. Cameroon 2. Zaire 3. Mozambique
Category "b" 1. Central African Republic 2. Rwanda 3. Angola
Category "c" 1. Gabon 2. Chad

North Africa

Category "a" 1. Algeria 2. Libya 3. Tunisia 4. Egypt 5. Sudan 6. Morocco

governments to bring about their birth. I sincerely appeal to the African governments to place a higher premium on these institutions so as to enable them to make greater contributions to the planning, development and rational utilization of our natural endowments for the benefit of our people.

As regards remote sensing, only a few out of the 22 member States of the African Remote Sensing Council have national focal points where remote sensing activities in their countries are co-ordinated. As a matter of fact, the application of remote sensing to resource development is undertaken at national level mostly by foreigners who work on grant-aided projects. The foundation which has been laid through the implementation of such projects is often never built upon because of lack of manpower to continue the practice after those projects have terminated.

At subregional level, there are only two institutions established to provide surveying and mapping services to nationals of the contracting parties of the institutions concerned. The first of these institutions was established in 1972 at Ile-Ife, Nigeria, by the ECA to provide training for operators in photogrammetry at technicians' and technologists' levels and has recently expanded its training programme to include introductory courses in remote sensing and photo-interpretation. The other, which was also established by the ECA for the Eastern and Southern Africa subregion, is a specialized institution primarily for providing specialized services in surveying and mapping which are beyond the means of its individual member States. In the field of remote sensing, 5 training and user-assistance centres form part of the package of the African Remote Sensing Programme which the ECA initiated in 1975. For one reason or another, only 2 of them are functioning as regional centres and are able to cater for a large number of the remote sensing needs of their member States.

At the regional level, I would only mention that there are two ECA-sponsored institutions, namely, the African Remote Sensing Council and the African Association of Cartography which co-ordinate the activities of the existing institutions in their respective areas of operations.

From the above it is obvious that there are still enormous gaps to be filled in photogrammetry, remote sensing and related services. I am happy to note that the Commission for Geodesy in Africa, an affiliate of the International Association of Geodesy, is about to complete a continent-wide survey project – the African Doppler Survey which will fill some of these gaps. The work of connecting the

national first order geodetic networks will achieve homogeneous mapping and a common geodetic datum for Africa. However, it is not sufficient that these data are available but also necessary that they are up-to-date and reflect the current state of physiography of the land surface.

All of this goes to show the significant contributions that photogrammetry and remote sensing can make to the successful implementation of the African Priority Programme for Economic Recovery, 1986–1990 (APPER), adopted by our Heads of State and Government in July 1985, and of the United Nations Programme of Action for Africa's Economic Recovery and Development, 1986–1990 (UN–PAAERD), adopted by the recent UN General Assembly Special Session on Africa. For example, in improving the food situation and rehabilitating agriculture in Africa through more effective policies on land utilization and management, control of drought and arrest of desertification up-to-date thematic maps for soils classification, assessment of food crop yields etc, aerial photographs and satellite imageries can provide relevant and useful information. Rapid topographical mapping within the limitation of satellite imageries can be undertaken where they do not exist for the formulation and implementation of national and regional projects. Establishment of early warning units at national, subregional and regional levels will require inputs from photogrammetry and remote sensing in the form of retrieved information of digitized data on climatic situation, weather forecasts and precipitation. Although not too obvious to many, up-to-date topographical maps help in the selection of the best routes for highways, dam sites and harbours. As regards industrial sites, minerals prospecting and exploitation, environmental monitoring and control of pollution, factors which can affect development of agriculture, meaningful studies can be undertaken by using information obtained from aerial photographs and satellite imageries. The repetitive nature of the satellites over the same area makes the imageries ideal for monitoring purposes. As you are no doubt aware, major problems confronting Africa in the field of natural resource development include, among others, lack of information on the natural endowment of large and unexplored areas, inadequate capital, skills and technology to exploit and develop those resources, considerable dependence on foreign transnational corporations for the development of a narrow range of those resources selected by them to supply new material needs of the developed countries, and extremely low level of development and utilization of those resources of no interest

to the foreign transnational corporations. For dealing with these problems considerable inputs can be expected from photogrammetry and remote sensing as technological tools for resources development, management and utilization.

In concluding this address, I would be shying away from my responsibilities if I fail to draw attention to some of the actions which should be developed at national and subregional levels in photogrammetry and remote sensing if they are to make the desired impact on the process of economic recovery and development in Africa.

First, notwithstanding the current crisis that bedevils their economies, member States should accord a high premium to the establishment/development of their surveying and mapping institutions and provide them with adequate financial and other resources. Second, establishment of data banks and early warning units at the national level should be given serious consideration because of the dividend they will yield in providing vital information for crop yield forecasting and environmental monitoring to forestall natural hazards such as landslides, earthquakes, cyclones and floods. Third, there should be exchange of technical information and sharing of facilities not only among the member States' institutions but also with relevant international organizations and institutions.

For the satisfactory implementation of the various relevant projects under APPER and UN–PAAERD, the subregional centres in surveying, mapping and remote sensing must:

(a) Serve as focal points for co-ordinating the activities of the national early warning units as repositories of information and data for use in subregional projects.
(b) Supply aerial photographs and satellite imageries to national institutions where the facilities are not available for rapid topographical mapping and other scientific investigations.
(c) Become centres for dissemination of information on appropriate and tested technology in photogrammetry and remote sensing to the national institutions for possible adaptation to specific needs and requirements.
(d) Feed the regional institutions regularly and continuously with relevant data derived from early warning units at both national and subregional levels, for the rehabilitation of agriculture and other development projects.

CHAPTER TEN

Transport and Communications

I Address to the Conference of Ministers of Transport of Central Africa

Kinshasa, Zaire 8 September 1976

The Economic Commission for Africa is very conscious of the important role which transport plays in the life of every African nation. It is a key component in the growth of all economic development and, without it, little would be accomplished. This leads me to observe, therefore, that the coordination of transport activities within a subregion is not only highly desirable, but in Africa also a vital necessity, in view of the vast capital and human resources that are required to provide adequate transport facilities. There is certainly no place for duplication or waste of effort in our society, least of all in regard to the provision of transport facilities throughout such a vast continent as ours.

It is a well established fact that transport facilities, even of the most basic kind, provide the initial stimulus for the establishment and further development of greater production in agriculture, industry, trade and tourism. Indeed, social and economic advancement can be directly related to the 'movement facility factor' available to any society at any given moment. It is therefore the ability to provide and operate transport facilities at reasonable cost which determines, in a large measure, the success or failure of social and economic activities. Thus we have only to consider for a moment the acute shortage (or absence) of transport facilities between many of our member States in Africa to appreciate how inhibiting this shortage is to the development of trade and social intercourse.

One of the most striking features of transport in the African region is the low population density and wide dispersal of population. Thus, passenger transport frequency-demand is comparatively low over long distances, and high only in urban areas, whilst freight traffic frequency-demand is both seasonally and quantita-

tively unbalanced. Extreme examples of this occur in the land-locked States (where transport is a basic requirement for survival let alone development) which are already at a disadvantage by reason of their distance from a port.

Adequate transport, by which is meant a sufficiency of movement facilities to permit and encourage steady economic growth, is universally acknowledged as a prerequisite to economic and social development. In Africa considerable progress has been made towards improving the adequacy of movement facilities – understandably on a national basis, for the most part. What I understand from your agenda is that you are now turning, and in my view correctly, towards co-ordination of transport policies at the sub-regional level, in order to deal more comprehensively with common problems arising from a variety of causes, not least of which are:

(i) Changes in patterns of trade and hence changes in traffic flows;
(ii) Rapid technological change in all modes of transport;
(iii) Increasing total overall demand for transport, coupled with
(iv) demand for speed, efficiency of service, lower costs and improved marketability of the products carried.

Thus our first transport problem in Africa appears to be one of ensuring availability of transport to meet the potential demand, where and when it is required. Our second problem is that of providing the quality of service appropriate to the needs or 'demand' of the developing economy. To this I would add the need for planned maintenance of all the capital equipment involved, not only to ensure continuity of service, but to increase considerably the life of valuable plants and equipment, the replacement costs of which make vast inroads into valuable foreign currency reserves.

Both problems constitute herculean tasks for African Governments, and your ministries in particular, as well as for the technical personnel in each mode of transport. Recognizing this, and providing the necessary policy decisions commensurate with the size and nature of the tasks is, in my view, both challenging and urgent.

The need, therefore, for closely-related action, based upon systematic exchange of information on transport requirements among Governments, covering transport policies and programmes in the subregion, seems to me to be of paramount importance.

This is particularly so in the light of recent international legislation and resolutions affecting Africa. I refer, in particular, to the new international economic order where there is an implied

emphasis on intranational transport networks, intracontinental links and, inevitably, a major redesigning of movement patterns both regionally and interregionally. This latter point is further emphasized in the Lima Declaration in which the target for Africa includes raising the region's share of world manufacturing output from 0.6 per cent to 2 per cent by the end of this century. Inevitably this will establish completely new demand situations in the transport sector including change of product types and directions of traffic flows, as well as new equipment.

Similarly, in the Treaty of Lome (the Lome Convention) the direct implications for transport include product changes arising from local manufacture of raw materials and changes in directional flows of traffic, both of which may well involve changes in equipment use. For example, cocoa butter or groundnut oil is not handled or transported by the same equipment as the primary raw materials from which they are derived.

My remarks on co-ordination would not be complete without referring to certain organizations represented here today, which have made, in their respective fields, a major contribution to the co-ordination aspects of transport. These are:

(i) *Organisation Commune Africaine et Malgache:* Over the last decade, OCAM, which has many members in the Central African subregion, has drawn attention to the need to improve African shipping, particularly in respect of ownership, nationally or multinationally within Africa. This work ought to be encouraged and will, I hope, be assisted by the permanent arrangements envisaged in the agenda of this Conference.

(ii) *The Union of African Railways* (UAR): An institution jointly established by ECA and OAU, which as you know, has its headquarters here at Kinshasa, is now becoming more and more able to deal with major technical issues with respect to railways and should have a major contribution to make to the proposed subregional organization.

(iii) *The African Civil Aviation Commission* (AFCAC), also founded by ECA and OAU and recently re-invigorated, should be able to give its wise counsel to the permanent subregional body.

(iv) Last, but by no means least, is the *Port Management Association of West and Central Africa* (with its headquarters at Lagos), whose recent progress in technical matters should

ensure that the permanent organization will have a valuable source from which to draw advice and specialized assistance when required.

In effect, the potential technical inputs provided by these four African institutions – of which we can be justly proud – coupled with the technical and financial inputs of United Nations and other agencies – augurs well for the future of the proposed Co-ordinating Council in Central Africa.

In conclusion, permit me to make one final point which, I believe, should be brought to your attention. As you are well aware, great difficulty is experienced in approaching, let alone establishing, an African position on certain transport questions vis-a-vis global transport problems in which Africa has a direct interest. This is a weakness with which we have lived now for almost two decades. It is my conviction that, given the establishment of a permanent transport organization in this subregion (and in the other three subregions in Africa which are currently under active discussion), an opportunity will arise for the four subregional transport co-ordinating councils to meet and decide upon collective action. This will considerably strengthen the African stand on many of the transport issues which are now being considered at the global level.

II Statement to the Fourth Conference of African Ministers of Transport, Communications and Planning

Conakry, Guinea 7 Feburary 1984

It was only eleven months ago in Cairo that we all met to take stock of the accomplishments of Phase I of the Transport and Communications Decade for Africa and to lay the foundation for a second phase that would consolidate the efforts made in Phase I and also improve upon them. At our Cairo meeting we were concerned that the draft Phase II programme was too ambitious in the light of the insufficient international support for the Phase I programme, and in

the light of the objective economic realities of today, both nationally and internationally, as well as in the constraints imposed by executive capacity. The Cairo meeting accordingly laid down very clear guidelines for ECA to follow in reducing the programme to a reasonable proportion. Furthermore, that meeting endorsed my proposal to organize a Roundtable in Paris at which roughly equal numbers of high-level African personalities and those of donor countries and financial institutions would make a critical assessment of the strengths and weaknesses of the Phase I inland transport programme and, in the light of that assessment, recommend improvements to be incorporated in the Phase II programme.

Although the report of the Roundtable was sent to all Governments, I should, nevertheless, like to highlight its main conclusions. There was a general consensus that, quite apart from the paucity of international development assistance in the past few years which led to a weak financial support of the Decade, the Phase I programme was not presented in a sufficiently attractive form; the projects appeared to be a wide assortment without a semblance of a cohesive and integrated development strategy. I refer to appearance rather than substance because it is well known that in the Global Strategy we had indeed defined clear goals within the context of a comprehensive strategy. But the documents presenting the projects did not portray them as components of a systematic plan.

A second weakness of the presentation of the Phase I programme was that it was not seen to give prominence to projects purporting to solve the most critical transport and communications problems. Two very serious problems are the deterioration of networks due to lack of maintenance and the dearth of skilled manpower resulting in mismanagement of services. In this regard, the Roundtable's concern about the gravity of the maintenance and training situation echoed the sentiment which you yourselves expressed at your Cairo meeting.

Our task at ECA was to strictly apply the guidelines furnished by you to prune the programme. A strict application of those guidelines yielded a programme containing 1,035 projects at a cost of $23.5 billion as against 1,333 projects costing approximately $32 billion in the first draft. But at the end of the exercise we still found that there were certain projects that did not conform with your criteria for admission. In the face of this dilemma, we chose to show such projects (of which there are 203 costing $3 billion) separately as low-priority projects.

Following the Paris Roundtable, we felt at ECA that the refine-

ment of the guidelines you gave us in Cairo by the Roundtable's recommendations would yield a better result. Consequently, we proposed an alternative programme on our own initiative. The alternative programme emphasizes maintenance and rehabilitation, manpower training and the integrated development of transport and communication systems along corridors or within a subregional context. It comprises 969 projects estimated to cost $16.5 billion. In our view, this ECA alternative programme is more realistic, in view of the prevailing international economic climate and the executive capacity of our Governments.

In spite of some early signals that the world economy is about to recover from the deep recession which has gripped it, there are no indications that development aid will soon flow at the rate of yesteryear. The difficulties besetting African economies have become worse, and yet our Governments must continue to make great sacrifices to make the Transport and Communications Decade a success. The tremendous effort made by African Governments in mobilizing domestic resources to implement the first phase programme is a practical demonstration of their determination to ensure the success of the Decade. Of the $7 billion mobilized for financing the first phase, $5.25 billion, i.e. 75 per cent, came from Africa's own domestic efforts.

The primacy of our own responsibility in financing the Decade programme does not, however, absolve the international community from the solemn undertaking they made when they approved, at the United Nations General Assembly in 1977, the proclamation of the Decade.

The ECA secretariat, as well as the specialized agencies of the United Nations and African intergovernmental organizations, are deeply conscious of the role they must play to mobilize financial assistance for the Decade. For the past two and a half years we have organized technical consultative meetings between donor countries and African Governments, to examine a selected number of projects and explore the possibilities of financing them. By this method we have received declarations of intent from donors to participate in the financing of projects costing $490 million. The declarations of intent will be unavailing if no one follows them up. I think here it is clear that this is the responsibility of Governments.

I have dwelt on the subject of financing the programme at length because of its obvious importance. But this importance lies only in the fact that financing makes realizable all our basic aspirations.

The underlying significance of Phase II of UNTACDA lies in our

rededication to the ideals which inspired the Decade in the first place; the ideals of a better quality of life for the peoples of Africa, of regional and subregional co-operation, of expanded intra-African trade and of efficient and reliable interchange of ideas and cultures through easier movement across frontiers.

These ideals are embodied in the Global Strategy that you adopted in 1979 in Addis Ababa. May I point out that attention must be focussed on issues of improved services for the rural areas where the great majority of our population lives and works. The need to provide them with roads, postal services, radio broadcasts and telephones is a *sine qua non* of their integration in the national development effort. Expanded intra-African trade will remain but a pipedream in the absence of inter-State transport links, of adequate telecommunications and postal services. The other productive sectors, such as agriculture and industry, will be hamstrung if transport and communication services constitute bottlenecks and we cannot deliver to our people the benefits that they should receive from these sectors. In a continent as disaster-prone as ours, the relief of suffering is rendered nugatory by the non-existence or inadequacy of transport services. It is obvious, therefore, that what we call the Decade programme composed of individual projects, is but a manifestation of the goals that we have set ourselves, not only in the Transport and Communications Decade but also in the Lagos Plan of Action and the Final Act of Lagos.

III Statement to the Joint Seminar on Regional Co-operation in the Use of Satellite Communication for Education and Development

Addis Ababa, Ethiopia 28 September 1976

We are all of us familiar, in a general way, with the broad characteristics of society and economy in Africa: a very large number of relatively small countries, a small number of large modern cities in the midst of vast areas of poverty; rapidly growing populations in

widely dispersed concentrations, associated with large persistent flows of population to the small number of urban centres; large untapped natural resources.

In most countries, output and employment continue to be dominated by subsistence agriculture. The character, orientation and distribution of industry and mining are such that they fail to function as important components of dynamic self-sustaining development. The region is excessively dependent on export markets and on external sources for capital goods and services, technology, and managerial and production skills. The African region may easily be described in terms of ironic contrasts.

Wherever one turns a simple fact stands out: we cannot wait for conventional processes to effect socio-economic change, on the scale required, if the objectives of reducing mass unemployment and mass poverty, of achieving what the International Labour Organization describes as "the satisfaction of an absolute level of basic needs", of promoting self-sustaining and self-reliant growth and diversification of the social product, are to be even partially achieved.

For these purposes to be served, we must place increasing reliance on novel and effective methods of communicating new ideas, new or improved capabilities, new challenges and opportunities. It is the scope and urgency of this problem that brings us together to consider the place of satellite communication technology in this definition of education.

There are several points to which I particularly wish to draw attention. One is that we are not concerned with merely using a different technology for delivering the same menu. Apart from the fact that the nature of the technology itself places limitations on this approach, there is the growing doubt whether conventional formal education is not itself overdue for drastic reforms, over and beyond the fact that the ability of the formal educational system to meet the demands of a developing economy in both qualitative and quantitative terms is not only constrained by increasing costs but also by shortage of teachers.

A second point is that this is a technology where the 'software' presents greater challenges than the 'hardware' and where we cannot, in terms of social and economic costs, neglect the need for repeated experimentation and evaluation, for research and feedback mechanisms, even though it can be argued that educational instruction by the broadcasting media is now established as effective.

A third point is the cost of the satellite delivery system in relation to the traditional classroom system. I am informed, however, that under certain conditions of system use, such as the employment of less highly trained teachers and regional or subregional ownership, operation and management, the satellite delivery system can be less costly.

Although in the African situation there can be justification for satellite borne instructional television, because of the support that it can provide for both national and regional development efforts, the critical question is whether the economy can stand the substantial capital and recurrent costs.

The first phase of the Panaftel project consists of some 24,000 kms of route and 18 international switching centres. The average investment cost per kilometre of route for the 600 or 960 channel system, deduced from available figures, is about US$4,200. Another 26,000 kms of route are planned as extensions. The total indicative figure for capital cost for these extensions therefore is US$109.2 million. With this order of capital investment it is possible to provide a regional system of a number of satellites and earth stations for both common-carrier communication and television distribution at current capital equipment costs. For instance, the Canadian domestic satellite system, I am informed, involved a total capital cost of some US$82.0 million. This domestic system serves all of Canada including remote villages within the Arctic circle.

One significant point however is that, irrespective of the region's financial capability to provide itself with a satellite system for education and development, the system can be introduced only if a convincing demonstration is given that it can deliver more and better education than the conventional system at the same or lower cost. Experiments will provide opportunities to demonstrate this and for multinational co-operation and development of software.

This suggestion is proffered not without cognizance of the very great effort at the national, subregional or regional levels that may be required in terms of skilled manpower, organization, multinational co-operation and finance. There are also fundamental questions about educational curriculum and development, languages and software, which would need to be resolved in advance of the establishment of such a system.

It is not envisaged that an African regional or subregional satellite delivery system for education is something that will or should occur in the immediate future. The time scale in mind is of the order of ten years from now.

What is advocated is that the inevitable planning and implementation is so time-consuming that initial steps should be taken without delay. An approach may start from this meeting with consideration of, and recommendations on, an experimental project possibly for both broadcasting and common-carrier communication using existing non-commercial satellites.

IV Address to the Port Operations Seminar

Odessa, USSR 2 August 1982

One of the yawning gaps in the evolution of the African economy is in the field of transport and communications. As we all know, in spite of more than 20 years of political independence, the situation has not shown any marked improvement. Transport and communications in Africa are the least developed in the world. The existing systems were planned to facilitate the exports of minerals, agricultural products and raw materials to the former metropolitan countries. It is also common knowledge that the African road network is particularly under-developed. It is predominantly made up of seasonal earth roads, while roads open to traffic throughout the year constitute a small fraction of the total road network. Road maintenance and road transport operations are insufficient and inefficient. As far as railways are concerned, besides their external orientation, linkages among them are complicated by differences in technical specifications. In the case of airlines, the greatest part of the international traffic is carried by non-African airlines, and most of the airline routes go to Europe and North America.

It is necessary to emphasize the importance of the subject matter of this seminar in terms of our short and long-term objectives and strategies in the Economic Commission for Africa. The role of maritime ports in the development of Africa is not something that I need to reiterate or explain in great detail to an audience such as this one.

Reliable means of transportation and widespread maritime connection with the outside world are among the most essential

prerequisites for the economic progress and development of African countries. Increasing the efficiency of maritime ports means promoting international trade, by generating commercial and industrial activities which directly assist the economic progress of any country. The paramount importance of a far-sighted port development policy does not appear to have been fully appreciated in the past by many African Governments. As a result, African ports have often been unable to cope with the rate of expansion of a country's overseas and coastal trade. One of the urgent goals of African countries consists, therefore, in improving their maritime ports which constitute an essential link in the international maritime transport and trade. It has, however, not been an easy task.

The basic nature of port problems is similar in all parts of the world as the ultimate goal is always the same, namely, to provide a fast and efficient dispatch of vessels and a rapid, safe and economical flow of cargo through the port. But means and methods for achieving this result vary considerably from port to port, and from country to country, depending on a wide range of factors.

In most African ports, conditions are very different from those prevailing in the old ports of Europe and the United States. African countries are increasingly confronted by widespread problems of congestion due to inadequate berth capacity; obsolete cargo-handling equipment; shortage of warehousing, storage or land transportation capacity; draught limitations; labour problems; unsound tariff rates; unreliable or inadequate statistics; obsolete technology and ineffective port management and operations. Since ports are places where different modes of transport including shipping, railway and road transport meet, they have direct influence on the level of utilization of other means of transport. The prevailing inadequate port capacity and low operational speed in most African countries, lead to under-utilization of other means of transport.

In most cases, the main reasons for deficiencies and drawbacks in port operations are poor port planning, or even lack of it, and inadequate port management. It is quite evident that whatever capital investment is made in maritime ports, its effectiveness will be reduced by a serious weakness of the port's management and operations. In port operations and management, one of the unresolved problems which deserves special attention is the need to improve the useful lifetime and percentage of availability of equipment and facilities by better maintenance. Personnel training will be very important in meeting this need. And it will be necessary to take certain measures to attract and retain motivated and qualified

people in the ports. In many African countries, salaries of port personnel are tied to public sector pay scales which are sometimes so low that it is impossible to compete with the private sector for high quality personnel.

Furthermore, failure of management to make effective use of labour is a common cause of poor productivity, expensive delays and high cost. In many cases delays in getting gangs properly organized and working, in processing documentation and other formalities, and in putting the right equipment on the job can reduce considerably the effective working time of a group of shift workers.

It is clear that the real progress in increasing the efficiency of African ports can only be made if more attention is paid to the human factor in port management. According to the UNCTAD secretariat, training requirements of developing countries are such that over 60,000 shipping and port managers need training in the immediate future. It is estimated that nearly 20,000 African managers in shipping and ports need specialized training. Without an improvement in management capability it would be impossible for African countries to achieve their aims in the maritime sector and hence in the development of their international trade. Manpower is a resource which, when organized in the proper manner, contributes substantially to the development of ports as a whole.

ECA and other international organizations within the UN system are therefore giving the highest priority to training of port personnel. With the financial support of the UNDP, three regional maritime institutions have been or are being set up in Africa: one in Alexandria for the Arab-speaking countries; one in Abidjan for the French-speaking, and one in Accra for the English-speaking countries. ECA is also now trying to set up subregional training institutions to train various categories of port personnel. To this end, some national schools will be converted to subregional ones. And a few years ago, the ECA set up subregional Ports Development Associations in West Africa and East Africa.

Our concern for the development of human resources has also been shared by other organizations. In 1978, UNCTAD in association with ECA, carried out a training requirement survey to determine areas in which maritime management training should be undertaken. This survey highlighted the magnitude and urgency of the training task and, particularly, the need to:

– Develop training programmes which would match the most urgent needs of developing countries;

– Promote in developing countries regional, subregional and national training capabilities by recruiting and training instructors and course designers;
– Build up new training facilities with adequate equipment for use of modern training techniques; and
– Introduce a system of co-operation between countries aimed at making better use of available resources and facilities.

The survey and its recommendations have been further developed and organized into "An Integrated Training Programme" to be implemented within the next seven to eight years under the title TRAINMAR, with the principal objective of intensifying training activities for managers, course developers, and training instructors. Although the full implementation of the TRAINMAR project will certainly contribute much to the development of port management and operations, it is clear that much depends on the degree of support which African Governments, in particular, and the international community, in general, are prepared to give to it.

V Statement to the PADIS Intergovernmental Meeting of African Computer, Documentation and Information Scientists

Harare, Zimbabwe 19 October 1981

Our development efforts have for too long been hampered by the lack of reliable basic data, numerical as well as non-numerical. And for long, many of our member States have groped in the dark due to an inadequate information base. There has been too much of planning without facts and too much of policy making by hunches and intuition. And with regard to the sharing of information, African States have continued to live in a state of blissful isolation from one another. The result is that we know less about each other than we know about the countries of the North. Needless to add that the outside world knows more, much more, about us than we know about ourselves and about each other.

While substantial progress has been made in the collection, analysis, storage and retrieval and dissemination of statistical data, very little was, until the last few years, done in the field of non-numerical data. And, of course, at the multinational level – whether subregional or regional – there has been virtually no effort to collect non-numerical data, analyse them, store them, disseminate them, and have them available for retrieval any time they are required. As someone who has spent all his working life either in undertaking research or making policy decisions as well as in planning, I know how frustrating the lack of adequate and reliable data base can be and how easily one can, on the basis of inadequate or unreliable data, make the wrong decisions which may involve considerable losses in money, men and materials.

The preparation of an inventory of the natural, human and mineral resources of countries is also a *conditio sine qua non* of achieving effective sovereignty over our national resources and of enhancing our capability of initiating and maintaining a process of internally-generated self-sustaining growth and development. Yet, the inventories and data collected are of little use if they are scattered in different parts of a given country, subregion or region or if they are inadequately analysed or are not stored for purposes of retrieval for future use.

It was in order to bridge the information gap in Africa that the Economic Commission for Africa embarked on the launching of an integrated Pan-African Documentation and Information System (PADIS). This project, which was first initiated in 1975, has taken five years before it could take off and become operational. Thus it was not until 30 January 1981 that we were able to officially inaugurate it.

As conceived, PADIS is to be developed in three phases over a period of ten years. The first phase, which is now nearing completion, involves the setting up of the PADIS Central Co-ordination Office at the ECA headquarters.

The next two phases involve the setting up of a continent-wide network through the creation of national and subregional centres for the collection, processing, dissemination, storage and retrieval of information. But our ability to launch these phases successfully depends, *inter alia*, on the availability of infrastructural facilities that viable documentation and information centres require.

Unfortunately, there are hardly uniform standards in terms of information resources like libraries, archives, documentation centres etc. Suitably and appropriately trained information staff are

difficult to find. Where they do exist at all, their training would seem to have been based on the traditional approach of library science. More often than not, such cadres have not been exposed to modern techniques of handling information. The explanation for this situation derives from the curriculum of most African library schools which is grounded primarily in traditional librarianship.

There is also little or no evidence of bibliographic control in most of these countries. National Union Catalogues and Union Lists of Serials seem to be the exception rather than the rule. Many of them do not have legislation for legal deposit.

Therefore, the following steps ought to be taken in order that effective and viable national information centres may be established:

(a) Inclusion, in the national plan, of comprehensive information policy for documentation, library and archive services;
(b) Creation of a co-ordinating body or focal point for documentation, library and archive services;
(c) Preparation of a national plan for developing co-ordinated documentation, library and archive services;
(d) Legislation to support the establishment and development of information services already in existence;
(e) Creation of a designated body responsible for planning and implementing documentation and archive services;
(f) Establishment of a national bibliographic agency for ensuring bibliographic control of the national producton;
(g) Initiation of a bold manpower development programme in documentation and information system.

I am aware that a few African countries have already taken these steps, but those that have not done so will need to bestir themselves in that direction, if a truly Pan-African Documentation and Information System is to be effectively established.

I must confess that the cost of establishing a comprehensive national, institutional and subregional network of PADIS, including the cost of a telecommunications satellite and the installation of a ground station in every African country, is not cheap. It is estimated to be US$160 million at 1979 prices. The cost of the satellite and the ground stations alone is about US$72.89 million. However, this should not deter or discourage us because, by making this investment, we would have laid a solid basis for ensuring that Africa will not longer grope in the dark in economic planning and development

and in policy making due to lack of data. It will also ensure that technical and scientific co-operation among our countries is given considerable boost through the flow and sharing of information. And, through access to information from other regions to which PADIS–AFRICA will be linked, our member States and their Governments will have available to them vast information resources of great value. Africa would thus have become an effective participant in this Information Age. The cumulative effect will be the rapid diffusion of socio-economic, technical and scientific information throughout our societies as the internalization of the mechanism for collection, analysis and dissemination of information is one of the foundations on which socio-economic and technical progress is based.

I hope, therefore, that now that we have launched PADIS, that now that we have blazed the trail, all our member States will march forward with determination for the full realization of our objectives, and that the international community will join hands with us in this forward march.

CHAPTER ELEVEN

Public Management

I The Political Class, The Higher Civil Service and the Challenge of Nation-Building

Workshop on the Relationship between Policy-Makers and the Higher Civil Service under the Nigerian Executive Presidential System of Government

Badagry, Nigeria 4 March 1981

I have been specifically requested by the Head of the Civil Service of the Federation to lecture on the "Political Class, the Higher Civil Service and the Challenge of Nation-Building". I presume I have been given this topic partly because my career has straddled, *inter alia*, both groups and partly because the relationship between them in the interest of national development and integration has been a matter of professional and personal interest to me for many years.

As a higher civil servant myself, before and during the early years of independence, I have had to deal with politicians, prepare briefs for them, write their speeches and see in practice, as distinct from the theories propounded in textbooks, the relationship between politics and administration, between the politicians and the higher civil servants. Then, several years later, I had the honour of being given political responsibilities as a member of the Gowon Ministry. This afforded me the unique opportunity of observing this relationship from the politician's perspective – even though I am all too conscious of the fact that the general run of Nigerian politicians will not regard me as a true member of their "profession" or "vocation".

But throughout my years in the University as Professor of Public Administration and Director of the Institute of Administration of the University of Ife, I devoted considerable effort, and a great deal of searchlight, on this issue as I believed then that our inability to work out a proper and realistic *modus vivendi* between the political

class and the higher civil service, the misunderstanding by each side as to its proper function and role, and the lack of appreciation by both sides of their interdependence, was one of the major failures of the first Republic and, consequently, one of the remote causes of the emergence of the military rule in January 1966.

In order to ensure that the nation drew the necessary lessons from its experience, I organized a programme of nine weekly lectures and symposia on the inter-actions between politics and administration in Nigeria for senior officers of governments and corporations as early as February 1966, i.e. barely 2–3 weeks after the January 1966 *coup d'etat.* Of course, at that time, I, like most other Nigerians, regarded the military regime as a corrective one and therefore temporary. I was then not aware of the conversation that had taken place around the time that these lectures and symposia series began, between the then Secretary to the Military Government of Eastern Nigeria, and Odumegwu Ojukwu, its military governor, at which the latter cynically, even as early as February 1966, asked the question "Which military regime has lasted less than ten years?"[1]

Under pressure from many who had participated in the programme, I decided to publish the texts of the lectures and symposia under the title *Nigerian Administration and its Political Setting.*[2] As I stated in the preface to the book, it was not possible or practicable for politicians, because they had then become discredited and were in hiding, to take part in the programme either as speakers or as participants.

When I received the invitation to participate at this Workshop and to deliver this lecture, my first reaction was to look for a copy of the book and see whether, in the light of the development since 1966, we really have learnt anything. And, I must say quite frankly, that while we certainly have moved round and round the circle, we have not made much progress in terms of a clear and unmistakeable understanding of the respective role of the political class and the higher civil service in Nigeria. We are in danger of sliding back to the pre-1966 delusion and myths that politicians are the bosses, possessing the power of life and death, while the higher civil servants are the meek who must do their masters' bidding; that politicians are the policy-makers while the higher civil servants are merely executors of policies, and that the politician is the master of public policy while the higher civil servant is simply the instrument or the hand-maid of policy.

If we still believe in these myths then it means that, for 14 years, we have learnt nothing and forgotten nothing for the reality is very

much different, regardless of textbooks and constitutional instruments. We must, as a people, have to build our politics and our administration dynamics on our history and experience, and in the light of our peculiar circumstances and our own geo-political situation.

More of this later. Meanwhile, let me provide a brief background to the evolution of the relationship between the Politician and the Administrator and the phases we have been through during the past thirty years in order to enable us to put the whole issue in a wider historical perspective and to draw, once more, the necessary lessons from our rich and chequered experience.

THE EVOLVING RELATIONSHIPS BETWEEN THE POLITICAL CLASS AND THE HIGHER CIVIL SERVICE AND THE EMERGENCE OF CONFLICTS AND CONTRADICTIONS

It was not until 1952, that the political class became a factor in Nigeria's government and administration. This was the year when the Macpherson Constitution enabled Nigerian politicians to become intimately connected with the executive arm of government. Before then – i.e. between the beginnings of colonial Nigeria in the mid-nineteenth century and 1952 – the colonial administrator combined legislative, political and executive functions. Although a few Nigerians were elected and/or appointed members of the colonial legislative and/or executive councils, the senior colonial administrator played the dominant role in legislative, and executive functions. He was all in all – law maker, policy formulator and policy implementor. He even combined some judicial functions with these roles.

Then in 1952, not only did Nigeria have legislative councils, the overwhelming majority of whose members were elected and who belonged to one political party or the other, the country also had introduced the cabinet ministerial institution. However, under the 1952 Constitution, the ministers were given only collective responsibility over state matters as members of the central or regional cabinets. The higher civil servants, who, at this time, were, of course, still expatriate colonial administrators, were still in charge of their departments. While they were willing to co-operate with the new ministers, they were still determined to be in charge of both policy and administration. Needless to add that this brought the higher civil service into conflict with the new political class, a

conflict which was regarded as part of the struggle for the effective transfer of power from the imperial authority to the nationalists.

The third stage in this evolving process came between 1954 and 1959. The 1954 Constitution, which replaced the Macpherson Constitution, gave both collective and individual responsibility over the administration of the ministries to the ministers; thus introducing, in principle and form, the Westminster–Whitehall model of cabinet system of government. The 1957 constitutional changes which conferred self-government on both the Western and Eastern Regions finally brought into being a fully fledged ministerial system in the two regions. By 1959, both the Federal Government and the Northern regional government had followed the footsteps of the West and the East.

Thus, by the time of independence in 1960, Nigeria had the exact replica of the Westminster–Whitehall model with the myths which go with it, at least as described in the textbooks, which is to the effect that the political class makes the laws and lays down policies while the higher civil service executes these policies and administers the laws. To remove any doubt about the 'proper' place of civil servants *vis-a-vis* politicians, a government manual stated that:

> The Public Service ... is held responsible for applying Government rules and regulations equally and fairly to everyone ... (It) does not determine the basic policies of the Government which it serves, it is an instrument of the public, subject to direction and open public scrutiny through the system of parliamentary control. Under the parliamentary system of government, such as is practised in Western Nigeria, the public elects a legislature which, in turn, acts as the public's custodian of the Public Service. A minister, an elected member of the legislature, is held accountable to that body for each and every act of that part of the Public Service which he directs – his ministry.[3]

The 1954–59 constitutional development also brought about significant changes in the Nigerian Civil Service. The first and perhaps the most significant was the splitting of the Nigerian Civil Service into four public services – the federal public service and three regional public services. Between 1946 and 1954, the central and unitary character of the Nigerian public service had been maintained, although as constitutional development took place, it had been considerably modified by the delegation of authority to the regional administrations of certain powers of appointment, promotion,

posting and discipline. Then in 1954, with the introduction of a fully fledged federal constitution, each government had its own civil service. The granting of full ministerial powers coincided with the establishment of regional as well as federal public services.

The period of rapid constitutional development was also marked by the intensification of the Nigerianization process. The nationalists were determined to accelerate this process partly for patriotic reasons, partly in order to remove the anomaly whereby political power would seemingly lie in the hands of Nigerians while administrative control continued to reside in the hands of the colonial administrators, and partly because the political leaders were genuinely convinced that a Nigerianized higher civil service would co-operate more readily with the political class than an expatriate controlled civil service, and would in fact be more submissive or could be forced to be so. Indeed, to some extent, the first generation of top Nigerian civil servants seemed overly anxious to establish the master–servant relationships with the politicians partly out of gratitude, and partly out of a genuine desire on their part to ensure the success of the newly established nationalist governments. The politicians were not reluctant to remind civil servants that they had not taken part in the "political struggle" and, accordingly, deserved to play a subordinate role.

Thus, by the end of this third phase and for some years thereafter, politics had established its hegemony over administration, and the politicians were lording it over the higher civil service. The seeds of discord and mistrust between the political class and the higher civil service had thus been sown. Accordingly, the fourth phase, from 1960 until the January 1966 *coup d'état*, was a particularly difficult period marked by conflicts of growing intensity, by constant interference by politicians in the administration of the civil service, particularly in such matters as appointment, promotion and discipline and by arbitrary use of power, such as indefinite suspensions of some higher civil servants.

The average minister conceived his role as approving or disapproving whatever proposals or recommendations were placed before him by his Permanent Secretary. He expected the higher civil service to think out the policy and submit it for approval. During this period, the cases of the political boss, exercising his right and discharging his duty of giving leadership and laying down policy guidelines for his department, were few and far between. In the main, however, "it is true to say that for most of the time the administration has been left to its own devices ... the convention

that the minister is the master and the administrator is the instrument of policy has not been strictly applicable to public administration in Nigeria. Very often it has been the administrator who has been both the master and the instrument of policy".[4]

Why was this? Why did the political class fail to perform their assigned or ascribed role and yet wanted to pretend to the contrary with a view to hoodwinking the public? Before answering these questions, let us examine more closely why the political class was more successful during the third period, 1954–1959, than they were during the fourth phase, 1960–65. The root of the success at the regional level particularly during the period 1954–59 lay in the existence of a strong and virile government for each region. Not only did each regional government consist of some of the best brains and most talented and experienced people in the country, each party had a well articulated programme which was pursued with such a single-minded determination that even the most hardened cynics were bound to concede that "the political masters in the regions were indeed masters of policy and dictated the pace and direction of government".[5] The situation was different at the federal level. There, the government was an uneasy coalition of strange bedfellows with a weak "political consensus and insufficient agreement at the political level to permit the formulation of sustained and consistent policy".[6] In the circumstances, administration was the mainspring of policy. This dominant role of the federal higher civil service paved the way for an even more decisive role in policy formulation during most of the military regime.

The reasons for the failure of the political class to play effectively their ascribed role of policy makers during the First Republic, even in the regions where this was not the case before independence, are primarily six. First and foremost, there was the growing inability on the part of many politicians to represent the national interest. Party and personal interests were mistaken for national interests. The result was that the higher civil service gradually assumed the role of the custodian of public conscience, the trustee and protector of true national interests against wily and corrupt politicians. Secondly, political instability sapped the energies of politicians. The internal crisis within the Action Group and the subsequent split of the Party sapped the energy of politicians and the government of Western Nigeria for years. Indeed, they never recovered until all political parties were banned in 1966. And yet in the years when the Action Group party enjoyed unity and cohesion, it was a pace setter in the development process. The same was true of the former NCNC

which governed the Eastern Region during this period. It was more often than not involved in party squabbles and disunity, which inevitably affected its effectiveness as a government party. Thirdly, there was the question of the calibre of the persons who were appointed ministers. While some of them were highly educated, possessing considerable experience which stood them in good stead in the discharge of their ministerial duties, quite a number were ill-equipped, either by education or training, and/or by experience for the posts to which they were appointed. They had no choice but to depend on their permanent secretaries for leadership, whatever they may say to the contrary publicly.

This leads to the fourth reason. The dependence of ministers on their permanent secretaries, because of their incapacities and inadequacies, brought with it a great deal of resentment and lack of mutual trust and confidence. The agonising realization, on the part of the politicians, of their limitations and the ignorance and general ineptitude of the so-called political masters in policy fields bred contempt for them from the higher civil service. Fifthly, and paradoxically, is the problem of excessive control and interference with administration by the political class. The task of supervising junior officers was made difficult by the interference of some politicians. It was not uncommon in those days for politicians to take actions which tended to undermine the integrity of the civil service. They also rendered the public service commissions ineffective by interfering with the appointments, the promotions and the discipline of civil servants.

Finally, there was the gross misunderstanding of the true meaning and nature of power. It is true that in theory politicians are men and women who compete for power within a country with a view to using it to achieve goals embodying varying degrees of public welfare, including the engineering of social and economic change. But towards the end of the First Republic, Nigerian politicians generally tended to behave like the politicians described by V.S. Naipaul in his book, *The Mimic People* when he said,

> Politicians are people who truly make something out of nothing. They have few concrete gifts to offer. They are not engineers or artists or makers. They are manipulators ... Having no gifts to offer, they seldom know what they seek. They might say they seek power. But their definition of power is vague and unreliable. Is power the chauffeured limousine ... the men from Special Branch outside the gates, the skilled and

> deferential servants? ... Is it power to bully or humiliate or take revenge? ... the politician is more than a man with a cause, even when this cause is no more than self-advancement. He is driven by some little hurt, some little incompleteness ...[7]

In Third World countries, particularly in developing Africa, many politicians tend to mistake words and the acclamation of words for power. Politics for them are a do-or-die, once-for-all charge. It is a winner-take-all game with no second prizes whatever. Such was the state of the political process in Nigeria by the end of the First Republic.

It was inevitable that such a system would collapse. Whatever people may now say about the thirteen-year long military rule, it was, in January 1966, a welcome relief from the excess of the political class, from their subordination of national interests to personal and partisan political interests, from their wheeling and dealing antics and from their political brinkmanship. At the end of the coup, the only viable institution, whose integrity still remained intact was the civil service. Naturally, therefore, the new military rulers entered into an alliance with the higher civil service for the governance of the country. And it soon became clear both under Ironsi and later under Gowon that the success of the military regime depended overwhelmingly on the co-operation of the higher civil service – not merely as implementers of policies but, and more importantly, as initiators of policies. From 1966 to 1975, at the federal government level, the higher civil service became the mainspring of policy. The dis-unity within the armed forces of Nigeria from 1966 to 1967, the Aburi 'concordat' and its aftermath, the civil war, the problems of setting up the new state administrations created in 1967 and the challenges of post civil war reconstruction, rehabilitation and reconciliation all led to enhancing the authority of the federal higher civil service and deepened the dependence on them by the military authorities. Whatever we may say in retrospect, there is no gainsaying the fact that the federal permanent secretaries and their senior colleagues did serve the cause of national unity and nation-building well during this period, particularly during the early years. They were the *fons et origo* of policy and decision-making. Even after civilian commissioners had been appointed as political heads of ministries, the coalition between the federal military government and the federal higher civil service waxed strong, as the former still remained suspicious of politicians.

Even military governors who ran their states with iron hands, and

succeeded in reducing their state higher civil service to a position of near complete subservience, had to woo the federal permanent secretaries for support on any matters or issues of interest to their respective states. As Augustus Adebayo acknowledged in his article to which I have already made reference,

> it is the awareness of the influence of the federal permanent secretary over policy or decision-making that led Military Governors during Gowon's regime (to) leave their domain and spend the evening with the permanent secretary at his residence in Ikoyi, lobbying for his support over matters that might in due course come before the Supreme Military Council, the Federal Executive Council or even directly before the Head of State.[8]

Human nature being what it is, some of the higher civil servants allowed the newly acquired and growing power to enter into their heads. Power, they say, corrupts. Some of the federal higher civil servants became corrupted by their power. They became arrogant and insensitive to public opinion which, although not unaware of their entrenched position as the springboard of public policy, did not like their relishing in it. Consequently, the entire higher civil service, and indeed the entire civil service, became the subject of public criticisms. Even I could not help raising the alarm when in my address early in 1972 – a few months after I had become Federal Commissioner for Economic Development and Reconstruction – as President of the Nigerian Economic Society, I said that "a new bourgeoisie is forming, a bourgeoisie that Karl Marx could hardly have foreseen – the bourgeoisie of the civil service. And it is flatly, stupidly and cynically bourgeois – pretentious, arrogant and insensitive".[9]

The mass retirements of 1975, after the 'palace' coup or the changing of the guards that replaced the Gowon Ministry with the Murtala–Obasanjo administration on 29 July 1975, was, in many ways, a reaction to the arrogance of the all-powerful federal higher civil service. But in a typically Nigerian fashion and style of doing things, instead of being a corrective measure, instead of being a warning for the future, it became a kind of witch-hunting, a Nigerian-type McCarthyism which ended by our nearly throwing the baby out with the bath water. As we all know, the Nigerian public and the Nigerian press are the most ephemeral in their praises – this moment they cry "Hosannah" and the very next moment they shout "Crucify him". And, it is regrettable to admit, that although as

individuals we are very sympathetic, loving and kind, as a people we can be extremely sadistic, rejoicing in the downfall of fellow human beings, particularly if we think that such human beings are more important than ourselves, that they are what are popularly called "Very Important People".

Consequently, the Federal Military Government mistook the acclamation of the press and the vocal public for support, for the righteousness of their action and went on a rampage, on a rape of the one institution that has stood the test of time and has served Nigeria well in spite of all limitations just because of a few bad eggs. For when the political class messed themselves and the nation up, between 1962 and 1965, it was the civil service that kept the nation going. And when the armed forces messed themselves up and nearly brought down the nation with them from 1966 to 1970, it was again the civil service that provided the bridges of unity and continuity. Unfortunately, the mass retirement of 1975 gravely undermined the integrity of our civil service without in any way correcting the obvious weaknesses in the institution. Even General Obasanjo was honest enough to admit that much in his Jaji speech when he said,

> This administration has tried to reshape and redirect the society since its inception in July 1975. Although we have achieved a halt from the drift of the past, it was not a clean break. We started with mass retirements from our public service in the hope that new lessons would be learnt and new attitudes cultivated. The popular acclamation which the exercise received from the public accentuated our hopes but after a short time, the hopes receded. In their utterances most Nigerians displayed shocking callousness and sadism; and in their actions gross indiscipline and selfishness. I came to realize later that what really interested many Nigerians in the retirement exercise was not the positive lessons of it but the misfortune it brought to some families. Immediately the exercise was halted, all the enthusiasm hitherto displayed disappeared and the people relaxed into their careless old way of indiscipline, inefficiency and slackness while the Government, in spite of its efforts, turned out to be the victim of their gullible criticism of these same ills which they have refused to abandon. A society that measures the effectiveness of any Government by the number of forced retirements and dismissals of public officers and takes delight in the misfortune and downfall of others must be a sick and inhumane society.[10]

The mass retirement, which was not confined to the civil service but was extended to the entire public service, including universities, had the immediate consequence of making the higher civil service more reticent in performing their traditional role, and extremely reluctant in performing their functions as the main policy-makers. The feeling of insecurity among public officials was exacerbated and many capable, efficient and experienced senior officials voluntarily retired prematurely. In one fell swoop, Nigeria lost, by the hundreds, some of the most experienced and seasoned public officials. Although in many cases this loss was to the gain of the private sector, it has no doubt undermined the capacity and capability of the civil service in nation-building and national development. While it may, even now, still be premature to evaluate the long-term effects of this action, there is no doubt that it has already adversely affected initiative and entrepreneurship – two essential requirements of development administration and management.

Accordingly, the higher civil service handed over by the military regime on October 1, 1979, was not, in mood and motivation, the same that was inherited by the military at the beginning of its regime. Then it was confident, buoyant, optimistic and extremely highly motivated. The legacy of the military regime was a civil service denuded of some of its most experienced and able senior officials, a civil service which was diffident and unsure of itself and certainly unwilling to take risks and stick its neck out in the decision-making process, a civil service where the much-reduced class of the gifted and the dedicated was just biding its time before quitting. That was the inheritance of the restored civilian government on October 1, 1979.

THE CHALLENGES AND REQUIREMENTS OF NATION-BUILDING AND OF ENGINEERING SOCIAL AND ECONOMIC CHANGE

So much for the past. What about today and the future? What challenges face the political class and the higher civil service in the years ahead? Without doubt, the two major challenges which face all African States are nation-building and the social and economic transformation of their societies from their present level of underdevelopment to dynamic and self-reliant states. These, as we have learnt to our discomfiture during the past two decades, are by any standard herculean tasks which call for determined and dedi-

cated leadership; for national and individual sense of purpose and direction; and, above all, for discipline and political restraints and moderation, again at both national and individual levels.

Both tasks – nation-building and the engineering of socio-economic transformation – are enough to daunt even the most dynamic and determined leadership. They call for the release of all our creative energies if we are to face the challenges successfully; for the creation of the right type of political, social and economic environment; and, for the total mobilization of all our human and material-resources.

Africa will, indeed, need to call upon its inner resources of fortitude, sacrifice and political will if it is to overcome economic imperialism which has thrived for centuries, and if it is to build in each state a united, strong and self-reliant nation, a great and dynamic economy, a just and egalitarian society, a land of bright and full opportunities for all its citizens and a free and democratic society.

These tasks, difficult as they are, are further complicated by the pluralistic nature of the African society and the dualistic nature of its economy. For Africa is a pluralistic society *par excellence*. In each of the fifty independent African States, particularly in those countries south of the Sahara, the co-existence of many ethnic groups, each with its own distinctive cultural characteristics, social structures and mores, organizational behaviour, and different attitudes to work, saving, investment and consumption makes the task of nation-building particularly difficult.

Our heterogeneity is further complicated by the type of modernization process we have embarked upon – a modernization process that has been termed *acculturative modernization* which promotes a duality of norms, of patterns of behaviour, and of attitudes and structural affiliations. This is because we have mistaken modernization to mean westernization and/or industrialization. On the contrary, modernization for us in Africa should mean the seeking of a symbiosis between the African traditional inheritance and the new things of the whole wide world.

This implies three conditions. First, a social system that builds up the self-confidence of the people in their innate abilities and that can constantly innovate without falling apart. Second, a differentiated, flexible social structure. And, third, a social framework that provides the skills and knowledge necessary for living in a technologically advanced world.

For us in Nigeria, the building of a strong and united nation

with the concomitant modernization process, has been subjected, during the past twenty years, to considerable strains and stresses. Our failures brought about the collapse of the First Republic and the waging of a civil war. The way the wounds of that war were quickly healed, through the spirit of reconciliation, and the political development leading to the creation in 1967 of 12 states, and in 1976 of 19 states, provided us with the opportunity to start afresh in the task of nation-building. In the field of socio-economic development, we have been luckier than most African states. Thanks to our natural and human resources endowments, we have been able to sustain a reasonably high level of economic growth and development. But this development, paradoxical as it may sound, poses serious problems to our national unity because of its unevenness as between the different parts of the country; because of the skewed and unequal distribution of the fruits of that development including personal incomes; and, because our people's expectations are invariably far ahead of our economic performance. All these factors have led to greater competitiveness, not only interstate and interpersonal competition, but also inter-ethnic rivalry and jealousy.

In spite of its achievement in the development field, Nigeria is still a relatively underdeveloped country. Per capita income is still relatively low; illiteracy and superstition are still rampant; and agriculture is still predominantly of a subsistence nature. Its economic structures still reflect largely its colonial past and have still to be geared towards the exploitation of its resources for local manufacture and consumption. Agriculture which is the backbone of the economy has for years been either stagnant or declining with the result that the country now imports a lot of food items – rice, fish and meat – all of which could be produced locally. And, if I may add, in parenthesis, the present attitude to food imports, particularly grain imports, is an invitation to national disaster and will aggravate our economic independence. Like in other African countries, Nigeria's industrial base is still inadequate. Industrial output has in the past been heavily concentrated in the areas of light industries – food, textiles and beverages – although there has been a significant shift in recent years in favour of basic industry including iron and steel industry and petro-chemicals.

Population and urban growth rates are very high. Despite substantial progress in eradicating endemic and communicable diseases, the majority of Nigeria's population still has no basic health care and infant mortality is still very high, particularly in the rural areas. The incidence of debilitating diseases like malaria and

sleeping sickness is a predominant factor in the low productivity of labour. Our transportation systems have still to be adequately developed and made less expensive. Although there have been marked improvements in the education sector with the introduction of free primary education and the building of more universities, we still have a large illiterate population and serious problems of unemployment and underemployment and of making effective and rational use of our immense human resources. And, most unfortunate of all, Nigeria is fast joining the league of countries with the highest incidence of crimes.

Nation-building and the engineering of socio-economic transformation are therefore intertwined. They are like the horse and the carriage. You cannot have one without the other. One must be used to propel and reinforce the other. Indeed, in the final analysis, it is our success or failure in the socio-economic fields that will determine our capabilities to evolve a politically strong and virile nation-state. Social and economic stagnation can be an even more destabilizing factor than a rapid process of development and acculturative modernization; unequal and unbalanced national development with its cumulative effects on wealth and income distribution can spell doom to national unity or, at least, subject it continually to severe strains and stresses.

Our pluralistic society provides us with a unique opportunity to build an economic and social structure that is peculiarly African and that brings forth some of the best in Nigeria. This we can do only if we cease to concentrate on the negative and divisive aspects of multi-ethnicism in Nigeria – separateness and exclusiveness, mutual antagonism, clannishness and nepotism, and what have you, and look at the positive and dynamic aspects of our multi-ethnic society.

It is perhaps important to emphasize a point that is more often than not forgotten, whatever may be the rhetorics to the contrary. This is that the ultimate purpose of development is the development of man – the realization and unfolding of his creative potential through improvements, not only in his material conditions of living which enable him to fulfil his psychological needs, but also through the satisfaction of his psychic needs. In other words, development must be construed as a process by which man's overall personality is enhanced. And for society as a whole, development must mean the development of the collective personality of the society. Thus, economic development cannot be treated as an independent variable divorced from its social and political bearings.

In any developing society, there are usually three groups to be found from whom the society may expect the manifestation of a will and a capacity to plan for the future and to administer its natural and human resources and its external relations. The goal is not only to set in motion growth processes but also to achieve the five national objectives to which I made reference a few minutes ago, or in order to achieve the fundamental objectives and directive principles of state policy as stipulated in our new Constitution.

These three groups are the higher civil service, the armed forces and the so-called middle class from whose ranks the leadership and membership of the political class are drawn. Since we have just completed thirteen years of military rule in Nigeria, we are rich in experience as to the role of the military in nation-building and socio-economic development. Let us therefore, in the next few minutes, focus our attention to the role of the political class and the higher civil service in these tasks, in the light of our review of the chequered history of Nigeria since 1952; in the light of the challenges and requirements called forth by these tasks; and, in the light of the nature of our present constitution based on an executive presidency and the principle of separation of power between the executive, the legislative, and the judiciary, and on a multi-political party system.

THE ROLE OF THE POLITICAL CLASS IN NATION-BUILDING AND NATIONAL DEVELOPMENT

Of all our national objectives, our ability as a nation to establish a free and democratic society has been on trial ever since independence. For thirteen years, the democratic process was replaced by military rule. After one year of civilian rule, many thoughtful people are beginning to wonder whether we are capable of really establishing a genuinely free and democratic society, whether there is not an inherent incapacity on our part as a people to nurture a democratic system to full blossom.

Right from the lifting of the ban on political activities, our politicians – not all I must say – have behaved as if we have learnt no lessons from the pre-January 1966 experience and its aftermath, as if the entire political class had, like the sleeping princess, gone to sleep for over thirteen years only to wake up and resume where they left off. All the weaknesses of our political process before 1966 – polarisation, brinkmanship, political ethnicism, mistaking of partisan or personal interests for national interests, etc. – have

begun to rear their ugly heads. To an outside observer, it looks as if we are using the democratic process to undermine the very essence of democracy. The optimism that welcomed the dawn of 1 October 1979, is being replaced by a great deal of caution, if not growing pessimism. And yet, it is in the interest of the political class to ensure that our rejuvenated democratic process takes root and thrives. Otherwise, the class may disappear once again from the scene.

Since I strongly believe that the development of a genuine, free and democratic society is a *conditio sine qua non* for nation-building and development, I may be forgiven if I repeat that this is the greatest contribution that the political class can make to the achievement of these objectives. Whatever else they may wish to contribute, this is the greatest challenge that faces them. Their utterances, the very way they conduct themselves, their public image, their ability to build up public confidence in the political class as a positive factor in the development process, and as consisting of men and women who are truly patriotic and who are genuinely interested in seeking power in order to use it not for self-aggrandisement, but for nation-building and development – all these will determine whether democracy will survive in Nigeria. The whole essence of democracy is the resolution of issues, however difficult, by discussion and compromise and not by adopting extreme, take-it-or-leave-it positions or by engineering one political crisis after another. Democracy cannot thrive in a situation of permanent political crisis and polarisation.

In this connection, another challenge which the political class faces, is an abiding respect for the Constitution and the rule of law. Many constitutions in Africa have ceased to be instruments of political control. We have so many constitutions without constitutionalism and so many laws without force and majesty. This, the political class must avoid at all costs, otherwise we will revert to a state of political chaos.

Thirdly, the political class as a whole must at all times battle to raise the tone of politics. A foreign observer who reads our newspapers must be appalled by the degree of bitterness and acrimony that seems to pervade our political activities and discussions. We sometimes even allow political differences to degenerate into family or personal feuds. This, to say the least, does not enhance the prospects of the democratic process, because it destabilizes social relations and cohesion. An uncle of mine, who is now dead, once remarked, a year or two after the military came to power, that whatever criticisms might be levelled against that regime, it had at

least removed the social tensions that seemed to be a feature of political activities in our society – the personal feuds, the division within families on a partisan basis and the arson and thuggery against political opponents that were undermining the very foundation of our society. Fourthly, it is the responsibility of the political class as a whole to be able to identify with, communicate with, and draw on the values and support of our traditional communities. At the same time, they have to be able to detach themselves from communalism, its particularistic ethos and often static conditions, to reach a social identity and goals that are as wide as the entire political community and that depend on a technology and social organization oriented to skills and merit. At the beginning of this talk, I warned against acculturative modernization which alienates the people from their traditions and society. Therefore, one of the challenges of nation-building is the need to embark, vigorously, on a process of de-alienation and to indigenize our development and modernization efforts through the processes of symbiosis.

Fifthly, the political class as a whole has an important role to play in achieving an increasing measure of self-reliance in our society and in our economy. Section 22 of our Constitution loudly proclaims that the National ethic shall be *Discipline, Self-Reliance and Patriotism* (emphasis mine). Of all the new values to be created in Africa, self-reliance is the single most important one. Africa has depended for too long on external masters. There is no doubt that Africa cannot develop economically, socially and politically until it absolutely resolves to be self-reliant. This means developing in the individual, as well as in the society, such attitudes as the will to succeed in life through productive labour, to experiment, to be resourceful and to conquer new frontiers. Self-reliance means undertaking economic activities that enhance the capacity of the society to function over the long-term for the well-being of all its members.

Thus, the political class has multi-faceted roles to play in nation-building and development. The class, as a whole, regardless of party and/or ideological differences, is expected to enable democracy to thrive and become grass rooted; to raise the tone, morality and purpose of politics; to honour the Constitution and accept the supremacy of the rule of law; to foster national unity and progressively reduce the importance of centrifugal forces; and, to contribute to the development of an increasing measure of national self-reliance in Nigeria. This list is far from being exhaustive. It is indicative of the many vital and crucial contributions that are

expected of the political class in the task of nation-building and national development. Their ability to perform these tasks effectively will depend, in a large measure, on the calibre – intellectual as well as moral – of the people who compose this class; on their motivation; on their perception of power and its use; and, above all, on the quality of their leadership.

But we must now disaggregate the discussion and examine, albeit briefly, the role of the political class within the framework of specific political institutions which have been provided for under the new Constitution. I have particularly in mind the role of political parties, of the National Assembly and state legislatures, and of the Executive in nation-building and national development. These institutions are the natural habitat of politicians. And since political democracy begins at the grass roots, the role of local government is also crucial.

In three basic respects, the Nigerian political system has been given shape, not by the prescription of the Constituent Assembly but through an historical evolution. These are: (i) the manifestation of a strong preference for multi-state federation; (ii) the considerable expansion in the jurisdiction of the Federal Government which is an inevitable product of (i) above as well as of 13 years of military rule and the unsuccessful bid to break up Nigeria; and, (iii) the requirement that political parties must be different in name, power-base and function from those which operated prior to 1966.

Accordingly, the new Constitution provides guidelines for the formation and operation of political parties. Unlike most other African executive presidential systems of government which are based on a one-party system, Nigeria has opted for a multi-party system provided: (i) that these parties are truly national in character; (ii) that they are themselves operated democratically and are not run by a cabal; and, (iii) that their programmes, aims and objects are consistent with those contained in the Chapter on the fundamental objectives and directive principles of state policy of the Constitution.

In other words, one of the major instrumentalities on which we depend for meeting the challenges of nation-building and national development are the political parties. If they are to make positive contributions to meeting these challenges, then they will, in addition to fulfilling the formal provisions of the Constitution, give substantive backstopping to their members in the National Assembly, state legislature, local government and in the Executive. Each party will have to organize a policy-research oriented bureau-

cracy that is over the years as competent and effective as the civil services – both federal and state.

Each political party will have to develop the capability for (i) undertaking policy research and analysis; (ii) reviewing government policies and measures with a view to suggesting new dimensions to existing policies; (iii) developing new ideas and policy guidelines; and, (iv) conducting in-depth studies of the economy and society generally.

It is indeed imperative that each political party should have its own think-tank if it is to become a true partner in the tasks of nation-building and national development. For the Nigeria of today is both more complex and more sophisticated than the Nigeria of 1965. The economy has become even more complex and sophisticated and increasingly differentiated. Policy measures must therefore derive from serious studies and not from hunches and political expediencies. If political parties are to formulate the rules and pose the targets which the civil service, after the approval of the legislatures and the executive are to execute, then the functionaries of these political parties must not only be as talented as the members of the higher civil service but they must also be as skilled, versatile and knowledgeable.

The extent to which political parties succeed in organizing themselves to play an effective role, on a day-to-day basis, in nation-building and national development, to that extent will members of our National Assembly and state legislatures be effective law makers and policy decision makers. In this complex and highly specialized world, our law-makers have to be given highly expert and skilful backstopping by their political parties, otherwise they will fall victim of vested interests and pressure groups, and continue to be susceptible to the tendencies of making promises which cannot realistically be fulfilled, thereby widening the gap between expectations and performance and undermining the democratic process.

One of the advantages of an executive presidential system of government is that it provides the National Assembly with the unique opportunity of being really national and not partisan or sectional, because it cannot vote the President out of office. It is not in its interest nor that of the electorate that it should paralyse the machinery of government and thus halt the task of national development. Our new Constitution is based on the assumption that the legislatures will always adopt a bi-partisan approach in the resolution of many issues.

I hope that our assemblymen have, during their several visits

to the United States Congress and similar institutions abroad, observed that the majority of issues before Congress are decided on a bi-partisan basis and that, whenever there is a vote, it is not unusual for the voting pattern to breach partisan loyalties. It is not always a question of my party first; it is, more often than not, one's contributions to national development and nation-building. Because of the more sophisticated and better educated American electorate, legislators are judged, whenever they seek re-election, by the measures they have supported as against those they have opposed while in Congress. Party affiliations are not enough to guarantee their re-election. Finally, all our political parties must enter into an understanding to minimize political and social tensions by burying the hatchet immediately after the elections, and not impose on the nation a state of permanent election campaigns which can only tend to heighten political tensions. Unlike the parliamentary system of government, the President cannot be voted out of office during his four-year term. This is also true of the Governors, unless, of course, they become incapacitated. Nor can the legislatures be dissolved. Therefore, it is incumbent on all our political parties, while protecting their pursuit or retention of power, to give the nation a period of moratorium from election campaigns so that everybody can work together, in co-operation, in the task of nation-building and national development.

The Presidency, of course, straddles both the political and the administrative worlds. He is the leader of his Party, and, as a popularly elected person deriving his mandate from the whole country, he is not only the leader of the nation but also its father. And, finally, he is the Chief Executive and head of the national administration. In fact, he is the *fons et origo* of the Administration. This concentration of power in one person makes it appear, at first sight, that all efforts at nation-building and national development depend on him and on him alone. In a way this is true, because an executive president with such virtually dictatorial powers as are conferred upon him, can move a nation to hitherto unreachable national heights or push it down to a hitherto unfathomable abyss. All these apply *mutatis mutandis* to the chief executives of our state governments.

In the recent history of the United States (after whose Constitution we have patterned our own), we have the example of the late President Kennedy who, because of his outstanding achievements as a national leader, is still missed even today, in spite of the fact that he was in power for a very brief period. In contrast to his record and

legacy is that of President Nixon, who had to give up office to avoid impeachment, and who left behind a legacy of national shame and doubt in the minds of the people of the most powerful country in the world.

Yes, indeed, an executive president is a most powerful person. But how he exercises his power depends on the calibre of his cabinet advisers, of his presidential advisers as well as of his non-formal advisers and of the higher civil service. In the United States, the choice of advisers, particularly those of cabinet rank, is one of the acid tests that a president-elect has to face. If his choice is weighted in favour of party cronies, or if ethnic consideration is suspected to have featured at all, then he is deemed to have started badly. He is expected to reach out for the best, the most able and experienced. And more often than not, these are not even party card holders but they are people who have established a reputation for themselves in their chosen fields and who can bring a great deal of skills, knowledge, competence and experience to the Administration. They are usually at least as knowledgeable, skilled, competent and experienced as even the first eleven of the higher civil service and, therefore, automatically command their respect and have no difficulty in establishing a mutually beneficial *modus operandi*.

This then brings me to the specific contributions expected of the higher civil service in nation-building and national development. But before discussing this, I wish to raise one matter of importance to the political class – the spoils system. If the chief executive bases his cabinet and other senior appointments primarily on merit which cuts across party barriers, he will appear to be undermining one of the strongest props of a nascent political party system, namely spoils. But given the number of posts in the gift of the President under an executive presidential system, it should be possible to satisfy the spoils system and thereby pay party debts without sacrificing national interest. We must always remember that the sacred duty of the President to the nation, once he is elected to that office, is to mobilize the best talents in the country for the service of the nation. This he can do while he still satisfies the partisan needs of his party. To fail to do so is to betray his sacred trust, to undermine the task of nation-building and national development and to weaken, if not destroy, the fundamental principles of the Constitution.

Indeed, it is in the interest of national unity for the President, once he assumes office, to rise above partisan politics and change from the image and style of a politician to that of a statesman. As Nigeria's Number One citizen and father of the nation, he has

to keep reminding us by his deeds and pronouncements that we are Nigerians first and foremost before we are Hausa, Ibo, Ibibio, Kanuri, Yoruba, Tiv or what have you; that we are Nigerians before we are members of the political class, the public service or the business community and before we are employers or employees. Not only must he strive daily to be above partisan politics and be the true father of the nation, more importantly, he must be seen by all Nigerians, regardless of religion, race, ethnicity, party affiliations etc. to be the true and sincere embodiment of the spirit of the new Nigeria, indivisible and indissoluble, a free and democratic society, a society whose political and social order is founded upon unity, peace and progress, freedom, equality and justice.

THE HIGHER CIVIL SERVICE AND NATION-BUILDING

The higher civil service constitutes, as I said earlier, one of the three groups in a developing country from which it is expected to flow a will and a capacity to plan for the future of a society and to administer that society's human and natural resources so as to set the growth processes in motion. At the beginning of this talk, I indicated at some length the evolution of the relationships between the higher civil service and the political class and the emergence of conflicts and contradictions from 1952 to 1979. Therefore, during the few minutes that are left for this talk, I intend to concentrate on the present and the future. Fortunately, quite a number of the members of the higher civil service themselves, both past and present, have spoken and written extensively on their experience and on their perception of their role.

Indeed, as a follow up to the *Nigerian Administration and its Political Settings*, I launched a research project entitled 'Profile Study of Nigeria's Higher Civil Servants' while I was Director of the Institute of Administration, University of Ife. Under this project, some of the then top civil servants in Nigeria, including people like Chief S.O. Adebo, Chief J.O. Udoji, Chief C.O. Lawson, Mrs Fola Ighodalo, and the late Abdul Attah, Andrew Ejueyitchie and Peter Adumosu, to mention only a few, came to the Institute each year and had three-hour sessions with our students, who are themselves senior and middle grade civil servants, on their background, their careers, their experiences and their views on such thorny issues as intra-civil service politics and the relationships between them and the political class. This project has been continued after my departure from the Institute and a special issue of the *Quarterly*

Journal of Administration was brought out in 1979 containing some of these profiles.[11]

It is also clear from what I have said, so far, that as far as the future is concerned, the higher civil service would have to continue to contribute immensely to the task of nation-building and national development. Indeed, no government can succeed in Nigeria without the fullest co-operation of its civil service. Consequently, the governments, both federal and state, will have to continue to depend on their higher civil service for assistance in policy formulation, for policy execution, for providing the bridge between the past and the present, between an outgoing government and an incoming administration and, at the federal level, for being a unifying force containing in its ranks people from virtually all the ethnic groups of Nigeria. Apart from the armed forces, the federal bureaucracy, including federal parastatals, are the only institutions that reflect, through their staffing, the diversity in unity and the plurality of Nigeria.

The tasks which the higher civil service will face in the years ahead will even be more daunting and challenging. One of the implications of the political, economic and social objectives of the Constitution is a virile, efficient and effective public service. The Fourth National Development Plan, 1981–1985, whose outline was recently presented by the President to the National Assembly, shows clearly the imperative necessity of strengthening our public service and of creating the right political and social environment for it to be able to discharge its responsibility optimally. Of the total investment of Naira 82 billion during the Fourth Plan period, the share of the public sector is Naira 70.5 billion. Given this kind of ambition and our continued resolve that our governments should continue to control the commanding heights of our national economy, there is no gainsaying the fact that we need a public service that can rise to the challenge and the task.

What then are the minimum pre-requisites for such a public service in general and for such a higher civil service in particular? I have already referred to one of them – the creation of a favourable political and social environment. Here, at least, three steps need to be taken very urgently. First, the damage done by the purge of 1975 to the morale of civil servants and the security of tenure must be ameliorated. In this regard, the civilian administration ought to see itself as a corrective regime. Secondly, the government must deliberately rebuild the public image of the public service and must protect its civil servants against unwarranted and cowardly attacks.

No self-respecting person would want to be associated for long with an institution that is constantly maligned and degraded. Certainly, no one will give the best of his service in such circumstances. Unless the social prestige of the higher civil service is restored, the group will continue to be denuded and the Civil Service Commissions will find it increasingly difficult to attract some of the best products of higher institutions of learning to the public service. The cumulative effect of this over the years on national development and nation-building is too grave to contemplate.

Thirdly, there must be an assurance that the higher civil service will be given every opportunity to perform its task objectively and to the best of its ability. In other words, the governments must show a capacity to listen to constructive criticisms of its policies and programmes and consider professional advice. If a government is unwilling to utilize fully the talents of its civil service, if it is unwilling even to listen to advice, and if its members are too prone to breach rules and regulations, men and women of integrity and conscience in the civil service will find their way out. It is usually the best and most talented that quit first.

The second pre-requisite for an effective and public spirited higher civil service is its growing professionalization. This was one object of the Udoji Public Service Review. With the increasing differentiation of the Nigerian society and economy, and the concomitant complexities, the days of the intelligent amateur are long over. The period of muddling through is also long past. There is, therefore, an urgent necessity to intensify the professionalization of the higher civil service.

By professionalization I mean that the higher civil service should possess the seven main features of a profession. These are specificity of expertise; higher qualification; self-education; ethical self-sustenance; fiduciary relations; colleague control; and, recognition. As I wrote several years ago, "the road to professionalism is paved with all sorts of difficulties. There are many vested interests whose short-term interest is to maintain the *status quo*. The older generation of civil servants ... belongs to this group ... There is also the problem of inertia. Many senior civil servants, whom one would have expected to support the professionalization of public administration, are unwilling to be disturbed by what to them are no more than new fangled ideas. Through a mixture of conservatism and cynicism, they have turned deaf ears to any suggestion for change".[12]

The third and final pre-requisite is the need to work out con-

ditions for productive co-operation between the political class and the higher civil service based on mutual respect, trust and confidence. In facing the challenge of nationbuilding and the task of national development, the politicians and the administrators meet in a common set of tasks in which there should be a distinction of gifts, division of powers and variety of skills. Each should accord due respect to the role of the other and should endeavour to strengthen the elements that unite them in the task of nation-building and national development rather than exacerbate division and distrust to the detriment of the nation. In other words, and as James O'Connell rightly concluded in his contribution to the *Nigerian Administration and its Political Setting*, the politicians should lead, as they are ultimately responsible to the people, but "they need to be able to stimulate their administrators, evaluate their advice, and act co-operatively with them ... Political leadership without administrative and technical support is power in a vacuum; administration without political leadership is only tidiness in stagnation. Politics and administration belong together in the dynamics of a dialectical relationship. But there is no perfectly ordered model for this relationship, and no perfect delineation of responsibilities or functions will fit all the needs and possibilities of development".[13] All that we can proffer by way of advice in this dialectical encounter is that the politicians should strive assiduously to politicize the civil servants while they on their part should use every available opportunity to civilize the politicians!

II African Public Services and Prospects for the 1980s

A A P A M Roundtable

Freetown, Sierra Leone 31 July 1978

The public services in any developing country in Africa and elsewhere have come to be recognized, accepted and expected to serve as the main governmental instrument and operational mechanism for fostering social and economic development resulting in improved living standards for the masses of the people; for the

maintenance of law and order and the dispensation of justice; and, in accordance with the socio-political objective of the country, for direct participation in the production of goods and services and for the equitable distribution of the benefits of development. In this context, the public services are taken as embracing the central civil service, local government and public enterprises and parastatal organizations, all of which together constitute the public sector.

It is upon these public services, as the machinery of government and central executive agents of the State, that the responsibility of mobilizing all the human energies and other resources of the State in overall national effort for development and progress devolves. It is on the administrative and management capability of these various machinery and executive agents, on the motivation, dedication and competence of the men and women who run the machinery and enterprises as well as on the response and initiative of the citizens which the services are designed to encourage, assist, benefit and protect that largely depends the rate of progress of any developing nation.

Administrative reform

Development by its very nature means engineering fundamental socio-economic change. And as development gathers momentum and the economic landscape become increasingly variegated, the public services must adapt if they are to continue to be responsible, effective and efficient. This process of change and adaptation has, perforce, to be induced in emergent countries such as we have in Africa, through administrative reform. Invariably, fundamental changes in the environment and functions of State administration impose extraordinary strains on its competence and efficiency.

As the delivery and leadership capability and efficiency in service are known to be deteriorating in any branch of the public services, and as new tasks are entrusted to them, or the socio-political and economic context in which the services were rendered in the past changes, there is need to introduce administrative reform. The purpose of such reform is essentially to readjust organizational structures and procedures of a given service and improve the service conditions, motivation and skills of the personnel that run the service.

It is largely for this reason that individual African countries have established those famous commissions and committees on administrative reforms such as the Lidbury Commission of 1950/51 and the Mills Odoi Commission of 1967 in Ghana; the Adu Commission of

1961 and the National High-level Manpower Allocation Committee in Tanzania; the Morgan Commission of 1964; the Adebo Commission of 1971 and the Udoji Public Service and Review Commission of 1972–1974 in Nigeria; the Miller–Craig Commission of 1964–1965 and the Ndegwa Public Service Structure and Remuneration Commission of 1970–1971 in Kenya; the "Terms of Services" Committee, 1958–1959, the "Staff Cadre" Committee, 1965–1968 and the Aburanat Committees of 1956 and 1962 in Sudan, to mention a few.

Most of the restructuring that has taken place in governmental machinery and procedures and in service conditions during the 1960s and 1970s has usually been in response to crisis situations and could be styled, in medical parlance, as curative measures. Problems of changing inherited administrative structures to one that reflects independence and the associated new functions of State participation in commercial and industrial ventures, of making the public services appreciate and respond to the realities of the African social and political situation, of creating service conditions that are African rather than British, French or Portuguese, and, of avoiding the excessive politicization of the public service thereby making civil servants less dependent on their political weight and influence than on their professional competence and integrity, have all provided a basis for initiating far-reaching reforms in the public services and for the creation of new structures, and the recruitment of personnel with specialized technical and managerial skills. However, all these have largely been undertaken on an *ad hoc* basis to eliminate bottlenecks and improve delivery and executive capabilities. They were not part of any sustained effort at public service development planning within the context of overall national development.

Be that as it may, it can be truthfully said that many an African country made heroic efforts at administrative reform at all levels. But, unfortunately, the results were uniformly disappointing. The reasons for this are not difficult to identify. One only needs to examine the terms of reference of some of the reform commissions to realize that many governments regarded administrative reform as a one-shot-in-the-arm affair and as a static rather than a dynamic process. The emphasis has been on structures and organizations. Little wonder that most of our reform measures have merely led to increased formalism, ritualism and overcentralization in administrative processes and practices. Administrative reform measures that are preoccupied only with structures and ignore cultural, political and human factors are doomed to fail.

Concern about the future of African public services

This Roundtable is to deliberate and give its opinion and perhaps policy guidance on the state of African public services and their prospects for the 1980s. This task can be viewed by the casual observer in either of two ways: the first is a feeling that African public services are heading for even more serious crises and possible breakdowns in the near future. The second is to view it from the angle of a planner that it is only an opportunity to plan ahead, make projections and assessment of tasks to be performed and resources inputs required. I am of the view that both aspects are inseparable and have to be considered by the Roundtable.

The convening of this Roundtable is the culmination of the growing concern about the prevailing level of integrity, competence and performance in African public services, to the extent of entertaining doubts as to whether the machinery of government is now capable of efficiently discharging its duties in a rapidly changing world of growing international competition, rising expectations of the masses, and the consistent demand of the developing countries for a complete restructuring of the existing order of international economic and sociopolitical relationships. If African public services are today not up to the tasks before them, the going will even be much more difficult during the coming decade, unless a deliberate and sustained effort is made to plan for the development of public services to cope with the enormous tasks ahead.

It is possible to entertain the following three divergent views on the import of the theme before the Roundtable. First, there is the view that the inherited administrative structures, with all the reforms that have taken place since independence, are inadequate and ineffective in the situation of developing African countries, where governmental initiatives must be dynamic and quick of results, and therefore, the whole machinery should be scrapped root, stem and branch. Protagonists of this view would like to see the engineering of administrative revolution side by side with political and economic revolution.

The second view holds that existing structures as reformed since independence have served and responded well to changing functions and scale of operations, notwithstanding admitted points of weakness and inefficiency. Those sharing this view feel that, with good intentions and will, African public services can, with a few more reforms here and some adjustments there, meet the challenge of the 1980s. They feel also that two decades of experimentation and

adaptation of the system to local situations are just not enough to achieve the desired maturity which can guarantee integrity, efficiency and dedication to service for the public.

The third view sees in the present public services a move towards decadence and irresponsibility in terms of sense of duty, performance results, political meddling and pursuit of private interest at the expense of the public interest. They feel that should these trends continue, the African public services would be turned into a self-aggrandizing institution where the individuals seek to maximize their gains at the expense of the public.

Fortunately, for all three schools of thought on the future of African public services, there is the common concern for an agonizing reappraisal and for making changes, although each for different reasons and with varying degrees of intensity as to measures to be taken. It is this consensus that justifies the convening of this Roundtable.

III Statement to the Conference of Ministers Responsible for Human Resources Planning, Development and Utilization

Monrovia, Liberia 5 October 1981

What are some of the principal features of the problem of human resources development in this region today? I would like to refer to five principal ones. The first is the expected doubling of the population from just over 400 million in 1975 to well over 800 million in the year 2000. As UNESCO pointed out some years ago, this may lead, in spite of the utmost efforts of governments and communities, to actual declines in the rate of schooling and to absolute increases in the rate of illiteracy.

A second feature is the dominance of the rural sector in national socio-economic structures in Africa, so that whatever we say about the nature of the problems, and of possible solutions, can only have meaning in relation to the rural sector where some eighty per cent of

the region's population live; where the bulk of natural resources are to be found; where new production possibilities are; and, where employment opportunities have, in the main, to be created.

A third feature is the very large proportion of women and girls in the population. I must emphasize here that I am concerned with human resources and, in the face of the challenge of the implementation of the Lagos Plan of Action, and the International Development Strategy for the Third Development Decade, how such resources could be most fully and effectively mobilized and used. It seems inconceivable to me that we should expect that the economic revolution – which we must now undertake, if we are to avoid a retreat into a state of backwardness unknown in our history – can be effected through the entreprenerial, managerial, production, marketing, research and experimental development talents, knowledge and skills of the 20 per cent of our populations living in urban areas or by neglecting the same potentialities latent in the rural populations.

A fourth feature is that the Lagos Plan of Action expressly rejects a trickle down process of economic growth and betterment of populations. If economic growth – which we in ECA define as increases in the physical output of goods and services to meet the needs of the mass of the people – is to occur simultaneously in a country-wide and a region-wide sense, then the skills, the tools, and the raw materials, must also be available in a country-wide and region-wide sense.

A fifth feature is that the present system of human resources development in general, and education in particular, meets neither the material nor the socio-cultural needs of our countries and communities.

Unfortunately, our system of education is not producing the categories of specialists required to enable us face the challenge of rapidly deteriorating economic and social conditions. It has not stimulated ingenuity and inventiveness in its products, to the extent that Africa requires today for survival and for self-renewal. It has not fitted us to develop self-confidence and stand on our own feet. It has produced neither the genuinely learning nor the genuinely thinking student. It is not preparing us for the days of turbulence and discontinuity, of the unforeseen, that lie ahead, and our concern is therefore not merely with relevance and quantity but also with quality.

As regards relevance, it is still astonishing to us, that so many countries dominated by mineral production for export, or known

to possess a wide range of abundant mineral resources, lack indigenous human and institutional capabilities to extract, market and process even one or two independently. Countries which are endowed with massive forest resources neglect to provide for the development of specialists in forest products technology in their institutions of education and training; producers of fibres similarly neglect fibre science and technology; many endowed with hydrocarbons make no move to build up capabilities in this field. In consequence, they are unable to produce and barter hydrocarbons for mineral and the other industrial raw materials they need for diversifying their economies. Africa, as a whole, continues to pay out large amounts for supplies of materials it has in abundance *in situ*.

In so far as quantity is concerned, one must begin by noting that a large number of the areas of specialization, particularly at the third level of the educational system corresponding to priority areas specified in the Lagos Plan of Action, are simply not there. In some cases, regional capabilities are geographically unbalanced in distribution or insignificant quantitatively. A good example is the thousand middle level technicians required by 1990, for the development of the iron and steel (not engineering) industry in twelve countries of Eastern and Southern Africa. Comparisons with such countries as India, Brazil, Mexico and South Korea are depressing. In these countries individual public enterprises alone employ thousands of high-level technologists, managers and research scientists. At the middle-level, there is the enormous gap in what has been described by a leading expert as "the twenty to thirty middle-range managers, technical supervisors, and master mechanics necessary to set initial procedures and improvise or make adjustments when things go wrong". These shortages are particularly felt in the three to seven years that it generally takes to establish a manufacturing facility. There is an even more acute shortage of "conversion" personnel to adapt product designs and production techniques to local deficiencies in environments. In addition, one may wonder from where the very large numbers of workshop operatives (wheel wrights, mould-makers, sheet-metal workers, instrument makers, tool makers and tool-room specialists, etc.) are to come.

In regard to quality, a great deal is often said about the need for the reorientation of formal education towards problem identification, problem analysis and definition and problem solving. Often this is a grudging acknowledgement of the deficiencies of urban

education, particularly in Africa where curricula tended to be dominated by textbook problems and textbook solutions derived from developed countries. In a sense, the issue is closely connected with individual and community self-images of the future, on the perception of the need for self-confidence, on whether communities are working towards imitativeness or towards inventiveness and innovativeness.

I now want to consider the possible answers to the question I have just asked. Let us say that the average cost of education and training of an African student, specializing in third level or middle-level technology, in a developed industrial country is US$9000 – and I believe this is an understatement – this would mean an annual outpayment of US$9 million for every 1000 students and US$90 million for 10,000 students. For a four-year course (excluding gaining post-graduate experience) this would amount to $360 million. The figure of 10,000 is, of course, unrealistic. One ought to begin at something like 100,000 students and trainees at a cost of US$3,600 million.

All this assumes that access to such education and training facilities are, except for rising costs, relatively easy. This assumption is hardly justifiable, firstly, because there is growing competition among countries of the Third World for such facilities and because policies regarding access in these countries are likely to become more restrictive.

To do nothing in the face of these foreign exchange cost figures is, of course, to opt not only to forgo the increase in output of goods and services, structural change, and diversification, increasing self-reliance, and so on, but to opt also for steadily sinking economies, social and political instability and increasing external vulnerability. Africa is therefore faced with the challenge to bring about, as speedily as possible, a revolution in the acquisition, development and multiplication of usable knowledge and skills relevant for economic growth as we have defined it.

A decision to do nothing does not in any way save foreign exchange. From a recent study on the role of consultancy services in Africa, it appears that annual foreign exchange outpayments for consultancy services alone, for feasibility studies, project design and planning, plan selection and assembly, site development, trouble shooting, etc. may well be several times as large as the net annual flow of development aid to Africa. I must stress that this does not take account of other segments of imported services such as shipping, civil aviation, banking, insurance, advertising and

trade marks, information, entertainment and, as I said earlier, education.

How, one wonders, is the African region going to ever get out of debt whilst it concentrates attention on the commodity account, commodity prices and commodity stabilization and is meanwhile bleeding through the invisible account?

Quite clearly the continuation of a policy of laissez-faire or benign neglect will simply lead to disaster. We therefore need a multi-sided set of measures most urgently in order to avoid this. Included in this package should be negotiated access to know-how in an exchange for strategic raw materials, regional markets for goods and services and even for strategic locations. In such negotiations (which will require clarity, concreteness and firmness of unfamiliar degrees) sight should not be lost of the alternative partners open to Africa: former metropolitan countries of the West, Japan, the United States, member States of the CMEA, the People's Republic of China, India, other Third World countries in Latin America and Asia. In such negotiations we must recognize that excellence is not an abstraction and, in our present circumstances, must incorporate a strong bias of practicability. The advantages of adapted curricula and of the teaching-learning environment of Third World countries are likely, in some cases, to be more relevant than we believe. All these will probably have to be tapped to meet the quantitative requirements of the region, as well as to ensure that the system developed within the region benefits from the richness of world experience.

Another component of the package will be careful but extensive intra-African institution building. For us, this is one of the highest priorities, but it will only be possible if some other priorities are given consideration. These include the large-scale education and training of teachers and instructors; national reviews of policies which tend to favour investment in buildings and ancillary facilities at the expense of investment in teachers and trainers, and in equipment and materials including particularly those which contribute to self-development and experimental habits of the student as trainee; manpower and employment planning utilizing easy access to manpower profiles for raw materials supply, production, marketing, R & D, management, etc. at all levels. A whole subsector of industry will be required to meet the demand for instructional materials.

Quite clearly the time has also come for some close examination of the knowledge industry. The subject of intra-regional institution-

building is important, not only because of the mounting foreign exchange costs of services in general and of imported educational services in particular, or because of increasing difficulties in gaining access to education and training facilities in developed countries, but also because a policy for continuing and extensive education and training in developed countries is a policy for perpetuating and intensifying the brain drain. Whilst it is important to try and recover those who have, in effect, migrated and whose knowledge and skills are badly needed in Africa, it is even more important to reduce the outflows in the first instance. A programme of institution-building of the kind I envisage is more than overdue and it will, contrary to sentiments member States often express, require a good many of a multinational or regional character.

Another component of the package of policies and measures must include measures for optimizing resource use. In regard to this, we in the ECA speak of accelerators, such as bridging courses which enable students to shift from areas of specialization with low demand and employment prospects to those with higher prospects. We speak of adaptors as in the case, for example, of cross-disciplinary studies of the kind required to produce the inter-disciplinary teams required for feasibility studies, project design and planning, consultancy services, human settlements, etc. for natural resources management and for environmental management. We refer to economizers of which work on the substitution of materials and the simplification of designs to facilitate intra-African production of, and trade in, instructional materials is outstanding.

Obviously, a great deal of research into materials designs and manufacturing processes will be necessary. So also will a great deal of research into teaching/learning/thinking processes as a basis for reforming curricular and teaching/learning techniques into factors affecting innovation and its spread. The first step would be to determine research needs in the 1980s and then to evaluate existing facilities, resources, programmes and their orientation, mechanisms of co-ordination and effectiveness of the communication of research results to potential users.

I now turn to what may well be considered the central problem in human resources development for economic growth and for a renewal in socio-cultural, intellectual and material terms, viz the transformation of the rural sector which, as I suggested earlier, contains the bulk of our populations, the bulk of known and potential natural resources or industrial raw materials, where

illiteracy, growing poverty and unemployment dominate but where the opportunities for economic growth and employment exist. If structural transformation is to take place, if self-reliance and self-sustainment are to be achieved, the rural sector must receive the chief attention. Let us therefore visualize what this would require. First, it would require increasingly detailed knowledge, made available to entrepreneurs and technicians in the rural sector, of natural resources, their alternative uses and their complementarities for production. It would require competencies and mechanisms for extracting, transporting and establishing such complementarities. It would require, as much as practicable, the local or regional production of equipment, parts, components and accessories, implements and tools for infrastructural development and for agriculture and rural industrialization. It would require human settlements research, planning and development and the appropriate human resources for these purposes. In particular, in this connection, it would require a considerable development of small and medium scale civil engineering and building materials industries.

It would require a more widespread use of money. The retention of the bulk of money in circulation in a few urban centres doubtless helps to fuel their characteristic inflation. This would include approach to wages and income policy. Income and wage policy influences employment creation and the deployment of available manpower. It also influences the individuals in their career options. While every African State has had varied experience in income and wages policy reforms, the measures have generally been palliative and have tended to maintain the *status quo* in the social status accorded to different occupations from colonial times. For a variety of reasons, including political expediency and budgetary constraints, African States have not been able to get to the root of the problem, in the attempt to reform wages and salary structures, and to relate remuneration and income policies to priorities in national development goals. This failure to accord appropriate income and financial remuneration to those who contribute more to the social product, by their labour and sweat, has contributed in accentuating manpower shortages in two ways. Firstly, because technical and professional personnel are being poorly remunerated, when compared with administrators and managers, work for work and wages for wages, there has been marked reluctance to opt for technical vocations. The more talented tend to prefer white-collar jobs, and technical personnel do not hesitate to abandon their vocations in order to accept direct administrative jobs with higher social status,

better pay packets and more rapid promotion prospects. Secondly, the prevailing wages and income policy, and the insufficient recognition of the crucial role that technical personnel play in the development process, have sometimes created frustrations which contributed to the African "Brain Drain" as these same technical personnel get better recognition and are attracted by better pay and conditions of service in developed countries. In the light of the manpower challenge to which I referred at the beginning, more realistic policies and measures are urgently required.

It would require research and experimental development base on materials, design, power sources, on socio-cultural and environmental factors to develop new technologies (material and social) together with the means of their production and propagation. It would require research for effectively combining traditional with modern knowledge and skills, and for combining labour intensive with capital intensive technologies. These two types of research would themselves require new kinds of researches with new attitudes, organized in different ways, spatially and otherwise, than at present.

It would require that the larger part of the rural population, women and girls bring individual and special talents in entrepreneurship, management, production, R & D, marketing, etc. to bear on problems and challenges of national structural change, self-reliance and self-sustainment, not only through greater access to resources, not only for developing those talents and skills, but also for their actual practical application. It would require the massive and imaginative organization of see-it-and-do-it-yourself local and national campaigns and movements.

It would require a remarkably different information and data base for planning, and equally remarkably different concepts and techniques of national planning, from those familiar today. It might even require a different kind of planner from what is widely depended on in the region now.

It would require a complete change in attitudes to, and evaluation of, production, work, creativity, status on the part of urban located and conditioned policy-makers, planners, universities, business and community leaders, etc.

These are some of the requirements for increasing and diversifying production in the rural sector, of mounting effective attacks on mass poverty and unemployment. The role of population growth is such that neither the existing rural, nor the existing urban, economies can conceivably accommodate them. There is no alter-

native to rapid dynamic change. It will be clear that, in contemplating such change, so many are the parameters and so closely linked are they that a systems approach is advisable. A simple illustration may help. I have not so far referred to the crucial role of entrepreneurship, which we define to include anyone capable of perceiving a challenge in the organization of inputs, in R & D, or its propagation, in marketing, etc no matter whether in agriculture, industry or the services sector, in science or in the arts. For us entrepreneurial resources – both in the private and the public sectors – are the centre-pin of economic survival and growth. We believe the region suffers today because we failed to develop adequate indigenous entrepreneurial capabilities, with the support services essential for bringing them into play and sustaining them in action. At present, we are conducting studies on the characteristics, provenance, sectoral distribution and action environment of African entrepreneurs. What is clear is that the Lagos Plan of Action is doomed if the neglect of this vital resource – particularly with reference to rural development – continues. However, in this context, my main point is that such discussion of employment creation neglects several crucial factors and concentrates attention on the availability of investment resources. The first is entrepreneurial resources. The second is the supply of complementary raw materials for expanding diversified growth. The third is the bias in favour of capital/labour substituting technologies, and the fourth are the growth potentialities made possible by economic co-operation. The importance of entrepreneurial resources goes beyond questions of growth and employment. It is not unreasonable to argue that for decades (perhaps centuries if the export of human beings is taken into account) the African region has been consuming capital as income, without full recognition of the pressing need to build up alternative forms of renewable and expanding production assets. Although economic independence and welfare have been proclaimed as the justification for the Lagos Plan of Action, it may well turn out that the capital wastage and capital asset replacement issue is even more fundamental. As may be noted, the self-renewal to which I referred earlier has a material as well as a socio-cultural and intellectual foundation.

Although I am concerned with the future, we are not unaware nor unappreciative of the truly massive efforts that governments have made in the expansion of educational facilities. During the 1970s, education received the largest share in public expenditures, accounting for about 4–9 per cent of the GNP. What one is con-

cerned about is that the returns appear to have proved much less than could be expected. Perhaps one factor which will need urgent action is the re-alignment of technical assistance in favour of human resources for economic growth, as defined, and for innovation and self-renewal.

There is clearly a great need for urgency since we are already nearly a decade behind in human resources development of the kind the region requires, if it is not to sink to undreamt of levels of poverty and degradation.

Let our vision of a greater Africa, an Africa that is politically, culturally and economically emancipated from the domineering influences of colonialism, neo-colonialism, and the international economic systems, an Africa in which the masses are able to attain a reasonable standard of improved quality of life, be seen in terms of the development of the skills, intellect and attitude of our people and the full mobilization of our human resources for effective participation in national development efforts, and in productive activities, as well as in the fair share of the fruits of development.

CHAPTER TWELVE

Education

I Speech to the Conference of Ministers of Education of African Member States

Lagos, Nigeria 27 January – 4 February 1976

What distinguishes this Conference from its predecessors is that it takes place towards the end of a period in which widespread and growing dissatisfaction with the failures, not only of the international economic system, but also of the national economic order have crystallized into demands for a new ordering of international economic relations and for a new strategy of development to permit the Third World to achieve an increasing measure of self-reliance and self-sustaining growth. It is only in this way that the problems of the Third World – notably, excessive external dependence, persistent mass poverty, rapid population growth and growing unemployment – can conceivably be handled by policy makers, planners and national communities. For the African region, external dependence extends from markets and marketing to organizational and production skills, technology, finance capital, capital goods and services, and even food. Very few African countries are in a position today to say what their own natural resources are and what could be done with them. Fewer can undertake the conversion of more than a modest amount and variety of such natural resources into semi-finished and finished products, and yet this is the heart of industrialization. When we join Latin America, Asia and the Middle East in pressing for the reduction or removal of tariff and non-tariff barriers in advanced countries, to exports of processed agricultural products and manufactures from developing regions, do we really visualize who is going to organize, in Africa, the package of capital, technology, finance, transportation and marketing involved, and how and when this will be done? Do we plan for this, or do we vaguely hope that someone will somehow do it at some time?

The challenge of the new international economic order in Africa

The challenge of the new international economic order thus goes far beyond questions of the role of education in manpower development. It challenges us to say who we are and where we are going; to define ourselves, not as willing caricatures of other advanced or semi-advanced countries, but in terms of our resources; of imagination; of energy; of vision; of perception and inventiveness and of initiative. Since African education, in the broadest sense, lies at the bottom of the problem of establishing an identity, I felt compelled to make this point because hereafter I propose to deal only with some "nuts-and-bolts" aspects of education, skill and employment in relation to general socio-economic strategy.

Education has always been regarded as one of the principal components in the inputs which the developing countries require for achieving an increasing measure of self-reliance and self-sustaining growth. But we now realize that general propositions, such as the one that higher education must be expanded or that universal primary education is a good thing, have little meaning until they are spelt out in relationship to carefully-defined needs and potentialities.

It follows, therefore, that we are discussing, in broad terms, two aspects of education: education for innovation and innovation in education. It is inconceivable that the communication of ideas and their widespread adoption, and the transmission of knowledge and skills to the mass of the African people, can be effected within the foreseeable future without major and radical changes in our approach to the processes, as well as the material means of communication and transmission. Since we have now reached the stage where we can no longer wait upon philosophy and theory, I propose to put before you a number of practical issues relating to these two aspects of education.

Relating subject-structure to development needs

One of the features of university-level education in Africa, which has come forcibly to our attention in the Economic Commission for Africa, is the asymptotic relationship of the subject structure to current and anticipated needs of high-level manpower. It is understandable that this structure was profoundly influenced in the early years of university development by the needs of the day, the Africanization of the higher levels of policy-making and execution

in both public and private sector institutions responsible for the major elements in social and economic life. It is difficult to understand why the subject structure pattern persists in large parts of the region when the pattern of needs has now manifestly changed. The extraordinary dependence of the region on multilateral and bilateral assistance for project conception and design, i.e. for prefeasibility, feasibility and engineering studies alone, is one measure of the inadequacy in quantity, quality and technical mix of the output of third-level education. When we come to installation, operations and maintenance, the scope of this dependence begins to assume awesome proportions. It has always seemed to me difficult to believe wholeheartedly in declarations of our intentions to embark seriously on industrial development, when the manpower required for the exploration, evaluation and extraction of natural resources, and even more, the manpower for converting natural resources into semi-finished products, is not forthcoming or even foreseen.

The ramifications of this deficiency in subject structure cannot be fully examined here but a few examples will help. It contributes to the repeated paralysis of national development plans and even more to the frequent failure or delay in the realization of public sector projects. This is, in itself, unfortunate. But it is not often appreciated that such failures and delays tend to inhibit the emergence of associated private sector projects, with the consequence that employment opportunities are not expanded rapidly.

Although it cannot be asserted with confidence that education produces entrepreneurs, there is little doubt that it contributes to the effectiveness of the entrepreneurial role. Yet discussions about unemployment frequently concentrate on capital and technology, with apparently little regard for the fact that, for the bulk of the labour force, an employee requires an employer, and even the most sophisticated employer needs support services, often requiring specialists in such subjects as business finance, production planning, marketing, cost accounting, plant layout, and the like.

One of the gravest consequences of the subject structure problem is the failure of counterpart training programmes incorporated into technical assistance projects. Without Africans equipped with the basic disciplines to benefit from counterpart training, the large-scale process of skill transmission, essential in the present and the future, will not begin. It is difficult to understand why insistence is put on these provisions, when so little is done to repair a deficiency which defeats its implementation.

There is, of course, the obvious consequence that, whilst we are concerned in trade negotiations with adverse trends in the visibles account, the invisibles account is worsening steadily as a result of this extreme dependence on skill imports. Any proposal to expand and diversify the national socio-economic system is, logically, a proposal to extend dependence to extraordinary proportions. The situation is concealed, of course, by presenting university-level outputs in sub-aggregates, so that a dangerous belief that we are not doing so badly may be unintentionally encouraged. It is useful to know how many graduates our universities produce in civil engineering, mechanical engineering and the biological sciences. It is much more important for us to know how many metallurgical engineers, food technologists, industrial chemists, chemical engineers, design engineers, foundry technologists, and rural sociologists and specialists in business management and finance they are producing.

Another aspect of the subject structure problem is the prospect, if not the reality, of graduate unemployment. I cannot help but believe that, with a little imagination, with some investment and some flexibility in academic attitudes, we can devise bridging courses at the undergraduate and post-graduate levels to shift students from escalators taking them in the wrong direction to those taking them in the right direction.

Education and the world of work

When we come to qualitative questions, one is forcefully impressed by the relative isolation of the student from the realities of the environment into which he will step on graduation and in which he is expected to justify the investment in his education. This is one side of a coin, the other of which is the neglect of valuable resources of teaching and learning available within the community. Put bluntly, it is the business sector (whether public or private) that is in a position to discover the insufficiencies of the product of third-level education. Whilst it is conventional for this sector to contribute toward the physical infrastructure of education and manpower development, there is less satisfactory evidence that effective arrangements exist for even more significant contributions to be made, e.g. to curricula design and reform, to teaching, and to learning via sandwich-type or post-graduate on-the-job training. Beneficial as these may be, we need, in the circumstances of the African region, and in the face of challenges posed by the new international economic order, to go further.

A less tractable qualitative issue has been described in a number of ways: lateral thinking; learning to think; learning how to learn; acquiring the capability for problem recognition and problem definition. It is conventional to press the advantages of a problem-solving orientation in education but, at least in respect of this region, we need built-in attitudes and capabilities which help to focus attention on sometimes apparently unrelated phenomena, to recognize a problem and to define it. Indeed, it is possible to argue that problem recognition, analysis and definition constitute important steps in the process of problem solving.

Technological education and skill training

On the subject of middle-level education, I shall confine myself to only a few points. The first is an intuitive judgement that we have not yet, at the level of policy making and project conception in the field of human resources development in Africa, begun to familiarize ourselves with the terminology of manpower for accelerated economic growth and diversification. How many senior officials in ministries of education know that, in the metal-manufacturing and metal-using industries, production depends heavily on such highly-skilled operators as fitters, turners, machine-tool setters and operators, tool and instrument makers, moulders and core makers, welders, pattern-makers and so on? How many realize the extent of our dependence on outside sources for reading design blue-prints and for setting up equipment, for setting up and operating toolrooms – a critical service for continuous production operations?

The second and third points are closely related. For societies without an extensive industrial tradition, we may well have to begin to think seriously of the systematic introduction of technology into second-level education. It is not unusual to be told that two main weaknesses of African second-level education are the dominance of grammar-school type curricula, with its reliance on verbal excellence, and the failure of that level to stand for some degree of independence of the third-level. The cure for the predominance of literary traditions is sometimes supposed to be in larger doses of mathematics and pure and applied science. Mathematics, after all, is also language, whilst pure science complements the elitist attributes of literature and the classics.

The genuine corrective to both weaknesses, I suggest, is the inclusion of technology, which I consider a less aristocratic and

more concrete concept than applied science, into the curricula of our secondary schools.

But the introduction of technology in second-level education, apart from the problems of curriculum design, the development of qualified teachers and the resistance natural to an allegedly conservative profession, will require mass production, not only of the scientific supplies now accounting for substantial foreign exchange payments, but for heavier, more complex and more expensive equipment. The organization of the production of these supplies and equipment is, I am convinced, a matter of great urgency.

The expansion and qualitative improvement of learning and teaching of the second and third levels which are suggested here automatically raise my fourth point, the dreadful question of costs in terms of local expenditures as well as of foreign exchange. The development of the pulp and paper and printing industries in Africa, together with import substitution in equipment for science and technology in schools, technical colleges and universities should, if taken up early and seriously, go some distance towards relieving the pressure of education on foreign exchange resources. Are the Governments of Africa going to take them as seriously as they should? This is a question which only you can answer.

In terms of domestic resource allocation, the picture does often look odd, not only because too much goes into expensive buildings and their maintenance, but also because too much goes into urban investment, at the expense of rural investment, in education. It is particularly unsettling where the bulk of building materials, in terms of costs, have to be imported, and where a substantial part of school building construction in the cities is undertaken by companies dependent on factor inputs for which substantial outward transfers have to be made.

The challenge of education in rural areas, to which I will turn shortly, demands that we should take the cost of school buildings seriously if we are not, unwittingly, to pave the way for disaster in the years to come.

This leads me to the role of what has been described as the technical entrepreneur and of industrial subcontracting. It is now reasonably established that many new businesses are established, particularly to exploit new inventions, by technologists and technicians with an interest in business. Indeed, the historical record shows that a large number of inventions have been the product more of small and medium-scale, than of large-scale enterprises. It would seem to me that we need to look a little more into the concept of the

technical entrepreneur, consider his potential role in the process of technological innovation and employment creation, and decide in what ways the formal part of his education can be designed so as to encourage the emergence of more technically-trained people with an understanding of business processes.

It is now becoming popular to speak of subcontracting. I myself believe that, under certain conditions, it can be a very effective mechanism for spreading managerial and industrial skills, for diffusing innovation and for expanding the supply of good quality industrial entrepreneurship. But subcontractors must produce to exacting standards of design and quality, and keep to tight schedules. The technical supervision and training of operators that this calls for cannot be taken for granted lightly. Surely we must begin to concern ourselves with such end uses of graduates of the second level.

It would be difficult to leave the subject of education in relation to economic growth and diversification, skill development, and employment, without brief references to a number of concepts and practices of importance to a new strategy of resource mobilization and use. One is the degree of skill-intensity associated with different industrial operations. Another is the role of job analysis in determining the skill complement of production processes in designing phased-training programmes for skill development. A third is skill substitution: the extent to which some skills can be substituted for others as for capital. A fourth is the relationship of labour productivity to the routine of production procedures, the learning curve and on-the-job training.

I mention these for three reasons: firstly, if the specific jobs are not there and they are not there because the industries are not there, the learning cannot be done. The strategy called for in the new international economic order would thus suggest that policies for skill development, to be worked out, will include large-scale on-the-job training. It may require multinational co-operation in exploiting opportunities available within the region. Alternatively, it tends elsewhere to form part of negotiated deals on sales of raw materials, equipment purchases, or joint ventures.

Mass transfer of skills for rural development

The transformation of the rural areas requires, among other things, equipping very large numbers of men, women and young persons with a great variety of new or improved skills for generating income in farm and non-farm activities. If we imagine a country with a rural

population of between 4 million and 9 million, it will help us to grasp what this means in terms of physical means of mass communications – say radio and television – the preparation of broadcast material and the training of Africans to prepare this material, the supply of blackboards, chalk and other writing materials, the production and supply of reading materials, the organization of feedback of information and evaluation, etc. ... Without mass demonstration of opportunities and ideas, and without mass transfers of skills, no process of self-sustainment and self-reliance can take hold. Are cabinets and planners beginning to feel, if not desperate, at least very uneasy about these matters? What priorities have to be downgraded? Where are the economies to be effected? How are these savings to be converted into the goods and services required? How is research to be geared to these questions? These are not questions which, I feel, can be evaded or put off. They have an organic relationship to the whole question of internally located and autonomous processes of growth and diversification and to the problems of unemployment and poverty.

II The Role of Higher Education in Development

Public Lecture – Addis Ababa University in Commemoration of the 30th Anniversary of the Establishment of the University

1 January 1981

Let me begin this lecture by making a confession so that my biases can be clear, my prejudices unmistakable and my commitment in no doubt. As some of you may know, I have for a good part of my career been a university scholar, teacher and administrator. I have had the unique opportunity of participating in the establishment of a University – the University of Ife – right from the beginning. Indeed, as I look back, the years I have spent as a University don and administrator, have been the most creative and exciting years of my career. Even today the environment in which I am completely at peace is the university environment and the people I relate to most readily are members of the University community.

You can therefore easily understand why I am particularly delighted that my lecture today is concerned with higher education and development. These terms are fully familiar to an audience like this one. Lest I be misunderstood, I would like to begin by saying as clearly as I can what I have in mind regarding these terms. First, higher education relates to third level education, embracing all post-secondary education institutions, of which universities, polytechnics, colleges of technology, higher teacher training colleges and several specialized training and research institutions are part. As the principal institution in third level education is the university, and as this is a commemoration lecture on the anniversary of a University – the Addis Ababa University – and given my own pro-university biases and prejudices, our lecture will focus exclusively on the role of universities in development with special reference to Africa.

Indeed, among third level educational institutions, it is the role of universities that has been misunderstood over the ages and which has consequently been the subject of controversy – sometimes violent controversy. Other third level educational institutions are specific in their aims and objectives. For example, a technical institute or polytechnic makes no pretences at doing anything else other than produce different cadres of technicians. The role of a teacher training college is to turn out qualified teachers. But because a university is multi-purpose, it has a variety of objectives to pursue. In this regard, it is unique, and it is this uniqueness that has brought about the controversy that has surrounded it throughout the ages. While the controversy has been resolved one way or the other in older and more economically developed countries, it is still topical in developing countries. No doubt it is the topicality that has made the authorities of the Addis Ababa University to invite me to speak on the subject. I shall come back to this later.

DEVELOPMENT, ECONOMIC GROWTH AND WELFARE

Meanwhile, let me elaborate at some length what we, at ECA, mean by development, since this is a term that is not always as fully understood as some people, including many economists, pretend. In any case, it is a term that is defined differently by different people, depending on their background – educational as well as societal and environmental. It is also a term that, more often than not, is confused with economic growth and welfare.

We, in the ECA, insist on making a distinction between develop-

ment, economic growth and welfare. By development we mean the bringing out of innate qualities and talents which are often dormant in individuals and communities and which generally mark off the contributions, technical and cultural, which different individuals and communities make to civilization. It is the basis of invention in material and social technology. It is the output of development that provides the basis of self-confidence which we tend, so often, to lack in Africa, and which so often leads us too readily to accept the norms, values and prescriptions of how to arrange Africa's business from others whom we accept as developed. Indeed, the universal habit of speaking of developing and developed countries, meaning countries of low and high levels of economic growth and welfare, conceals the real meaning of development and suggests that the objective of socio-economic policy in developing countries is to become developed, i.e. to become imitations of the developed countries, as we know them today, with all the social, economic and political problems by which they are beset. Perhaps, I can illustrate the difference by reference to what a colleague of mine once said long ago in Lagos. At that time we were approaching independence and were anxious to train as many Nigerians as we could to replace Europeans in our civil service. He pointed out that if we were to replace every European by a Nigerian, we would simply have reproduced a black colonial civil service and not one really suited to the challenges of transforming Nigeria into a modern State, since to transform the country into a modern state would require a complete rethinking of the structures, procedures, standards and patterns of technical competence, philosophies, etc., which should determine the shape and colour of a Nigerian civil service. Unfortunately, our universities, at least at that time, were designed to produce replacements for Europeans and, till today, we are still struggling with problems of civil services reform and reorientation. But more of this later.

By economic growth, in contrast, we simply mean physical increase in the output of goods and services to meet the needs of the mass of the people. This requires at least four conditions. Firstly, we need to have access to raw materials for conversion into these goods and services. Secondly, we need to have some meaningful idea of the needs of the mass of the people. Thirdly, we need to develop those particular factor inputs essential for converting specific raw materials into goods and services. The African region is blessed with such a variety, quantity and high quality of natural resources that we could have, had we been less confused over the concepts and

operational theories we so arduously studied about the processes and dynamics of development and economic growth, by now been providing for a far higher standard of living for our people.

You will, of course, realize that no country, however well endowed, is likely to have all the natural resources from which the full range of raw materials can be drawn for its economic growth. This means that a considerable trade within Africa in raw materials (as well as in semi-finished and finished products and in-services) would have to be organized. This would call for the development of a pattern of intra-regional transport and communications far different from the pattern of transport and communications with which Africa entered the 1960s.

Fourthly, because so many African countries have small populations, we would need to transform our domestic markets, and then combine them by a variety of economic arrangements into large multinational markets, to enable technologies to be used which require large markets to absorb the output of their production.

It will have been noted that the pattern of factor inputs I referred to a moment or two ago will be determined firstly, by the natural resources/raw materials which provide physical inputs into production. Secondly, by the choices of products and services to be produced. In other words, in island countries educational institutions and scholarship policies would certainly include provision for education and training in marine biology, fisheries and, nowadays, in such resources of the sea as minerals normally found on the continental shelf or the adjacent sea-bed, petroleum and natural gas.

Similarly, resources for research on tropical forest resources in Africa, their uses and the equipment, etc., for such uses would naturally be found in the heavily forested countries of the region instead of in developed temperate countries. Even assuming that, under the colonial system, these institutionalized resources were located and used in England, France, West Germany, etc., by now tropical forest countries would have gone very far in building up, with technical assistance from England, France, West Germany, etc., their own national or multinational tropical forest products research institutes. I hope I have by now made clear the necessity for relevance, rather than sheer quantity in the investments we make of scarce financial and real resources, whether our own, or what we borrowed or what we asked for, as aid and technical assistance.

But I am digressing from the purpose which is to distinguish between development and growth. In other words, development is

a process of bringing about fundamental changes in a society. It transcends, as well as encompasses, growth, and embraces such aspects of the quality of life as social justice, equality of opportunity for all the citizens, equitable distribution of income and the democratization of the development process.

The task of development in any country or community is a difficult and time and resource consuming one. It is also a task for all citizens and national agencies; each has to contribute according to its means and assigned positions. Development is a collective responsibility in which all have to share in the task and labour, as well as in the fruits of development. That is the context in which higher education institutions, and universities in particular, have to play their assigned role. It is this role that we will examine shortly and this we will do in terms of universities' traditional functions and their responsibilities to developing societies. We will, however, view this role in the context of the broader dimensions of development, and the expected contributions of higher education institutions to every facet of human and national development and progress.

ROLE OF AFRICAN UNIVERSITIES IN DEVELOPMENT AS PERCEIVED BY THE CONFERENCE ON THE DEVELOPMENT OF HIGHER EDUCATION IN AFRICA

In September 1962, under the auspices of UNESCO, a group of African scholars assembled in Tananarive in a Conference on the Development of Higher Education in Africa.[1] In the final report of that conference the participants elaborated on the role of higher education in Africa under five different contexts. It is necessary to recall these various spheres in which higher education institutions are expected to perform their role. This is to provide a frame of reference for further elaboration of the subject, for supplementation and reexamination and, as necessary, to suggest a change of emphasis.

The first sphere was the responsibility of the university in the world context by which it must assume the basic functions attaching to higher education institutions, that is, "to teach and impart knowledge as an end in itself and for the education of society; to seek the discovery of Truth which for centuries has defied the genius of men; to disseminate its findings to all, so that mankind generally and the African in particular may shed shackles of ignorance and want and the world may be a better place in which to live. Accordingly,

the African university must maintain an unswerving loyalty to the international intellectual community, transmit an appreciation of intellectual values, uphold academic standards, and become a centre of intellectual mobilization and remain a focal point from which ideas and thoughts radiate".

In a second dimension, and within the context of the African scene, the conference participants concluded that the African university has responsibility to forge unity, by assuming an African character, but without becoming isolated from the main stream of civilization. In this connection, the "university should contribute to a synthesis of national, regional and African unity, by adapting curricula to African needs for enriching both the individual and the nations of Africa". They must encourage and support the elucidation and appreciation of African culture and heritage through research in African studies. In the context of the regional situation, "the African university must be a factor in social progress and seek to free the African socially and culturally. ... It must accordingly provide opportunity for continuing education to all by making use of extension classes, extra-mural courses and popular universities" and must encourage opportunities for women's education.

In the country where the university is located "higher education has an obligation to raise the intellectual standards of the population, to improve the quality of education at all levels, and to provide training to meet the country's needs". Hence, its programmes must place emphasis on the training of teachers, preservice and in-service training for planners, executive and managerial personnel required in public and private sectors, preparation of doctors, engineers, agriculturists, nurses and other technicians for the rapid social and economic development of the country.

A fourth dimension that the conference participants identified was the role of higher education in the development of the "whole man". For the full development of the individual "higher education institutions in Africa should become responsible for placing emphasis on moral and spiritual values, developing a sense of social and civil responsibility as well as appreciation for beauty in art, music and ethics".

A fifth and final task for the university is its role in improving the education system as a whole. As stressed by the conference participants "higher education institutions in Africa must assume a positive role in the improvement of the entire education system and pattern designed to prepare young people at all levels for better

citizenship". This responsibility is to be achieved through the publication of textbooks, educational journals, teaching materials, laboratory specimens, programmed learning, audio-visual aids, etc.

On closer examination of the role higher education institutions should be playing in our respective countries and communities today, it is not unlikely that many people may not necessarily share all the views expressed and all the conclusions reached by the African scholars who met in Tananarive eighteen years ago. But, as I said at the beginning of this lecture, such disagreement with their perception of the role of universities in African development is to be expected. The attitude of societies and their governments to the different functions of universities is determined by the nature of the society and the kind of government it has, so that in a liberal and open society with an equally tolerant and progressive government, a university will thrive in its pursuit of the truth, in its objective search for knowledge, in its unorthodoxy and healthy disrespect for conventional wisdom. But where a society is intolerant of dissenting viewpoints, where the government is illiberal and reactionary, the beacon of light and knowledge which the university constitutes will more often than not bring it into collision with the powers that be. Sycophancy will be substituted for scholarship and the pursuit of knowledge and truth will be deemed subversive. There is fortunately a very close correlation between the degree of academic freedom and the rate of development in any society. It is not by accident that the renaissance, the reformation and the industrial revolution took place in Western Europe where the tradition of academic freedom has for centuries become deeply rooted. Of course, there is nothing absolute in academic freedom, which has always carried with it a great deal of social and moral responsibility.

From the foregoing elaboration, it is obvious that the role of higher education institutions, whether viewed in the national or international context, can be narrowed down to five basic responsibilities; namely, to seek and propagate truth and new knowledge; to develop people; to develop culture and arts; to provide leadership to the education sector; and to support national development with knowledge, skills and research. It will be clear from what I have said so far that I uphold academic freedom as a *conditio sine qua non* for social progress and development in any society. I believe strongly that every university should be enabled, and indeed encouraged, to discharge fully these five basic responsibilities. It is by so doing that it can perform fully its role in bringing about a socio-economic

transformation of the society within which it exists. A university is not a factory designed to produce only one product – graduating students. Its mission in society is more fundamental and basic and most pervasive.

CHANGING ROLE OF AFRICAN UNIVERSITIES SINCE THE TANANARIVE CONFERENCE

There is no gainsaying the fact that Africa has witnessed a tremendous expansion in university education since the end of World War II. Today, there is hardly any independent African country without a university and there are now about 80 universities in Africa. The development of universities in my own country, Nigeria, while probably atypical, is symptomatic of the rapid changes which have taken place in this field in Africa. After several years of abortive attempts to get the colonial government to establish a university in Nigeria, one, the University College of Ibadan, was eventually established in 1948 – two years before the Addis Ababa University. And until independence in 1960, it remained the only university in Nigeria. Then, between 1960 and 1962, four new ones – Ife, Nsukka, Ahmadu Bello and Lagos Universities – were established. The sixth, the University of Benin, came into existence in 1972 and between 1975 and 1977 seven additional universities had been established – thus bringing the total number to 13. The establishment of another 5 to 7 new ones in the 1980s is under serious consideration.

Because of the rapid expansion of African universities – both in numbers and in activities and student enrolment – it may be too early to evaluate realistically the performance of their role. Our judgement must, at this stage, perforce be tentative. I am saying this because I know that there are many Africans in high positions who are impatient with African universities and who are very critical of their role and contributions. While these people, or most of them, are no doubt well meaning, they must remember that 30 to 40 years in the life an institution such as a university is too short a period to come to any firm judgement about its adequacy in the performance of its duties.

Having said this, let me add that, as is to be expected, a number of problems and issues have emerged in the course of these past years, some of which, unless corrected immediately, may permanently impair the contribution of our universities to the development of

our societies. Given the time constraint, I shall only concentrate on five of these problem areas: (i) problems of heredity and environment; (ii) problems of accountability and relevance; (iii) problems of autonomy; (iv) problems of explosion of knowledge, and (v) the need to develop centres of excellence. We will not touch upon the problems of staffing and of students' unrest (or student power as it used to be called in the sixties). Nor, given the time factor, are we able to deal with the problem of the ever-recurring dearth of resources.

An institution, like an individual, is the product of both heredity and environment. This is particularly so of the African universities. In terms of their ancestry, they are importations of European models. And given the circumstances under which they were established, this was perhaps inevitable. Sir Eric Ashby, who led the now famous Ashby Commission on Higher Education in Nigeria, has compared African universities with imported automobiles. "Those founded by the British" he wrote, "displayed at independence the three attributes of British universities. In constitution, they were autonomous, deliberately detached from the State. In standards and curriculum, they emphasized the thin stream of excellence and the narrow specialism. In social function, they regarded themselves as restricted to an elite".[2] And Professor J. Ki-Zerbo of Upper Volta admitted some years ago that "until as late as 1968, university degrees in Francophone African countries were issued by the French Ministry of National Education".[3]

Thus, African universities have, right from their inception, faced the problem of heredity. They have been under constant pressure to become truly Africanized. Some have responded to this pressure more successfully than others, but there is no doubt that there is still a lot to be done by all our universities to become truly Africanized. But here I must hasten to add that I do not see anything un-African in our universities trying to perform what other and older universities do, i.e. transmit knowledge through teaching; expand the frontiers of knowledge through research; and, provide services to societies at large through extension of extra-mural services. In the interplay between heredity and environment, some of the irrelevant inherited characteristics will, over time, be discarded but we must always be careful not to throw out the baby with the bathwater. But having said this, it is also essential to add that African universities must do all they can to shed their Ivory Tower image and become more involved in the societies in which they are. It is only by doing this that they can contribute to the change and progress of these

societies. Nevertheless, I must join Dr. Arthur Porter in expressing the hope that African universities will continue to "provide solace and, where necessary, detachment for the scholar to carry on his work in pursuit of the truth without being bullied and pushed around by outside authorities and without fear of publishing his research findings, however unpopular these may be. Our universities, like all renowned universities, must be able to produce scholars of unquestioned integrity who can give sincere and objective opinions on important issues whether economic, scientific or social, in a climate of work insulated from pressures. Our universities, while serving our societies, must also make their contribution to the world's share of knowledge".[4]

This leads me to our second set of problems – that of accountability and relevance. Our universities should not only be committed and concerned, they should also be socially accountable. They should influence, and be seen to influence, education at the primary and secondary levels and the type and content of their curricula must reflect the needs of their societies. In this connection, the structure of subject offerings in our universities reveals serious gaps.

What, in effect, we have found out was that, in a broad sense, higher education in Africa was concerned, not to produce men and women who could identify and evaluate utilizable natural resources, extract raw materials from them and convert these materials into goods, but men and women best suited, within certain limits, to operate and maintain these goods when they have been imported. For example, there seems to be a marked inadequacy of provision for such areas of production specialization as the science and technology of materials, engineering design, agronomics, i.e. man-machine relations, all of which are basic for the development of technology. A few of the most striking examples will be helpful such as technologies relating to machine building (including machine tools, foundry, forging, welding); textiles, pharmaceuticals, forest products, chemicals and petro-chemicals, pulp and paper, printing, fisheries, fats and oils, sugar. The fact that I have confined myself to technologies of production does not by any means imply that this is the only area of weakness. We could, for example, add: earth sciences, radio, TV and cinematography, power engineering with special reference to the newly emerging energy technologies, business economics, natural resources economics, actuarial science, regional planning and human settlements, marketing and distribution, insurance, climatology, sanitary engineering...The list is really quite long, but I hope I have

made the point of the need for the relevance of subject offerings and the curricula to the development needs of Africa.

The reference to regional planning and human settlements related to the very large number of river and lake basins in Africa, enables me to draw attention to the interdisciplinary character of development and economic growth, and to the need for steps towards encouraging interdisciplinary studies and course offerings. In the field of science and technology, for example, the post-war advance of many disciplines has greatly narrowed down the apparently simple and clear boundaries which separated them and led to the evolution of many cross-disciplinary studies. A similar process is going on in the field of liberal studies and a third area of change combining scientific and technological with liberal disciplines. As is well known, agriculture is a recognized inter-disciplinary field of study. Engineering design is another and so, it seems likely, will be multi-modal transport. Regional planning and human settlements are now closely associated with integrated rural development. Although there are many other fields of study calling for cross-disciplinary knowledge, I think I have demonstrated the need for some fresh thinking on this subject.

Thirdly, is the issue of university autonomy. This, I must admit, is a thorny issue in many African countries, including my own. Indeed, the relations between the State and the University have been with societies throughout the ages. Autonomy can be examined at two levels – individual and institutional. At the individual level, I used to assert when I was a don at my University that I have been appointed professor to perform three functions: teach, research and write and publish the findings of such research work. Any attempt to interfere with my performance of the functions was an interference with my academic freedom. As for the institution itself, I agree with the Lockwood Report on the University of Zambia on this matter when it said:

> Autonomy substantially means the freedom to select and appoint staff, to choose and admit students qualified by appropriate experience and by suitable test, to plan out research, to award degrees and diplomas, and to award scholarships. It certainly does not mean that an autonomous university has an absolute licence or an entitlement to pursue courses of action which are irrelevant to or unconnected with national needs. Government, in granting this autonomy, has a right to expect that it will not be abused.

I also share Arthur Porter's conclusion on this matter when he said:

> While guarding their internal freedom, our universities should constantly be thinking of how they can be responsible, constructive and loyal without being servile. Self-discipline it has been said, is the most hopeful defence against the imposition of discipline from outside. The function of the university, as a corporate body, is to seek the truth and to serve society; it is not to gain power for itself or to wield authority. If, instead of working in humility and with dedication, our universities start to side with particular political parties and ingratiate themselves, they will, I am sure, run the risk of endangering and compromising the name of the University and curtailing its freedom of operation.
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> Our universities stand at the apex of our education systems, and respect for that position, perceived as such not only by the outside world, but even more important, by our citizens and our governments, is essential for each university's functional integrity and for the preservation of its professional qualifications.

Let me now touch very briefly the remaining two issues. The rapid rate of growth and accumulation of knowledge, the impossibility of acquiring more than a decreasing proportion during formal university education and the need for 'going back to school' during working life are areas of neglect in our universities. In Africa, where we tend to believe that the acquisition of the first university diploma or the doctorate degree marks the highest point of learning, there is a burning need to inculcate in students, without destroying their pride of achievement in obtaining a degree, the acceptance that the bulk of real learning awaits them outside the walls of the university; that what they hold on leaving it is a key, and that learning is a lifelong business. For Africa which has so much to do and so far to go, we need to give attention to the implications and requirements of a learning, self-renewing society. And here I might mention that the university in Africa ought to devote a small part of its resources to the study of what has been described as the knowledge industry.

Closely linked to the processes of acquiring knowledge are the processes of using knowledge. By this I mean, the way in which we use given knowlege to think, to arrive at conclusions and decisions and, often, to act. For centuries it has been the belief that the study

of logic provides the clue to thinking but for many years now research has thrown doubt on this. Indeed, the linear type of thinking associated with the study of logic is recognized as being only a small part of the way inventors, poets, musicians and creative people think. Edward de Bono distinguishes between what he calls linear thinking and lateral thinking and insists that people should be taught different ways of thinking. I believe that the time has come for universities in Africa to give fuller thought to this subject with a view to the improvement of teaching/learning processes.

Finally, there is the perennial problem of getting African universities to agree to a divison of labour among themselves in the highly specialized fields, by each developing a centre of excellence in one particular discipline or profession, not only for national purposes but also for regional and subregional purposes. Fortunately, in recent years, there appears to be a growing acceptance of this view. And ECA is now working closely with the Association of African Universities (AAU) to advance the development of centres of excellence in specific fields in various African universities.

AFRICAN UNIVERSITIES AND THE DEVELOPMENT CHALLENGE OF THE 1980s AND 1990s

It should be clear from our discussion of the five major problem areas that there are many improvements which our universities must make in the 1980s and 1990s if they are to be able to face the challenges of the decades. It is also clear from what I have said so far that how well they play their role depends upon the encouragement and resources given to them. They have already made far-reaching innovative changes to make their programmes more relevant to the needs of national development. They have co-operated with politicians and officials to bring about educational reform. They have contributed a great deal to manpower development and the development of new ideas. While they still need to do more of these things and also to participate directly in the development processes, they need to be encouraged and assisted to make more changes. What is needed is continuous dialogue between government and university authorities, and between university communities and industries, to be able to develop mutual trust, a meeting of minds on what needs to be done, what resources are needed and how the facilities of higher education institutions can be mobilized to facilitate social and economic development. Universities belong to the people and the people need the universities. Both need each other

for their mutual growth and for the development of the nation. After all, next to government itself, the university is the most essential instrument in a country seeking to enter the modern world.

Assuming therefore that the right type of environment will be created, that our governments will exploit all the potentialities of the universities for development purposes, what are the specific challenges which face us as a people, in the immediate future, in the medium term and in the long run, to whose solutions our universities are expected to contribute?

With regard to the immediate future, i.e. between now and the next 18 to 24 months, I can only recall what I said two days ago at an international press conference at which I reviewed Africa's economic performance in 1980 and the prospects for 1981. Let me therefore with your permission quote *in extenso* from that statement:

> The world economy took a sad turn in 1980, with deteriorating economic prospects and generally bleak outlook for growth. No continent has been worse hit than the African region. In the poorest or least developed African countries, for instance, people are, on the average, as badly off in 1980 as they were at the beginning of the decade. In addition to sagging and sluggish economic growth, escalating inflation and growing unemployment and mass poverty, the African continent continued to face four devastating and debilitating problems in 1980: chronic food deficits; pernicious drought; the impact of apparently inexorably rising costs of imported energy; deteriorating terms of trade and balance of payments and mounting debts.
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> In order to feed its population, African non-oil exporting countries are estimated to have incurred a staggering food import bill of US$6.0 billion in 1980 alone. With drought in the Sahelian countries persisting rather than showing any improvement, and with escalating new drought situations in Eastern and Central Africa, many African countries face imminent economic collapse, particularly in the face of the worsening food problem. Yet, according to the FAO early warning system, the food shortages and generally adverse weather conditions in African agriculture will continue in the coming year, aggravated by the presence of large numbers of refugees and displaced persons.
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> The oil import bill of African non-oil exporting countries is

estimated at US$7.4 billion in 1980 or nearly 30 per cent of total export proceeds while their corresponding share of total imports was 25.5 per cent. As a proportion of GDP, Africa's increasingly expensive energy imports amounted to almost 5 per cent. When the food import bill is added to the oil import bill for 1980, the two items, together, account for a total of US$13.4 billion or around 53 per cent of total export earnings, emphasizing the precariousness of African balance of payments in 1980. The ratio would indeed rise further to 61 per cent of export proceeds if the estimated debt service of US$2 billion on the external public debt outstanding for non-oil African developing countries is taken into consideration.

The challenge which therefore faces all African countries in 1981, whether oil-exporting or oil-importing, is three-fold. First, is the need to undertake as a matter of utmost urgency emergency measures for arresting the rapidly deteriorating economic conditions particularly in the fields of energy, food, drought and balance of payments without which a number of the African economies may collapse in 1981. Second, is the growing imperative of ensuring a better and more efficient management of the African economies through reduction in waste in public spending, through improvement in the productivity in investment and through the creation of a social political environment that will lead to a significant reduction, if not completely stop, the present drainage of resources (particularly manpower) from Africa to Western Europe and North America. Third, is the need to translate the Lagos Plan of Action into concrete policies, programmes and projects in national development plans, to make available necessary resources in annual budgets and take all other necessary practical and concrete steps for their implementation. It is incumbent on every member State to begin the implementation of the Lagos Plan of Action in earnest. Unless the African governments develop a sense of urgency and emergency in 1981 and mobilize their entire resources to meet the challenges posed by the rapidly deteriorating social and economic conditions, the very bleak prospects foreseen for Africa in all global economic projections will come to pass.

Many African countries are today on the verge of economic bankruptcy while a few others are simply trotting along. Unless African countries make immediate contingency plans, another round of oil price increases in 1981, a fall in the prices

of Africa's major export commodities leading to a further deterioration in the terms of trade and above all the expected failure of the rains in 1981 will spell disaster and economic ruin for many an African country in 1981.

It is essential that all our universities should be totally involved, not only in designing the contigency plans for the immediate future but also in their implementation.

With regard to the medium and long term, the Monrovia Strategy and Lagos Plan of Action provide a framework for action at national, subregional and regional levels. These two documents deserve the closest study and scrutiny of our universities. Each university, each faculty and department within each university, should ask itself what contributions it can make to realize the goals and objectives of the Strategy and the Plan. For it is by so doing that Africa can move from its present colonial, exploitative, and dependent economy, into a genuinely self-reliant and dynamic economy and thus become a serious force to reckon with in the international economy. As a committed university man, I have no doubt in my mind that our universities will rise to the challenge.

III Address to the Conference of Vice-Chancellors, Presidents and Rectors of Institutions of Higher Learning in Africa and the Lagos Plan of Action

Addis Ababa 25 January 1982

First, let me welcome you all to Africa Hall, the famous and historic headquarters of the Economic Commission for Africa where many decisions affecting the destiny of Africa have been taken during the past 24 years. It was in this very Hall, nearly 21 years ago, in 1961, that distinguished African delegates deliberated upon and established the well-known Addis Ababa targets for the development of education in Africa. But we are assembled here today not to celebrate the twenty-first anniversary of the 1961 Addis Ababa

Education Conference but to take stock of what we are doing, and how we have been doing it, with a view to making the higher educational institutions in Africa play a much greater and more relevant role in the future development of our continent. Thus, the task before this Conference of Vice-Chancellors, Presidents and Rectors of Africa's institutions of higher learning is much more important than that of taking stock of our past performance.

For, more than ever before, independent African States are at a crossroads. The direction in which we move will decide for better or for worse, the fate of our economies, the well-being of the broad masses of our people, and our ability to maintain our political independence by establishing a virile economic base at national, subregional and continental levels, which will guarantee for our people, over time, economic prosperity, social progress and political stability. The fact of the matter is that, as of now, our countries are facing economic crisis of grave portents. Mass poverty and ignorance and disease have become more pervasive than ever before. Our countries face the increasing danger of mass hunger and starvation, and although our continent is well endowed with natural resources, the exploration and exploitation thereof is still the monopoly of expatriate personnel and transnational corporations. We are politically free but today more than ever before we are in economic bondage. Thus, our economic dependence continues to make a mockery of our political independence.

A close study of the Lagos Plan of Action, particularly the manpower implications of planned programmes and development targets in the productive and service sectors of African countries, makes us feel rather uneasy regarding our weak capability as individual nations, as a continent and as a race, to be able to execute the action needed to put the economies of African States on a self-reliant, internally self-sustained and self-generating basis. Although, in quantitative terms, we can congratulate ourselves and our governments for the great achievements in enrolments and outputs in our educational systems, we know that the rapid expansion in output has not been accompanied by a deliberate and relentless effort to re-orientate our higher educational programmes, course structures and contents, to reflect sufficiently the more basic needs of the community and the economies. The result has been a mismatch between manpower requirements and educational products, and a rising level of high school and graduate unemployment. Consequently, our present system of human resources development in general, and our education development

in particular, meets neither the material nor the socio-cultural needs of our countries and communities.

Let us ask ourselves a few basic questions. To what extent have our education systems produced the categories of specialists required to enable us to face the challenge posed by the rapidly deteriorating economic and social conditions? To what extent, and with what success, have our institutions of higher learning stimulated ingenuity and inventiveness in their products, to the extent that Africa requires today for survival and for self-renewal? How successfully have these institutions developed, in our people, self-confidence and the capability and determination to stand on our own feet? Have they produced the genuinely learning and/or genuinely thinking student? And how far have they prepared our countries, our people, and our governments, for the days of turbulence and the discontinuity of the unforeseen that lie ahead? It will be clear from these questions that I am not concerned only with quantity but also with relevance and quality.

Neither myself nor my colleagues at ECA are suggesting that African higher educational institutions are a failure, irrelevant and behind the times. I, for one, having spent a good deal of my working life in academia, will be the last to make such a suggestion. Indeed, my colleagues and I acknowledge that our institutions of higher learning have done a creditable job during the past 21 years. However, the crux of the issue before us is not how well they have performed in the past. It is how adequately they can cope with the looming crisis, and how capable they are in enhancing the prospects of bringing about the socio-economic transformation of our countries.

I have no doubt in my mind that African universities and other institutions of higher learning, properly motivated and adequately funded, can play a major role in meeting the challenge facing our continent. These institutions can provide the lead in socio-economic engineering and related innovations, and in the diffusion of such innovative ideas and practices. All the discussions about acceleration, diversification, balanced and imbalanced growth, structural transformation, development of appropriate technology, etc, that are today topical in the Third World can be realized through the efforts of our institutions of higher learning.

Let me illustrate this point by referring to the development of appropriate technology. What the people in rural areas need most is building materials for healthier dwellings, clean water, clothing, food, simple household goods, agricultural implements for their

agricultural products. This is a basic needs area involving over three-quarters of the African peoples, where our universities and colleges of technology and polytechnics could apply their mental talents, vast knowledge, research skills and technological know-how to help governments devise the needed type of technology. This is what President Mwalimu Nyerere had in mind when he said:

> I've been telling my people, we've got to change, we must mechanize, we must have better tools. But what are better tools? Not the combine harvester. If I were given enough combine harvesters for every family in Tanzania, what would I do with them? No mechanics, no spare parts? But we still have to give people better tools, tools they can handle, and pay for. We are using hoes. If two million farmers in Tanzania could jump from the hoe to the oxen plough it would be a revolution. It would double our living standard, triple our product![5]

But in order that our universities and other institutions can play the multiple role of innovators, social engineers, economic dynamisers and diffusers of knowledge and technique, certain conditions are required and must persist in every African society and economy. Let me mention, briefly, some of them.

First and foremost, these institutions of higher learning must be given their rightful place in society. They cannot discharge their responsibility effectively if they are treated as inferior partners in the development process; if they are starved of funds, scientific laboratories and equipment; if they are perpetually faced with the problems of overcrowding because of inadequate physical infrastructure; if inadequate social and political recognition is given to their contributions; and, if both their faculty and students are constantly under suspicion by the political class which makes them behave as if they are merely tolerating the members of the community of our institutions of higher learning. While I would not support the idea that they should be treated as a privileged class, the present tendency to treat them as outcasts will not bring the best out in them. They need to be treated as true partners in development.

Secondly, and arising from the first set of preconditions, is the urgent need, and indeed the imperative necessity, to involve the institutions of higher learning with the planning process by associating them in policy making since such policies would affect their programmes, for example. The development of factor inputs for converting raw materials into semi-finished and finished products requires, on the part of our universities, the need to identify a

core of production, R & D, marketing and other activities (which have great multiplier and linkage effects) with a corresponding core of manpower and institutional competence. In order that these universities can direct their effort in proper directions, it is essential that there must be constant consultation between the governments and the universities.

Third, the development of manpower profiles for production of a selected number of key chemical, metal, engineering, mining and energy plants, etc., must be properly planned together. Without this being done, the setting up of such production activities would only result in greater economic dependence on our part. We would depend on expatriate skilled personnel and this, together with our dependence for capital goods, will perpetuate and even aggravate the present drainage of our limited foreign exchange resources.

If our education system continues to be deficient in producing the categories of specialists required, in number and quality, to enable us to face the challenge of the 1980s and the 1990s, many governments will continue to train their students abroad. Assuming, most conservatively, that the average cost of the education and training of an African student specializing in third-level or middle-level technology in a developed industrial country is US$9000 per annum, this would mean an annual outpayment of US$2.25 billion for 250,000 students. For a four-year course for the same number of students, the total cost in foreign exchange is US$9.00 billion. While it is difficult to estimate accurately the number of Africans studying abroad, this figure of a quarter of a million is not too wide of the mark.

Fourth, is the development of design, production and distribution of instructional materials, equipment and textbooks. No manpower development for the implementation of the Lagos Plan of Action can be carried through without an enormous expansion of such equipment, instructional materials and book production. Surely we need to review:

(i) the effect of copyright on the reproduction of books and other instructional materials (films, audio visuals, etc.) for educational purposes;
(ii) the problems of expansion of production; and,
(iii) the use of cheap paper for textbooks and teaching materials as has been the case in India.

When will African universities have the majority of their textbooks and student scientific equipment produced or reproduced

locally? And when will some of the good research work done in African universities receive wider publicity at national and regional levels rather than being published in learned journals overseas? These are basic questions within the competence and resources of our universities to find solutions to.

Fifthly and finally, there is the perennial problem of linking formal education with the process of acquisition of relevant practical experience. Besides, we have to be increasingly preoccupied with providing higher education for an increasing number of secondary school leavers. Is it necessary for everyone who qualifies for higher education to go to a university or college campus before acquiring the needed education? Can those who qualify, learn while working and work while learning, and still obtain their higher education, albeit over a longer period of time? This is more desirable since it is common knowledge that many African States have neither the facilities nor the financial resources for marked expansion to cater for greater numbers. Why can't most African universities offer degree and diploma courses by correspondence and through the Open University methods? African universities could advance the cause of manpower development for the Lagos Plan of Action by adopting every innovative approach, in order to ensure that higher education is made available to a critical mass that will enable our countries to accelerate the rate of development, reduce our dependence on expatriates, plug a major source of foreign exchange leakage and internalize the development process.

In concluding my address, I would like to invite this historic conference to consider in the course of its deliberations the following specific action-oriented approaches in making higher education fulfil an effective role in the implementation of the Lagos Plan of Action:

(i) the development of human resources, encompassing educational planning and evaluation, and manpower and employment planning;
(ii) the need to bring education closer to the basic needs and life of the community, and thereby fulfil individual aspirations more effectively, and to this end incorporate women more effectively as a major component of human resources development in rural areas;
(iii) the determination to integrate higher educational establishments into the community and define clearly the role industry, business, and higher institutions should play in the

development of technical, managerial, technological, entrepreneurial and financial skills and capabilities for workers, technicians and other personnel and cadres;

(iv) the introduction of polyvalent education with emphasis on scientific, natural and social sciences and technological disciplines, so as to equip individuals with knowledge, skills and attitudes for the exploration and exploitation of natural resources and to be able to fend for themselves;

(v) restructuring educational systems so as to break dependence on, and imitation of, the developed countries both in terms of curricula, methods, course offering and practices, laying more emphasis on productive education, use of local resources and locally produced instructional material;

(vi) the development of basic appropriate technology courses at all levels of educational system for self-reliance, since modern western technologies which have been used to develop western industrial and agricultural sectors may not always be appropriate to African situations;

(vii) the effective utilization of staff resources, residential and instructional facilities, to cater for increased student intakes in institutions of higher learning;

(viii) the production and reproduction of textbooks, equipment and instructional materials locally and cheaply;

(ix) complementing formal education with non-formal education through correspondence education, distance teaching programmes and open universities;

(x) development-centred and problem-solving research programmes; and,

(xi) finally, the development of university and technology-based consultancy and advisory services.

This Conference should help to give a sharper focus to these issues and proposals and come up with concrete recommendations for action.

CHAPTER THIRTEEN

Social and Environmental Development

I The Prospects of Family Planning in Africa

Conference on Family Welfare and Development in Africa
University of Ibadan, Nigeria 29 August 1976

The hazards of prophecy are too well known to need restatement. Nevertheless, I dare to predict that the last twenty, if not the last fifty years will be seen, in retrospect, as a major watershed in human history, more extensive than the Renaissance in Western Europe, more fundamental than the Copernican revolution.

We have, little by little, been forced to come face to face with issues which range from the near cosmic (such as the political, social and economic meaning of common survival on the same planet) to the microcosmic (such as the ultimate form and nature of matter). Science faces a challenge to justify, in human and social matters, its claim to scarce resources for, and freedom in, research and experiment. Technology faces a challenge, also in human and social terms, not only to its claim on scarce resources but to its right to invent and innovate. All socio-economic religions face a challenge to justify, also in human and social terms, the basic principles on which they rest and even more relevant, the consequences to man and society of the application of those principles.

Nearer home we speak of growth and diversification, of the output of goods and services often without sufficient regard to the effective human and social meaning of such growth and diversification. We conceal the disjunction between growth and diversification, on the one hand, and development and raising levels of living, on the other, by the simple device of defining increases in output in per capita terms. Whatever the branch of knowledge or activity today we must ask what justifies it in human and social terms, and it is here, I believe, that we encounter the problem of the welfare of man and society. I join the two because one is rarely possible without the other.

We know that, beyond a certain point, we can never measure human satisfactions but we can define physical limits of human

suffering and degradation which all societies must accept as intolerable. This is not poverty and unemployment, with realistic hopes of their substantial alleviation in some not-too-distant future, but for a period which to the sufferer appears interminable.

It is necessary to consider the links and the difference between these two forms. It is possible to expand the output of goods and services to such an extent, and to organize the distribution of the social product, in such a way as to keep the mass of the unemployed above what the International Labour Organization has come to describe as "the satisfaction of an absolute level of basic needs".[1] But unemployment is a pernicious individual and social disease which may be as destructive of the spirit as physical want can be destructive of the body. We know also that the 'right to work' does not simply mean the opportunity to engage in activity that is humanly and socially meaningless.

I have gone over this well-known ground in order to place family planning within a broad context. Indeed, it is within this context that the current concern for family planning in developing countries can be understood and properly appraised.

The Genesis of Family Planning

What then is the genesis of family planning? How come that the international community has become so concerned with the world's demographic trends and problems as to hold a global conference on the issues in Bucharest in 1974?

The answers to these questions are to be found in the growing gap between mankind's technological and scientific know-hows and the very slow pace of socio-economic progress in countries inhabited by two-thirds of the world's population. Because of the revolutionary advances that have taken place in technology and science, particularly in preventive and curative medical and health sciences, and because of the world-spread of this knowledge, capabilities of the developing countries to reduce death rates have increased significantly, particularly in the last 50 years.

I do not wish to give the impression that the mortality rate in developing countries is as low as it should be or that it compares favourably with the mortality rate in the industrialized countries. Far from it. But one trend is discernibly clear. Although the death rate is still rather high in developing countries, it is declining while the birth rate remains high and shows no marked tendency towards declining. The result is that population in the developing world has

been increasing very rapidly, almost by alarming Malthusian proportions.

Indeed, the population figures speak for themselves. Whereas in 1800 the world population was estimated at 1,000 million, and by 1920 at 2,000, it had reached the 3,000 million mark by 1960, and by mid-1976 it was estimated at 4,000 million. Thus, during the last 16 years, world population had increased by 1 billion.

An extrapolation of this trend is enough to alarm those people who see it as evidence of creeping Malthusianism. As Mr Robert McNamara, President of the World Bank, has so dramatically put it "it required 1,600 years to double the world population of 250 million as it stood in the first century A.D. Today, the more than 3 billion on earth will double in 35 years time and the world's population will then be increasing at the rate of an additional 1 billion every 8 years. To project the totals beyond the year 2000 makes such a demand on the imagination as to render the statistics almost incomprehensible. A child born today, living on into his seventies, would know a world of 15 billion. His grandson would share the planet with 60 billion. In six and half centuries, there would be one human being standing on every square meter of land on earth, a fancy of horror that even the inferno could not match".[2]

Although all the major regions of the world have experienced higher rates of population growth during the last two centuries than those prevailing in earlier times, the unprecedented increases experienced during the past three decades have been due almost exclusively to the developing countries, which now account for 71.5 per cent of the world's total and is increasing at the rate of 2.5 per cent per annum while the developed countries which account for only 28.5 per cent, are experiencing an annual average increase of only 0.9 per cent.

The population of Africa estimated at 219 million in 1950, and at 273 million in 1960, had increased to 401 million by mid-1975. The annual rate of growth of Africa's population was 2.2 per cent between 1950 and 1960 and 2.6 per cent between 1960 and 1975. It is now estimated that between 1975 and the year 2000, the average annual rate of growth will be about 2.9 per cent, bringing the total population of the region by the end of the century to 814 million.

To many who are genuinely concerned that, at this rate, there will hardly be enough standing space on this our planet for all of us, the only way to avert the impending disaster is through population control, and they see family planning as one of the tools for achieving such control over the growth in population. True enough,

the argument is broadened to the wide spectrum of economic development. And because the countries that are most densely populated and are experiencing very rapid rate of growth in population are also, as we have seen, the economically underdeveloped countries, population control is seen as a factor in economic development.

The answer to this line of argument was once given in a rather blunt way by the President of one of the African countries, who retorted to a protagonist of family planning as a means of alleviating poverty as follows: "When there were four million people in my country we were poor, very poor; now that our population is 13 million we are still poor, very poor."

While we should, no doubt, reject the approach of those who argue that population control is a *conditio sine qua non* for socio-economic development we must not go to the other extreme of dismissing it as being totally irrelevant. There are, no doubt, linkages which I hope to identify in the course of this address. But in order to enable us to put these linkages in proper perspective let me dwell, during the next few minutes, on the challenges which face us in Africa in the task of bringing about self-sustained growth and thereby improving, in a fundamental way, the welfare and well-being of the average citizen and the primary unit of social organization – the family.

The Challenges of Development

What are these challenges as seen by the governments of this region? Briefly, they do not see the problems of mass poverty and unemployment as soluble merely by the somewhat crude concept of population control which, ten years ago, was urged upon developing countries. Instead, they firmly hold to the view that the governments and national communities of the region must evolve a new strategy of socio-economic change which involves the installation within their countries, singly or jointly, of the mechanism of self-sustaining increases and changes in the composition of the social product.

I have used the term 'the social product' in order to emphasize the right of every man, woman and child to a share of that product. In terms of the ILO Conference, these increases and their distributions must be such as to ensure to all the satisfaction of an absolute level of basic physical needs. The organization of production must go further; it must provide opportunities for meaningful participation in the enlargement and diversification of this product. They finally

believe that the socio-economic changes implied in this programme cannot be brought about by a philosophy which sanctifies organized human cupidity, attributes to this factor all the major achievements of mankind regardless of fact and psychology, and is able to assign responsibility to no one for the size, composition and distribution of the social product. In other words, they believe that direction (and responsibility) are both necessary and desirable. This accounts in part for the insistence on an increasing and substantial measure of self-reliance.

We in the Economic Commission for Africa, see these challenges as requiring, in practice, the development of industry, agriculture and the rural sectors in such a way that they interact with each other, not by chance, but as a result of deliberate and careful planning. It would take us too far out to describe the implications for the search, evaluation and controlled extraction of natural resources, the development of human skills, the expansion of infrastructure, the expansion of directly productive capabilities such as farms, industries and services, new patterns of spatial organization of economic activity, and so on.

What is clear to us is that pre-occupation with the mechanics of such massive socio-economic change may conceal an asymmetry that defeats its purpose. For example, the riposte that some of us made to the cruder arguments for, and concepts of, population control were equally gross: that the ratio of population to natural resources in the region did not justify the alarm raised or the policies proposed; that a high ratio of the young concealed potentialities for social and material innovation; that whilst it was true certain social ills were likely to be intensified or generated by the process of economic growth, these were unavoidable accompaniments of the process; that large markets, i.e., basically large population, are a necessary condition for large-scale techno-economic units of production.

The asymmetry to which I refer lies not in the ratio between population and natural resources, but in the relationship of the rate of growth of population and the rate at which the population of working age could build up the skills, capital goods and services, raw materials supply capabilities, and institutions, in order to expand and distribute the social product in such a way as to effectively reduce mass poverty and unemployment, and to guarantee to all a level of living not below 'the satisfaction of minimum basic physical needs.' In other words, family planning becomes a positive factor in achieving the very objective, and implementing the strategy, to which governments of the region have committed themselves.

Review of Family Planning Activities in Africa

What then are the prospects for family planning in Africa? And to what extent has it been used as a positive factor in achieving development objectives, in meeting the challenges posed by socio-economic development? Before attempting an answer to the first question, let us face the second.

Family planning as an organized programme of activity in Africa is comparatively new. This is not to suggest that it was unknown even in traditional Africa. However, it can be safely said that it did not assume the proportions of an organized activity. It was a traditional and cultural phenomenon with introspective application and consequences. Organized programmes of family planning activity have invariably been at the initiative of voluntary organizations, usually international in origin with, in some cases, national branches. For example the International Planned Parenthood Federation (I.P.P.F.), the Population Council, the Pathfinder Fund, Ford Foundation, the International Association of Schools of Social Work, the Population International Services, the Family Planning International Assistance and the Association for Voluntary Sterilization, are the most active in Africa.

Partly because of its international origin, partly because of its relatively recent origin, and partly also due to fuzziness and ambivalences on the part of many an African government, family planning has not made as much headway as it has made in other parts of the world. Organized family planning activity in Africa dates only from about 1964, although an association affliated to I.P.P.F. was founded in Uganda in 1957.

The number of countries with official family programmes increased from three in 1965 to seven in 1975 while the number of countries allowing voluntary family associations to operate freely, sometimes with material support from government, now stands at 21. In all these countries, the number of acceptors continues to increase year by year. There is now some activity even in the French-speaking countries which, only a few years ago, were considered as 'untouchable' as far as family planning was concerned.

Notable among the African countries which have pursued family planning vigorously are Mauritius, Tunisia and Egypt. In fact, Tunisia has gone to the extent of legalizing abortion, on socio-economic grounds, for women with five or more children living. Another country whose example in this field may be cited is Algeria,

which over the last few years, has made considerable progress in the introduction and expansion of family planning as part of maternal and child health services. Recently, the Algerian Government concluded an agreement with the United Nations Fund for Population Activities (UNFPA) for assistance in the expansion of these services.

No doubt, and in spite of the relative newness of organized family planning activity, success in Africa has been limited and the pace is rather slow. If the situation is to improve in the future, it is most important that we identify the causes that have tended to inhibit a more rapid progress in Africa. Let me pinpoint only a few.

Firstly, the advocates of family planning have tended to give undue emphasis to family planning as a means of attaining accelerated development. This emphasis has led some Africans and their governments to suspect the intentions of family planning advocates and prevent its adoption as policy by governments.

Secondly, and from the point of view of the individual, there has been, until very recently, no direct linkage between family planning activity and his welfare. The national and global gains of family planning have received more attention than the individual welfare gains. While in the course of the last 20 years sociologists and anthropologists have devoted a great deal of attention to the family, this has not been the case with demographers. Studies undertaken by the latter have been directed principally to the "final product" – fertility – and have been conducted from a macro-demographic point of view. Thirdly, and this is related to the preceding point, the spread of family planning activities in Africa has been hindered by the lack of necessary and basic infrastructure, particularly health infrastructure, and educational facilities. This is more so in the rural areas where 80 per cent of Africans still live and where infant mortality is still very high.

Fourthly, the absence of a social security system, particularly for the aged, has perpetuated the age-long attitude of regarding large families as an insurance against old age. Particularly in rural Africa, large families are justified on the grounds that the parents in their old age, when they are unable to work, would be supported by their children. Another reason for the desire for large families in rural Africa is the need for adequate labour to help parents in their daily work, especially in subsistence agriculture.

Fifthly, there are the social and cultural factors which have always had considerable influence on the demographic life of the family

group. As one of the United Nations documents prepared for the World Population Conference entitled *To Promote Human Welfare and Development: A Digest of the Basic Documents*, has so rightly pointed out, "each culture carried with it a set of standards that regulate marriage, fertility and the rearing of children. In fact, cultural norms often determine rules of behaviour in the most detailed way...Such standards also determine the division of work between the sexes, the distribution of authority within the family group, the status of children and their value in the family".[3]

The African culture which regards the primary, if not the sole role of women as reproduction and population replenishment, is still strong and pervasive.

The following anecdote is symptomatic. In 1974, at one of Nigeria's teaching hospitals, a Canadian-trained Nigerian Professor of Gynaecology was debating with a young Nigerian gynaecologist who had received his training in the United States, the case of a 24-year-old illiterate mother of five whose husband wanted more children. This woman was suffering from a severe right-sided abdominal pain, unrelieved by medical measures. Surgery was contemplated and the young American-trained gynaecologist had suggested tubal ligations at the same time. The experienced professor's advice was "Do not touch her tubes unless it is absolutely necessary to save her life." "Why?" the young man queried. "Because you will be creating more problems than you can solve. You know, African men will have nothing to do with a woman once they know she cannot conceive," replied the Professor. "Rubbish" retorted the young man.

The surgery took place, a tuborvarian abscess was found and drained, but no tubal ligation was done.

This case history would no doubt shock the family planning enthusiasts who would say "At 24, with five kids already and still so many more reproductive years ahead."[4] The Professor was aware of the social consequences of sterilization for the woman. Not only would she feel defeated because of losing what she regards as the symbol of her womanhood, she will also be the talk of her neighbours and friends, particularly members of her sex who will never tire of reminding her of her "worthlessness", and her husband will take another wife who could continue to prove his virility and productivity. Indeed, the social, psychological and emotional consequences of sterilization for an African woman, particularly the rural woman, are too serious to contemplate. Because of these, a

woman would prefer to stay in perpetual pain or even die than to take the chance of knowing that she will be unable to bear a child again, regardless of the number she already has.

The sixth and last obstacle to the spread of family planning practices in Africa is not unconnected with their foreign origin. As I have earlier indicated, most of the organizations, particularly voluntary organizations in this field, are foreign. Most of the personnel propagating family planning in Africa are either expatriate or foreign-financed. This has generated a suspicion that family planning is foreign supported for political and even racial reasons.

Linkages between Socio-economic Development and Family Planning

Since World War II the effect of demographic growth on the development of developing countries has been the subject of long debates and discussions. Some people, particularly from the developing countries have tended to make generalizations about the future based on the economic and demographic history of the present-day industrialized countries. Such generalizations invariably ignore or play down certain significant factors.

First, fertility in the industrial countries, with the exception of USA and USSR, was at the moment of their take off into self-sustained growth, lower than the present fertility of the developing nations. Secondly, mortality in the industrial countries declined more slowly than it has in the developing countries and was a part of their rising standards of living. And thirdly, these countries had massive recourse to emigration as a way of reducing their excess population. The "new" countries of North and South America, Australia and Southern and Eastern Africa were outlets for the excess population of Europe. This outlet is not available to today's underdeveloped countries.

Whilst it is true that moderate demographic growth can facilitate development, it is also true that very rapid demographic growth can, in many cases, compromise the course of the development process. Thus population is both a factor (either positive or negative) in the development process as well as the beneficiary of that development if and when it takes place.

While the decline in mortality is an outcome of medical and health science and technology, as well as of social and economic progress, no one is as yet sure of what the most important determinants of the

decline in fertility are. However, and here I quote again the United Nations publication to which I made reference earlier:

> There is agreement that a continuing process of modernization contains the germs of a progressive disappearance of the extended family and of an evolution towards a type of social relations in which pressures exist favouring nuclear families of small size and low fertility ... Economic and social growth constitutes an irresistible force leading to a decline in fertility. Despite the weakness of the concept of the demographic transition, which seems incapable of indicating what amount or what threshold of modernization is necessary to set in motion a decline in fertility, still nothing less than the entire population feels the impact of modernization and is subject to changes in fertility and mortality that were unthinkable before the modernization process began.[5]

Thus, in the final analysis, the only way of achieving low fertility in developing countries is through rapid and accelerated processes of development and modernization. Population policies can in no case be regarded as substitutes for direct efforts at economic and social development.

The Future of Family Planning

Given this analysis, the prospects for family planning in developing Africa become clear. They are inextricably linked with the prospects for development and modernization like the carriage is linked with the horse. They are indeed inseparable. Development and modernization bring about fundamental changes in many things including attitudes, beliefs, and social mores. And, to bring about significant changes in fertility calls for fundamental changes in our social mores, in our attitudes and beliefs and in our family system in Africa.

What I am saying, in other words, is that the future of family planning lies in its being integrated with the development process. A significant decrease in fertility cannot be realized without raising the living standards of the poorest people. And raising the living standards of the poorest people in turn cannot be achieved unless governments embark on integrated rural development aimed at the transformation of the rural sector.

In most of Africa, too much lip service has been paid to rural development and transformation. And, since 80 per cent of our population live in the rural sector, our achievements in the field of

socio-economic development will continue to be circumscribed until we have addressed our minds vigorously to rural development and have allocated the main share of our resources to this objective.

And until this is done, the impact of family planning on population growth will continue to be extremely limited.

II Speech to the Second Conference of African Ministers Responsible for Social Affairs

Alexandria, Egypt 10 January 1977

About ten years ago, in April 1967, representatives of twenty-six African States attended a conference in this same country, in order to inaugurate the First Conference of African Ministers of Social Affairs. At that First Conference in 1967, our main preoccupation was to prepare a strong African position for the world-wide International Conference of Ministers Responsible for Social Welfare which was to be convened at the United Nations Headquarters, in New York, in September 1968. But, in addition, the Conference unanimously voted that action-oriented research be conducted into ways and means of strengthening co-operation among African member States of both the ECA and the OAU, as well as with international agencies concerned with policies, planning and training for social development, rural development and the effective utilization of Africa's human resources.

During the ten years since the First Conference, the scope and nature of the challenge to social policy, social planning and social development have been enlarged beyond anything we thought of in the early 1960s. Policy-makers and planners are having, almost reluctantly, to come face to face with the intertwining of social, cultural, technological and economic factors. Development planning can no longer be left to economists, technologists and finance experts. And economic growth can no longer conceal the built-in seeds of its own ultimate failure through the economist's device of measuring output per caput. We can no longer avoid asking questions such as: Development for what? For whom? By whom? And brought about in what way?

Today, we are groping for ways in which to incorporate three broad aspects of social development into national planning and plan implementation: the specific social objectives, such as employment or the reduction of mass poverty; the monitoring and mitigation of social ills generated by the economic growth process; and the utilization of socio-cultural factors in promoting economic growth and national welfare. We do not at present have the appropriate methodology worked out, and the instruments are in many cases experimental. Of course, we had all for too long played around with "social welfare" as if its only concern were the urban destitute, the delinquent or the handicapped. This was because the recognition that extensive social change was a necessary condition to, and accompaniment of, economic growth was slow to dawn upon us. The link between growing urban unemployment, rural-urban migration and the increasing impoverishment of the rural population was not immediately obvious. We have now come some distance. What is more, the role and status of women and the waste of the young are now major subjects of anxious thoughts.

But there are other links which are not yet fully grasped everywhere in the region. For example, social development is not a matter of charitable gestures towards the under-privileged and the unfortunate. It is at the very heart of the process of growth and diversification of economic output since knowledge, skills, increased human capacities and motivation of people are the essential ingredients of any development effort. We ignore the problems of the spatial organization of socio-economic activity only at peril, and we confuse ourselves if we believe that material technology is independent of social technology.

For a self-sustaining and self-reliant society, education is no longer what it used to mean. Even when we speak of extending literacy to some target percentage (if not to all) of the population, we need to be sure of what we mean by literacy. Equally, work opportunity now no longer means just any kind of paid employment. Nor must we forget that, in general, employees need employers. Until today, it can even be argued that the present instruments of policy-making, administration, planning and plan implementation have not changed much from what they were at independence.

I have deliberately shifted emphasis from the familiar concepts of social development and social welfare – youth programmes, integration of women, health and nutrition, rural infrastructure, co-operatives, agrarian reform, etc. – not because they are not impor-

tant but because I want to argue the case for a wider perspective to the work of conferences such as this, and institutions such as the Regional Research and Training Centre we are here to establish. Thus, there have been widespread failures in concept, in policy-making and planning and in the instrumentation, with regard to the kind and scale of socio-economic engineering required for self-sustainment and self-reliance, and for effective handling of the problems of unemployment and mass poverty. These failures arise mainly from the tendency to accept models and prescriptions based on the societies much different from ours. We are faced with the need to recognize and accept that there are no world authorities on the management of the processes of socio-economic change, that there is no alternative to learning as we go along, and that we cannot escape the need for social and institutional experimentation and innovation.

In designing these two major components of the Centre's work, it must be borne in mind that, by and large, the social institutional framework and the administrative structures have remained the same. The main centres of development activity and relative prosperity are still the towns, and the industrial enclaves, such as the sea-ports, the capitals of Government administration and the mining townships; and that by far the larger parts of our countries still consist of isolated villages, which grow a few export crops or depend almost entirely on subsistence farming.

At the same time, our region is undergoing a process of rapid change much of which seems to be haphazard and unexamined. The problems of unemployment, nutrition, illiteracy and low levels of living, with which we are familiar, are no more than indications of much deeper ills. It will not be enough to organize research into the symptoms or to train staff for administering palliatives. Powerful efforts will be required to infuse policy-makers and planners, and even project designers, with not merely a set of skills or research tools, but essentially with a permanent sense of awareness of the social aspects of what may not conventionally be defined as social.

III Speech to the International Conference on Assistance to Refugees in Africa (ICARA II)

Geneva 9 July 1984

While it is most necessary and laudable to extend charitable and humanitarian assistance to refugees and returnees towards their relief and rehabilitation, this does not and, in fact, should not preclude the need for the refugee or the returnee to feel that he is not a liability to anybody, and that he can, on the contrary, positively contribute to his own subsistence and to the development of the society. This is why resolution 37/197 adopted by the General Assembly in 1982, which convened this conference, appealed, on the one hand, for the resources required for durable solutions through direct assistance for the relief, rehabilitation and resettlement of refugees and returnees, and, on the other, for those needed to cater for the specific requirements of the receiving countries whose economies and infrastructure are heavily taxed and strained because of the presence of refugees and returnees. However, such a distinction between refugee-related programmes and those designed "to strengthen (the) social and economic infrastructure (of the countries concerned)" should not, in any way, hamper the process of integrating the refugees and returnees in the productive economy of the receiving countries. In fact, complementarity is not only desirable but also needed, if refugee assistance is to be development-oriented, so that they can contribute to the overall national development efforts of their countries of origin or of asylum.

Against such a background, ICARA II should not be seen as a pledging event only. It should be seen also as a forum to discuss measures needed to promote lasting solutions to refugee problems as they are obtaining in Africa, and to define broad guidelines for future actions. Hence the motto selected for this world gathering: *Time for solutions*. Solutions, if possible, to all the problems confronting the refugees in Africa. Consequently, we must, first and foremost, seek solutions to the emergence of the refugee problem in Africa. And to this end, we should boldly strive to survey and discuss

the causes, immediate or remote, that provoke asylum-seeking in Africa. We should not shy away from exposing the objective findings of all studies that need to be undertaken to that end, which, from my point of view, should constitute the beginning of a new phase for the refugee situation in Africa – a phase of realistic analysis of facts and of genuine search of reasons that could lead, in a foreseeable future, at least to a halt in the increasing flow of asylum-seekers.

And, since I am mentioning the asylum-seekers and the causes that press them to cross boundaries and request assistance in a country that is not theirs, permit me to recall and record some facts that are part of the dire realities of the critical situation in Africa today. Refugees in Africa could be divided into four main categories. There are

(i) those who have fled the stranglehold of the apartheid regime in South Africa;
(ii) those who could be given as the remnants of the struggle against colonial rule;
(iii) those who are the victims of internal strifes or social unrests; and,
(iv) those who crossed boundaries because of inter-State problems.

All the four categories, whatever the reasons that have maintained them as refugees, deserve assistance and should be granted not only asylum, but also adequate means to integrate themselves, as early as possible, in the productive sectors of the economy of the countries in which they are. The principle defined in the 1969 OAU Convention which emphasizes that "granting of asylum is a peaceful and humanitarian act", if applied, in its letter and spirit, would certainly pave the way for efficient durable solutions to their problems.

However, there are other asylum-seekers in Africa who, unfortunately for them, are not covered by the existing international or regional instruments, and whose living conditions and possible productive activities tend, therefore, to be entirely ignored. These are:

(i) those who are compelled by poverty or disappointed hopes to expatriate themselves;
(ii) those who migrate in search of a job, because the general economic conditions in their own countries have so

badly deteriorated that they have remained or become unemployed;

(iii) those who cross internationally-recognized boundaries because the persistent drought has decimated all that was sustaining them in their increasingly impoverished environment; and

(iv) those victimized by famine or by natural disasters.

The economic asylum-seekers, as well as the victims of natural disasters are not considered as refugees. But they deserve as much attention, sympathy and assistance as the latter, especially now that every African country is in the grip of very serious economic problems. I am neither thinking nor advocating that those asylum-seekers be granted any special legal status. I am rather inclined to give more attention to the strain that they constitute for the already devastated economies of the receiving countries. The displaced populations, whose movements across national boundaries inflate the refugee flock, tremendously complicating the issue of accuracy of data, constitute a sizeable part of the vulnerable groups in Africa for whom aid is urgently needed. May I be allowed to quote, in this connection, the Special Memorandum adopted, a few weeks ago, by the ECA Conference of Ministers on Africa's economic and social crisis? Reviewing the direct effects of drought in Africa, the African Ministers responsible for Economic Development and Planning stated that "the emergency situation has (...) aggravated the movement of persons in search for food and water. Water for human consumption and animal husbandry, particularly in the rural areas, has been drastically reduced as a result of the drought. Wells and boreholes, which support the livelihood of thousands of small communities, have dried up. In one southern African country, as many as 100,000 people have crossed the border to a neighbouring country which happens to be also a large food-deficit and drought-affected country". In another document on the critical social and economic crisis in Africa, the needs engendered by population displacement in the affected countries are assessed as follows: "... At least 11 out of the 24 food-aid-dependent countries appear to have been affected by an increase in the movement of persons from within or outside their national boundaries, in search of food, water, grazing land and shelter. Such an increase is estimated at more than 5.5 million people in the countries concerned ... The types of assistance required or requested include financial assistance for the population not surveyed by UNHCR or not residing in camps, the

provision of domestic relief items, including food, and the provision of transport and distribution facilities for the delivery of food, vaccines and drugs to the affected populations..."[6]

I did mention, earlier, that this conference is invited to discuss measures needed to promote lasting solutions to refugee problems in Africa. The ideal solution is, as we all know, voluntary repatriation. And when the latter is either quite remote, impossible or inaccessible, permanent or durable solutions in countries of asylum should be found. But whatever the solution, it should not mean for the refugee a return to poverty. It should, rather, pave the way for his active participation in the development process of the receiving country. Repatriation, settlement or resettlement should be directly linked to the role which refugees and returnees have to assume in the implementation of the development plans of their countries of origin or of asylum. Otherwise, they will continue to be a population in need of charity and assistance, a burden to be shared with aid-giving and humanitarian organizations, a strain on the economy of the receiving countries, while in actual fact, they should be an asset which, through well-conceived and rapidly executed rehabilitation programmes, can become productive, and positively contribute to the development endeavours.

In 1979, addressing the opening ceremony of the Arusha Conference on the situation of refugees in Africa, I said that "through charity alone, assistance extended and sustained will end up by alienating (the refugees), as they will feel, on good grounds, that they are a group of marginal, burdensome and useless human beings. Can Africa permit such a delapidation of any part, however limited, of its human resources?" Five years later, as Africa is in the grip of a serious economic and social crisis, this holds true more than ever before, all the more reason why the African ministers have retained human resources mobilization and development on top of the list of long-term structural development measures to cope with the current crisis.

IV African Youth and the Challenge of Socio-Economic Development in Africa

Convocation Address

University of Zambia, Lusaka 8 December 1984

It is indeed a great pleasure and privilege for me to be here today to accept, with gratitude and humility, the degree of Doctor of Laws (honoris causa) of the University of Zambia which the Chancellor has, a few minutes ago, graciously conferred on me.

It was only two years ago – on 24 October 1982 – that His Excellency, President Dr Kenneth David Kaunda conferred upon me one of the highest civilian honours of this great Republic – the Grand Commander of the Order of Distinguished Service of Zambia, First Class. I would like to assure you that both honours will be treasured by me throughout my life as they constitute marching orders to me to continue to devote all my energies – intellectual and physical – to the service of humanity, by contributing my quota to the upliftment of our people, to the eradication of Africa's underdevelopment, and to ensuring that Africa does not remain in perpetuity the permanent economic underdog of the world – marginalized, peripheral, exploited and expropriated.

I need not repeat before this august academic assembly what unfortunately the whole world already knows so much about – our poverty, our dwindling ability to feed our rapidly growing population, the unequal partners that we are in the international economy whereby we get less and less for our export produce and minerals while we pay more and more for the manufactured goods that we perforce have to import, and, the heavy burdens imposed on our fragile and ailing economies by high external debt, rising interest rates and high ratios of debt service to export earnings.

As if these difficulties are not enough, the drought phenomenon has come to compound and aggravate our unenviable economic situation. Today, virtually the whole of Africa is ravaged by drought. The food situation has deteriorated so drastically in the drought-stricken countries, particularly the most-seriously-affected ones, that many lives have been lost and continue to be lost

daily. Water for human consumption and for animal husbandry has been drastically reduced as well and boreholes which support the livelihood of thousands of small communities have dried up. Hundreds of thousands of animals have died and millions of people and animals have become displaced in their search for water and pastures.

Our task today, tomorrow and in the years ahead is, therefore, to take all measures that will turn our current unenviable economic situation into an opportunity for laying the foundation for the fundamental restructuring of the economies of Africa, so that we can turn our present despair into hope. Only we, the Africans, can do this for ourselves and for our countries. *Nobody else will.* The international community may, and indeed must, help but in the final analysis our economic survival and emancipation can only be achieved by us alone through hard labour and sweat, through self-discipline and sacrifice, and through developing confidence in our ability to be masters of our economic destiny.

What role can and should the African youth – particularly the most privileged among them, the University and College graduates – and our institutions of higher learning play in this process? What role should they be playing in enabling Africa to face the future, master the probable and manage the unpredictable? It is imperative for our youth to have a clear perception of the socio-economic environment in which they will live and grow and the challenge they must face.

Without doubt, among the most vulnerable groups who are most seriously affected by deteriorating socio-economic conditions are the youth. They constitute the hard core of the unemployed. Even among University graduates, unemployment is becoming more and more rampant. Yet the youth of Africa constitute a very significant proportion of the continent's population. Even if we define youth as those within the age group of 15–34 years, we are talking of a population of 141 million in 1980. It was only 67 million in 1950 and is projected to reach 575 million in the year 2025. This is indeed a very significant proportion of Africa's population, constituting 36.9 per cent of the total population by the year 2025.

But even more significant than their share of total population, is their potential as the engine of growth and development. After all, no one can deny that youth have the energy and the creative ability and can, with determination, develop the enthusiasm and dynamism that are indispensable elements for turning our present economic tide. Youth is the golden age of man. It is the phase of

man's life when the flames of passion burn within; when he has vision and idealism; and when he believes that he can accomplish any feat.

Let it always be remembered that the political revolution which Africa witnessed in the 1950s and 1960s – that is the achievement of independence – was fostered by the youths of those years. Kwame Nkrumah, Seretse Khama, Jomo Kenyatta, Obafemi Awolowo, Nnamdi Azikiwe, Ahmed Sekou Toure, Julius Nyerere, Milton Obote and Kenneth Kaunda, to name only a few, were already household names when these leaders were in their early thirties. They were visionaries who believed that Africa can and must be free and set about leading their people to freedom. If Africa is ever to bring about the willed future that the Economic Commission for Africa has been talking so much about, the youth have a crucial and decisive role to play.

How can the African youth achieve such a breakthrough, which our present-day leaders achieved in the political field, in the economic field, during the next twenty to twenty-five years? For Africa to achieve an economic revolution, it has to completely decolonise its economy and for it to be able to do this, factor-inputs must become, over the years, overwhelmingly native and indigenous. The entrepreneurs and the innovators, the scientists and the technologists, the investors and the managers as well as the captains of industry must be predominantly Africans.

If this is to happen, the graduands of today will have to be in the vanguard. You, together with your contemporaries throughout Africa, will have to perceive the daunting challenge that is your generation's responsibility to tackle. And having perceived it you will have to develop the grit to meet it face to face. This calls for certain attitudes and qualities, the most important ones being physical and moral courage, patriotism, social conscience and justice and refusal to accept the nefarious doctrine that Africa is destined to remain for ever the underdog of the international economy.

Unfortunately and most regrettably, we are now in what has been called THE ME ERA, under the guise of which a large and growing number of people have abandoned themselves to a special kind of selfishness and to a unique disregard for the claims of sociability and order. People, like Ovid's Narcissus, love themselves only, even to death.

Excess of self-love and excessive individualism threaten community and authority, destabilise society and undermine the law.

Although, traditionally, we Africans have a group-focussed image of change this has now been replaced by the ego-focussed image of change – thanks to the imitative and acculturative type of modernisation that we have pursued. If all our youths went around all the time experiencing Freud's "oceanic feeling" and talking like Nietzsche's Zarathustra and behaving like Goethe's Faust, then the willed future for the African economy will remain a will-of-the-wisp.

What are our Universities doing to prepare our youth for the daunting challenge that they will inevitably have to face the moment they leave their campuses? How are they inculcating in them those qualities – intellectual as well as physical, moral as well as social – that are required, not only to face, but also to master, the uncertain and wily future? What is being done to make less of the narcissist of our youth and more patriotic humanist of them?

These, no doubt, are large questions. And, no doubt, also they are easier posed than answered. But every African institution of higher learning has a social duty to address itself to them and to many more, for the ultimate purpose of education is the unfolding and realization of man's creative potentials. Man is both the initiator and beneficiary of development. But unless his perception is adequately sharpened and his social responsibility clearly articulated, the process of engineering socio-economic revolution will never begin. In order to ensure that this does not happen, our institutions of higher learning owe it to Africa to avoid a mismatch between our manpower requirements and their educational products. It is their sacred duty to strive hard to ensure that their products meet both the material and socio-cultural needs of our countries, of our communities and of our economies. Indeed, education and training at all levels – whether formal or non-formal – must prepare the youth for their future role as dynamic agents of change and development.

It is becoming increasingly clear that the capacity of governments and their parastatals as the main engine of growth, and as the major source of employment for the growing number of college graduates and school leavers, is likely to decline progressively over the years. In other words, an increasing proportion of the products of our educational system must perforce look elsewhere for their means of livelihood, and that elsewhere means self-employment either on their own or in partnership with others. What our respective governments can and should do is to create the necessary environment which will enable initiative and enterprise to thrive, and which will

enable innovation and entrepreneurship to take root and grow in all sectors of our economies and in all human endeavours. This is the only viable way by which we can achieve a self-reliant and an internally-generated process of development.

Until the educated elite in our societies can generate growth and development through direct personal involvement in the productive sectors, and through the combination of their knowhow in arts, humanities, science and technology with finance, management and organization, we shall not be rid of the yoke of economic dependence that is our inheritance from colonialism. If we are to arrest the present economic crisis, turn the tide in our favour and achieve a truly indigenous economic breakthrough and revolution, our youth, particularly those of them that have had the privilege and opportunity of acquiring University education, must turn their back to white collar jobs and become direct producers and true agents of production. They must be in the vanguard of the new economic crusade that Africa must embark upon if it is to achieve an increasing measure of national and collective self-reliance. I am delighted that such a crusade has, during the past few days, been launched for Zambia by His Excellency the President. This is the opportunity for the youth of Zambia to put themselves in the vanguard of the crusade because if it succeeds they will be the greatest beneficiaries.

V Address to the Regional Intergovernmental Preparatory Meeting for the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace and Third African Regional Conference on the Integration of Women in Development

Arusha 8 October 1984

Almost ten years ago, in June/July 1975, a world conference on the integration of women in the development process was held in Mexico. That Conference, for the first time, attempted an overall analysis of the global economic and social situation of women and laid the foundation for a comprehensive ten-year plan identifying the priority areas to be tackled in order to promote the full utilization of women both as contributors to and beneficiaries of development efforts.

We are gathered here today to take stock of the past ten years and more importantly to design a programme for the future based on the lessons we have learnt. Indeed, it is most appropriate that our review and appraisal of the ten-year African Regional Plan for the Integration of Women in Development is taking place in Arusha, Tanzania, where the avowed aim of the Party and Government has been to give equal opportunity to all men and women irrespective of race, religion and status. As early as 1968, well before the Mexico Conference, President Mwalimu Nyerere wrote "By virtue of their sex, women suffered from inequality which had nothing to do with contribution to the family welfare. If we want our country (Tanzania) to make full and quick progress now, it is essential that our women live on terms of full equality with their fellow citizens who are men. The basis of rural life in Tanzania must be the picture of cooperation in its widest sense – in living, in working and in

distribution and all with an acceptance of absolute equality of all men and women.

Not all countries in Africa had such a conducive setting for the acceleration of women's integration in the development process. The significance of this Conference is to review the progress made since 1975, to identify those factors that have continued to persist as an obstacle to progress; and, to discuss alternative scenarios whereby impediments are removed and equality of opportunity becomes a reality, enabling women to fully use their potential. This is no longer a cliche or rhetoric – all international strategies, including the Lagos Plan of Action, have come to accept the integration of women as a major strategy objective. Thus, in his address to the International Conference on Population in Mexico City on 13 August 1984, the Secretary-General of the United Nations, Mr Perez de Cuellar, stressed the improvement in the status of women must be an important goal in itself, since it is a determining factor in dealing with population problems. "It is essential", he said "to involve women on an equal basis with men in all phases of the socio-economic development process, including planning, policy-making and decision-making. This necessarily involves equal access to education, training and employment of women". The Kilimanjaro Programme of Action on Population and Self-Reliance, which was adopted in this very Hall at the end of the ECA Conference on Population held in January 1984, is also along similar lines.

At a time when the African continent finds itself in a serious economic crisis, the role of women, its greatest human capital, must be re-examined. Although the poor performance of the African economy has no doubt affected progress in achieving the objectives of the Decade, nevertheless, the review of the past ten years shows that some important gains have been made which should be used as a springboard for future action. The ECA review of the implementation of the 10-year African Regional Plan of Action for the Integration of Women in Development shows that the African women, though enduring the adverse consequences of a dependent economy, often unwise in its management of scarce resources, have managed to articulate clearly their unequal status in society, the crucial role they play in development and the need for appropriate action and strategies on the part of governments to correct the situation. Thus the Decade has fulfilled the important functions of preparing the ground for more effective action.

African Governments have no doubt made, at various levels, efforts to improve the status of women and to guarantee them equal

access to available opportunities. Such efforts can be seen in the ratification of the United Nations conventions on women by different countries, in national legislation on employment, maternity protection, marriage, inheritance and property, and in generous provision of education for girls. Most African countries have enshrined in their Constitutions the principles of political, economic, social and civil rights for all their citizenry – men and women. It is realized, however, that if in theory the written laws and constitutional positions do not discriminate against women, in the practice and implementation of these laws, we do meet here and there discriminatory practices.

The achievement of the Decade would have been higher, despite the development problems of the region, if women's access to the development resources and decision-making levels had not been restricted, and the social and economic realms which they may enter been narrowed significantly.

The worst case is, of course, apartheid South Africa where discrimination is total and affects every minute of the daily life of women. The apartheid state stands opposed to the major goals of the UN Decade for Women which are equality, development and peace. The United Nations has passed resolution after resolution condemning apartheid and its ramifications. Our study of the problem concludes that the greatest assistance that we all can give to the women of South Africa and Namibia would be to desist from giving economic and diplomatic support to apartheid. Everything else would flow from this position. Our efforts must be intensified in this regard.

For the rest of Africa, the Decade has, first and foremost, brought an unprecedented number of studies, programmes, and meetings on the situation of women, highlighting the visibility of women and increasing their self-confidence and awareness.

The picture of the female population, estimated at 237 million, in the region, is a mosaic. The majority struggle for survival is in the rural areas, marginal urban areas, or in isolated arid regions like the Sahel where overwork, poor nutrition for themselves and their families, and declining quality of life, are the norms. Others are on the path to development with the capacity to improve somewhat the economic, nutritional, educational and sanitary situation of themselves and their families. Thus, as a result of disparities in income, environment and access to resources, different patterns of living have evolved. The challenge for the future is to ameliorate the harsh living conditions of such women.

Secondly, the review of the Decade indicates further that African governments have directed a considerable amount of resources and energy to expanding educational opportunities. In many cases the share of females in total enrolment at the first and second levels has increased at a more rapid rate than that of males. Gender parity, at least at first level, is likely to be achieved in the foreseeable future. And in the health sector, many countries in the region, while striving to meet the health needs of their population, have given preferential treatment to women, who have thus benefitted from health and medical services offered, especially in rural areas. Family planning and nutritional programmes have been directed largely to women and children. Much emphasis has been laid on the importance of clean water supply, and many governments are taking measures for the supply of water to the people in rural areas as well as urban areas where population growth has outstripped the capacity of existing facilities. Yet much remains to be done in this field.

Thirdly, the response of African governments to the call of the Plan of Action for the establishment of National Commissions on Women and Development, supported by technical units for research and planning, has been particularly encouraging and positive. Women's bureaux, commissions, ministries, units within sectoral ministries or wings of national political parties have been established in most countries of the region. Acting as focal points, these machineries have helped to mobilize women, initiate projects, collect data, and act as pressure groups for policy change and action.

Fourthly, the ECA established, at the regional level, the African Training and Research Centre for Women, in 1975, to assist member States in the formulation of policy, research and for enhancing the capacity of women. The ECA African Regional Co-ordinating Committee for the Integration of Women in Development was inaugurated in March 1979 as an advisory body on the women's programme at regional level. Since then it has played an active role in all ECA Programmes. At subregional levels, the ECA established Multinational Programming and Operational Centres (MULPOCs) in 1979 to promote inter-country co-operation. A network of five subregional committees for the integration of women in development has been organized to work through these MULPOCs with the object of decentralizing and strengthening field activities of the women's programme.

Finally, a plethora of non-governmental organizations, credit associations, banking facilities, technology centres, and pro-

fessional associations of women have sprung up in the region during the Decade, enhancing women's position and opportunities.

Despite the above gains, however, the economically active female population is still heavily concentrated in traditional agriculture and associated activities in the rural areas, and in the amorphously mixed bag of survival known as the informal sector in urban areas. The more organized sectors of employment such as modern agriculture, manufacturing, commerce and services are still thought of as proper male fiefdoms.

ECA's thought for the future of our efforts towards the advancement of African women rests on the following considerations. Firstly, unless the deteriorating economic situation in the Africa region is reversed, the population at large, and the vulnerable groups, particularly women, will not have access to sufficient resources in order to improve their living conditions. In the best of times, we know, women are at the periphery of considerations, and in crisis situations, women and children are likely to suffer the most.

Here we face a vicious circle. As the bulk of human capital in Africa consists of the female population, are they not also the very agents to reverse the downward economic trends that the region is undergoing? Who is most likely to play a dominant role, for instance, in resolving the food crisis facing sub-Saharan Africa if not the women? Do they not also determine the quantity and the quality of the labour force required for the development of the region? Clearly, by virtue of their socioeconomic status, women must play a more forceful and active role than in the past in determining national priorities and in challenging assumptions on the nature of women's work which focus exclusively on women's domestic functions. Harnessing fully the economic potentials of women will go a very long way in contributing to the solution of our current crisis.

It is true that women's silent submission to traditional, religious and cultural practices, particularly in the rural areas and among illiterate women, are obstacles to be reckoned with. However, leaders of national machineries like yourselves must redouble your efforts in attacking traditional and customary values and beliefs which deny women equal access to opportunities and prevent them from fully developing their potential.

Governments must intensify their efforts at integrating women in their plans and strategies at all levels – women should not only be given recognition in time of crisis like wars for independence or disaster situations, the process must be continuous. As I stated

before, the future situation of women in Africa will depend to a large extent on the capacity of the system to integrate our women more effectively into development efforts.

As Africa has a young population of over 44 per cent below the age of 15, greater attention than in the past must be given to young women and girls for they are the adult women of tomorrow. Furthermore, this group of young people have been born in our independent nations free from the stigma of colonial domination. They have not suffered the abrupt transition of our generation. The young population of Africa are likely to be, therefore, more flexible and innovative in facing the future than our aging generation.

One of the great benefits of the Decade has been the generation of vast resources externally and internally to finance projects directly and indirectly affecting women. ECA strongly endorses the view that impact analysis on women is essential to improve the effectiveness of aid projects. Furthermore, both the donor and the recipient countries are equally responsible for removing any obstacles which impede the full utilization of assistance. Efforts should be made to develop more sophisticated measurement tools and improved methodology for maximum impact. Greater attention should also be given to large development projects which directly or indirectly affect the lives of women especially in the rural areas.

The above reflections on the past Decade lead us to conclude that actions dealing simply with women's situation and divorced from the rest of society would have minimal impact. The only genuine possibility of a better future for the majority of women in Africa will come in the context of a self-reliant and self-sustained development, which is the thesis of the Lagos Plan of Action, where women fully participate in all structures and decisions of society. Here governments, international bodies, NGOs and other organizations are major instruments for achieving this condition. The translation of this lofty goal into practical plans and actions awaits our intensified efforts, and I have every hope that, with determination and sustained action, we can achieve it substantially by the turn of the century.

VI The Impact of Development, Modernization and Social Change on the Style and Quality of Life in Africa

Lancaster University, England 8 September 1982

In this address, I will focus on the determination of those critical factors which have influenced our concepts, perceptions and values, and the approach to the solutions of the problems of the effect of economic development, modernization and social change on the style and quality of life in Africa. In addition, and viewed in the context of environment and human settlements, some indications of where we have been heading will be presented, against the background of the need to install a balanced world economic order, drawing extensively from regional as well as global strategies for action.

Socio-economic Development, Life Style and Settlements in Africa

In his statement, at the opening of Habitat: UN Conference on Human Settlement (Vancouver 1976) the then Secretary-General of the United Nations, Mr. Kurt Waldheim, observed that:

> The symptoms of an increasingly serious situation in human settlements are evident in virtually all countries. There are differences in the kinds of problems and in their severity, but hardly any country has escaped the consequences of the inadequacy of past policies and programmes. The most noxious of these symptoms are only too conspicuous: poverty and unemployment; rural stagnation and the mass exodus from the country-side into the cities; everspreading urban slums and squatter settlements; the world-wide and growing shortage of housing, the inability of governments to provide basic services of water and sanitation; the menace of air, water and land pollution; and, the crisis in municipal finances in the face of augmenting burdens.[7]

Because the consequences of the inadequacy of past policies and programmes have become too evident in Africa, particularly since

the 1970s, efforts have been made to explore joint projects and research programmes regarding environment and human settlements, with the objective of finding alternative patterns of development and life styles for the African region. For such alternative patterns to emerge, we Africans need to install in our respective countries, patterns of development which reflect the social and economic realities of our peoples.

The search for alternative patterns of development and life styles is a reflection of the rejection of the deplorable and generally unsatisfactory conditions of living; particularly in the urban areas which are crying for renewal. The trends in social well-being and the quality of the environment in African countries and elsewhere have called for some serious re-thinking about the directions and future course of development. It is now clear that efforts to replicate alien life styles, production and consumption patterns in the past have often led to a continuing state of unhealthy dependency, to the persistence of mass unemployment and poverty, and to increasing disparities in the distribution of income and wealth, as well as gradual loss of cultural identity. Approaches to planning of development have been predominantly based on economic factors such as rate of growth of GNP, rate of return on capital investment and on indiscriminate acquisition of foreign technology. The life styles resulting from such patterns of economic growth have led to serious environmental degradation and rapidly increasing social costs, natural resources depletion, degradation of urban environment, technologically created unemployment, alienation, pathological urbanization, erosion of family and community life, and, in general, a deteriorating quality of life. It is no longer questioned whether the dominant patterns of growth and life style should be sustained. The growing distortion of indigenous development patterns and life styles has made it progressively difficult to realize the declared aims of social progress and to make autonomous choices of priorities.

Furthermore, it is very clear in my mind that despite the experience of development in several African countries, productivity of labour and other factors of production has remained low. The internal dynamics of growth have not led to self-reliant and and self-sustaining economic development in most cases. Moreover, sizeable sections of rural populations, particularly women, have been left out of the mainstream of development. There has been a notable persistence of intellectual colonization in many parts of Africa, which has weakened the efforts to design new develop-

ment patterns and life styles that are rooted in the African situation, and which are fully consistent with African aspirations. There has been also a notable lack of systematic attempts to utilize and draw on traditional experiences and knowledge in the development process. Is it any wonder, therefore, that we have rapidly aggravating human settlements problems in Africa?

Evolution and Problems of Human Settlements in Africa

The problem of human shelter is, of course, as old as the history of man himself. The location of his shelter in spatial terms has always been an expression of man's struggle to manage his resources in order to improve on the means for his survival. The level of accessibility of human habitation to the location of activities that make for development and modernization will greatly determine the social response to development and modernization whether the latter are initiated locally or are external to the environment. The comfort of the home, the salubrity of the aggregation of homes that form settlements, the accessibility of these settlements to each other and the accessibility of the social and welfare infrastructure, all these, as adaptations to the process of development and modernization and the resultant social changes, will have a determining impact on the quality and style of life in a given community.

In Africa, it is generally true that our industrial development, such as it is, has had and still continues to have deleterious impact on human settlements and the quality of life. Mineral resources exploration and development, including petroleum development, has had similar impact on human settlements and on the quality of life. Depending on the type of mineral resource development, settlements spring up around these mines so fast that there follows also environmental deterioration and sometimes slums and shanty towns. The agricultural plantations that have been opened up have also tended to generate comparable settlement patterns and problems.

Basically, development and modernization should enhance the conditions of living and enrich the cultural heritage of the people. The settlement planner is expected to understand and respect those cultural attributes of a people that give them identity, and avoid introducing settlement mutations that will not rhyme with the aspirations of the people and ensure that they fully enjoy the endowments of their physical as well as human environments. I regret to say that this is far from being always the case as far as Africa is concerned.

Let me now deal, albeit briefly, with the evolution of African settlement growth patterns. The first stage can be situated in pre-colonial times, running through the epoch when mobility did not transcend the people's perception of their territorial boundaries, and people just led the most rudimentary life from day to day. The only territorial boundaries that existed came to be based on the principle of first occupancy. The family and its descendants laid claim to these bases. Production was not consciously structured. Economies were traditionally determined by the internal structure of kingdoms that rose up to impose themselves. The records of historians and Islamic travellers such as El Bakhri, Ibn Kaldoum and Ihn Batouta, speak of the importance of the cities which existed then. In this regard, one can mention places such as Gao, Kanem, Koumbi Saleh (ancient capital of the Empire of Ghana which had about 30,000 inhabitants); others were the cities of Kano, Timbuktu, Ile-Ife, Ketu, Benin, Axum, Gondar, Mbanza Congo and Zimbabwe among others. The population of these centres, which was considerably large for the period, was in many known cases such as Koumbi Saleh, Kano, Oyo, Benin and Axum organized into large agglomerations some of which were constructed of stones and slabs, and others of mud and wood. Besides, they were the nucleus of economic activities where trade in artifacts, precious metals and spices was carried on; they also provided inspiration for cultural and spiritual pilgrimage and the focus of diplomatic activities. They bore testimony to the dynamism of the kingdoms within which they were located.

The pre-colonial period ended with the breakdown of empires all over the African continent. Nevertheless, during that period, the African traditional settlement represented the totality of a social myth expressing the family with its agricultural lands which provided not only subsistence but also the concept of the community-myth. Relationship between settlements was governed by lineage as well as market principles involving trade by barter or exchange in kind. However, with the establishment of trade routes linking the West African empires and the Central African kingdoms with the Northern and Eastern coasts, the pre-colonial cities became important trade centres in which commercial activities as well as craftsmanship developed, along with the tradition of learning and scholarship. There were, consequently, physical and human as well as eco-environmental considerations to be taken into account.

During the colonial era, the imperial powers not only established their political and economic hegemony but also sought to impose

cultural domination and substitute the patterns of their life style for the African traditional life styles. The cumulative effects of all these were that the internal structure of the built environment began to be patterned along those built according to European norms, and more often than not with imported materials. The idea of an alternative to the traditional norms for the construction of houses was progressively introduced and local African building industry became heavily dependent on imported materials and skills.

The changes were not confined to the type of materials used for building. A new settlement pattern was also established whereby the cosmopolitan centres were designed in such a way that the government residential areas were segregated from the native residential areas. I must add that this is more true of former British than of former French colonies. An element of town planning was also introduced and with it, the notion of organized social and welfare facilities. As a by-product, a new quality and style of life emerged as the communities were becoming more cosmopolitan. People began to move to the new centres in search of jobs and new opportunities. Urbanization was taking root and rural areas were being depleted of their young. The populations in these urban and cosmopolitan centres grew so fast that the supply of housing and other utilities was consistently far below basic requirements, and the quality and general condition of life consequently steadily deteriorated. The housing situation became very difficult because there was now the increased dependence on imported building materials. Attempts to provide more facilities that would improve on the quality and style of life were further frustrated by increasing rural exodus.

With the beginnings of industrialization, new types of settlements emerged. Population began to move to industrial areas in search of jobs, and settlement types, whose dynamism depended on that of the industry, began to develop. Two situations became evident. Where there was foreplan to lodge the labour force, settlements with a planned structure allowing for the provision of welfare and public utility services developed. The salubrity of such settlements depended not only on the growth of the industry but also, and most important, on the development and modernization components that were planned into the industry. The other side of the coin was where there was an influx of job-seekers who began to set up habitation to wait for the time when a job might be available or those with jobs who began to acquire property and construct homes; in

such cases, shanty towns sprang up and squalid conditions stepped in.

New Directions for better Shelter and Habitat in Africa

Concerning policies, strategies and related research and development on human settlements, it is true that the benign neglect of the colonial era continued even after political independence, the real situation being that very few African countries had definite housing and settlement programmes. Even two decades after independence, the situation has not improved significantly because the cities retained their former economic, political and administrative functions. Thus, economic policies pursued still bore a strong legacy of the colonial era. With the persistence of economic underdevelopment and dependence on external economies, there was an aggravation of the structural socio-economic and regional disequilibrium and the intensification of the dualism in economic and living standards associated with existing forms of over-urbanization and uncontrolled settlements.

In the area of techniques and technologies for building construction and settlement planning, the worsening international economic situation, the research into substitute raw materials in the West coupled with a legacy of dependency on foreign technology by Africa, have made building materials too expensive and scarce. Also, while the idea of master-plans was feasible in establishing new towns, the old towns were frustrated by the costs involved into abandoning the idea and letting things take care of themselves.

In the circumstances, it became clear that something had to be done to guide national policies affecting the development and modernization of human settlements for better environmental conditions and general quality of life. Consequently, after the apparent inactivity of the 50s and 60s, the 1970s brought in an underlying theme, and recognition that development is a multidimensional concept which encompasses not only economic and social aspects of national activity but also those related to the housing needs for the masses, the use of natural resources and the environment, population, the style and quality of life, and habitat. It is in this vein that major international conferences during the decade of the 1970s focused on environment (Stockholm, 1972), food (Rome, 1972), population (Bucharest, 1974), industrialization (Lima, 1975), employment (Geneva, 1976), human settlements (Vancouver, 1976), water (Mar-del-plata, 1977), desertification (Nairobi, 1977), primary health care (Alma Ata, 1978), and climate (Geneva, 1979).

Although these new emphases of the 1970s are novel concepts, yet their implications for interdisciplinary research and policy formulation are considerable. In specific terms, for instance, they point to the need to search for causes of seemingly technical problems such as desertification, deforestation and soil degradation among such diverse factors, as demographic trends, modes of production, forms of technology, patterns of consumption and earnings, including the prevalence of poverty and income disparities. They further point to the need to determine the full environmental impact of existing development patterns, and call for a systematic extension of the current development models and strategies to include import inter-relationships between population, resources, environment, habitat and development, with a view to defining alternative life styles.

The phenomenon of self-reassertion is becoming stronger every day in the continent, particularly when it is recognized that some of the most advanced civilizations of history belonged to this region – Old Oyo, Benin, Songhai, Abomey, Zimbabwe, Sokoto, to name just a few whose innovativeness in building and construction activities compared favourably with those of the ancient Greek and Roman forms from which modern Western construction engineering has developed. Inspired by these historical facts and the unfavourable economic conditions all over the continent, Africa's cry for the need to redefine the development models, policies and strategies has become more urgent than ever. This found expression in the series of activities that led to the adoption of the Lagos Plan of Action for the development of Africa during the next two decades, 1980–2000, in April 1980.

Since industrialization is the base for growth in all sectors of the development process, and since it is also the basis for determining the level and quality of production and consumption that, in turn, scales the quality and style of life, it is not surprising that the Lagos Plan of Action welcomes the initiative of the General Assembly in declaring 1980–1990 as the Industrial Development Decade for Africa. The Plan defines the requirements for the achievement of industrial development at the national level. It also calls for the creation of a network of small and medium-scale industries, as well as the encouragement of the informal sector and the use of local resources and raw materials as inputs to industry so as to lessen the dependence on imported industrial inputs. Most significantly, it calls for the formulation and implementation of policy measures to stem rural-urban drift through the

decentralization of industries and the development of rural infrastructures.[8]

The strategies and programmes for the Industrial Development Decade for Africa include industrial activities at national, sub-regional and international levels. As concerns bulding materials and construction industry, priority is given to those activities which will result in low-cost housing for the benefit of a larger proportion of the population. These activities include the intensification of the:

(a) production of cement;
(b) development of the production of other materials – lime, intermediate building materials, clay or stabilized soil products, wood or vegetable fibre panels which are capable of bringing solutions to the needs of the rural and semi-urban population, bearing in mind their financial capabilities;
(c) creation of pilot demonstration and training projects;
(d) promotion of research on building materials and construction;
(e) upgrading of traditional construction materials and techniques; and,
(f) organization and improvement of local building skills especially those of small and medium scale contractors.

Our concern at the ECA secretariat for better human settlement planning policies takes into full account the related issues of environmental management and planning policies. African environmental problems are many and will increase as industrialization and urbanization grow. Most African cities do not have adequate sewerage and refuse disposal facilities. Poor city transport planning causes traffic congestion and high rates of air pollution result from motor vehicles exhaust and industrial emissions. In this regard, coastal towns require particular attention as they are the foci of major and important development activities as well as recipients of hinterland and local pollutants that are washed down by drainage systems.

In the search for solutions relevant to African conditions, we are of the view that the environmental problems of Africa as a whole are essentially different from those of the outside world, and that these problems predominantly reflect poverty, manifest, in both rural and urban areas, in the gross inadequacy of the basic infrastructure for survival and the rampant prevalence of want, malnutrition, poor health, diseases and general infrastructure for development. To a

great extent, these settlement and environmental concerns are those that can be overcome by the implementation of appropriate programmes of economic development and modernization. They are concerns that are bound up with the issues of habitat and are clearly reflected in the prevailing patterns and quality of human settlements in Africa. And, lastly, they are concerns predicated on the provision of the basic needs for survival, such as housing, health services, clean water supply, employment, education and recreation.

A suitable urbanization policy must have to deal with the problems of inequities in the distribution of wealth and services. The economic and social transformation of the rural sector should be pursued by developing and implementing programmes directed at promoting centres of rural development destined to arrest the flow of migrants to the city, expedite the industrialization of rural areas, and develop infrastructures for the improvement of community life. Such rural-based programmes will also help to correct the disequilibrium in the distribution of revenue and services between regions and social classes.

If the excessive lure of the cities and rural exodus are to be contained, it will also be necessary to reduce not only the marked concentration of industrial activities in the cities but also the concentration of a great number of public services, employment opportunities, medical and educational services. The existence and growth of these medico-socio-cultural facilities in the urban centres have also been aided by the dominant administrative functions of the cities which are known to be growing at a very rapid rate of around 5.0 per cent yearly. The big cities with 100,000 or more inhabitants recorded a growth rate of about 8.6 per cent. To underline the rapidity of urban population increase, it is useful to note that the rate of global demographic growth for Africa hovers around 3 per cent. This rapid urbanization and the inability of the urban economy to absorb the increased population is at the heart not only of the inequities between rural and urban survival prospects, but also between the well-planned, salubrious zones and the depressed areas of the city.

Conclusion

From what I have said so far, it is clear that there is an urgent need for each African country to formulate coherent and comprehensive policies which emphasize the interdependence of rural and urban areas, as a vital component of a self-reliant and self-sustaining

development process. In each subregion, it is vital that the built environment should be treated as a living organism. This calls for flexibility in the incorporation of sound practice of land management that considers not only current but also future or projected requirements.

In the matter of inadequate shelter, the lower income households should be the target group for attention and action. The institutional framework for any housing programme should be oriented to serving more of the poor majority than has hitherto been the case. In particular, more public funds should be applied to satisfy the needs of the lower income, self-employed and agricultural workers. The rural area which is often isolated from the centre and lacks access to resources should be given due attention. This would ease the housing pressures on metropolitan areas by reducing the volume of rural exodus, creating new investment and employment opportunities for the rural population.

The desired re-orientation has to be pursued through the improvement of management capabilities and financial resources, project execution and operation. Alternative approaches to generating housing funds and providing new mechanisms for mortgage lending should be sought. It is important that in the exercise, both national and international finance have a role to play, and hence national governments should provide the people, especially those in the rural areas, with the necessary access to such funds, the necessary capacities for the management and for acquiring technical support for the design, execution, monitoring and evaluation of housing and settlement projects. In this respect, one should be guided by the need to rely more and more on local construction materials, design and techniques, in order to reduce the escalating costs of the excessive use of unadapted imported technology and materials, and to relate meaningfully to the realities of the people and region. For this, and for the general goal of promoting self-reliance, the development of indigenous construction industry is vital. African Governments should, within their overall development goals and objectives, accord adequate financial, technical and political support to the establishment of such industries.

These are some of the issues to which I wish to draw your attention. They are, as you can surmise, issues basic to the survival of Africa. To that extent, they bear, if not direct, some remote affinity to the North–South programme for survival as expounded in the Brandt Report. It is abundantly clear that the Habitat and Human Settlements problems discussed so far have their genesis

partly in the prevailing inequality in the world and the countries of the region, and partly in the failure of existing economic systems to provide the much-desired solutions and improvements. Just as the Brandt Report argues a case for recognizing the mutual interests of the North and South, the present assessment also accords great importance to recognizing the mutual and, indeed, symbiotic interests and interdependence of the different regions of Africa and, within each national boundary, of the interests and interdependence between the rural and urban areas. In the final analysis, what counts is the shaping of the common destiny of mankind for the mutual survival of all, no matter where located. The pursuit of this calls for egalitarian reforms and increased participation by all sections of the population as advocated both in the Brandt Report and in my analysis of Habitat and Human Settlement problems in Africa.

VII Statement to the Third Meeting of the Intergovernmental Regional Committee on Human Settlements and First Meeting of the Joint Intergovernmental Regional Committee on Human Settlement and Environment

Addis Ababa 28 June 1982

You are, no doubt, fully aware that the natural environment cannot be divorced from that created by man for the satisfaction of his needs and mode of life. There is only one earth and there are predetermined laws of nature which govern it to ensure optimum conditions for life on it. It would be unwise to disregard this relationship and disturb the delicate equilibrium. It is therefore sad to reflect that, over the years, man's actions have tended gradually to reshape his environment in relation to his ever-growing basic needs, disregarding the need to maintain the desired balance

between the laws of nature and his own actions. His failure, in this respect, is steadily giving way to serious imbalances in the ecosystem. We are all aware of the changes brought about by man's uncontrolled development of cities.

Over the past decade, common perceptions on threats to Third World environment have emerged. It is acknowledged that underdevelopment can make economic and social progress incompatible with conservation of natural resources; that poverty is the worst of pollution in the developing countries and represents the main source of environmental degradation leading towards, and being aggravated by, loss of agricultural land, depletion of tropical forests and increasing problems of waste disposal; that environmental degradation of globally owned resources, such as soil, air, water and the seas, is a threat to world peace and security and to human survival; that in order to cater for the twin needs of environment and development, Third World countries must enhance the protection of the environment through measures leading towards sustainable development and rational management of the natural resources base.

Indeed, the techniques for the preservation of natural balance and those for creating the built-up environment are completely different. Therefore, viewed from the angle of the responsibilities of the environmentalist, the problems of pollution, waste disposal, preservation of the ozone or the sea bed, require specific techniques which cannot be replicated in the area of built-up environment. It should, therefore, be kept in mind that corrective policies and measures affecting these issues should contribute equally to the quality of the environment and human settlements.

By providing ECA with the machinery for assisting in the evolution and implementation of policies and programmes, the African region has expressed willingness to carefully examine environmental problems which obviously accompany the process of development. Although most countries of our region are aware of the fact that development calls for the implementation of multisectoral programmes, they are yet to take all the necessary measures needed to ensure a balanced integration of the various factors which could facilitate the achievement of desirable development objectives.

With regard to Human Settlements, six years have passed since the United Nations Conference on Human Settlements was held in Vancouver in 1976, and six years is a sufficient time to begin taking stock. However, it is a little too early either to express satis-

faction or to get discouraged. Admittedly, in this area, the region has experienced limitations which still prevent it from providing expected services commensurate with the needs of the region. It would therefore seem more practicable, at this stage, to re-examine what has been done, and decide upon the directions of future efforts and policies within a global economic and social development framework.

Such re-examination corresponds to the stand of ECA to define a regional position for positive development in such a way that the region could be equipped with a decision-making structure at the regional level. At the same time, many governments of the region have been reviewing their policies as well as examining effective measures for the integration of appropriate policies in their development process.

The attainment of growth should not be viewed as an ultimate objective. In any effort to transform the structure of the African economy, care should be taken to reduce any form of extreme pauperism and growing unemployment while improving the standard of living of the masses. In a similar manner, the development of the region should not be measured in terms of the growth of GNP but rather in terms of social benefits.

In practice, this approach to development presupposes a radical reversion from the organization of existing spatial structures, since these have been designed mainly to cater for industrial processing activities located outside the African continent based on Africa's raw materials. Consequently, physical planning of economic activities should, as a matter of primary importance, aim at ensuring new geographical distribution of requisite activities. It should ensure the effective opening up of rural areas and the provision of modern production structures therein, and should further ensure the necessary links between geographical areas where raw materials are located and the settled areas, not neglecting the establishing of infrastructural networks for transportation and trade.

In addition to the purely economic aspects, human settlements policy should be one of the determining factors for improving the physical living conditions of the populations of the continent. Nevertheless, this improvement is dependent upon the change in the economic structure and, consequently, the geographical organization of the economic and socio-cultural infrastructure. At this juncture, two questions could be asked:

Which are the situations to which the Lagos Plan of Action and the Final Act of Lagos refer in respect of human settlements?

Towards which future goals should settlements policies be geared?

The African region with its 30 million square kilometres occupies between one fourth and one fifth of the world surface area, including 33 per cent arable land, meadows, and pastures, and 21 per cent forests and wooded land. The population of the region was estimated at about 470 million inhabitants in 1980.

One of the characteristics of this population is the relatively small proportion of the active population. Out of the total figure of about 470 million inhabitants, the active population would be around 180 million. Furthermore, it is believed that 135 million persons live in the urban centres and 335 million in the rural areas. This means that about 71 per cent of this population live in rural areas.

According to forecasts, the total population of the continent would reach about 813 million by the close of the century. It should be noted that if the present annual growth rates which are around 1.8 per cent in rural areas and 5 per cent in the urban areas persist, about 468 million persons will live in rural areas and 345 million in urban areas. No doubt, such differential rate of rapid growth of population has its own problems.

At the moment, human settlements are witnessing structural and geographical imbalances which characterize the economy of our countries. The income gaps prevailing everywhere in Africa continue to increase and the dualistic geographical structure of African countries, marked by a small number of overpopulated urban centres and many underdeveloped rural zones, is becoming more pronounced. These cities, which are often political and administrative capitals, have the largest share of available infrastructural facilities and, consequently, are the privileged areas for the location of industries. The cities, therefore, monopolize the modern type of activities.

The consequences of such concentration of activities in a few urban agglomerations of a continent, where less than 30 per cent of the population is urbanized, cannot be overlooked. These activities attract the rural population, especially the young generation, and contribute to the development of the informal tertiary sector which encourages expectations, or rather illusions, among the rural youth that in the city they would have no difficulty in integrating in the modern sector of production. The slums and squatter settlements thus continue to expand due to the influx of these rural youths. In some cities, between 40 and 80 per cent of the population live under rather poor conditions beyond description.

It is needless to be-labour the issue, but suffice it to say that it is for these reasons that the Lagos Plan of Action gives top priority to the development of the rural areas and subjects the objectives of the other priority areas of action to the development of the agricultural sector. Industrialization, for instance, should aim at providing the rural areas with additional resources and services for agricultural production and for rural development in general.

Besides, the development of the rural areas calls for the mobilization of the rural population to participate fully in the development efforts. Social institutions, habits and traditions decisively influence the attitude of the population.

At the operational level, therefore, policies regarding the provision of facilities and infrastructures should aim at restructuring rural educational systems and introducing appropriate technologies – adapted or otherwise. It would also be necessary to create or strengthen institutions that could facilitate the involvement and use of the creative ability and energy of women and youth. The rural world should be convinced that the creation of a new material environment is compatible with the preservation and promotion of cultural values inherited from the past.

The neglect or erosion of cultural values which cannot be dissociated from the individual, groups of people or the community is a root cause of social friction found in the region. Such values should be taken into consideration so that changes should not only be assimilated but also constitute voluntary action of the population.

It has generally been recognized that there is need to initiate certain changes in the social structure and the mode of life before any changes in economic growth can be expected. Therefore, planners should integrate social factors into development programmes and introduce measures which would stimulate the populations into accepting the needed changes.

In short, this means facilitating a wider possible participation of the populations and mobilizing them so that they can genuinely feel concerned and organize themselves to serve as the agents and executors of the requisite changes. In this regard, the institutional structures and the machinery to be set up at the level of the local communities are of special importance, for it is at that level that the structures should help to ensure any flexibility required so that the national development objectives can be understood, accepted and used to measure the will for change in the rural communities.

It seems essential that the methods selected for the definition of the priorities, formulation and financing of programmes, mobiliza-

tion of resources and communication of research results should strengthen these ties and ensure the necessary interaction of planning with the realities at the national and community levels.

It is obvious that the future of the region cannot conform to the directives of the Lagos Plan of Action unless the region seriously ponders over these problems and mobilizes the necessary resources. It is vital at this stage that decisions are taken regarding the establishment of the machinery for pooling talents and experiences together, and it is hoped that your deliberations would produce concrete decisions in this direction as well as in other crucial areas relevant for the optimal management of habitat and environment for the service of our people.

NOTES

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5. These are Algeria ($15,990 million), Egypt ($13,054 million), Morocco ($7,098 million), Nigeria ($4,997 million), Ivory Coast ($4,267 million), Zaire ($4,190 million), Sudan ($3,098 million), Tunisia ($2,955 million), Zambia ($1,815 million), Cameroon ($1,774 million), Kenya ($1,745 million), Tanzania ($1,355 million), Gabon ($1,257 million), Guinea ($1,069 million) and Ghana ($1,011 million).
6. Outstanding debt as discussed in this article refers only to publicly guaranteed debt. It does not include external private, non-guaranteed debt which is a private sector

obligation whose repayment is not guaranteed by a public entity; nor does it include transactions with IMF, with the exception of Trust Fund Loans; nor debts repayable in local currency direct investment, or short term debts less than one year maturity.

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13. This fact is acknowledged by most academicians and international institutions. See for instance *World Economic Outlook*, Occasional Paper No.21, IMF, 1983.
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24. For instance, as at 30 June, 1980, 11 currencies were pegged to the SDR; 14 currencies to the French Franc; nine currencies to the United States dollar; six currencies to a basket of European currencies; one currency to the pound sterling; one to the South African rand; only two African currencies remained unpegged to any major currency.
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INDEX

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Addis Ababa Declaration (on debts) 31
African Centre for Monetary Studies 495
African Declaration on Co-operation, Development and Economic Independence 236, 254, 277
African Food Plan (AFPLAN) 385, 388
African Industrial Development Fund 431, 435–6
African Monetary Fund proposal 111, 494–503
African Regional Conference on Technical Co-operation among Developing Countries 291
African Regional Food Plan 346
Afro-Arab Summit (1977) 111
Agriculture 2–3, 8–9, 25–9, 39–44, 49, 54, 60, 61, 70, 74–6, 126–7, 135–6, 154, 210, 212, 219–21, 228–9, 233, 252–3, 269, 272, 301, 353–4, 359–72, 372–90, 390–9, 399–411, 484, 508–9
Aid 4–7, 10, 33, 35, 36, 45–6, 51, 55, 90–1, 107, 109, 166, 196, 211, 221, 223–4, 253–4, 292, 316, 347, 386–7, 389, 406, 420, 481, 488, 489–91, 493
Algeria 225, 375, 638
APPER 2ff, 10–11, 49–52, 53–7, 191, 398, 543, 547
Asia 170–3, 179, 208, 229, 427, 476

BADEA 313
Banking and finance 497
Brain drain 101, 340
Brandt Report 67, 337, 467
Bretton Woods (*see also* IMF, Monetary system) 82, 216, 488
Burkina Faso 173, 618

Capital markets 490–1
Caribbean 172, 183
Centrally planned economies 85, 87–8, 105, 283, 319, 472
Chad 438
Chambers of Commerce 463–7
Charter of Economic Independence 254
Charter of Economic Rights and Duties of States 58, 64, 291, 309
China 100, 145, 161, 173, 297, 535
Civil service 128, 565–89, 589–93, 612
Colonial mentality 100–2, 163, 198, 322
Colonialism 195, 281–2
Commodity trade and agreements 6, 22, 44, 54, 209, 326, 376, 436–40, 475–6, 480–2
Common Fund 177, 198, 209, 436–40, 481
Commonwealth 181–2
Community Development 403–5
Conservation 27, 28–9, 41–2, 666
Consultancy 454–8
Consulting Engineering and Management 454–8
Co-operation, economic 38, 89, 94, 120–1, 160–76, 204–7, 208, 213, 222, 223, 225, 226, 234, 235, 262, 284, 288, 293–4, 296–9, 303, 315, 336, 351–6, 432–4, 461, 465
Corruption and malpractice 133, 137, 339
Côte d'Ivoire 24, 375, 448, 477
Cuba 172
Currency questions 30, 135–6, 203, 216, 222, 223, 234, 445, 494, 503, 518

Debts 23–4, 31–2, 36, 44–5, 48, 51–2, 53–4, 55, 73, 97, 106–7, 123–4, 166, 186, 210–11, 228, 355, 475, 491–2, 511–26
Defence 32–3
Demography 17–18, 33, 136, 632–42

Dependency 20–1, 37
Desertification 19–20, 27, 28, 30–1, 42, 354, 361
Destablization 24–5, 32
Developed countries' policies 51, 56, 63–4, 84–8, 90–1, 108, 109, 188, 206, 211, 236, 274–5, 318, 387, 479–86
Developing countries, classification of 66–9
Development Decade, Third UN (*see also* International Development Strategy ...) 82, 160, 193, 226, 455
Development problems and questions, general 80–3, 91–103, 110, 132, 162–3, 184ff, 226ff, 249–50, 259, 266, 270–8, 299–306, 310ff, 319, 325ff, 332–4
Development theories 59–60, 93, 141–2, 163–4, 185–6, 218, 235, 270, 273–4, 282–3, 325–6, 327–9, 332–4, 390–1, 611–4
Disequilibrium, economic 21–3, 37, 109
Drought 2, 15–16, 18–19, 29, 39–42, 47, 53, 74, 354, 361, 377–8, 381, 384, 395, 473, 508

ECA 33, 37–8, 45, 47, 57, 82, 90, 183, 222, 224–5, 227, 254–5, 267, 277–8, 280, 291, 312, 313–15, 324ff, 349–50, 385, 440, 446, 464, 477–8, 503–5, 546, 552–5, 562 *et passim*
Economic Community of Central African States/ECCAS 347, 351, 446
Economic situation (general) (*see also* Development problems and questions) 79–80, 92ff, 104ff, 141ff, 227ff, 269ff, 322–4, 336, 338–9, 342–9, 393–4, 423, 463–4, 468–9, 508, 577, 593ff, 623–5
ECOSOC 46, 349
ECOWAS 286ff, 347, 351–6, 366, 446, 465
Education 18, 23, 62, 71, 123, 130, 164, 238–40, 257, 304, 403, 442–3, 537, 556–7, 594–602, 603–10, 610–25, 625–31, 649–53
EEC and Lome Convention 85, 108, 209, 283, 460, 472, 476, 482–3, 551
Egypt 205, 374–5
Employment 72, 74, 156, 303, 601
Energy 246, 265, 302, 446–54
Environmental questions 184ff, 246, 247, 306, 665–6, 670–5
Ethnic questions 143–4, 157, 159
Exchange rates, *see* Currency
Exports (*see also* Commodity trade; Trade) 44, 48, 61, 63, 72–3, 94, 96, 124–6, 164–5, 171, 191, 210, 270, 272, 273, 325–6, 376, 387, 470–3, 474, 476–81, 515, 516

Family planning 632–42
FAO 277, 385, 405
Fertilizer 364, 443–4
Final Act of Lagos 37, 49, 339, 341ff
Food (production and trade) 8–9, 16, 26, 33, 42–3, 53, 54, 61, 70, 74–6, 130, 190, 212, 246, 247, 252–3, 273, 353–4, 359–72, 372–90, 390–9, 508, 623
Food aid 16, 39, 49, 375–6, 382, 396
Foreign exchange, *see* Currency questions
Forests 31, 42, 613
'Fourth World' (*see also* Least Developed Countries) 68

Gabon 172
GATT 105, 176, 178, 182, 275, 493
Generalized System of Preferences 212, 307
Ghana 287, 448
'Green Revolution' 330
Group of 77 176–8, 181, 249, 292, 436
Guinea 289

Health 40, 71–2, 130, 257, 371, 403, 412–15, 577
Housing 665, 667, 669
Human Resources Development (*see also* Education) 220–1, 256–7, 260–1, 266, 593–602

IFAD 44, 369
IMF 6, 24, 45–6, 106, 109, 111, 134, 135, 216, 222, 392, 487, 489, 492, 493, 494–6
Incomes, average individual 60–1, 70, 200, 230–1, 250, 267
Independence movements 80
India 161, 173, 176
Industry 30, 61, 62, 63, 76–7, 86–7, 136, 169, 190, 198–9, 202, 215–16, 220, 221, 243–5, 263–5, 270, 283, 294–6, 301, 333, 354, 421–6, 426–31, 431–6, 440–6, 551, 666–7
Inflation 228
Information technology 561–4

Interdependence (of developed and developing countries) 63–4, 87, 102–3, 236
International Development Strategy (for the Third Development Decade) 104, 247, 299–307, 308ff, 332, 397, 421, 424, 594
Investment 48–9, 60, 95, 135, 166, 190, 203, 243, 273, 376, 379, 461
Irrigation 41, 74
Ivory Coast *see* Côte d'Ivoire

Japan 535–7

Kenya 140–1, 143, 155–6, 158, 173
Kilimanjaro Declaration 18, 33–4, 655
Kuwait 168, 172

Lagos Plan of Action 2, 4, 32, 37, 42, 49, 50, 82–3, 84, 85, 89, 90, 104, 111, 299, 300, 305–7, 308ff, 321–41, 341ff, 383, 441, 458, 594, 624–5, 626–31, 666–7
Latin America 169, 171–2, 179, 208, 390, 427, 476
Law of the Sea Convention 415–20
Least Developed Countries, Conference on and Programme for 6–7, 303, 474
Liberia 289
Libya 70, 299
Life styles in Africa 660–70
Lima Declaration 249, 261, 263, 301, 422, 424, 429
Local government 409–11
Lome Convention (*see also* EEC) 85, 108, 209, 482–3, 551
Losses (food) 27, 379–80, 383

Maghreb 366
Marshall Plan 217–18
Mauritania 289
Mboya, Tom 140
Middle East 173, 184, 236
Mining 232–3, 240
Monetary system 90, 246, 487
Monrovia Strategy for the Economic Development of Africa 82–3, 85, 104, 305–7, 309ff, 321–41, 625
Mozambique 173, 183, 448
Multinational Programming and Operational Centres (MULPOCs) 312, 334, 657

NICs (Newly Industrialized Countries) 169, 283, 476
NIEO (idea, and Programme of Action and Declaration) 58, 64, 82, 165, 178, 192–224, 234–45, 246–58, 258–62, 263, 266–7, 274, 279–85, 291, 292–3, 305, 307, 309, 327, 328ff, 421, 459–60, 469, 487, 492
Niger 449
Nigeria 66, 113–39, 143–4, 168, 205, 286, 288, 289–90, 375, 463, 565–89, 617, 639
Non-Aligned States 173, 176, 181
North–South divide, and Dialogue 67, 75, 160, 167, 171, 176–8, 181–2, 193, 226, 279, 337, 467–8
Nyerere, President 628

OAU 32, 47, 53, 77, 82, 184, 236, 313–14, 319, 324–5, 332, 431, 440, 446, 646
OECD 78–9, 81, 84–5, 105, 107, 108, 219, 472
Oil 54, 67, 106, 124–6, 230, 447, 624
OPEC 106, 168, 178, 213, 283, 488, 490, 492
Outflow of resources of developing countries 211–12, 213, 273

Pan-African Documentation and Information System (PADIS) 562–4
Pearson Report 67
Photogrammetry and Remote Sensing 540–50
Planning 118–21, 151, 187, 238, 243, 258–62, 407, 597
Population 17–18, 27, 33, 72, 98, 129–30, 204, 205, 247, 355, 371, 395–6, 442, 549, 632–42, 655, 673
Ports 558–61
Preferential Trade Area (Eastern and Southern Africa) (PTA) 347, 352, 446
Private enterprise policies 35, 189, 340

Refugees 41, 645–8
Regional Food Plan for Africa 366
Research 157–8
Rural development 60, 154–6, 252, 256, 260, 399–411

Sahel 74, 363, 381, 382
Sanitation 412–15
Satellite communication 555–7
Saudi Arabia 168, 173

Savings 150, 301
Science and Technology 303, 527–32, 532–40, 540–50
Self-reliance 98–101, 103, 110, 112, 152–3, 237, 286ff, 310, 323, 329–30, 344–5, 347, 348
Senegal 374
Settlements, Human (*see also* Urban growth) 670–75
Shagari, President 66
Shipping 232, 558–61
Sierra Leone 144, 172
Social Affairs Ministers' Conference 642–4
South Africa 161, 448
South–South Co-operation (*see also* Co-operation; North–South) 160–84
Standardization 538
Sudan 24
Surveys 540–50

Tanzania 172, 173, 176, 216, 628, 655
Technology 62, 214, 215, 232, 239, 240–1, 254, 296, 303, 394, 527–32, 532–40, 607–8, 628
Third World (*see also* North–South *and* Development ...) 66–9, 89, 160–84, 275
Togo 286, 290
Trade, external and international 20–1, 44, 48–9, 51, 61, 72–3, 76–7, 96, 103, 110–11, 124–7, 171, 197, 212, 213, 227, 232, 237, 241–2, 272–3, 274–6, 292, 325–6, 374–5, 459–62, 467–86, 515
Transnationals 61, 64, 243, 276, 318, 362, 538–9
Transport and communications 27, 39–40, 222, 223, 242, 302, 346, 379, 549–52, 552–5, 558–61
Tunisia 637

UDEAC 366
UN Conference on Science and Technology for Development (UNCSTD) 214, 239
UN–PAAERD 4–5, 7, 9, 10–12, 55, 56, 191, 547
UNCTAD 6, 85, 165, 170, 175, 176, 178, 181, 182, 193, 209, 225, 228, 236, 274, 277, 279, 287, 436–40, 475, 539, 560
UNDP 232, 265, 291, 315
Unemployment 72, 130–1, 201, 250–2
UNEP 19–20, 165, 319
UNESCO 419–20
UNIDO 85, 176, 178, 182, 249, 277, 279, 294–6, 346, 431, 440
United Nations 3–4, 7–8, 9, 42, 46, 47, 52, 66, 68, 82, 85, 182, 193, 225, 226, 227, 268, 279, 280, 287, 305, 314–15, 337, 660
  General Assembly Special Session on Africa's Economic and Social Crisis (1986) 47, 52, 53–7, 184–5
  Trust Fund for African Development 315
Universities 610–25, 625–31, 649–53
Upper Volta *see* Burkina Faso
Uranium 448–9
Urban growth 18, 26, 72, 95, 253, 361, 365, 386, 442, 663, 668
USA 10, 36, 159, 217, 362, 372, 395, 483–4, 485–6, 488, 584
USSR 88, 145

Water supply 26–7, 40–1, 412–15
Women in development 654–9
World Bank 4, 10, 24, 36, 45–6, 70, 78, 219, 222, 232, 266, 274, 392, 487, 492, 634
World economic system (*see also* Commodity Trade; North–South ...) 195–8, 216, 274–5, 282–5, 292
World Food Conference 252, 381

Zaire 24, 448
Zambia 173, 649–53

From the Preface

"Professor Adebayo Adedeji's essential contribution is to affirm relentlessly that Africa has come of age and that it is for that reason capable of expressing, in loud and clear terms, the type of development it wishes to have, and that it can achieve such development with its own resources. . . . This collection of Professor Adebayo Adedeji's speeches will remain for decision-makers and research workers alike an indispensable reference tool. It will invite decision-makers to exercise courage and lucidity, and it will foster a sense of rigour among research workers."

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