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UNITED NATIONS DEVELOPMENT PROGRAMME
(SPECIAL FUND)

REQUEST FROM THE GOVERNMENTS OF THE WEST AFRICA
SUB-REGION FOR ASSISTANCE IN THE ESTABLISHMENT
OF A PILOT SMALL INDUSTRIES ADVISORY CENTRE

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REQUEST FROM THE GOVERNMENTS OF THE WEST AFRICA SUB-
REGION FOR ASSISTANCE IN THE ESTABLISHMENT OF A
PILOT SMALL INDUSTRIES ADVISORY CENTRE1. Background

While considerable attention is being given by governments, the United Nations, and bilateral agencies to the development of large-scale industries in West Africa, very little has been done to promote small industries. On the other hand, some features of West African economies - e.g., shortage of capital and of high-grade managerial and technical ability, importance of agriculture, inadequate transport systems and the isolation of many regions, etc., - indicate that small industries can contribute significantly to their economic development. Even governments of the region, speaking generally, have failed to appreciate the importance of these industries and to include them in development plans. There has been lack of leadership, know-how and investment, and there is an almost complete absence of facilities for training in the technique and management of small industries in the sub-region.

2. The project

In this note a suggestion is made to set up a Small Industries Advisory Centre to remove or reduce some of these deficiencies. The primary object of the Centre would be to promote, in collaboration with African Governments, specialized agencies of the United Nations, other multinational organizations, and bilateral agencies, the development of small-scale industries in West Africa. With this object in view, the Centre would have the following functions:

- (1) To survey existing small-scale industries and to explore the opportunities for new ones in the sub-region.

- (2) To advise governments in framing policies and drawing up programmes for development of small industries as part of their development plans.
- (3) To assist governments in setting up -- if necessary with aid from outside -- institutions to provide finance to the small-scale producer, to assist him in getting supplies of raw materials of adequate quality, in improving and maintaining the standard of his products and in disposing them of at a reasonable profit.
- (4) To advise governments on measures necessary to co-ordinate the activities of large and small-scale industries.
- (5) To assist governments in establishing institutions for training Africans in the technique and management of small-scale enterprises.

It is proposed to locate the Centre at Niamey in the sub-regional office of the ECA. To start with, the Centre should consist of a small group of experts conversant with the techniques of the more important small-scale industries in West Africa, under the leadership of an experienced industrial economist. Their main function, in the first stage of evolution of the Centre, should be to carry out an economic analysis of the relationship between size and technology of industries in which large- and small-scale firms compete or are likely to compete, of the possibilities of substituting labour-intensive for capital intensive technologies in existing industries and of expanding the field for small-scale firms through developing the system of sub-contracting. The team will, as an integral part of its analytical work, study the conditions existing in West Africa in relation to the supply of capital, labour, industrial raw materials and marketing of industrial products.

This study, which should be completed in six months, would provide the basis for the proper constitution of the Centre in terms of personnel and facilities, e.g., library, technical equipment required, etc.