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ECA/UNIDO REGIONAL TRAINING WORKSHOP
FOR INDUSTRIAL ADMINISTRATORS IN ENGLISH-SPEAKING
AFRICAN COUNTRIES

Report by the ECA secretariat

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ECA/UNIDO REGIONAL TRAINING WORKSHOP
FOR INDUSTRIAL ADMINISTRATORS IN ENGLISH-SPEAKING
AFRICAN COUNTRIES

PART I PURPOSE AND ORGANIZATION OF THE WORKSHOP

1. ECA and UNIDO jointly organized a Regional Training Workshop for Industrial Administrators from 9 to 28 October 1972 in Addis Ababa. The purpose of the workshop was to examine all aspects of industrial administration and the potential of modern concepts and methods of management as instruments for accelerating African industrialization. As an experiment the Workshop was confined to representatives from English-speaking African countries.

Attendance

2. The Workshop was attended by 17 representatives drawn from the following countries: Ethiopia, Kenya, Liberia, Libya, Malawi, Sierra Leone, Somalia, Sudan, Tanzania and Zambia.

3. Representatives of the Imperial Ethiopian Institute of Public Administration, the Centre for Entrepreneurship and Management, Ethiopia, the Agricultural and Industrial Development Bank of Ethiopia, the Commercial Bank of Ethiopia, and private industry attended as observers.

Opening session

4. Opening the Workshop, Mr. R.K.A. Gardiner, Executive Secretary of ECA drew attention to the fact that the achievement of the industrial growth target set by the International Development Strategy would call for an investment of the order of 23,000-32,000 million US dollars in the African manufacturing sector during the Second Development Decade. This represented a threefold increase over the investment absorbed during the 1960s. Apart from this dimension of development, there were the problems of scale calling for measures to mobilise domestic and external resources achieve the quantitative targets set for the decade, problems of efficiency to ensure the allocation of limited resources for optimum benefits, and problems of equity calling for measures to redress imbalances in the distribution of benefits resulting from industrialization, especially between host country and foreign investors. During the last decade, progress in the establishment of new institutions for industrial promotion and industrial finance, increased mobilization of resources, specialized services for the promotion of rural and small-scale industries and training programmes for development of national entrepreneurial capabilities had been substantial. A new re-orientation was necessary in the 1970s, with emphasis on personnel development and decision-making machinery to deal effectively with the whole range of problems connected with industrial development. African industrial administrators shared a large part of that responsibility, since their functions included planning and programming, formulation and administration of policies, selection of industrial projects, investment follow-up and promotion of institutions, services and training programmes. The Workshop provided an opportunity for examining collectively the country experiences and needs and for appraising the usefulness of new concepts and techniques.

Programme of Discussions of the Workshop

5. The timetable of the workshop discussions is attached as Annex I

PART II SUMMARY OF DISCUSSIONS

Country Reports

6. Country Reports were presented by participants from Ethiopia, Kenya, Liberia, Malawi, Sierra Leone, Sudan, Tanzania and Zambia. These outlined the national situations and needs in respect of industrial development and services, administrative set-up and staff development arrangements. The salient features emerging from these reports and the discussions which followed their presentation are summarised below.
7. In the post-independence era, State involvement in industrial promotion claimed high priority as a matter of necessity for providing stimulus to development. The establishment of para-statal institutions for dealing with specific aspects of industrial development called for deployment of industrial administration resources.
8. In some countries, there was overlapping in the functions of some of the organizations. As this was wasteful of capital and manpower resources, it was necessary for "industrial administration", as a system, to streamline the responsibilities and promote effective coordination among agencies and ministries. This was also essential for ensuring accelerated implementation of approved programmes and policies.
9. On the basis of the experience of one African country, the inherent risks in over-institutionalization were enumerated and the need for rationalization of the institutions' activities, through a smaller number of agencies, was stressed.
10. Lack of training programmes and facilities for the development of African skills was cited as a major handicap. It was necessary to undertake, on a priority basis, a survey of the personnel needs of African countries and to explore the prospects of using available African personnel for assignments within Africa instead of relying on non-African expertise.
11. In order to remedy the shortage of skilled manpower, it was necessary to embark on systematic programmes for training as soon as possible. In some countries, legislative measures had been introduced for this purpose. A levy of 10 per cent on the earnings of the expatriate workers introduced in one African country to on-the-job training of African staff was cited as an example. It was also noted that such a levy did not always produce the desired result and more effective measures needed to be considered.
12. Because of the shortage of skilled project evaluators most African countries were handicapped in the appraisal of project opportunities and in negotiating with foreign investors. The establishment of an African regional body to develop technological capabilities for undertaking feasibility studies, project appraisal and evaluation was emphasized.
13. Similarly, there was a need for the establishment of a Centre for Industrial Administration to give training in the various aspects relating to this field. It was suggested that concerned international agencies should assist in this matter.

14. Administrative services were being used as a positive instrument for fostering the development of African entrepreneurs. A complete range of such services, covering identification of industrial possibilities, extension of credits for purchase of machinery and buildings and extension services in the form of industrial estates and technical assistance had helped in the rapid growth of small-scale industries in one African country. Some of the tenants of the industrial estate had been highly successful and were in the process of expanding their businesses. In another country, a 1100-acre industrial park was being established to concentrate the industrial administrative services, facilities and utilities in one place and to achieve maximum output for given resources.

15. In a discussion of the potential for the growth of the small-scale industry sector, it was emphasized that the industry should be given assistance by providing detailed information on availability of machinery, raw materials and processes. It should also be helped with the development of appropriate technologies specially suited to the small markets in most African countries. The work of ECA in compiling sources of supply of plant and machinery in selected countries to meet the requirements of the small-scale sector was explained by a member of the secretariat.

Special Papers

16. In an analysis of ECA's role in promoting African industrial development, a member of the secretariat reviewed the activities covering industrial policies and programmes, investment promotion and institutions, industrial training and technology and development of small-scale and rural industries. A number of sectoral surveys had been undertaken for the identification of national and multinational industries, annual regional meetings for promotion of specific African projects were sponsored in co-operation with UNIDO and potential investors for African projects were located at the request of the governments concerned.

17. The role of UNIDO in promoting industrial administration, its technical assistance services and, in particular, its increasing emphasis on country programming as a positive means of accelerating industrialization were referred to in a presentation by a member of the UNIDO secretariat.

18. The importance of a modern management approach to budgeting and the shortcomings of the traditional budgeting systems in most African countries were analysed by a member of the ECA secretariat, who stressed the increasing relevance of programme content, programme unit cost, evaluation of performance and achievements as criteria for budget appropriations.

19. Since 30 to 40 per cent of a government's budget was spent for material requirements, the importance of supply management to industrial administrators was reviewed. Quality and quantity determination of products, standardization, shortening of the lead time between the supply from the producer to the consumer, centralized purchase and decentralized distribution were some of the aspects that were stressed.

20. In a review of the role of industrial development banks, it was pointed out that paucity of viable project proposals was a major obstacle. International assistance was needed to strengthen the capabilities of these institutions for undertaking project feasibility studies, evaluation, consultancy and management.

21. Industrial administration had also to cope with the negative aspects of state regulation of industrial activity, such as delays in decision-making; interference in the operations of public enterprises, non-accountability to the public, hierarchy build-up etc.

22. With regard to the relationships between Governments and foreign enterprises, it was pointed out that there was a need for consultation prior to the introduction of basic changes in previously agreed provisions, so as to promote a suitable investment climate. The establishment of competitive industrial capacity was cited as one of the challenges of starting a business.

23. A member of the secretariat suggested the formation of industrial development councils for specific and important industries to conduct periodic reviews of the progress of the industry and to plan the programmed development of the industry's capacity. The package programme should include intensification of investment promotion activities, smooth and quick official clearances, incorporation of appropriate conditions in the industrial licences to ensure progressive manufacture of components in the case of assembly-type enterprises, training of African personnel and export obligations, within a specified time. Clearer enunciation of licensing policies and their harmonization with other policies were equally important.

24. As a case study of the type of appraisal a project proposal would be subjected to by an industrial administrator and the course of action it would give rise to an ECA project description for a ceramics factory was considered by the participants and certain suggestions were made by them to improve the feasibility aspects as seen by an administrator. The participants felt that the ECA project description services was useful.

25. The participants also welcomed the ECA proposal for operational guidelines for development of investment promotion institutions. They also endorsed the ECA proposal for the establishment of an African Institute of Management Development.

26. On the basis of Workshop materials presented by UNIDO, the participants held a simulated meeting of a corporate board of management to decide a particular issue. They also examined the conditions of the statutory bodies and organizational structure of a typical and successful Japanese enterprise, but felt it was not suited to African conditions. In separate group discussions, they selected criteria for evaluating an industrial proposal. These differed according to country requirements.

PART III - RECOMMENDATIONS

27. The Workshop recognized that industrial administration was a distinct entity and profession and had an important role to play in industrial development. After considering the administrative requisites of industrialization, the Workshop made the following recommendations:

- (i) The industrial administration machinery in African countries should be strengthened with necessary technical assistance services from international agencies such as UNIDO and ECA in order to carry out the programme of action outlined in the Addis Ababa Declaration on Industrial Development in Africa in the 1970s. (E/CN.14/INR/194).
- (ii) In order to accelerate African industrialization efforts, industrial administration should provide for effective inter-ministerial and inter-agency consultations and co-ordination services to examine general and specific operational problem areas, improved channels of communication, co-operation and relationships and should help accelerate implementation of approved policy measures.
- (iii) Since the "Operational Industrialization System" outlined in the ECA document E/CN.14/INR/200 provided a basic framework for devising, evaluating and strengthening the institutional arrangements for industrial investment promotion, it should be adopted with whatever modifications might be considered necessary in the light of country conditions.
- (iv) High priority should be accorded to strengthening the national institutions for undertaking long-term and short-term training programmes for development of various skills. To this end, legislative and administrative measures should be considered. African countries should be assisted by international agencies in setting up and strengthening independent training institutions for specific vocations. UNIDO and ECA should assist in working out suitable arrangements for the introduction of training programmes.
- (v) A survey should be undertaken by ECA to assess the available resources of skills in various disciplines in Africa, and a registry should be kept and revised periodically to enable the African countries and international recruiting agencies to draw upon these resources for their industrialization programmes with a view to minimizing dependence on expatriate personnel from non-African countries.
- (vi) At the same time, African Governments should undertake a survey of the long-term needs of managers, supervisors, and other project personnel, so as to help evolve a concrete programme of personnel training and recruitment.

- (vii) African Governments should consider the incorporation of specific conditions into the approval of industrial investment projects, to provide for training of African counterparts to expatriate personnel. These conditions should include controls to ensure successful completion of training operations within the contract period.
- (viii) All companies should initiate and document in-service training measures for nationals right from the project engineering and construction stage of a project. In considering applications for work permits, governments should insist on the inclusion of training assignments in the job descriptions of expatriate personnel.
- (ix) Institutional services should be set up in Africa to provide industrial intelligence on costs of technologies, machinery, intermediates, raw materials, marketing, etc., with UNIDO/ECA assistance, with a view to enabling African countries to strengthen their project formulation, evaluation and negotiation machinery.
- (x) In view of the fact that African industrialization efforts were handicapped by the tendency of developed countries to limit their industrial operations in Africa to assembly type of manufacture and that apart from being denied the opportunities for basic manufacturing operations, African countries were placed at the extreme and continual disadvantage of having to buy the spare parts and components from proprietary sources abroad, adequate provision should be made in the project agreements for basic and improvisational manufacture.
- (xi) International agencies concerned with industrial development should take measures to facilitate availability of patents and licensing for specialized process know-how to African countries.
- (xii) In the technical assistance and supporting programmes of industrial development in African countries, short- and long-term measures should be included for rationalization of the activities of national agencies and institutions concerned.
- (xiii) Industrial administration should be included in the operational activities of the proposed African Institute of Management Development^{1/} as well as in sub-regional and national institutions of this kind.
- (xiv) Special industrial administrative efforts should be made to improve the conditions for the growth of the small-scale and rural industries and linkage industries. In particular, institutional technical services should be increased to undertake feasibility studies.

^{1/} Proposal submitted on 18 October 1972 by ECA to UNIDO for comments, endorsement and transmission to UNDP for its approval.

- (xv) Specialized industrial financing institutions in African countries should be assisted by UNIDO and ECA with technical services to enable them undertake project evaluation and consultancy, as well as project management.
- (xvi) International organizations which sponsored industrial promotion meetings of African countries, potential investors, machinery suppliers and consultancy firms should check the record of participating foreign firms in advance, as a part of assistance to African countries. Additionally, such organizations should help African countries, where required, in examining the details of joint venture proposals, including quality, and of substitution of plant machinery, raw materials and technology.

PART IV FOLLOW-UP

28. In an appraisal of the results of the Workshop, it was noted that the Workshop had helped firstly to define the functions of the industrial administrator in terms of his role as manager, executor and co-ordinator of industrial policies and programmes and, secondly, to direct the application of practical knowledge of modern concepts and techniques to serve as useful tools in the achievement of the objectives - both short-term and long-term - of industrial development. It was, however, necessary to provide for phased transition from traditional methods to the new techniques, depending upon national situations.

29. ECA and UNIDO would jointly take steps for the convening of a sub-regional meeting to assess the results of the Workshop. Special emphasis would be placed on the follow-up to the Workshop recommendations by national courses and programmes. In view of their relevance, African case studies would receive greater attention in such Workshop exercises. ECA and UNIDO would also jointly consider organizing itinerant workshop programmes on a country basis.

30. Similarly, ECA and UNIDO would take joint action for the convening of a regional meeting to identify the requisites of industrial administration in French-speaking African countries on the lines of the Workshop. Meanwhile, a training manual on industrial administration would be brought out as a guide for African Governments.

31. Another important outcome of the Workshop was the decision to act on the ECA proposal for the establishment of an African Institute for Management Development. The Institute would serve as a regional facility for effectively supplementing the management development activities conducted at national level and co-ordinating with similar overseas agencies. The subject of industrial administration would form a part of the operational activities of the Institute.

WORKSHOP PROGRAMME

FIRST WEEK

DATE

Monday 9 October	Opening Address by the Executive Secretary, ECA and Introduction to the Workshop	(I) The field of industrial administration - elements common to the work of the Industrial Administrator
Tuesday 10 October	(I) The field of industrial administration - The functions it performs	
Wednesday 11 October	(II) Resources and services available to the Industrial Administrator	
Thursday 12 October	(III) Analysis of problems of industrial administration as presented by the Workshop participants	
Friday 13 October	(III) Analysis of problems of Industrial Administrators as presented by the Workshop participants	
Saturday 14 October	Field trips to Shoa Sugar Estate, Shoa Sugar Factory, training centre, and Ethiopian Pulp and Paper S.C.	

SECOND WEEK

DATE

Monday 16 October	Analysis of problems of industrial administration by the Workshop participants (contd)	Some problems of industrial development (Ato Tesfaye Dinka, A.I.D. Bank of Ethiopia)
Tuesday 17 October	Management concepts and methods useful to industrial administrators - - Building organization & institutions	1. The role of ECA in promoting industrial development (Ato Sebhat Hable Selassie, ECA) 2. The role of UNIDO in promoting industrial administration (Mr. Arne Rubin, UNIDO)
Wednesday 18 October	Management Concepts & Methods Useful to Industrial Administrators - co-ordination among Organizations/Institutions Panel I Mr. Edward Rubin (UNIDO) Mr. I.A. Malik (ECA)	Management Concepts and Methods Useful to Industrial Administrators - Project management
Thursday 19 October	Management Concepts & Methods Useful to Industrial Administrators - Financial Management Panel II Mr. Arne Rubin (UNIDO) Mr. G.O. Monu (ECA)	Commerical Banking and Industrial Finance - The Ethiopian Case (Ato Abebe Adera, Commercial Bank of Ethiopia)
Friday 20 October	Management Concepts & Methods Useful to Industrial Administrators - Supply Management Panel III Mr. Arne Rubin (UNIDO) Mr. G.O. Monu (ECA)	General Administration Mr. Arne Rubin (UNIDO)

THIRD WEEK

DATE		
Monday 23 October	Management Concepts & Methods Useful to Industrial Administrators - Staff Development	Panel IV: Ato Worede Gebre Yohannes (CEM)
Tuesday 24 October	Management Concepts & Methods Useful to Industrial Administrators - effecting change Panel V: Summary of Management Concepts & Methods Mr. E. Rubin Dr. J.N. Khosla (Imp. Eth.Inst. of Public Administration)	Panel VI: Challenges of Starting a business Mr. Raford Herbert Mr. N.R. Srinivasan (ECA)
Wednesday 25 October	Analysis of problems of industrial administration by the workshop participants. Future needs for Research, Consultations and Training in Industrial Administration	
Thursday 26 October	Drafting of Recommendations and Report	
Friday 27 October	Some experiences of UNIDO Field Activities in Ethiopia, Somalia and East African Community. (Mr. O. Czivis) Final Recommendations and Report	

List of Documents

I. Country Papers

- IHD/TW/PIA/7 Industrial Administration in Malawi by Sam Mpasu
- IHD/TW/PIA/11 Industrial Training Project Management for Self
Reliance by O.E. Osundu
- IHD/TW/PIA/12 Functions and Organizations of Industrial Administrative
Services by Mohamed Salih Mohamed Abdalla
- IHD/TW/PIA/13 Inadequacies of Industrial Services in the Sudan by
Ali Abdel Hamid Ali
- IHD/TW/PIA/14 The Sudan Industrial Research Institute - Functions
and Organizations by El. Abbas A/AAL Hammoux
- IHD/TW/PIA/15 Public Industrial Administration in Zambia by
J.L. Lubasi
- IHD/TW/PIA/16 Industrial Administration of Dairy Industry in Zambia
by D.N. Malupande
- IHD/TW/PIA/17 Outline of the Organization and Functions of Industrial
Undertakings in Zambia by V.S. Mwaba
- IHD/TW/PIA/18 Development of Small-Scale Enterprises by E.C. Kotut
- IHD/TW/PIA/19 Industrial Administrative Agencies: Their Functions by
Edwin L. Phillips.
- IHD/TW/PIA/20 Functions and Organization of Industrial Administrative
Services in Liberia by Mrs. Marie Parker
- IHD/TW/PIA/21 Basic Problems Facing Industrial Development in Ethiopia
by Tadesse Wolde Yohannes
- IHD/TW/PIA/22 Industrial Development and Industrial Organization in
Ethiopia by Tesfaldet Yohannes
- IHD/TW/PIA/23 Some Aspects of Industrial Administration in Sierra Leone
by J.A.M. King

II. Discussion Papers

- E/CN.14/INR/200 Operational Guidelines for the Development of Investment Promotion Institutions by ECA
- IHD/TW/PIA/1 Supply Management by ECA
- IHD/TW/PIA/2 Financial Management by ECA
- IHD/TW/PIA/4 Importance of Budget-making in the Decision-making Process of Government and Major Requisites of Budget Plan Harmonization by ECA
- IHD/TW/PIA/5 Some Problems of Industrial Development by Tesfaye Dinka
- IHD/TW/PIA/6 Development Administration - New Dimensions by J.N. Khosla
- IHD/TW/PIA/8 The Role of the CEM in Management Development in Ethiopia by Worede Gebre Yohannes
- IHD/TW/PIA/24 Commercial Banking and Industrial Finance - the Ethiopian Case by Abebe Adera

III. Discussion Notes

(a) By Consultant

1. Workshop Objectives and Criteria for Evaluation
2. Proposed National Investment Centre
3. Some Characteristics of Unhealthy and Healthy Organizations
4. Measuring Results
5. Statutory Boards
6. Human Approach to the Organization
7. Joint Ventures: Cross Cultural Communications
8. Proposed Export Promotion Centre
9. Performance Evaluation: Individual Consultations
10. Management Meeting Exercise
11. Systems Approach: Industrial Opportunity Analysis
12. Industrial Promotion: Negotiation: Furthering National Goals
13. Industrial Site-Survey
14. Dimensions of Industrial Administration (vertical and performance)
15. Industrial Opportunity Analysis
16. Development - Coastal Region

(b) By UNIDO

17. UNIDO Assistance in Industrial Administration
18. UNIDO Draft Job Description for Industrial Administration Adviser
19. Summary of UNIDO Operations (Draft)
20. UNIDO Services in Industrial Legislation
21. Some Notes on Administration
22. Calculation of Capital Costs
23. Calculation of Salary Costs

(c) By ECA

24. Proposal for African Institute for Management Development
25. Proposal for the Establishment of a Ceramic Factory in the Sudan

IV. Background Material

(a) UN

- 1. United Nations - What it is; What it does; How it works.
- UN/ST/TAO/M/39 2. Improvement of Supply Management
- TARS SUM 3. Recruitment of Experts for the United Nations Programmes of Technical Co-operation

(b) UNIDO

- ID/11 1. Report on the International Symposium on Industrial Development, Athens, 1967
- ID/40/15 2. Administrative Machinery (Monograph No. 15)
- ID/40/21 3. Technical Co-operation in Industry (Monograph No. 21)
- ID/40/16 4. Domestic and External Financing
- ID/WG.61/8/Ref.1 5. Organization and Administration of Industrial Services for Asia and the Middle East
- ID/SER/D/1 6. Training of Economic Administrators for Industrial Development
- ID/30 7. Industrial Research Institutes
 - I. Project Selection and Evaluation
 - II. Financial Administration

ID/SER/G/30

8. UNIDO Documents List
9. UNIDO - What it is; What it does; How it works
10. UNIDO Technical Assistance to Industry
11. UNIDO Services in Industrial Administration

ID/14/Rev.1

12. Functions and Activities of UNIDO

ID/WG-75/13

13. World Association of Industrial Technological Research Organizations
14. The Programme of Industrial Management and Consulting Services Section of UNIDO
15. UNIDO Programme on Industrial Development Banking and Financing Institutions.
16. Procurement of Equipment and Services for UNIDO Field Projects.

(c) ECA

1. Report of the ECA/OAU Conference of Ministers of Industry
2. Technical Assistance Requirements in the 1970s
3. Directory of Investment Promotion Contacts in Developed Countries for African Industrialization
4. ECA - Its role; Its organization
5. Compound Amount Factor
6. Directory of Inter-Governmental Co-operation Organizations in Africa

E/CN.14/CEC/1

(d) Others

IHD/TW/PIA/3

1. Financial Alternatives for Investment Projects by Ronald F. Kornell

IHD/TW/PIA/10

2. Key Principles of Management by Gerard J. Carney
3. Some Thoughts on the Use of Modern Technique in Management by Haile Gabre Selassie