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NEED FOR AN AFRICAN PRODUCTIVITY  
DEVELOPMENT ORGANIZATION

Note by the secretariat

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## NEED FOR AN AFRICAN PRODUCTIVITY DEVELOPMENT ORGANIZATION

I. Purpose

## 1. The aim of this note is threefold:

(a) To draw attention once more to the adverse effect of low productivity in the use of resources in African economies, and consequently to the need for positive action to be taken on a sustained basis aimed at securing a constant increase in the level of productivity in the use of resources at the individual, enterprise, organization and national levels, including the adoption of appropriate measures for promoting productivity development.

(b) To draw attention to the Asian experience in productivity development and the role being played by the Asian Productivity Organization (APO) in fostering the spread of productivity development programmes and the application of productivity raising techniques and technology in its member States through co-operative effort.

(c) To ascertain whether the Technical Committee of Experts considers productivity development particularly vital to Africa's agricultural and industrial growth and to the competitive position in world markets of its products and would therefore wish ECA, in collaboration with other appropriate organizations, to explore the feasibility of initiating a regional effort for the promotion of productivity development in member States.

II. The significance of productivity development

2. A clearly stated and generally accepted policy objective of every African Government and of African intergovernmental organizations is to achieve accelerated economic and social development through both national effort and multinational co-operation in order to provide the peoples of Africa with substantially improved standards of living. The desired development and transformation of African economies involve the increasingly efficient use of the region's material and human resources. However abundant our human and natural resources might appear to be today, they are bound to become scarce as we make more intensive use of them in a bid to achieve economic survival in a competitive world economy and to raise the standards of living of the masses. Actual or potential scarcity calls for economy and efficiency in the use of resources. Industrialization in particular depends on massive use of resources and the application of efficient production and distribution methods in order to maximize the fruits of economic activities. In this connexion it is necessary to recall Commission resolution 110 (VI) of 1964, which recommends that training programmes in every African country should, inter alia, be aimed at the improvement of productivity by the introduction of modern technical methods in industry, agriculture and stock-raising.

3. Productivity, or rather increasing productivity, is thus basic to Africa's economic and social development. It means increased efficiency in terms of the returns of the investment of resources in the production of goods and services, whether the investment be in the form of labour, land, capital, raw materials or organizational and entrepreneurial effort or a combination of such factors of

production. Conversely, the progressive reduction in the unit cost of resource input in the production of goods and services also fosters higher productivity. Rising productivity ensures a higher national product, increased profitability of an enterprise and rising wage levels. It is, therefore, of direct interest to a country, an organization, an enterprise or an individual be he a wage-earner or self-employed. In this context efficiency in resource use and management could be considered vital to economic growth.

4. The scope of the concept of productivity development is much broader than the traditional interest in labour productivity resulting from positive attitudes, mental alertness and effectiveness and operational techniques in the work-force as well as efficiency in managerial resource. It requires effectiveness and efficiency in the use and allocation of all input factors in the production of goods and services. Increasing productivity depends to a large extent upon the prevalence of new and progressive attitudes, new productivity techniques, quality of products, effective organizational structures and procedures and management practices, appropriate technologies and a high quality of trained manpower. All this requires an organizational effort and a co-ordinating mechanism that ensures their availability in all sectors of the national economy.

5. The problem of low productivity resulting from inefficient production methods and resource use has continued to affect the performance of our national economies and of private and public enterprises. This problem tends to assume more critical dimensions the more our economies and services are geared to produce for competitive national and international markets. Several obvious cases in different countries can be recalled, especially those that have been the subject of public enquiries or close study. Mention may be made in this regard of the performance records of public utilities, postal and telecommunications services, the attitudes of public servants, public enterprises that have to be kept afloat by public subsidies because their management practices are hardly businesslike, inefficient use of otherwise efficient machinery and technology, inefficient marketing arrangements, reliance on poorly trained and inefficient personnel, etc. Furthermore, the region is extremely poor in knowledge of productivity techniques, while indigenous business managers and proprietors understand very little about the need for raising productivity and what makes higher productivity possible. Knowledge of technological know-how that has already been perfected and applied in one African country is hardly known by its neighbours because interest in technology transfer leans towards the benevolence of the industrialized countries of Europe and America, whereas there are unexplored possibilities for mutual self-reliance at the national and continental levels.

### III. Regional interest in mutual co-operation for productivity development

6. In Africa the first step towards a multinational effort to create the awareness of the need to pay attention to the problem of low productivity and to foster some measure of co-operation in finding solutions to that problem was taken by the East and Central African Summit Conference which was held at Lusaka, from 14 to 16 April 1969. For that occasion ECA prepared and presented memoranda on a number of topical subjects requiring consideration for mutual co-operation. These included the need for the joint utilization of industrial training facilities, the problem of labour productivity and the possibility of exchanging experts in the field of labour productivity. With regard to the productivity problem, specific questions were raised in the relevant memoranda: were there facilities

for training in O and M, work study, quality control, etc? Was there a national productivity centre, and had such a centre developed any research programme on problems of productivity in specific sectors? Would there be advantages in collaboration between productivity centres? Following its consideration of these and other questions, the Summit Conference, under its resolution E.I., called for:

- (i) The "establishment of a working group on factors affecting labour productivity and methods of upgrading performance quality in the region" and
- (ii) The "exchange of experts in the field of labour productivity in the region".

7. In response to the above-mentioned resolution, an East and Central African States Sectoral Committee on Human Resources was set up and it held its first meeting in 1970, at which it formally established its operational machinery and adopted its work programme for the period 1971-1973. These were later approved by the Seventh Summit Conference of East and Central African States, held at Mogadiscio, in resolution Res/9/ECAS/VII. With regard to the productivity question included in the work programme, member States were required to initiate the necessary action and to undertake a study of factors affecting productivity in the public service. The study was to include measures and programmes aimed at improving the level of productivity and the review of investment policies with a view to improving productivity in leading industries.

8. There is no doubt that some member States, as part of their normal studies and research programmes might have taken appropriate action on the resolution on productivity. Information on what action has been taken and what co-operative effort has been fostered has, however, yet to come to the notice of ECA. The seeming lack of action and information was largely the result of a basic weakness in the arrangements for multinational co-operation in the field of human resources development and utilization. The Human Resources Sectoral Committee, like other similar committees, had no established staff of its own; the operation of its secretariat depended on the generosity of the host country and the activities of its secretary tended to take second place to his other official duties.

9. It should be noted that with technical co-operation from UNDP and the ILO eight African countries have already established Management Development and Productivity Centres. <sup>1/</sup> While these Centres have concentrated on developing effective programmes of middle-level management and supervisory training, only a few of them have ventured to undertake substantive research and promotional activities in the area of productivity development. At the country level in most African countries there has been only very limited effort to diffuse information on technological know-how and to improve human effort and attitudes aimed at increasing productivity. At the continental level, no arrangements for the exchange of technical information exist. However, the Assembly of African Heads of State and Government, at its ordinary session in May 1973, adopted a convention establishing an intra-African technical co-operation programme, which, inter-alia, aims at facilitating a comparison of scientific and technological know-how, as well as experiments and experiences relating to development among African countries.

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<sup>1/</sup> In all, 18 African countries and organizations have been assisted by the ILO to establish management development projects as of 31 July 1972. See /... ILO Management and Productivity Bulletin No. 37.

With regard to the productivity aspect of technological know-how, national organizations would have to be created to develop the needed know-how and to provide a mechanism for promoting the exchange of knowledge and experience among African countries.

#### IV. Present lack of capability for productivity development

10. Even when the problem of poor productivity has been recognized at the continental level, remedial action has been slow or difficult to initiate. This lack of action can be traced to the absence of institutional and material capability for taking the desired action and not to lack of will to implement the resolution of the Lusaka Summit. Briefly, the lack of capability arose from:

(a) Lack of organizational structures charged with the task of promoting productivity development at the national and continental levels;

(b) Lack of personnel trained in the science, methodology and techniques of productivity research and development and the application of productivity raising technology; and

(c) Lack of resources for productivity development - for research, training, dissemination of information and promoting the spread and transfer of technology.

11. Of the three constraints mentioned above, the most critical would seem to be that generated by the lack of organizational or institutional arrangements. Once this has been remedied, the functions and charge of an institutional machinery immediately become available for mobilizing resources training personnel for the drive towards higher productivity in all sectors and for securing national and international co-operation for the furtherance of the goal of higher productivity. It is, therefore, obvious that if African countries, acting both individually and collectively, are to make a sustained effort to raise the level of productivity in resource use so as to ensure accelerated economic development, they would need appropriate national and regional organizations entrusted with the task of productivity development and promotion in all economic sectors.

#### V. Asian experience

12. An Asian Productivity Organization (APO) was established in 1961, with its headquarters at Tokyo. It is an intergovernmental organization, financed by members' subscriptions and technical assistance from non-member donor countries and organizations. Its objective is "to increase productivity in member States and thereby accelerate economic development in the Asian region through mutual co-operation". It approaches this objective by fostering the "transfer of modern productivity knowledge and experience from the advanced to the less advanced countries of the region through:

(i) "Raising productivity consciousness and dissemination of knowledge on productivity techniques through training, consultancy, research and information services" and

- (ii) "Development of professionalism in the member countries in management and technologies, with special emphasis on generating multiplier effects". 1/

13. Membership of APO is by accession to its Convention. Its organs are: a Governing Board, an Executive Board and a secretariat. The Governing Board is made up of Directors representing member Governments. It assists and is assisted by National Productivity Organizations in the joint promotion of productivity development at country and regional levels. National organizations play a major role in hosting the APO participative programme of courses, itinerant seminars and consulting services.

14. For the development of its programmes of activities APO, in addition to membership subscriptions and contributions from participants for project implementation, has had financial and programme support from a variety of sources, including UNIDO, OECD, the Asian Development Bank, USAID, the Netherlands Government etc. For a general impression of the type of training, consulting, research, information and fellowship activities APO has sponsored for its members in recent years, see annex I.

#### VI. Should Africa establish a Regional Productivity Development Organization?

15. The third aim of this note deals with the pertinent question whether there is a need for an African Regional Productivity Development Organization (APDO) to back up national productivity organizations and promote multinational, mutual co-operation among African countries in a general drive to achieve continuing improvement in the level of productivity in all economic sectors. The ECA secretariat is convinced of this need and of the benefits that can be derived from the establishment of such an organization judging from the experience of Asia. It is, however, felt that this is a question for representatives of member States to consider and give the necessary directives. This is why this note has been specially prepared for the Technical Committee of Experts for consideration in its general review of the ECA work programme in the field of human resources development. To reach the right decision on the question just raised and to encourage as many member countries as possible to accede to any possible convention for mutual co-operation in this field, there should be appropriate studies, consultations, a draft convention, programme proposals, institutional arrangements etc. and an opportunity to consider these in detail and reach a final decision on the establishment of the proposed organization.

16. ECA, in collaboration with OAU, the ILO and UNIDO, would be prepared to initiate the necessary studies and preparatory work if the Technical Committee of Experts were so to recommend and, through the Conference of Ministers, authorize ECA to take follow-up action. The Committee would be taking a major step forward in the implementation of the resolution of the Lusaka Summit Conference if it were to recommend or adopt a draft resolution requesting ECA, in collaboration with appropriate agencies and organizations, to explore the feasibility of establishing an APDO for the African region and to report its findings or present its preparatory work to a future meeting of the Conference of Ministers or an appropriate organ of ECA.

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1/ APO Annual Report 1972.

Annex I: ASIAN PRODUCTIVITY ORGANIZATION AND ITS ACTIVITIES

I. APO

Nature:

Intergovernmental regional organization established by a convention in 1961.

Objective:

To increase productivity and thereby accelerate economic development in the Asian region through mutual co-operation.

Approach:

Transfer of modern productivity knowledge and experience from advanced to the less advanced countries of the region through:

1. Raising productivity consciousness and dissemination of knowledge on productivity techniques through training, consultancy, research and information services.
2. Development of professional attitudes in member countries in management and technologies, with special emphasis on generating multiplier effects.

Organization:

1. A governing body composed of directors designated by the governments of the respective member countries as the policy making body.
2. A secretariat consisting of international staff and located at Tokyo as the executive arm.

Activities:

1. Identification of the changing needs of member countries, planning, designing and co-ordination of training, consultancy, research, information and publication projects to meet such needs for increasing agricultural, industrial and service productivity.
2. Assistance to national productivity organizations in building up nuclei of professional trainers-cum-consultants in agriculture, manufacturing and of the service industries by organizing regional and subregional projects such as symposia, seminars, study missions, training courses and fellowships and by technical expert services.
3. Development and distribution of information materials both in printed and audio-visual forms to arouse productivity consciousness and disseminate knowledge and to supplement the above activities.

Present membership (1972):

Republic of China	Hong Kong	Iran
India	Indonesia	Nepal
Japan	Republic of Korea	Singapore
Pakistan	Philippines	Republic of Viet-Nam
Sri Lanka	Thailand	

II. Programme of activities

Projects approved by the Governing Board for 1973 included the following:

1. Macro-level projects:

- (a) Workshop on Productivity Measurement
- (b) Symposium on Productivity and Industrial Relations
- (c) Project Feasibility Study Training Course
- (d) Survey on Manufacturing of Agricultural Inputs

2. Industry

hard-core projects:

- (a) Small Industries Consultants Advanced Training Course
- (b) Industrial Engineering and Productivity Techniques Training Course
- (c) Production Engineers Training Course
- (d) Low Cost Automation Training Course

Supporting projects:

- (a) Tool Engineering Training Course
- (b) Packaging Engineering Training Course
- (c) Survey on Export Inspection and Standardization
- (d) Multi-country Study Mission, Top Management
- (e) Integrated Consultancy Services
- (f) Technical Expert Services and Seminars in individual member countries to meet their specific needs
- (g) Observational Study Missions in Industrial Management
- (h) Oshikawa Fellowship in Small Business Management

## 3. Agriculture

## Diversification of Agriculture:

Advisory Services/Itinerant Seminars on Farm Management

## Distribution Economy of Food Grains:

- (a) Training Course on Prevention of Waste and Loss of Food Grains
- (b) Survey on Distribution Economy of Food Grains
- (c) Advisory Services/Itinerant Seminars on Marketing of Farm Products

## 4. Information

## Dissemination of knowledge:

- (a) Publication of APO News (monthly)
- (b) Productivity Series publications
- (c) Publication of promotional and publicity materials
- (d) Publications (including translations) on management and technological subjects pertaining to the APO programme

## Exchange of information:

- (a) Compilation and circulation of information on audio-visual and other training aids
- (b) Encouragement of bilateral exchange and assistance among National productivity organizations
- (c) Exchange of information on the activities of national productivity organizations in manpower development

## Communication Support to Projects:

- (a) Preparation of training/teaching manuals on training/teaching methods
- (b) Provision of audio-visual teaching aids in support of industry and agriculture projects
- (c) Advisory services in development, production and effective utilization of audio-visual aids

III. Itinerant seminars conducted in 1972

<u>Country</u>	<u>Subject</u>
Republic of China	International Joint Ventures Group Technology Top Management

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<u>Country</u>	<u>Subject</u>
Hong Kong	International Joint Ventures Top Management
Japan	Top Management
Republic of Korea	Group Technology International Financial Institution and Banking Management
Pakistan	Group Technology
Philippines	International Joint Ventures Group Technology Quality and Reliability Top Management
Sri Lanka	Quality and Reliability
Thailand	Group Technology Top Management Quality and Reliability

IV. Technical expert services provided in 1972

<u>Country</u>	<u>Subject</u>
Republic of China	Tool Engineering
Iran	Archive Management
Philippines	Agricultural Survey Changes in Food Habits Ceramic Engineering Quality and Reliability
Singapore	Low Cost Automation
Sri Lanka	Quality and Reliability
Thailand	Agricultural Survey Quality Control

V. Technical publications produced and distributed in 1972

- (a) Manual on Plant Layout and Materials Handling
- (b) Transfer of Technology to the Developing Countries
- (c) Readings on Production Planning and Control
- (d) Reliability Guidebook
- (e) Low Cost Automation: Design and Implementation
- (f) Japan's Quality Control Circle
- (g) Readings on Managing Employees
- (h) Voluntary Chains in Japan
- (i) Improving Management in Process, Parts and Manufacturing Industries
- (j) How Machinery Makers Grow

Source: APC Annual Report 1972.

Annex II: MANAGEMENT DEVELOPMENT AND PRODUCTIVITY CENTRES IN AFRICA\*

<u>Country</u>	<u>Institution or Title of Project</u>
Algeria	Institut national de productivité et de développement industriel
Egypt	Management Consultancy Institute
Ghana	Management Development and Productivity Institute
Mali	Institut de productivité et de gestion professionnelle
Mauritius	Productivity Centre
Sudan	Management Development and Productivity Centre
Tanzania	National Institute for Productivity
Tunisia	Institut national de productivité et de gestion des entreprises

\* This list is confined to Management Development Centres known to have productivity programmes or whose programme scope provides for productivity development.