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UNITED NATIONS DEVELOPMENT DECADE:
SPECIAL ROLE OF ECA IN THE PREPARATION OF THE SECOND DEVELOPMENT DECADE

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United Nations Development Decade

The current decade was designated as the United Nations Development Decade by the General Assembly in 1961. Each developing country was asked to set its own growth rate, taking as an objective a minimum annual growth rate of 5 percent by the end of the 10-year period. Member States were called upon to pursue policies and to take measures aimed at helping the developing countries achieve that goal (resolution 1710 (XVI)).

Over the years, the operation of the Decade has been the subject of periodic review, particularly by the Assembly and the Economic and Social Council, on the basis of progress reports by the Secretary-General.

In his 1966 progress report, the Secretary-General reaffirmed an earlier conclusion that progress during the first half of the Decade had been disappointing. He warned that, unless the world community was prepared to give a massive impetus to development, it was unlikely that the Decade's objectives would be achieved.

In 1966, the Assembly took the first step towards preparatory work for the designation of the 1970's as the Second United Nations Development Decade. It requested the Secretary-General, among other measures, to elaborate a preliminary framework of an international development strategy for the next Decade.

The Centre of Planning, Projections and Policies (CDPPP) relating to development, which is one of the large administration divisions of the Department of Economic and Social Affairs at the United Nations Secretariat and thus staffed by UN officials, has undertaken in liaison with the regional economic commissions and the specialized agencies various studies to define the over-all picture of what could be expected from the second Development Decade. Its work was directed toward fixing a final minimum objective of a rate of growth at 6 to 7 per cent for gross domestic product to be attained by all developing countries by 1980. A specialized branch for the second Development Decade has been created within the ACC Sub-Committee where the CDPPP, the regional commissions, and the specialized agencies can more easily put into agreement their work, methods, and concepts for the preparation of the next decade.

Moreover, in July 1965 the Economic and Social Council created a Committee for Development Planning. This Committee is composed of 18 experts who are not United Nations officials and who are to put their experience with plans and development at the service of the United Nations organizations for its planning and projections work.

Three African experts are part of this Committee. At the start, these were Mr. Nazif A. Deif, who at that time was Finance Minister of the U.A.R., Mr. Mohammed Diawara, Minister of Planning of the Ivory Coast, and Mr. P.N.C. Okiglo, economic adviser of the Federal Republic of Nigeria. The first session of this committee took place in New York, and it was decided there that the following sessions would be held successively in each of the large developing regions of the world. The second session, devoted to Latin America, was held in Santiago, Chile in April 1967. No African member of the Committee attended. The third session, devoted to Africa, was held in Addis Ababa in May 1968. Of the African members of the Committee, only Mr. Deif was present. In order to emphasize the importance which the African countries attached to the Second Development Decade, the CDPPE and the ECA had jointly invited at United Nations expenses five Ministers of Planning from African countries (Tunisia, Mali, Kenya, Zambia, Ethiopia) to attend this session. Only the Ethiopian Minister accepted the invitation. The obvious preponderance of East African states in the invitations was intentional in light of their lack of representation on the Committee.

By the end of 1968, a 54-member Preparatory Committee for the Second United Nations Development Decade was established to draw up a development strategy which would carry forward the objectives of the first Decade (resolution 3411 (XXIII) of 17 December 1968).

In the resolution, the Assembly instructed the Preparatory Committee to prepare a draft of a strategy which would enunciate both general and sectoral goals and objectives for the 1970's. It was requested to recommend concerted policy measures to be taken at the national, regional and international levels to realize these goals and objectives, and to make suggestions on an evaluation and implementation mechanism for the Second Decade.

The Preparatory Committee was further instructed to prepare this draft on the basis of studies, conclusions and proposals formulated by organizations of the United Nations system. It was asked to take into account the comments of Governments.

The specialized agencies and other United Nations bodies were requested to accelerate their preparatory work for the 1970's. The Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) was called upon to continue its efforts to reach maximum agreement on trade and development issues of basic importance to the elaboration of the proposed strategy.

The Preparatory Committee was also asked to submit a preliminary draft of the strategy to this year's Assembly session through the Economic and Social Council, and to complete the draft early in 1970.

The Committee is composed of the 27 states members of the Economic and Social Council and 27 States members designated for 1969 by the President of the Assembly.

The 14 countries representing Africa are : Algeria, Burundi, Cameroon, Chad, Congo (Brazzaville), Libya, Mauritius, Nigeria, Sierra Leone, Tunisia, United Arab Republic, United Republic of Tanzania, Upper Volta and Sudan.

The Preparatory Committee met in New York from 23 February to 4 March and from 14 April to 2 May; in Geneva from 30 June to 11 July and in New York from 29 September to 11 October 1969.

The Committee for Development Planning met again in New York in March 1969 for its fourth session which had not been originally planned but which allowed it to fix its work programme in liaison with the newly created Preparatory Committee. Two new African members were named to the Committee for Development Planning, Mr. Tom M'Boya, Minister of Planning of Kenya, and Mr. Paul Kaya, Administrative Secretary of the Guaranty and Mutual Assistance Fund of the Council of the Entente States, as replacements for Mr. Diawara and Mr. Okiglo.

The Committee for Development Planning held its fifth session in Bangkok in May 1969. Mr. M'Boya and Mr. Kaya participated in this session, but Mr. Deif was unable to attend. At this session, it was accepted that the rate of growth of 6 per cent for the whole decade, indicated as desirable by the Preparatory Committee could be reached, but only through considerable effort by the developing countries and increased financial assistance from developed countries.

In its report (A/7525 and Add. 1-3) on its three sessions, the Committee said it had made progress in outlining a broad framework of the strategy and in defining the goals and objectives of the Decade. It proposed as a working hypothesis, the figure of "around 6 per cent" as the target for the over-all growth rate of the gross national product of the developing countries during the Decade.

The main objective of the proposed over-all growth target, the report stated, should be to promote a sustained growth which could lead, especially in the developing countries to higher standards of living, full employment and conditions for economic and social progress and development so as to facilitate the process of narrowing the gap between the developed and developing countries.

The Committee also reached agreement on a list of key areas for international co-operation for development, in which policy measures should be considered for fulfilling the objectives of the Decade. Further, it agreed that the proposed strategy should consist, in principle, of a preambular declaration and four main sections: on the specification of objectives; policy measures designed to fulfil those objectives; review and appraisal of both the objectives and the policies; and mobilization of public opinion.

The Economic and Social Council reviewed the Committee's reports in August. It noted with satisfaction the agreement reached so far on the list of key areas for international co-operation. However, it expressed concern

that progress in outlining the broad framework of the strategy and in defining the goals had not so far been matched by agreement on concerted policy measures for realizing those goals and objectives, especially in the field of trade and development.

In this connexion, the Council expressed concern that little progress had been achieved by the UNCTAD Trade and Development Board in preparing the UNCTA contributions to the Decade. It hoped the Board would reach agreement on this question at its ninth session which began in Geneva on 26 August (resolution 1447 (XLIII) of 5 August 1969).

The Council also reaffirmed its earlier decision that in formulating the goals and programmes of the Decade, account should be taken of the necessity for the progressive integration of social and economic goals and programmes.

Governments and organizations of the United Nations family were called upon to make additional efforts in their contributions to the preparatory work for the Decade, so that a preliminary draft of the proposed strategy could be submitted to the General Assembly at its 24th session.

The Preparatory Committee in its most recent session in New York in October 1969 examined particularly the preamble of the document on international development strategy to present to the General Assembly and the steps to take for continuous study and evaluation of objectives and measures and for mobilizing public opinion. A fifth session of the Preparatory Committee is planned for February 1970.

Special role of ECA in the preparation of the second Development Decade

The Economic Commission for Africa has of course participated in the construction of projections and studies necessary for the preparation of the second decade, within the scope of the secretariat's activities. These activities have been undertaken in close cooperation with the CDPFP and the administrative sub-committee on coordination. The Commission has always sent an observer to the sessions of the Committee on development planning.

The Economic Commission for Africa has undertaken in conjunction with the CDPFP, sub-regional studies to formulate strategy and development procedures for the second decade in the two sub-regions of West and East Africa. In addition, similar studies are in the process of being carried out in North and Central Africa.

The Economic Commission has drawn attention to the fact that the overall macro-economic approaches used by the CDPFP do not seem to particularly to a study of national economies of the region.

It was, for example, emphasized that one or another particular product often played a predominantly important role in certain countries: oil in Libya, cocoa in Ghana, sugar in Mauritius, etc.. In these circumstances, it might be feared that a too general approach might lead to serious miscalculations.

While simultaneously pursuing their studies of models and projections, the secretariat of ECA continued its analyses of the African countries' development plans, and drew comparisons between the targets aimed at and the results achieved. A more detailed analysis revealed that the smaller a country's Gross Domestic Product may be, the more and more marked becomes the impact of events or factors exogenous to its economy or planning. Events which may be considered as fortuitous lead to variations in the normal growth of countries which rapidly exceed the engogenous variations desired and looked for by the planners. The terms "exogenous" and "engogenous" must be understood in relation to the plan or the productions. It appears that even for the engogenous factors involved in plans or projections, the traditional macro-economic approach, which presupposes continuous variation, is not always well-suited. On the contrary, there is reason to conceive discrete variations resulting from regression equations or calculations of elasticities. These discrete variations will contribute to the accentuation of the apparently chaotic character of economic growth.

Of course, the terms "limit", "continuous", and "discrete", used in the preceding paragraph, must be understood in the mathematical sense. Clearly the terms continuous and discreet used in the preceding paragraph must be understood in their mathematical sense. The smallness of some African economies, their specific nature and lack of diversification, constitute a brake on the achievement of a high rate of growth of these economies. The small size of the national economies cannot be conceived

as a miniature representation of the situations prevailing in developed countries. There are important constraints resulting from the absence of infrastructure and the scarcity of qualified personnel which would introduce limits in the models. Moreover, in the African countries economic activity is based essentially on some products or some industries whose development cannot be conceived in a continuous manner, as is the case in some less favoured economies of the developed countries.

We may thus speculate whether the planning methods and overall macro-economic models perfected and applied in the major developed countries do not encounter increasing difficulties when we wish to use them in conditions which are further and further removed from those prevailing when they were worked out and put to practical use in the developed countries. It might perhaps be necessary to modify them and to adapt them so as to take into account the importance, on the one hand, of exogenous factors and, on the other, of particular commodities or projects.

A realistic approach to the problems of the African countries should use both econometric methods and more empirical ones of project analysis.

Furthermore, in order to ensure greater uniformity in the information which must serve to follow up progress in the second Development Decade, and pursuant to a recommendation put forward by the representative of ECA at the second Meeting of the Planning Committee, the Sixth Session of the Conference of African Statisticians (October 1969), the special Working Group on Economic Surveys (December 1969) will hear proposals for an integrated system to present a minimum of statistics; targets to be specified in plans; and tables to be explained in economic reports. For the present, there is no link between these three sectors; and it is not unusual, with certain African countries, to find the national accounts describing the development of sectors, such as agriculture, mines and quarries, manufacturing industries, etc.; the plan indicating its targets in the primary, secondary and tertiary sectors; and annual economic reports dealing with development in the public and private sectors. Moreover, all this varies from country to country, and aggregation at sub-regional or regional level is very difficult.

If this work of co-ordination is accepted by the member States, it should make easier the evaluation of progress achieved, in accordance with the Preparatory Committee's request.

Furthermore the ECA is in process of considering an indirect system for evaluating the results obtained in response to a request by the Preparatory Committee, which had asked for the Regional Commissions concerned to take the place of the countries when the latter did not themselves have the machinery required for evaluation at their disposal. This system should become operational by the beginning of 1970.

To encourage a harmonization of the information the Economic Commission for Africa has recorded on punch-cards all the data it has been able to

collect on the African countries. When the same item of information was received from two different sources with different values, information emanating from the United Nations has systematically been given priority in order to maintain uniformity in the Organization's series. This card index could, if required, serve as a basic standard for various organizations making projections on the African countries. It has already been communicated to the CDPPP and to the Statistical Office of the United Nations as far as the aggregates of national accounts are concerned. It is in process of reproduction for the whole range of information to be passed to FAO.

The ECA Research and Statistics Division is in the process of harmonizing the economic principles and concepts as well as the basic methods to use in African development plans in order to assure comparability. The result of this work will be submitted to the Committee of Experts and to the Third Session of the Conference of African Planners in 1970. Their adoption by the Committee and the Conference will be all the more beneficial to the African countries, since the majority of them are only in their first plan.

The African plans have a national character, which they will retain for a long time to come. It cannot be otherwise, for the plan before being a technique is above all a political act expressing the will of a nation. The choices may differ from one country to another to point of being irreconcilable: the problems of regional disparities, those of redistribution of income between the savannah and the coast, would be transferred from the national level to the multinational level. Not having been resolved within the first framework, they would be even less so within the second. It would therefore be premature and undoubtedly illusory to speak of sub-regional or regional planning, given that at the national level planning has not attained the desired results despite unitary political decision-making. An embryo of sub-regional economic co-operation would materialize through a current of important and irreversible exchanges.

The Common Market countries first started with an agreement on coal and steel. Today they are still far from integrated planning. It is the same for all the other multinational economic groups. To proceed otherwise would simply lead to the creation of a new institution without any practical results.

Finally, Mr. Benzineb has been given responsibility for the liaison between the ECA secretariat and the Executive Committee, in conformity with a wish expressed by the latter at its meeting in July 1969. Upon his return from the co-ordination sub-Committee, which he is presently attending, he will send to the members of the Executive Committee a summary of the decisions taken in New York.

STRATEGY FOR ECONOMIC DEVELOPMENT IN AFRICA IN THE SECOND UNITED NATIONS DEVELOPMENT DECADE

Introductory Remarks

1. For three quarters of a century Africa was subjected to foreign influence which finally led to the continent being carved out into artificial areas because of deals and bargains made between the great European powers. The European governments, in the Berlin Act of 1885, recognized that possession of a colony implied, first of all, its actual occupation. The result was a rush to the hinterland from the coasts of Africa. In this race, to extend their colonial empires to the utmost, and also to curtail the zones of influence of other rival Powers, it was clearly to the advantage of the colonizing countries to have as many bases as possible from which to start out. This led to Africa being split up into a vast number of small territories, with strips running more or less perpendicular to the coast and penetrating as deeply as possible towards the wealthy (or supposedly wealthy) zones, and ignoring all previous ethnic, geographic, traditional, and other entities.
2. In each of these territories, the metropolitan countries applied the colonial pact - buying up whatever raw materials were available and keeping for itself a monopoly of manufactured imports. The transport network was built for the purpose of collecting primary commodities and conveying them to the ports, for export to world markets. The same ports were there to receive manufactured goods, which were then forwarded inland along the same lines of communication. Obviously there was no point, in these circumstances, in linking up the transport networks with those of the neighbouring territories. To tighten their grip on the colonized territories, the metropolitan countries also protected these markets by means of customs tariffs and legislation.
3. Developing Africa therefore includes some forty independent countries (half a dozen territories which are still colonized will probably

become independent during the next few years). Almost three quarters of these forty countries have less than five million inhabitants. The economic importance of these mini-States is clearly insignificant. Some thirty of them have a gross domestic product less than one hundredth part of the GDP of France or Britain. Their domestic markets are tiny for the most part; by no means in keeping with the technological requirements of the modern world.

4. There were other equally critical factors: education was either inadequately developed or ill-designed to meet the needs of accelerated development and structural change of African economies; the machinery of government was poorly fitted in its personnel mix, its procedures and its philosophies to deal with rapid social and economic change especially on a planned basis.

5. Development strategy which appears most suitable for conditions in Africa should therefore be based on the following guiding principles:

(a) Re-shaping the economic infrastructure so as to adapt them to suit the new independent status of the countries and the requirements of economic growth, with special reference to new potential patterns of trade and to overcoming the dualism in African national economies by developing effective social, economic and physical links between rural and urban communities;

(b) Rectifying the extraordinarily small sizes of national markets through economic co-operation and integration;

(c) Re-orientating and re-shaping socio-economic institutions in such a way as to facilitate the process of innovation and modernization;

(d) Providing an infrastructure designed to meet the requirements of self-sustaining development; this refers, in particular, to education, science, technology and management.

International Trade and Finance

6. A new plan of action for African countries in international trade and finance, following UNCTAD II, was drawn up by a joint ECA/OAU

meeting in January 1969. African countries thus have a unified and agreed position on the strategy for development in trade and finance. This strategy is made up of the following elements.

Commodity Policy

(a) Commodity agreements and arrangements should form an essential part of the machinery of international economic policy within the Second United Nations Development Decade.

(b) In view of the small share of Africa's exports of commodities covered by commodity agreements a substantial proportion of primary export products of interest to African countries should be covered by such agreements no later than 1973; a timetable should be established for the implementation of the resolutions and decisions of UNCTAD II.

(c) In view of the fact that the provisions of individual agreements now are being considered on an ad hoc basis, with the ensuing risk that agreements for commodities in which Africa is particularly interested may not provide the means for an effective intervention, a General Agreement on Commodity Arrangements should be concluded by the end of 1970 so that there might be uniform principles and models on which all commodity agreements could be based.

(d) African countries should sponsor the necessary changes in the statutes and procedures of the international financial institutions so as to permit them to assume definite responsibility for the financing of buffer stock connected with commodity agreements.

Policy for manufactures and semi-manufactures

(e) African countries should endeavour to increase the share of added value in their export products.

(f) In view of the generally escalating rate of taxation by the developed countries on the value added in the processing industries of the developing countries, a principal objective of African countries

should be to secure a reduction of the high effective tariffs on manufactures and semi-manufactures.

(g) African countries, in co-operation with the other developing countries, should endeavour to get started a post-Kennedy Round of trade liberalization designed particularly to promote the trade of developing countries; to be based on unilateral tariff reductions by the advanced countries without reciprocal concessions on the part of African countries.

(h) To overcome the disability of African enterprises to compete in the markets of the developed countries on account of their initial disadvantage in respect of a number of determinants of production costs - labour efficiency, cost of capital and managerial services, cost of transport, commercial services, etc. - African countries should assist fully in the endeavours of the developing countries to find the means for all developed countries to grant tariff preferences on a non-reciprocal and non-discriminatory basis to all manufactures and semi-manufactures, including processed and semi-processed agricultural products, exported by developing countries. African countries should simultaneously take steps to improve the quality and productivity of these determinants in order to reduce the length of their dependence on special arrangements and concessions as much as possible.

(i) African countries should attempt to ensure that the general system of preferences will:

- (i) contain recognition of the fact that African countries will on the average take a longer time to benefit from the system and therefore will need preferential access to the markets of the developed countries for a longer time of the scheme which should contribute to the achievement of its objective;

- (ii) include processed and semi-processed agricultural and primary products so as to be closely related to the present and foreseeable production capacities of African countries;
- (iii) provide for duty-free entry;
- (iv) enter into effect not later than early 1970.

Financing related to trade and development

(j) African countries should work towards securing a commitment by the developed countries to:

- (i) a timetable for the implementation of the aid volume target of one per cent of the GNP of economically advanced countries as accepted by UNCTAD II within the framework of the Second United Nations Development Decade;
- (ii) firm deadlines for the implementation of the norms for terms and conditions of aid as set out in UNCTAD resolution 29 (II).

(k) African countries should urge that agreement should be reached on the scheme for supplementary financing so as to enable it to enter into force from the start of the Second United Nations Development Decade.

(l) Once African countries have established development plans with prospects of realization, international assistance for their implementation should be available on a secure basis and should be directed towards the implementation of the plan as a whole as well as towards individual projects within it.

(m) African countries should support all measures to strengthen the international consultative machinery connected with the mobilization of external assistance so that the region as a whole, and especially the least developed among them, can obtain an adequate volume and share of such assistance.

(n) African countries should concert their efforts with other developing countries to the end that a firm link should be established between the creation of new international liquidity assets and the provision of additional development finance; in general they should emphasize the legitimate interest of the developing countries in the re-structuring of the international monetary system and the role they should play in discussions of that subject.

Economic co-operation and regional integration

(o) The policy of intra-African economic co-operation is one of the most important elements in the strategy of development of the African region during the second United Nations Development Decade.

(p) African countries should redouble their efforts to translate into specific measures, agreements and programmes their long-standing acceptance of the principle of economic co-operation, to be reflected in their national plans and policies of development.

(q) In order to facilitate progress by African countries towards the achievement of closer economic co-operation, the United Nations should devote substantially more resources towards the technical study of possible fields and projects for co-operation, as a follow-up for the whole region of the recommendations of an experience gained through the joint ECA/CDPPP studies on the pattern and pace of development of the West and Eastern African sub-regions during the Second United Nations Development Decade.

(r) African countries should, through the multi-national groupings they are planning to set up, seek to increase rapidly the volume of trade with each other through the granting of special privileges and preferences.

(s) Although steps towards increased co-operation in African development are primarily for the African countries to take with the support of their regional institutions, African countries should endeavour to secure support for their efforts by the international community through:

- (i) making available more technical assistance to regional and multi-national bodies in Africa;
- (ii) adjusting the rules of international trade in favour of groups of co-operating countries;
- (iii) applying financial assistance at strategic points to promote economic co-operation.

Trade Promotion

(t) Although traditional and institutional obstacles and trade policy barriers set limits to what is feasible at this stage in regard to trade expansion, careful and deliberate programmes of trade promotion, including the most modern export marketing techniques, should be adopted and implemented on the national as well as on the multi-national level to enable regional exporters to compete more successfully.

(u) The United Nations group of agencies should provide enough manpower and financial resources to enable a programme of trade promotion in Africa, through the Regional Trade Promotion Centre in the ECA, to make a significant impact.

Trade with the Socialist countries of Eastern Europe

(v) Socialist countries should be persuaded to set specific targets on the volume of their imports originating from African and other developing countries as an element in the strategy for the Second United Nations Development Decade.

(w) Socialist countries should be requested to introduce clauses on price stabilization in the bilateral agreements they conclude with the developing countries to the effect that after a given trading period the accounts reflecting the exchanges could be adjusted so that the payment by the Socialist country would not be less than an agreed floor price irrespective of the prices at which individual contracts have actually been concluded during the course of the trading period.

Special measures in favour of the least developed among the developing countries

(x) A realistic international development policy for the Second United Nations Development Decade cannot avoid giving serious consideration to the problems of the least developed among the developing countries.

(y) In view of the global implications and importance of any programme in this field, African countries should mobilize support for the establishment by the Secretary-General of the United Nations of a Special United Nations Programme in favour of the least developed among the developing countries within the framework of the second United Nations Development Decade; the programme should cover the various aspects of the development and trade of these countries.

Notes on Development Strategy
for Africa in the 1970's

The following notes are intended to provide a background to, and to amplify the sub-paragraphs under paragraph 5 in Annex I.

"(a) Re-shaping the economic infrastructure so as to adapt them to suit the new independent status of the countries and the requirements of economic growth, with special reference to new potential patterns of trade and to overcoming the dualism in African national economies by developing effective social, economic and physical links between rural and urban communities".

The first point that perhaps needs to be made is that the conventional concept of infrastructure (transport and communications, health, education) is now so unsatisfactory when applied to the African Region as to be misleading. Infrastructure so defined implies a capability for ready response on the part of the agents of production and distribution whilst the development problem is in fact how to develop this capability. Thus infrastructure should now be taken to include, for example, institutions for the promotion of research-and-development in science and technology and even the arrangements for organizing the demand for the results of such research and for communicating results effectively to potential users, business information and business advisory services, all forms of extension services, institutions dealing with feasibility studies and project preparation, investment promotion and trade promotion centres and the like. At present it may be said that the bulk of infrastructure in Africa is related more to the past than to the future.

For purposes of multi-national economic co-operation the mechanisms described in (b) below would also constitute part of essential infrastructure. In regard to intra-African trade in particular it has often been noted that considerable opportunities exist which are not being exploited partly because machinery for promoting such trade among African countries does not at present exist, partly because of the inadequacies and cost of intra-African transport and partly because of foreign exchange restrictions.

The ECA has, for the last five years been pre-occupied with the problem of how to link together markets for industrial goods in Africa in order to provide the base for a significant rate and spread of industrial development, particularly for those strategic industries which are essential parts of any organic approach to industrialization. In recent times the Secretariat has come to realize that what it may succeed in doing is merely to add together the volume and pattern of urban demand and that for a truly dynamic, self-sustaining process this would not be enough.

not advance far, no matter what its form. Moreover, the issue has to be resolved as between comprehensive and ad hoc machinery. The latter, designed to deal with piecemeal aspects such as a road link, a multi-national electric grid, a fertilizer plant offers greater flexibility and the promise of leading to realization of concrete objectives with the least delay. Regrettably, a large number of such arrangements is likely to lead to not only to administrative confusion but to economic cross-effects that cannot be calculated in advance. It is suggested that a combination of the two approaches would be most effective. A series of ad hoc arrangements would serve to test the will to co-operate, promote confidence and help to determine efficient procedures.

These arrangements should then be organized into more comprehensive machinery within three to four years in two stages: the development of sectoral machinery and finally the establishment of a full scale organization. It should be added, however, that unless such multi-national administrative arrangements are matched by unproved mechanisms and procedures at the national level progress will be seriously hampered.

The identification of economic co-operation projects will increasingly require the direct and active participation of public servants and experts from the states collaborating with staff members and experts of the ECA Secretariat in particular projects or sectors. In many cases fuller use may have to be made of staff members of institutions of higher education. This improves the quality and saleability of the project.

Upto now, however, the bulk of actual activity has taken place as a result of discussions among governments i.e. in effect in the public sector which means primarily infrastructural projects. However, the reality of economic co-operation rests predominantly on the ability and willingness of the very large body of agents of production and distribution in the private sector to take advantage of the opportunities which the physical installations (mainly transport and communications), the legal and organisational arrangements (treaties and agreements of various kinds), and the specially designed administrative procedures (e.g. customs, foreign payments, etc.), open up. These obstacles and inducements cover such subjects as language, industrial and commercial legislation, business practice, and information and personal contact. Without imaginative and vigorous action on subjects such as these during the decade, very little of substance will be derived from investment of resources in physical infrastructure (including multi-national institutions), in treaty-making and in administrative facilities.

Failure in persuading Africans to take part on a large scale in the exploitation of these opportunities will, of course, merely mean that the shape and content of the reality of economic co-operation is externally determined.

- "(c) Re-orientating and re-shaping socio-economic institutions in such a way as to facilitate the processes of innovation and modernization".

The subjects which have been selected here for comment represent only a selection and are used principally for illustrative purposes.

Under (a) above an extensive programme for transforming rural socio-economic structures and for integrating national economies has been outlined. It will be obvious that such a programme would be impossible to initiate without effective local government. To be effective local government in Africa would have to be restructured and given a new and dynamic role. Particular attention will require to be given to local government staffing and to measures for improving the quality of existing staff by specially designed courses to provide new orientation and competencies. It may be necessary to institute local government advisory services manned by specialists trained to support and complement local government competencies in rural transformation. Intensified research work by universities will be needed.

The mobilisation of domestic savings merits more attention than it now receives. There are at least three aspects that deserve consideration: the organisation of small savings; the retention of savings within the country; the productive utilisation of savings.

As regards small savings present efforts appear to be based on conventional thinking derived from advanced economies. In many African countries the necessary condition for stimulating a flow of small savings into business investment is the visible evidence of promising investment opportunities attached to credible entrepreneurs i.e. the small saver tends to invest in a project advanced by a trustworthy relation or friend. The mobilisation of such savings is therefore inseparable from the mobilisation of small-scale entrepreneurial talent.

Methods for the retention of savings, in the form for example, of life insurance premia, are well-established but their success is closely tied up with the problem of productive utilisation i.e. in effect, with the rate of growth and diversification of the economy. There is an urgent need for African states to examine experiments and practices in other more advanced developing countries such as India and Mexico.

The changing demographic structure of the African Region with high dependency ratio (children of pre-school and school going age, the aged and the unemployed) means that the population in employment is saddled with the task of:

- (a) at least maintaining the current level of living;
- (b) if possible improving on (1);
- (c) provide real resources (savings) for investment in further development and growth.

This appears to lead immediately to the questions of the productivity of the working population on which work in Africa has so far been spasmodic and fragmentary. Three aspects may be mentioned at this point. Firstly, the bulk of the actual physical work of direct production in Africa is carried out by illiterates or workers with no more than primary education. Moreover, a substantial part of the urban working population at any time

represents ex-rural immigrants. There is an obvious need for more widespread and accelerated studies of factors affecting the productivity of industrial labour. It is in the light of such studies that more effective training programmes for middle level supervisory management can be designed. The greatest weakness seems to lie, however, at the level of conceiving, designing, programming, installing and managing productive enterprises. In respect of large and medium scale industrial enterprises the output mix and quality of institutions of higher education in Africa appear to be almost wholly irrelevant. The supply of metallurgical engineers, chemical engineers, industrial chemists, fibre technologists, food technologists, specialists in marketing, factory layout and production planning, business finance, etc., is either nil or negligible. Even if they were produced neither development plans nor manpower machinery (where it exists and functions) provide any method by which they could be absorbed into the economy. It is necessary to stress that unless early action is taken in these matters the expansion of the modern (mainly urban) sector of the economy through replication and differentiation is only to take place and to provide employment opportunities for the inevitable discharge of population from the rural sector.

A great deal of current discussions of the unemployment problem appears to be misplaced. Calculations are often made of the astronomical supply of capital required to reduce unemployment to some specific limit without full recognition of the fact that employees require employers and that capital does not automatically induces the emergence of a substantial body of persons capable of, or with the promise of being capable of, organizing and running businesses successfully. Thus, until recently the need for mechanisms to bring talents of this kind into play and to sustain them has been overlooked whilst emphasis has been placed on capital supply. Moreover, the estimates of capital are based on the structure and costs of technological production in advanced countries with little regard to the possibilities of adapting technology to the needs, natural resource endowment and physical and social environment of Africa. It should be added that here also the institutions of higher education neither make provision for the education and training of Africans in the specialis essential for technological adaptation (such as design engineering, the science and technology of materials) nor carry out any significant research in this vital area.

In the economic literature of the 1950's and early 1960's much discussion centred on such concepts as 'balanced and unbalanced growth', 'forward and backward linkages', 'spread effects', 'the big push', all of which relate to the upward movement of the whole economy. The technological, organizational, sociological and programming implications of these concepts were rarely fully examined and it was not often realized that they were all part of the problem of innovation. It may, therefore, be argued that one of the most crucial tasks to be undertaken in the early 1970's is the study of factors which inhibit or facilitate the process of innovation in sectors or sub-sectors of African economies and the devising of means to influence the force and direction of the

References to the greatest constraint on African development and economic growth viz. manpower have been made in specific contexts in earlier paragraphs. It is not intended to discuss this subject here in full but to provide further illustrations of its force and dimensions. The key role in development and economic growth of Africa which falls to governments suggests that reform of the public service is one of the highest priorities and that the first step is the recognition and acceptance of the proposition that the structure, skill mix and functions of the public service must be redesigned to alter its emphasis from "administration" to the management of social and economic change. Some of the major planning tasks which the public services will face on a larger scale than in the past decade include:

- (i) project design and evaluation - weakness in this area has perhaps done more to prevent the realization of African development plans than capital shortage or any other factor;
- (ii) maintaining balance and structural relationships between sectors in the process of change;
- (iii) maintaining integral relationships between the public and the private sector;
- (iv) ensuring a concurrence between financial and real resources; many African states fall into recurrent crises partly because they still rely on a colonial system of financial analysis and reporting;
- (v) improving the productivity of government;
- (vi) managing change i.e.
 - (a) identifying areas in which resistance to change has become a serious bottleneck;
 - (b) determining the most effective means of inducing change;
 - (c) evaluating the risks of large scale change;
 - (d) periodic re-appraisal of the process of socio-economic change.

It will be obvious that a distinction is implied between economic growth and development; that what Africa needs are development planners (i.e. teams which include sociologists, geographers, technologists, social psychologists, as well as economists); that the shift from public administration to 'development administration' goes far beyond terminology and raises such questions as the role and status of the social sciences in

Africa, the content and organisation of education and training of planners and the significance and problems of an inter-disciplinary approach to planning and plan implementation.

At a more technical level it would be a useful exercise to visualize what happens if the ECA were to deliver to four African governments today five pre-investment studies of multi-national projects in the metallurgical, chemical and fibre fields and to propose a meeting to take final decisions at the end of four months. It is certain that not a single Ministry of Industry is capable of appraising these projects on its own. Even where project appraisals are prepared for the government by hired consultants the staff of these Ministries are often - because they lack metallurgical and chemical engineers and fibre technologists, specialists in industrial finance and manpower, production programming, marketing and so on - unable to follow the intricacies of the agreement in the appraisals. The consequences of these weaknesses are not difficult to imagine: repeated requests for postponement of the meeting; hastily recruitment of outside experts; poor preparation for negotiation; unreadiness to make commitment at negotiating meetings; more delays..... These are problems of great urgency and relevance which require imaginative solutions within the next two to three years.

Finally, a new type of need is expected to arise very soon if substance is to be given to multi-national economic co-operation agreements i.e. for a business group able to converse in two or more international languages, familiar with industrial and commercial law and with business practices in other countries. Some institutional provision for producing this multi-national business class is obviously needed in Africa as it was found to be needed in the European Economic Community and in Latin America.

- "(d) Providing an infrastructure designed to meet the requirements of self-sustaining development; this refers, in particular, to education, science, technology and management".

Earlier comments on manpower have already indicated the need for educational reform. Although the case for reform at the first and second levels is indisputable it is doubtful, as suggested earlier, whether the problems of employment, the dualistic character of African economies, structural change in the economy and in production, etc., can be significantly altered by reforms at these levels. In so far as the bottleneck lies in the lack of persons capable of conceiving, designing, programming, installing and managing modern business enterprises or capable of providing support for small and medium-scale entrepreneurs, emphasis must be placed on post-second level education. Attention is drawn here to two deficiencies:

- (a) the inadequacy or total lack of institutional arrangements for educating and training Africans in a very large number of special subjects essential for accelerated growth and structural change in the economy;

- (b) the poor orientation in content and methods of teaching towards current and prospective problems and needs within the national communities.

For example it may be argued that the most important contribution that foreign private enterprise or bilateral and multi-lateral technical assistance can make to development in Africa is this transmission of skills and 'know-how'. But serious limits are set to the effectiveness of the transmission to Africans by the range of the professional mix and the quality of output of post-secondary educational institutions. A civil engineer educated and trained in road and bridge construction is not an appropriate counterpart to whom a metallurgical engineer can, within a normal service of two years, pass on his expertise. In this context the "quality of output" is closely related not to the fact that a 'trainee' has a degree in engineering but to the syllabus contents and teaching methods employed in preparing him for the degree. Similarly economists who emerge from universities with a total lack of familiarity with managerial concepts, with an understanding of development as a social process, with a grasp of the dynamics of innovation and of science and technology, make poor material for advanced training for responsibility planned development.

As regards science and technology it is suggested that the bulk of activity during the 1970's will be concerned with the development and application of forms of technology appropriate for rural transformation and small-scale industry and, in more general terms, related to the natural resources and the physical and social environment in which it is to be applied.

In the case of medium and large-scale industry it is usual for this to begin by the manufacture of components of imported capital goods in order to reduce the drain on foreign exchange which occurs as industrialisation accelerates. Unfortunately, whilst the ECA and its member-states are considering, and taking action on, problems of the geographical integration of national economies and the linking of several national economies, the technological breakdown of national markets is proceeding at increasing speed.

Since independence many African States have encouraged the importation of an increasing variety of models of e.g. tractors, electrical equipment and other machinery from a widening range of sources without defining and imposing any technical standards. This increase in variety of models therefore leads to the technological disintegration of markets, and progressively rules out the possibility of local manufacture of components. Unless machinery and policies for dealing with this and similar problems are established at an early date programmes of accelerated industrial development are likely to be gravely undermined.

This illustration is intended to bring out the need for some mechanism to deal with other and larger issues of the planning of science and technology as part of the machinery and of policy-making in development.

However, it is now fully recognized that no matter how ample is the provision and how promising the results of scientific and technological research-and-development the crux of the matter lies in the widespread incorporation of the results of research and development in actual production and distribution processes i.e. in technological innovation. It is now also admitted that the process of technological innovation depends less on demonstrable advantages than on the attitudes of management and workers. If, therefore, the countries of the African Region wish to make full use of science and technology for accelerating development attention would have to be paid not only to size and orientation of research-and-development but to the problem of innovation in large, medium and small scale business, by the foreign private sector, by the indigenous private sector and by the public sector.

In earlier paragraphs references have been made to issues which fall within the area of management viz:

- (a) the public service;
- (b) the provision of information and consultancy services to small and medium-scale businesses;
- (c) the need for trans-national business executive groups;
- (d) the effect of attitudes of management on the rate and direction of technological innovation.

In view of the significance of the public sector in development, and in particular, of public utilities it is considered that closer attention must be paid to the education and training of managers for public enterprises. This issue may be considered in the light of the following points:

- (i) the paucity of existing facilities in institutions of post-secondary education for producing high level managers;
- (ii) the consequently low level of success in skill transmission to counterpart trainees;
- (iii) the need to broaden and intensify business research in order to determine the most effective forms and methods of education and training of African management cadres;
- (iv) the need to provide some knowledge of technology in management courses.

Those points represent only a minimal, illustrative commentary on the management problem which confronts the Region during the following Decade.

The reference to self-sustaining development provides an opportunity to consider an aspect of economic co-operation which has not been examined earlier. As is well-known the African member states of UNCTAD have been active in pressing for a special United Nations Programme for the least developed countries, a very large number of which are to be found in

Africa. The lack of capability for self-sustaining growth may be taken as an index of least development.

The need is two fold: firstly, to ensure that specific action, tailored to meet the development needs of such countries, are actually taken and that reliance is not placed on more general considerations which leave critical problems untouched; secondly, to place them in a position to take full advantage of the possibilities offered by economic co-operation arrangements. At present the prospect of establishing a meaningful pattern of economic co-operation which would include such countries and which would be acceptable to them are very limited. It is imperative that package programmes which will, within the first half of the Second Decade, their potentialities for development, raise their rates of economic growth and diversification and improve their position in negotiations for economic co-operation, should be devised as early as possible and funds provided for implementing these packages.

It should finally be added that these notes assume that the theme of self-reliance which gained approval in the IXth Session of the Commission represents a genuine commitment by member-states and that it implies that Africa's most urgent need is the capability to identify, evaluate and solve her own development problems, and that as far as possible the bulk of external aid should be devoted towards equipping her with this capability.