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UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

PROVISIONAL

E/CN.14/SR.148(IX)
12 February 1969

ENGLISH
Original: FRENCH

ECONOMIC COMMISSION FOR AFRICA
Ninth session
Addis Ababa, 3-14 February 1969

PROVISIONAL SUMMARY RECORD OF THE ONE HUNDRED AND FORTY-EIGHTH MEETING
held at Africa Hall, Addis Ababa
on Tuesday 11 February 1969, at 10.25 a.m.

Chairman :	Mr. Lissouba (Congo (Brazzaville))
Executive Secretary :	Mr. R.K.A. Gardiner
Secretary :	Mr. H.L. Senghor

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Participants wishing to have corrections made to this provisional summary record are requested to write them on two copies of the record and to send the corrected copies to the office of the Secretary of the Commission as soon as possible. If necessary, the corrected copies may be sent by post to the office of the Secretary of the Commission, Economic Commission for Africa (P.O. Box 3001, Addis Ababa, Ethiopia) after the session.

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CONSIDERATION OF THE EXECUTIVE SECRETARY'S REPORT ENTITLED "A VENTURE IN SELF-RELIANCE - TEN YEARS OF ECA" (continued)

STATEMENTS BY REPRESENTATIVES

Mr. MASIRE (Botswana) said that during the previous ten years ECA had laid a sound foundation by means of documentation and setting up the institutional framework required for its activities. The time had come to re-define the Commission's role in the economic development of Africa, to enable it to change to operational involvement in order to meet the development needs of member countries. The terms of reference and the institutional framework of ECA would have to be re-examined with a view to introducing any modifications that might prove necessary in view of ever-changing circumstances in Africa.

With regard to the prospective membership of Botswana, Lesotho and Swaziland in the East African Economic Community, to which reference was made in the document entitled "A Venture in Self-Reliance", that was, in his view, a proposal fraught with practical problems which failed to take account of the geo-political problems of southern Africa. He hoped that ECA would pay special attention to the problems of that region and would come to the assistance of countries when they called upon it. The Commission ought to be able to take responsibility for sponsoring development in Botswana, Lesotho and Swaziland, particularly development projects of an infrastructural nature. Recognition by ECA of the special circumstances of those countries would be particularly important to them in negotiating with donor agencies.

During the next decade, ECA should fulfil the tasks assigned to it by member countries, if it wished to remove the stigma of being regarded as an imperialist organization. Furthermore, ECA's activities would have to be co-ordinated with those of other United Nations bodies, so as to reduce overlapping and enable ECA to become increasingly the channel for outside assistance to Africa.

On the question of strategy development, his delegation shared the secretariat's view that African countries would reap greater benefit by

presenting a united front at international negotiations. The Commission could play a very important advisory role by guiding the African governments on the alternatives or choices open to them. While donor countries might be sympathetic to requests for assistance, in the final analysis the economic salvation of Africa lay in her own hands.

Mr. RIGHI (Observer for Italy) said that ECA had played a positive and important role covering the most varied fields in its first ten years of life. Moreover, it had always supported the trend towards economic unification of the African continent by means of regional co-operation - a trend which his government had followed with great interest in view of the many ties that bound it to Africa. His government's policy in Africa was one of economic co-operation, multilateral, bilateral and within the framework of the European Economic Community.

In the multilateral field, Italy had increased her contributions to the various United Nations bodies dealing with development and had constantly supported the financial formula of collective intervention in favour of developing countries.

As for co-operation within the framework of EEC, Italy welcomed the fact that six European countries and eighteen African and Malagasy States were concentrating upon the renovation of the Yaoundé Convention and seeking to extend that formula of co-operation to other African countries, starting by the parties to the agreements of Lagos and Arusha with EEC. The link between EEC and some of the African States should in no way impair intra-African co-operation. The renovation of the Yaoundé Convention was intended to remove all fears and worries on the subject, and to strengthen co-operation between African countries. The success of the Euro-African association should not be judged only in terms of mutual trade concessions: it was the consequence of other forms of initiative and, more particularly, of the credits granted by the European Community to the Associated Countries to improve their economic structures and their technical preparation.

With regard to bilateral relations, Italy had encouraged during the previous decade the participation of her workers and managers in the

implementation of those infrastructures which were destined to develop the African countries. That co-operation was the result of a financial effort which Italy had sustained on behalf of Africa. In the year 1967, 90.7 million dollars had flowed from Italy to Africa for loans and credits. In addition, trade exchanges between Italy and Africa had expanded at a constant rhythm, and Italy's imports from Africa had greatly exceeded her exports.

Mr GOWA (Uganda) read out a message of congratulations and good wishes to ECA from Mr. Kalema, Minister of Commerce and Industry of Uganda, who had been unable to attend the opening ceremonies on the occasion of the tenth anniversary celebrations.

He recalled how the United Nations General Assembly had long resisted the establishment of ECA, fearing that such a body could not cope with the complexities of Africa. He wished to register a vote of thanks to the secretariat of the Commission, which despite those difficulties had played a considerable part in helping the African countries in their economic development.

The African countries which had formerly been linked politically and economically to a few colonial Powers must now, some years after their independence, try to regain self-confidence and become as self-reliant as possible in an interdependent world. Some African countries, however, were still resigned to foreign patronage, which meant that political emancipation had been replaced by economic bondage.

In trade, aid, industrialization, monetary affairs and economic development in general, Africa was facing numerous problems that required immediate attention. For example, the terms of trade were against the developing countries: prices of raw exports had declined while prices of imports from developed countries continued to rise. The solution to that problem was international action on all fronts designed to obtain reasonable prices for exports from the developing countries and to give those countries greater access to the markets of the industrialized world. In that connexion he welcomed the assistance that ECA was providing to UNCTAD on the negotiation of international commodity agreements.

As regards industrialization, the world community must accept the fact that the developing countries wished to process and export some of their primary commodities as finished products to the developed countries. That would enable the developing countries not only to hasten their development but also to buy more goods from both developing and developed countries.

Since 1958 many African countries had been trying to industrialize with the ultimate aim of import substitution. However, the fact that African markets were so small meant that the prices of locally-produced goods were higher than those of imported mass-produced ones. It was therefore essential to co-ordinate African development by means of regional co-operation. Enlarging African markets would enable industry to use mass production methods and thus be able to compete on those markets with goods from the developed countries.

East Africa had had some experience of inter-African trade co-operation and realized that such co-operation was difficult to maintain and called for sacrifices by the governments concerned. It also realized that co-operation was the only way of promoting African industries. The proportion of inter-territorial trade in East Africa had increased rapidly and now amounted to some $118 million out of total exports of $546 million. Uganda welcomed the desire of neighbouring countries, particularly Ethiopia, Somalia, Zambia and Burundi, to participate in such co-operation, and hoped that the present negotiations would soon bear fruit. In that connexion, his delegation proposed that the next Decade be declared an Inter-African Trade Development Decade.

His delegation felt that not only the volume of aid but also its nature and the conditions attached to it needed consideration. In spite of repeated appeals by the General Assembly and the developing countries, those conditions were deteriorating. Procurement of goods and services was generally tied to the donor source with resulting inflated prices in the absence of international competitive bidding. Aid was also tied to the projects to be financed, which often prevented the recipient country from keeping to the development priorities it had laid down, since the

donor country chose the project to be financed; moreover, the donor was often unwilling to finance more than the import component of the project, leaving the recipient to meet the local cost.

The African countries had repeatedly made it clear that their national development could not depend on private capital from abroad, notably because such capital seldom conformed to the recipients' national investment priorities. In addition the recipient country might reach a stage where payments of interest, dividends and capital amortization actually exceeded the capital flowing into the country and it might then become a net exporter of capital.

The African countries realized that the present international monetary situation was difficult: balance-of-payments problems had led some developed countries to reduce their aid programmes as much as possible. They were also aware that there had been more innovations in the international monetary system in the last two years than during the last two decades. They welcomed the creation of the Special Drawing Rights, but would be glad to see further liberalization of the terms. They would also like to be consulted in advance before any action was taken to modify the international monetary system, and not merely informed afterwards of decisions affecting them. It might be wise to consider the possibility of calling an international monetary conference to examine the monetary system and seek ways of improving it.

He ended by quoting a passage from "The role of ECA in the economic expansion and social growth of Africa", which stated that in the final analysis Africans must get on with the job themselves and could not expect others to help them unless they recognized their problems, mobilized their resources, created economic confidence, reformed their social institutions and undertook the urgent tasks of economic expansion and social growth themselves.

Mr. OLU SANU (Nigeria) thanked the Government of Ethiopia for its hospitality to the Commission. Africa was facing a dilemma because of its poverty, a continuing source of frustration, and its abundant resources, which tempted intervention by external forces wishing to exploit them. If the African peoples were to survive, their frustration must be ended and their standards of living improved; but that objective could not be attained unless the African countries opposed those who sought to exploit them and impose economic domination. That was the political setting in which he would examine the question of economic co-operation among African countries.

Since the matter had already been extensively discussed, he would only mention some crucial aspects of it. The economic foundations of co-operation between African countries had been determined by the Assembly of Heads of State and Government of the Organization of African Unity, whose Charter enjoined member States not to interfere in one another's internal affairs. All the African countries, including his own, were small in terms of markets and economy, and it was clear that they had to integrate. The progress of technology, industry and agriculture required increasingly large markets; the European countries had grasped the problem and had set up the European Economic Community, in which the economic interest of the smallest unit was protected. In the same way, economic co-operation in Africa would open up to member countries, particularly the smallest, development possibilities that would not be available through traditional trading relations with the former colonial Powers.

The question of economic co-operation within sub-regional groupings had often aroused pessimistic reactions and it had been agreed that the structure of the four existing sub-regions should be re-examined with a view to making them more effective and operational. In such a review, the needs of Southern African member States such as Swaziland, Lesotho and Botswana should be taken into account.

A question to be decided was whether the sub-regional group should evolve at the pace of the slowest member State. His own delegation felt that it

was better for the pace-setter to be the average runner, and for the slower members to be free to join the community later on. Moreover, an attempt should be made to group together countries with identifiable economic interests and the will to co-operate. If two or more countries found that they could profitably work together, they should be encouraged to do so on condition that their co-operation did not prejudice the fundamental goal of creating larger African markets for African products.

Technical co-operation among African countries was important. ECA could play a more active role in that field, for example by setting up multilateral programmes under which experts and consultants from one African country could render useful services to another. His own country was ready to participate in programmes of that kind. It had five universities and three medical schools, and could, for instance, send teachers and doctors and receive teachers of French in its secondary schools.

Although the African countries could not obtain fair prices for their products on the markets of the developed countries, which were already saturated in such lines, they were having to pay more and more for their imports. Despite the establishment of institutions such as the African Groundnut Council and the Cocoa Producers' Alliance, and preferential access to the markets of some industrialized countries, the terms of trade continued to go against the developing countries. The only long-term solution lay in industrialization and in modernizing agriculture, which implied an expansion of intra-African trade, for the failure of UNCTAD had proved that the industrialized countries would not open their markets to African processed goods. Although UNCTAD should not be written off, the lessons of history should be drawn, and the African countries must therefore accord priority in their long-term strategy to intra-African economic co-operation.

Mr. Tom Mboya had called for a Conference of African Finance and Economic Ministers to launch a massive aid programme and work out an African development strategy in accordance with Resolution 169(VIII), but his own delegation agreed with the Executive Secretary that too many

conferences had already been convened. It considered that the problems involved could be adequately handled by existing institutions. If the structure of the Commission was reformed as proposed, it would be the best instrument for working out a strategy of development for Africa, African economic ministers would be able to determine the necessary objectives and priorities within the new machinery of the Commission.

Similarly, the African finance ministers who made up the Board of Governors of the African Development Bank could use the Bank as a forum to work out a strategy for development finance, taking into account the ever-mounting debt-servicing charges. Liaison and consultations between the Director of the Bank and the ECA secretariat were needed, as well as proper co-ordination of domestic and foreign aid policies by African finance and economic ministers.

As regards the role that ECA should play in the coming decade, he feared that one of the major difficulties facing the Commission would be the fact that the United Nations and its specialized agencies did not want to accept it as the principal organ for promoting the economic and social well-being of the African States. As the outgoing Chairman had pointed out in his opening statement, United Nations activities needed to be decentralized, with more powers devolving on the Commission; on that condition only could the Commission work effectively during the coming decade. Moreover, the Economic Commission for Latin America and the Economic Commission for Europe were given more latitude in carrying out their responsibilities, and particularly in implementing programmes, than ECA.

His experience as Nigerian Ambassador in Addis Ababa led him to believe that the Executive Secretary and the secretariat should evolve closer and more regular contacts with African ambassadors in Addis Ababa so as to keep in touch with the aspirations and difficulties of the African countries. Member States without embassies in Addis Ababa could designate other countries to represent their interests with ECA.

The policy of self-reliance should not preclude the contribution of foreign aid, so necessary in an increasingly interdependent world, but

foreign investors often took the line of least resistance by investing in the extractive industries; and their employment policies were not always in the interest of the host countries. Their choice of areas of investment did not always coincide with investment needs. That criticism did not apply to technical assistance, which was the more effective form of aid if directed at establishing the technological bases necessary for development. In short, the African countries required foreign aid to serve as a supplement to their own efforts, for in the last analysis their economic salvation lay in their own hands.

His own country would support any measures to strengthen the Commission and make of it the major international organ for promoting African economic development through co-operation, under the political auspices of OAU. Nigeria would give all possible support to ECA to enable it to play an effective role in the coming decade, which would be of crucial importance to African development.

Mr. NGALANDE (Zambia) remarked that the African countries, which had been self-reliant before colonization, were being told to be so again now that they had become independent. However, they had little chance of attaining a degree of economic development that they had not been able to reach when they were free, now that colonial exploitation had deprived them of part of their resources.

There was some incompatibility between the idea of self-reliance and the need to attain a sustained and accelerated development growth rate. Without denying the intrinsic value of the principle of self-reliance, he wondered whether it were not a pretext for the countries that could give aid to avoid giving it. The African countries would not of course ask for aid from countries that did not offer it, but such aid would obviously much facilitate efforts at economic and social development. He doubted even whether the many studies made by ECA had any practical use, since the African countries lacked the resources to follow up the consequent recommendations.

The net annual capital flow to Africa was quite insufficient to enable it to attain a reasonable rate of development. Such capital was,

moreover, far from being fully used for projects likely to contribute to the economic and social welfare of Africans. Part of it went to pay the salaries of expatriate technicians, and was of greater use to the expatriates' governments than to the host countries, which could not afford to sack the technicians because they could not replace them. Besides, part of that capital was used to buy military hardware: some developed countries had no hesitation in playing upon tribal differences so as to persuade African countries to request military aid, from which they then found it very hard to extract themselves.

While convinced that the African countries must use all possible means of becoming self-reliant, he feared that intra-African trade had limitations because it covered similar products. The African countries should rather try to develop trade with the rich nations so as to earn the necessary foreign exchange for their development. The ECA, in close collaboration with UNCTAD, should try to persuade the richer countries to open up their markets to raw materials, foodstuffs, semi-manufactured and manufactured goods from the African countries. An attempt should also be made to reduce the quantitative restrictions and the various taxes on exports from African countries to the markets of the developed countries.

Zambia was in a particularly difficult situation because out of loyalty to the United Kingdom, it had agreed to apply the economic sanctions decreed by that country against rebel Rhodesia. That had involved Zambia in serious losses for which the United Kingdom had offered no compensation. The Rhodesian rebels were free to interfere with Zambian imports and exports through their territory. Fortunately, Tanzania and the Democratic Republic of Congo had opened their ports to Zambia, thus providing an excellent example of African solidarity. Rhodesia, in close collaboration with the racist regime of South Africa, was also creating trouble at the Zambian borders. Zambia's special position deserved the sympathy of countries richer than itself, financially able to help it to become stronger economically and better able to withstand the racist countries surrounding it.

Mr. PEDANOU (Togo) recalled the disappointments of the first Development Decade and the second UNCTAD Conference and said that his delegation shared the views set forth in "A Venture in Self-Reliance". Africa was mistress of her economic and social destiny, but it was not fair that in the great international family the most affluent countries should abandon to their fate countries that were not wholly responsible for the difficulties in which they found themselves.

The multiplicity and complexity of problems to be overcome by the African countries during the next Decade would call for large-scale mobilization of their resources, both human and material. His delegation was glad, therefore, that in connexion with the reorganization of ECA mention had been made of the need to re-examine the existing sub-regional groupings.

Togo was perhaps the prototype country in which all real development possibilities were bound up with regional integration. It had taken the road to sub-regional co-operation by trying to give its neighbours the benefit of its own resources, like phosphates and salines. Projects of that kind had not aroused much interest, but that had not prevented it from taking the initiative in other fields, more particularly with regard to the possibility of exchanging electric power between Togo, Ghana and Dahomey.

A master development plan should be worked out for the sub-region, providing for a judicious economic localization which would make for true co-operation. The role of ECA in economic integration was quite plain.

Mr. TOURE (International Monetary Fund) said that ECA was the privileged forum at which the economic and social development strategy of Africa was being worked out in accordance with its own requirements. International Monetary Fund activities in Africa encompassed not only financial aid but also technical assistance. As of 31 December 1968, African countries' transactions with the Fund amounted to $ 811 million. With regard to technical assistance, in addition to the regular consultation missions, the Fund provided on an increasing scale experts on banking,

budgeting and fiscal matters, balance of payments and monetary statistics. Furthermore, the IMF Institute offered regular courses in balance of payments methodology, financial policies and public finance.

One of the purposes of the IMF, under its Articles of Agreement, was to facilitate the expansion and balanced growth of international trade.

The proposed new facility based on Special Drawing Rights, which was of vital interest for all members of the Fund, was ratified on 28 January 1969 by 104 member countries, of which 11 were African. Since the member countries in Africa constituted more than one-third of total membership, their ratification was essential in providing the two-thirds majority required. The new rights would be allocated in proportion to quotas and would be freely usable. It could be calculated that for every thousand million dollars allocated to participants in the form of special drawing rights, each African participant would receive about five per cent of its quota in special drawing rights. As the Managing Director of the Fund had stated, the additional reserves which the developing countries would derive from the new facility would help them to maintain their imports in the face of external disturbances, and to achieve steadier implementation of development programmes.

The Fund was also studying the problem of stabilizing the prices of primary products in collaboration with the World Bank.

Finally, the Fund looked forward to even closer collaboration in the coming years with regional organizations such as ECA and the several international agencies working in the economic and social fields.

Mr. WEED (International Bank for Reconstruction and Development) said that his Group's main function was to serve as an instrument for channelling financial resources from the richest countries in the world to the developing countries. As its President, Mr. MacNamara, had said, it was not just a bank, it was a development agency in the widest meaning. As to its strictly financial function, external loans with interest were investments, but they were less onerous than those to be found on the world money markets, and they were not tied. Furthermore, Africa was still

receiving further credits from AID, another branch of the IBRD Group, and on extremely reasonable forms. The African countries represented more than one-third of the Bank's membership. The total of loans to the region had grown constantly, and came to $770 million in 1963-1968. That figure would doubtless be tripled during the next five years. The funds, which at first were used for large-scale projects - mineral resources, electric power, transport - were later directed towards smaller agricultural projects, and also to education. The possibility of financing tourism and small-scale industries was being considered. The Bank had instituted a system of consultant groups which enabled the principal bilateral contributors to be placed under its presidency, as well as UNDP and ADB, to assess constantly the problems and needs of the countries in question and establish priorities.

The Bank dealt, too, with possible means of solving institutional, technical and personnel problems which were obstacles to development. In particular, it had undertaken a study in collaboration with IMF on price fluctuations in connexion with commodities and how to offset their effect.

Among the Bank's many activities in Africa, he would like to mention the assistance it had given to various countries in the formulation of national development programmes and investment programmes by sector, and the studies undertaken with ECA, ABD and UNDP with a view to rational development of transport, power and communications at the regional level, as well as its collaboration in UNESCO and FAO programmes. The Institute for Economic Development organized by the Bank in Washington also welcomed an ever-growing number of African officials for courses on development and project assessment. Courses at the regional level were contemplated, in conjunction with the African Institute for Economic Development and Planning.

In future, the Bank proposed not only to increase its financial contribution but also to extend the field of its catalytic activities. For that contribution to bear fruit, however, closer and more effective integration of the African economies must first of all be reached. Any effort in that direction would have the unqualified support of the Bank.

Mr. MENSAH (Inter-Governmental Maritime Consultative Organization) said that his Organization was determined to co-operate to the utmost with ECA and its member States towards economic development in Africa.

Since that was the first time that IMCO had been able to participate in the deliberations of the Commission, he wished to provide some basic information about the purposes and structure of the Organization, which had existed since 1959 and had its headquarters in London. As a United Nations specialized agency for maritime affairs, it dealt mainly with shipping engaged in international trade and in the governmental practices and regulations affecting such shipping. It sought to facilitate co-operation between governments in that field, and devoted a good deal of its time and resources to studying problems of shipping. It convened international conference which adopted conventions or agreements concerning marine safety and the prevention of marine pollution.

The development of maritime transport and the technical progress made in that field appeared to indicate that the contribution of shipping, and therefore of IMCO, to the economies of the developing countries would become increasingly important. The Organization was currently participating as an executing Agency in the United Nations Development Programme, and had been responsible for the administration of a programme of technical assistance in technical and legal matters related to shipping. It expected to enlarge its programme of assistance to the developing countries, not only to develop their own shipping services but also to enable them to utilize the services of the world's shipping with efficiency, safety and maximum profit to themselves. In co-operating more with the regional economic commissions - including the Economic Commission for Africa - it would be able to bring to the attention of a greater number of developing countries the fact that it could offer them technical assistance where shipping was concerned, and learn more of the special needs of those countries.

The meeting rose at 12.30 p.m.