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**THE SIXTY-FIRST ORDINARY SESSION
OF
THE OAU COUNCIL OF MINISTERS**

STATEMENT

By

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the Economic Commission for Africa**

**Addis Ababa
23 January 1995**

Your Excellency,
Ato Tamirat Layne,
Prime Minister of the Transitional Government of Ethiopia;

Excellencies,
Members of the Council of Ministers of the OAU;

Your Excellency and Dear Brother,
Dr. Salim Ahmed Salim,
Secretary-General of the Organisation of African Unity;

Excellencies,
Members of the Diplomatic Corps;

Dear Colleagues,
Ladies and Gentlemen;

I am greatly honoured to have the opportunity to address this Sixty-first Session of the OAU Council of Ministers.

At the outset, I wish to extend to you all a hearty welcome to Africa Hall. This is indeed a revered place in the modern history of our continent. It is in this very Hall that Africa's Leaders have made far-reaching decisions geared towards the liberation of the continent and its development. Your meeting today is yet another laudable landmark in the acceleration of this process. You will no doubt agree with me that we need to make pertinent recommendations on a wide range of issues, including economic policy, the resolution of conflicts and confidence building, and devising initiatives and cementing our resolve to urgently tackle Africa's pressing development problems. This is our collective responsibility. More than in any other place, Africans from the North, the South, East and West, and from the continent's islands have embraced and professed this commonality of purpose. The very important deliberations of this Sixty-first Session of the Council of Ministers of the OAU will no doubt be guided by this spirit.

The Council is meeting only three months before the convening of the Special Session of the Council of Ministers on Economic and Social Issues in African Development in Cairo, Egypt. This Special Session was called for by our Leaders at their Summit in Tunis. It

was an expression of their profound concern about the socio-economic crisis that continues to have our continent in its grip, well into the 1990s, a decade that was supposed to bring recovery and robust growth across the whole continent. The Leaders' decision was borne out of their perception of the fundamental changes that are taking place in the overall geo-political order and in the structure of global economic relations at the threshold of the Twenty-first Century. It is the embodiment of their resolve to arrest the trends of decline and to accelerate Africa's socio-economic recovery and growth along the path of sustainable development.

Excellencies,

The task of turning around the African economy is no doubt a challenging process and has as yet proved highly uncertain, in spite of a modest increase in the regional economic growth rate in 1994. We estimated that continental economic output grew by 2.8 per cent during the year, up from 1.1 per cent in 1993 and -0.3 per cent in 1992. This, however, still fell below the rate of population growth, which means that poverty has continued to deepen.

The modest gain in the regional economic growth rate must be credited on improvements in some of the determinant factors of African economic performance. For one, the weather was more favourable in all African subregions in 1994, spurring a 3.1 per cent growth in continental agricultural output, a significant improvement on 1993. The food sub-sector, however, posted a disappointing 2.5 per cent growth rate, compared to 4 per cent the year before. Thus, in 1994, Africa was no where near its targeted goal of food self-sufficiency. On the other hand, countries in North and Southern Africa as well as the Sahel had bumper harvests due to timely and adequate rains. Countries in the Horn of Africa have in turn gradually emerged from the famine situation which prevailed in recent years in many parts of the region.

Also, modest gains were posted in the export sector due to dramatic rises during the year in the prices of primary commodities, especially beverage crops and, to some extent, metallic minerals. This cannot be expected to represent a lasting

reversal of the secular trend of falling commodity prices, as the factors which underlie the weakening of global commodity markets are still very much in force. Sustained growth in African countries' exports on the world market continue to hinge on success towards export diversification based on efficient industrialisation, gains in productivity and competitiveness, and aggressive marketing.

The socio-political scene, however, remains shrouded in uncertainty. On the positive side, there was considerable easing in the political climate in a number of countries while, on the negative side, this objective has continued to elude us, as conflict situations continued to persist in some countries. Data available at UNECA suggests that countries that have successfully contained their domestic strife have been rewarded in terms of a distinct improvement in their growth rate in 1994.

Furthermore, in 1994, all African countries with few exceptions intensified their commitment to sound macro-economic reforms, in the areas of fiscal and monetary policy, exchange rate, domestic prices and marketing structures, trade liberalisation, financial sector strengthening, public administration overhaul, public enterprise restructuring and privatisation and investment promotion. The policy thrust was geared towards reducing fiscal deficits; eliminating inflationary pressures, ensuring interest and exchange rate stability; improving economic productivity and international competitiveness; removing disincentives to foreign and domestic investors alike; and ultimately boosting the rate of growth of the national economies and reduce poverty.

African countries thus continued to make painstaking progress in their complex multiple transitions -- from war and conflicts to reconciliation, reconstruction, peace and stability; from authoritarian rule to free and fair elections and democratic governance; from apartheid injustice to non-racial society; and from public sector domination of economic activity to broadening economic opportunities for private sector participation. Countries continued to invest much effort and scarce resources, to underpin policy reforms at great social costs.

But, unfortunately, our development partners have so far failed to fully recognize and support the heroic efforts that

African countries and people are making as they grapple with all these difficult transitions. Africa has not been given a level of resources commensurate with the development challenge that it faces. The level of resource flows in the first four years of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), has indeed fallen far short of the commitments made by our development partners in support of this programme. Even on the issue of external debt, which UN Secretary-General Dr. Boutros Boutros-Ghali, has equated to a "millstone around the neck of Africa", hardly any progress has been made towards a durable solution. This is in spite of the relative insignificance of Africa's debt in global terms. The external debt overhang is, without question, the single most important development constraint and source of uncertainty in Africa's future.

Excellencies,

Allow me to reiterate the importance that the Economic Commission for Africa attaches to the deliberations that will take place at the forthcoming Special Session of the OAU, and our hope that it will formulate a practical agenda for accelerating Africa's development in the 1990s and beyond. This agenda will, no doubt, re-affirm the primacy of the principle of self-reliance, which has always been the cornerstone of the African development philosophy. While stressing the primary responsibility of us Africans for the development of our continent, it is important that this agenda be inward as well as outward looking, and that it should aim at fully integrating Africa at the heart -- rather than at the periphery -- of the highly competitive global economy.

The actionable agenda should also spell out, in precise terms, the division of labour between Africans, on the one hand, and their development partners, on the other. We need to be precise as to what we the Africans need to do to relaunch our development; and what we demand from our partners.

To this end, the priority areas on which the Special Session should propose pragmatic but effective actions should encompass :

- establishment of an enabling environment for the mobilisation and consolidation of development forces and resources, which

by means getting the macro-economic policy as well as the socio-political context right, and the active creation of the right institutional and human capacities;

- removal of domestic and external financial resource constraints, including a lasting solution to the debt problem;
- restoration of the primacy of human development as the objective as well as the principal means of all other areas of development;
- modernisation of production structures in agricultural, industrial, and services sectors, including technology acquisition and utilisation, infrastructures, and enterprise development;
- strengthening Africa's participation in world trade by building up its competitiveness while, simultaneously, breaking down physical, tariff and non-tariff barriers to the expansion of intra-African trade; and
- accelerating the integration process.

As a prerequisite for the restoration of conditions for sustained and sustainable development, I cannot overemphasise the importance of transcending the state of conflicts which constrain a number of our countries. We must usher in a culture of peace and harmony, a culture of consensus building, mutual respect, and collaboration towards the fulfilment of higher objectives that surpass ethnic, national and regional divides.

Excellencies,

Africa's development, as we have repeatedly said, is a joint responsibility between Africans and their development partners. This partnership in development cannot be more urgent than at this juncture in the history of the continent. We have seen that despite strenuous efforts by the African countries, the economic recovery has continued to elude the continent while, at the same time, the profound and far-reaching transformations in the rest of the world in recent years have further marginalised Africa. Africa

cannot afford to be left behind; nor indeed can the world afford to leave Africa behind. Experience so far with programmes to assist Africa, more recently in the form of the United Nations New Agenda for the Development of Africa in the 1990s (UN-NADAF), constrain us to conclude that the logical sequence of this forthcoming Special Session of the OAU on economic conditions, should ultimately be the convening of a Special Session by the United Nations General Assembly to effectively address the African economic problématique.

This Session, which your meeting could suggest to the United Nations, should be convened as soon as possible after the special Cairo session of the Council of Ministers, to maintain the momentum that is gathering force in response to the very critical economic and social situation in Africa. This Session of the General Assembly should focus on realising tangible results in terms of quantum removal of the continent's resource constraints. It should permanently address and resolve the external debt issue, including multilateral debt. It should as well address the unequal terms of exchange arising from the new world trading arrangements. There are the questions of commodity prices, diversification, trade in services, the international division of labour, and the access to modern technology. These, and so many other development concerns of Africa, should have a real opportunity of being effectively addressed. The world community should recognise that Africa is in transition at par with similar regions that appear to have been given more prominence and attention. I believe that your meeting will have the opportunity to seriously consider this proposal and possibly work out the modalities for translating it into an actionable recommendation to our Heads of State and Government.

The challenge facing us, all of us, and particularly our Joint Secretariat of OAU/ECA/ADB is to concretise the goals of Africa's development within this perspective.

I wish you fruitful deliberations, and I thank you for your kind attention.