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UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
LIMITED
E/CN.14/L.228
11 February 1965
ENGLISH
Original: FRENCH



ECONOMIC COMMISSION FOR AFRICA
Seventh session
Nairobi, 9 - 23 February 1965

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The year which has just ended was marked by a great event in international economic collaboration, and the spirit which reigned at the Geneva Conference on Trade and Development presides over the opening of this meeting, as it does over so many other international gatherings. We must make a fresh start, taking advantage of a momentum which is not yet completely spent.

We, of course, interpret the lessons of Geneva in the light of African circumstances and, fortunately, this year we can discern in the recent development of this continent some signs of progress testifying to the fact that an effort is under way which calls for and amply justifies more intensive co-operation on a world scale.

Almost everywhere in Africa we note an acceleration in the pace of development, new projects in the building of roads and power stations. Nearly everywhere too, the volume and value of external trade have, thanks to the world trends as well as to domestic efforts, increased more than those of the world as a whole, and at least some of the benefits of this expansion are spreading to the whole of this continent, even though the greatest impact is felt in the few countries producing oil and copper.

It is in the agricultural sector that performance is still unsatisfactory, even disquieting. If we exclude South Africa, the over-all rise in agricultural output remains small, almost imperceptible, and in a good dozen of countries per capita production is declining. This situation is not, moreover, peculiar to the continent, but that is a further reason for trying to find the causes and remedies of an ill for which we have been unable to prescribe a course of effective practical action. And yet, there is no task today of such urgent importance in the implementation of development policies. What happens in the agricultural sector is an absolutely decisive factor determining the whole process of economic growth, when more than half, and sometimes three quarters of the economically active population is engaged in agriculture and when a farm worker produces only one third of what workers in the other sectors produce. The relative stagnation is jeopardizing, here as elsewhere, the achievement of the targets set for the Decade. To make good for it would require the rest of the economy to grow at a rate which no realistic appraisal can forecast. Even a moderate improvement in the nutritional level is not certain and this affects some of the hopes that can be pinned on rising productivity. Inflation and the accompanying tensions are to be feared. And yet a considerable effort has been made. Projects and programmes, often involving international co-operation, have developed, reaching even the most remote areas. But at this stage and faced with the persistence of the phenomenon, we must ponder the value of the methods employed with all the sincerity and insight at our command. At the Conference of African Development Planners, recently held at Dakar, there was a general recognition of the inadequacy of an approach based exclusively on economic incentives and technical services. An attack on a wider front is necessary if we want to overcome the traditional resistance to change which is to be found in agricultural populations. More is needed than just investing in new techniques or ensuring and guaranteeing adequate remuneration; certain aspects of the social and institutional structures must be

changed. These conclusions are, unfortunately, much too general; they only indicate how much we must reflect and experiment to discover formulas of practical application. This problem has been with us too long without any serious progress being registered, and the observations we make from year to year are becoming the same old refrain. Surely this Commission cannot shirk its share of the collective effort which is necessary, and, in this year so solemnly dedicated to international co-operation, it should have no more urgent objective, in collaboration with the Food and Agriculture Organization.

More than current economic trends, it is the progress on the institutional front that invites our optimism this year. A healthy determination to move towards intra-regional organization is apparent in a rich harvest of co-operative projects. Some of these are just in their infancy; others have already been brought to a successful conclusion. In a continent where the population of so many new nations is less than 2.5 million, after the first euphoria of independence, the need is felt to group together, to affirm an interdependence which is as much a natural as a historical necessity, and to forge mutually advantageous economic administrative and institutional links. A glance at the calendar of events in 1964 is sufficient to appreciate the efforts in this direction. The African Development Bank is established. At an earlier stage, doubts have been expressed about the usefulness of this new instrumentality for international financing. But those who are familiar with the problems of economic development - and among them the International Bank for Reconstruction and Development which has given us so much help in the carrying out of this project - knew better. In Africa, we face a situation which is often paradoxical, characterized as it is sometimes by a scarcity of bankable projects in relation to available investment capital, sometimes by the difficulty to mobilize such capital at appropriate terms for projects which are quite well conceived. The Bank can do much to remedy this situation designed as it has been to perform a dual function, that of a "bureau d'études", scouting and preparing new projects, and that of a "financial agent" finding investment capital inside and outside the continent. We wish the Bank and its President every success for the benefit of economic development and of African unity. Other less spectacular events are no less indicative of an aspiration towards integration, which seizes every opportunity to translate itself into concrete arrangements: the establishment by the countries of the Maghreb of an Economic Consultative Committee and of an industrial development centre, the Agreement to set up an inter-governmental body for the development of the Niger basin, the Kampala Agreement for the strengthening of the East African

Common Market, the preparation of a draft agreement on a customs union covering four republics in Equatorial Africa and Cameroun the drafting of a convention for a commercial union between the Governments of Togo, Niger, Upper Volta and Tunisia, the discussions on the establishment of a free trade area between the Ivory Coast, Liberia, Sierra Leone and Guinea, the formulation of a common development programme for the countries of the Senegal basin. Rarely in history can one find, within so short a period, evidence of such a clear and ardent desire for co-operative arrangements and common institutions, in short, for the establishment of close links to give practical expression to the contemporary and inescapable reality of inter-dependence. Some of these developments have arisen from well-defined situations and are aimed at specific targets. They give rise to no special problems; they are not mutually exclusive; and they do not create, at least in the immediate future, problems of compatibility. Others are more general and more ambitious: they are designed to create forms of association whose repercussions may be felt beyond the geographical areas they cover and whose preparation and development merit close examination in the broadest context.

The institutional system of the United Nations, considerably strengthened as a result of the Geneva Conference, is now sufficiently complete and flexible to enable all problems bearing on the organization of trade at the regional level as well as on the global scale, to be examined in depth, and practical solutions to be negotiated. In fact, it seems that between industrial countries and developing ones, a new type of dialogue has begun which, with the right orchestration, may prove to be particularly effective. It is not only the establishment of inter-governmental bodies which alters the context of international action but also, and, in my view, to an equal extent, the regrouping of trends and forces induced by the broad confrontation of last year, the most striking feature of which has been the solidarity of the seventy-seven. This regrouping should give added strength to the institutions. But the right strategy must be applied in order to

extract the utmost advantage from it, since it could otherwise become a factor of immobility rather than of progress, a pretext for the endless reiteration of claims rather than the instigator of action aimed at practical arrangements.

There are some difficulties which may be solved more easily if full advantage is taken of the fact of this regrouping. Reference can be made in particular to the problems posed by the preferential systems of the Commonwealth and the European Community with respect to the solidarity of the seventy-seven and the reorganization of the trade system. Despite the progress implied in certain clauses of the Yaoundé Convention, the persistence of this problem has appeared as an obstacle on the road towards a trade system more favourable to the group of developing countries taken as a whole, whether it is a question of expanding outlets in industrial countries or of taking action to stabilize and organize markets. Although the Geneva Conference very clearly revealed a unity of aspirations and even an identity of long-term interests among the developing countries, it did not produce practical ways and means of eliminating the divergencies resulting from the existence of some particularism. Yet, these difficulties are not beyond solutions; they can be overcome under a gradual programme which, through successive stages, would facilitate the necessary adjustments and unfold within a broad and flexible enough framework to provide adequate compensation for the sacrifices to be obtained. To my mind, such solutions are more likely to emerge gradually if they are first explored by the African countries among themselves, within a homogeneous group such as this, thus avoiding the suspicion of external influence and pressure taking the form of divisive manoeuvres. Solutions emerging from efforts thus pursued in the most favourable possible setting might be offered for negotiation with the support of a numerous and united group.

The advantage of discussing these matters in your Commission lies not only in the tactics of negotiation but also in the fact that here, probably even more than in the new machinery set up by the Geneva

Conference, improvement of the international trade system can be studied in its very relation to development. Here, implementation of new trade policies or new legal rules are viewed in the light of their bearing on investment and production, on the development of resources and the advancement of agriculture and industry. In the regional commissions, perhaps more than anywhere else, the twin words "trade and development" acquire their full significance.

In the wake of the Geneva Conference, your Commission will also concern itself even more intensively than heretofore with the problems of regional or multi-national integration, with the formation of common markets or of preference areas among African countries. No topic is technically more complex, and few conclusions are more tentative as those relating to it. On the one hand, we find a certain infatuation with such formulas, fostered by the success of the European Community. Sometimes, we even note a certain haste in assuming that the common market formula is in fact more readily applicable to the economies of the under-developed countries, because of the dimensions of their markets, and that, in their case it is not open to the objections which accompanied the implementation of the Treaty of Rome. On the other hand, and conversely, the advantages of a certain economic nationalism have been recently stressed. Probably as a reaction against an obsolete orthodoxy, a great deal has been said of "disequilibrating tendencies" which may result from the opening of markets, even within a limited group. Far from equalizing income and employment, as classical

theory holds, the opening of markets would trigger a cumulative process of perverse relationships in which human and material resources would tend to gravitate towards certain poles in the more prosperous regions and these would enjoy the highest **degree** of economic and social organization. Thus, it is argued, the common market or free-trade area may permit certain regions to lag behind and doom them to prolonged stagnation by depriving them of the stimuli they might have received under a protectionist system based on dynamic government policy. These contrasting doctrines are reflected in actual practice. The history of decolonization in Africa and elsewhere provides striking examples of two opposing philosophies. Sometimes economic integration is rejected by the weaker countries in favour of economic nationalism, which they expect to produce greater dynamism, but sometimes it is feared by the stronger countries which wish to protect a high-income area.

In view of such ambivalent attitudes, the solution requires a scrupulous analysis of each specific situation. The smallness of markets is not the only, nor always the most important, factor to be taken into account in deciding whether some forms of association should be sought. However similar the countries of Africa may often appear, when the spotlight is focused on this single factor, there are already great differences between them as regards productive capacity, income levels and the degree of modernization. The inequalities affect not only the present situation but also the prospects of development, given the discrepancies that may exist between the scope of the ambitions,

the intensity of the efforts to develop and the effectiveness of those efforts. Where inequalities are too great, the common market is justified only if compensatory mechanisms are created. Often these mechanisms do not emerge during the early stages, characterized by the liberalization of tariffs, but they emerge much more slowly during the changeover from a simply free market to an institutionalized one under a system that includes elements of federalism or, in any event, the possibility of a redistribution of income by means of budgetary measures. We find a clear example of this process in the above-mentioned Kampala Agreement under which Uganda's and Tanzania's share of new investments is to be increased considerably in order to establish a better balance and thus to restore the image, previously blurred, of a homogeneous economic unity extending over the three countries of the East African common market. This very recent and very vivid lesson must not go unheeded. In setting up the common market, it is necessary to forge rapidly ahead beyond the stage of tariff reductions of the formation of common institutions which may be federal, confederal, or merely joint institutions, but which must govern a substantial part of the economic and social activities of the associated countries. When such a development appears unlikely for political, historical or other reasons, the advantages of the common market are much less obvious, and some economic nationalism may be warranted in the early stages of the Nation-State.

It is also necessary in this context to keep in mind the relationships that may exist between economic regionalism and a rational development

of the world trade system. It is a well-known fact that nations of limited size, small population and meagre natural resources have, in the course of history, managed to achieve remarkable economic performances, owing to the existence of an open world market and to the possibility of specializing in certain lines of production with an eye to that open market. The decisions in favour of or against a certain measure of regional integration will necessarily depend on the trade policies followed by the great industrial Powers, on the access that they will offer to the agricultural or industrial goods of the developing countries, and on the stabilization and organizational machinery that they will be willing to set up. It is perhaps a good thing that the various blue-prints for regional integration in Africa are still somewhat fluid, that alternatives still exist with respect to major investments and that advantage can be taken of all the opportunities that may be offered by an improvement in the system of world trade before it becomes compelling to fall back on certain restricted solutions which might not always be the most advantageous.

It is these various alternatives, and their consequences which your Commission must keep under constant observation, while bearing in mind that political considerations are often the most powerful ones for or against economic integration.

However, besides the forms of association involving customs arrangements, there are types of multi-national co-operation which are not subject to the same uncertainties and hesitations and are not dependent on the decisions that may be taken in the world's major economic centres. I am referring to the co-ordination of efforts in

the fields of transport and power. There should be no quandary arising from economic calculus when the question is one of establishing lines of communication or telecommunications or new hydro-electric or thermal plants. The development of international river basins is obviously a borderline case in which co-operation becomes an obligation, and the recent progress achieved here should herald a more active policy.

When one goes on to deal with the question of establishing industrial units, the problem - as was apparent at your meeting at Bamako - however promising it was - becomes more complex. Here, it is possible that customs arrangements might promote progress, and one must examine, in this connexion, the impact of the GATT rules relating to customs unions. It is possible in particular, that if these rules could be made more flexible so as to permit a preferential system based on reciprocal tariff advantages for a small number of items, there would be a better prospect of a rational distribution of industrial units in African countries, under arrangements permitting progress to be made on a sufficiently broad front for a number of different countries to benefit thereupon. In that way, it would be possible to avoid the over-investment in certain sectors which is already becoming apparent on other continents and to make progress in co-ordinating plans and programmes without necessarily having to grapple with all the difficulties involved in the establishment of common markets in the sense in which that term is used in the present rules.

In the assertion, strengthened by last year's events, of its responsibility to act as effectively and vigorously as possible in the changing pattern of international trade, this Commission should not be diverted from work which it can so usefully perform in connexion with the other aspects of the development of its member States. After the glamour of the Geneva Conference and now that new institutional machinery is being set up, the study of the problems of world trade will assume less spectacular and more routine forms, as patient efforts are made to achieve what may not prove to be very rapid progress. However, the search for a world trade system more responsive to the interests of your countries does not exhaust all the possibilities for international co-operation. In the modern world, nations have discovered the substantial benefits to be derived from joint study of their problems, even when the solution to these problems does not call for treaties or multi-lateral arrangements, and lies wholly within national boundaries. This joint study of similar or related problems, is a recent development which reflects a new and, on the whole, deeper sense of solidarity between governments and peoples and is, in my opinion, one of the most significant features of our times. From that standpoint, the establishment of a Conference of Planners under the auspices of your Commission is to be hailed. The first meeting of the Conference has already shown how useful the collective study of individual problems can be.

This is particularly true with regard to "development strategy", that new "discipline" which has come to the fore ever since so much attention has been focused on the problems of the Third World. In the course of its brief existence, it has already found expression in varied and at times contradictory formulas. Some give virtually absolute priority to capital formation, the building of a physical infrastructure being regarded as the prerequisite for satisfactory growth. The growth rate, expressed by a quantitative figure, is cited as the very symbol of economic performance. Long maturity projects then absorb the most resources and efforts at the expense

of those which would lead to a faster improvement in levels of consumption. Others advocate a less austere approach aiming at finding the secret of balanced growth, even if its rate has to be slower at the outset. They emphasize the effect which too severe a restriction of consumption would have on over-all productivity. Others still have discovered the priority of the human factor, the quality of the human factor, not only as the ultimate goal of the development effort, but also from the point of view of economic output itself. They stress that the human factor sometimes contributes more directly than physical investment to the achievement of growth. The pre-investment programmes which address themselves to social problems, education, health, urban development, social security - in short, to everything that affects the environment in which production takes place - come to occupy the top place in the list of urgent tasks. Expenditures which not so long ago came under the heading of public or private consumption - and which, under the principles of sound management, had to be kept at the lowest level compatible with public tranquility - are now regarded as essential elements in any policy for raising productivity, like productive investments.

As attention veers from one side to the other, it can doubtless be shown that one or the other of these different approaches or "models" corresponds to the requirements of this or that specific situation. However, the array of possible solutions makes us take a cautious attitude towards the conclusions of theoreticians, and the anticipations of the deductive mind. We are aware of the uniqueness of each situation and of the diversity resulting not only from the combination of the various production factors of classical or neo-classical theory but also from the political and social realities of certain imperatives which limit and influence the choices open to us. Development strategy, this new discipline, owes still too much to the constructions of theoreticians and not enough to the experience of practitioners. It is not yet based on the fund of knowledge, observations and experience required to give it the scientific character to which it aspires.

And yet, throughout the world, and particularly within the United Nations system, with its network of organizations and programmes, a substantial fund of knowledge already exists. It can be found in official reports and documents, in the conscience and memory of experts and administrators. Our efforts must now be directed towards mobilizing that knowledge and experience, towards utilizing the observations which can be made regarding a vast number of actual situations, and towards systematically analyzing and comparing them. It is by drawing upon the knowledge of those with a first-hand experience, by aiming at learning the lessons that experience teaches, that development strategy must advance and that it will provide us with surer and more ingenious guide-posts. An inquiry of the broadest scope must be undertaken and pursued as a continuing function of the Organization. Within the context of that inquiry, your countries not only will reap the fruits of the experience of others but also will themselves be able to contribute through the example of their successes and of their disappointments, to the advancement of the developing world as a whole.

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What is done here in 1965, which is solemnly dedicated to "international co-operation" testifies to the vitality of the institutions which mankind created twenty years ago, even when certain elements of the delicate mechanism may appear temporarily to come to a grinding halt.

Perhaps there can be no better way of celebrating International Co-Operation Year than to promote a collective approach to the vital problems of development. There can be no more significant challenge for nations whose number twenty years ago was only a third of what it is today. Nor is there, I believe, any deed more likely to give the world community more solid and more lasting foundations.