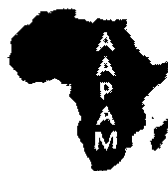




United Nations
Economic Commission for Africa
Public Administration, Human
Resources and Social
Development Division



African Association for
Public Administration
and Management

Enabling Environment for Entrepreneurship Development in Africa

**Proceedings of a Senior Policy Seminar
on an Enabling Environment for
Enhancing Entrepreneurship in
the Private and Public Sectors in Africa**

Jointly Organized by the African Association for Public Administration
and Management (AAPAM) and the United Nations Economic
Commission for Africa, Special Action Programme for Administration
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CHAPTER I

Background and Introduction

A key policy prescription that has emerged in the debate on how to overcome the economic crisis that has gripped Africa during the decade of the 1980s is the need for African governments to design and effectively implement economic reform measures that are conducive to sustained growth and development. This, in turn, depends crucially, among other things, on the capacity and willingness of African countries to create on a sustained basis an enabling environment conducive for the emergence of entrepreneurship in the public and private sectors.

Fostering entrepreneurship is, thus, vital for African countries if they are to recover and resume growth as well as develop and transform their economies. Responding to this need, many organizations have organized workshops or regional meetings on how to promote entrepreneurship in Africa. **The Association of African Public Administration and Management (AAPAM)**, one of the co-organizers of this seminar, devoted its 11th Round table (1989) in Seychelles to the theme of entrepreneurial development in Africa. The Cairo Seminar built on the Seychelles round table by examining policy issues that deserved further analyses and discussions.

The Cairo Senior Policy Seminar jointly organized by **The United Nations Economic Commission for Africa Special Action Programme in Administration and Management (ECA/SAPAM)** and **the African Association for Public Administration and Management (AAPAM)** took place at the El Nile Hilton International Hotel in Cairo, Egypt from 8 to 12 October 1990. The holding of this Seminar by these two institutions is part of their respective programme of activities for enhancing Africa's managerial capacity in both public and private sectors with a view to accelerating the continent's development.

The objective of the Seminar was to provide a forum for dialogue between top policy makers, in both the public and private sectors, as well as representatives of employers associations and trade unions so as to examine and make recommendations on the main elements that make for an enabling environment for enhancing entrepreneurship in the Public and Private Sectors. In this regard, the participants were:

- to identify and examine mix of policies and incentives for promoting entrepreneurial development in Africa;
- to assess the impact of industrial relations climate and human resources development on entrepreneurship development;
- to examine how Senior Executives (Managers) from the Public and Private Sectors, perceive each other with a view to identifying measures that promote confidence between them; thereby facilitate and ensure their collaboration in enhancing entrepreneurial development and contribute to better management of Africa's economic recovery, growth and development efforts.

Reflecting the conviction that entrepreneurship is needed both in Africa's public and private sectors, the Seminar defined entrepreneurship as referring not only to the businessman or firm that perceives economic opportunities, undertakes technical innovations, takes risks to explore and profit from them, but also to a range of managerial functions such as planning, obtaining resources and directing the resources to achieve the desired goals. The second component of this definition is particularly relevant to the public sector,

To ensure in-depth consideration of the various issues slated for discussions at the Senior Policy Seminar, eight substantive papers were prepared. Additionally all participants, other than the resource persons who prepared the substantive papers, were required to present brief papers highlighting their country's experiences in entrepreneurial development. The Director of the Entrepreneurship Development Institute of India - a country with rich experience in the field of entrepreneurship enhancement - was invited to prepare and present a paper on the lessons of his country's experiences. The list of the documents submitted to the Seminar appears as Annex III of this report.

The Seminar was attended by 34 Senior Policy Makers in public and private sectors from 14 African Countries. Selection of participants for the Seminar was designed to achieve a mix of Senior Policy Makers dealing with such issues as labor relations, industrial policy, financing of enterprises, manufacturing etc. Hence the Seminar was attended by Presidents of Chambers of Commerce Industry and Agriculture, Senior government officials, managers of Consulting firms and prominent academics.

A representative of the **The Organization of Africa Unity (OAU)**, the Secretary General of **The Organization of African Trade Union Unity (OATUU)**, the President of the **Pan African Federation of Employers** also participated. The list of participants appears in annex V of this report.

Statements of welcome were made separately by Dr. Asmelash Beyene, the SAPAM Regional Project Coordinator, on behalf of Dr. Sadig Rasheed, Chief, Public Administration, Human Resources and Social Development Division of the Economic Commission for Africa, and Professor Gelase Mutahaba, Secretary-General of AAPAM. Dr. Rasheed delivered the closing statement of the seminar.

The Seminar was officially opened by Their Excellencies Dr. Atef Ebeid, Minister of Cabinet Affairs and Minister of State for Administrative Development of the Republic of Egypt and Eng. Mohamed Abdel Wahab, Minister of Industry of Republic of Egypt.

The first plenary meeting was chaired by Dr. Hussein Ramzy Kazem, the President of the Egyptian Central Agency for Organization and Administration - the institution that hosted the Seminar.

On behalf of the Executive Secretary of the ECA, Dr. Rasheed welcomed the participants and informed them of the importance ECA attached to the Senior Policy Seminar. He expressed his deep appreciation to the Central Agency for Organization and Administration of the Arab Republic of Egypt for arranging to host the Seminar. He emphasized that entrepreneurship in both the public and private sectors will be crucial in coping with the main challenges that African countries will face in the 1990's namely; increasing efficiency and productivity, efficient mobilization and utilization of scarce human and financial resources, generation of employment and acceleration of growth.

Dr. Rasheed called on the participants of the Seminar to use the forum for a serious exchange of views and experiences on what needs to be done to foster entrepreneurship in Africa so as to accelerate recovery and development of the African economies. He concluded by stressing the need for the public and private sectors to work in close collaboration in order to reverse the current unfavorable economic trends and put Africa back on the path to sustained development. He

appealed to the participants to seriously deliberate on the issues and make recommendations relevant to African countries.

Prof. Mutahaba, in his statement, said the AAPAM Executive Council decided three years ago to include a programme on entrepreneurship development in the Association's work Plan. The decision to embark on this programme stemmed from the recognition that poor economic growth in African countries may have been due to lack of entrepreneurship. As part of its work plan on entrepreneurship development AAPAM devoted its 11th Round table held in Seychelles in 1989 to entrepreneurship development in Africa. Presently, a five country case studies on entrepreneurship was being undertaken; and the holding of this senior seminar was an integral part of the Association's activities in the area of entrepreneurship development.

In his speech inaugurating the Seminar, H. E. Dr. Atef Ebeid, said that the initiative to organize the Senior Policy Seminar corresponded with the deeply felt desire of African peoples and governments to find solutions to their economic problems. Development, he said, requires entrepreneurial skills. African countries must always search for solutions to accelerate their development and the holding of this Seminar was part of that effort to promote development. He said that the current emphasis of the government of Egypt in the area of development was to strengthen the economy; promote equity in income distribution; and support the private sector.

The Minister stressed the important and complementary roles of the public and private sectors in enhancing development. He argued that the public sector should concentrate on the commanding heights of the economy and provide support for the private sector to fulfill its role through creating an appropriate atmosphere for investment. The private sector, on the other hand, should create job opportunities and should be assisted in this regard through appropriate economic policies that remove obstacles to the investor.

The Minister observed that scientific selection of personnel, provision of appropriate training, the strict application of the merit principle, the adoption of the principle of equal pay for equal work, appropriate manpower planning, adequate control systems were identified as measures required to support and develop personnel in

both the public and private sectors in order to be able to realize national developmental objectives.

The Minister informed the participants that the Egyptian Government encourages the private sector by offering it more facilities to participate in the rebuilding and developmental phases of the economy. At present, the government provides support to small industrial enterprises because of the significant role they play in generating employment. He concluded by wishing the Seminar participants success in their deliberations.

H.E. Eng. Abdel Wahab, The Minister of Industry, joined H. E. Dr. Ebeid in welcoming the participants and said that the Senior Policy Seminar dealt with a subject of great importance to Egypt, and for that matter, to other developing as well as developed countries. Both the private and public sectors were complementary agents for national development. Well functioning economies need efficient private and public sectors. Africa's potentials are enormous if they could be harnessed to develop the entrepreneurial skills in the public and private sectors.

A detailed programme of activities of the Seminar appears in Annex II of this report. Each of the main chapters (II-IV) of the report corresponds to the main sub-themes of the Seminar and, to a lesser extent, the sequence of the discussions at the Seminar.

Each chapter of this report begins by a brief synopsis of issues raised in the substantive papers that were presented at the Seminar. This is followed by a summary of discussions by the participants. Two working groups respectively chaired by Mr. Berhanu Ejigu, Vice Minister of Industry, The Peoples' Democratic Republic of Ethiopia and Eng. Osama Abdel Wahab, Chairman, Nasr Iron Castings Co. of Egypt were set up to make in depth examination of the main issues raised in the papers and country experiences. Recommendations and conclusions that flowed from them have, however, been integrated into various chapters of the report and in particular, the Cairo communique which was published separately but now appears in Annex I.

It is the hope of the Senior Policy Seminar participants that the important lessons of experiences in fostering entrepreneurship in African Countries and other developing countries that emerged from

the Seminar will assist policy makers in government and business to design and execute policies that create an enabling and stable environment for entrepreneurship development.

CHAPTER II

Issues in Entrepreneurial Development in Africa

Discussions among Seminar participants on this issue were based on and preceded by presentation of three substantive papers¹ on enhancing entrepreneurial development in Africa.

The following are the major points that emerged from the three presentations:

- Government has an important responsibility in the promotion of entrepreneurship. General macro-economic framework that did not pay due regard to the specific needs of entrepreneurship development is unlikely to develop, sustain and nurture entrepreneurs.
- The simplification of the procedure for entrepreneurs to enter into business is an important contribution which governments can make to entrepreneurship development. In this regard, lengthy registration process, excessive regulatory measures and heavy taxation should be avoided.
- Indigenous entrepreneurs should be involved in long term strategies for employment and growth.
- Small businesses constitute the bedrock of entrepreneurial development anywhere in the world. Therefore, the extent to which their development has been encouraged is an important measure of government support for private sector entrepreneurial development. In the context of the development of small businesses, the role of the informal sector was underlined. Besides its high responsiveness to market forces, other advantages identified were use of simple technology, high level of capacity utilization, ease of entry and exit relative to the formal

¹The three papers were prepared and presented by Professor Odetola, Dr. Fafowora and Mr. S.M.Ita (presented on his behalf by Mr. L. Obbanda). Titles of their papers appear in Annex III.

sector and use of more domestic raw materials and labour in comparison with large scale business.

- Since a sustainable strategy for fostering entrepreneurship depends on the entrepreneur's ability to mobilize his own resources, it is imperative that appropriate institutions be created that would assist entrepreneur's easy access to financial resources. However, such an arrangement should be accompanied by strict accountability.
- Efforts by African governments to create an enabling environment for the private sector have tended to be partial, as the private sector still encounters many obstacles in its operations. Some key obstacles include deficient infrastructural facilities, unstable macro-economic policies and lack of appropriate financial system that responds to the needs of entrepreneurs especially in those small businesses.
- There should be a collaborative relationship between government and business in the decision making processes regarding the regulatory framework for promoting private enterprises.

In the discussions by the participants, considerable consensus was evident in what they regarded as key ingredients of a propitious environment for entrepreneurship development. Participants placed great stress on provision of efficient and reliable infrastructures; sound macro-economic policy framework; stable political and regulatory climate and establishment of government - sponsored financial institutions to cater to the needs of various forms of enterprises. It was observed that the absence, in many countries, of good infrastructures had inflicted huge cost on existing enterprises in Africa, while constituting a major barrier to entry of would-be entrepreneurs. The costs to an entrepreneur of arranging to provide his own water, electricity and in some cases communications facilities were thought to be excessively prohibitive.

Participants observed that Africa has a large reservoir of potentially trainable entrepreneurs hence, the challenge is to promote creativity and entrepreneurial development through strategic human resources development policies. This means that all aspects of the African

education and training system must be restructured to foster creativity, inventiveness and innovativeness.

An aspect of entrepreneurship development that participants discussed pertained to use of local consultants. They observed that at present billions of U.S.dollars flow back to donor countries in the form of consultancy fees and charges paid to nationals of donor countries. African consultants have to assume a more aggressive role in securing a share of that market by proving themselves when hired by African governments. Consultants have also the responsibility of assisting the small scale industry and business entrepreneurs to develop the necessary managerial know how to deal with their business.

In regard to stable macro-economic policy framework, there was broad agreement that the main elements must necessarily include monetary and fiscal policy that were conducive to savings, lowering of inflation rates and reasonable real wage level that encourage high worker productivity. It was felt that the current economic recovery/structural adjustment programmes pursued by many African countries require serious re-examination in so far as they reduced incentives to worker productivity in some important respects.

Participants noted that the conditionality of the International Monetary Fund has reinforced inflationary pressures, high interest rates for loanable funds, high and unstable foreign exchange rates, reduced purchasing power, etc. The ultimate implication is a disenabling environment for entrepreneurial development.

Several participants expressed the view that the involvement of the state in economic activities outside the "commanding heights" of the economy should be accepted as either transitional or as facilitator for entrepreneurs in the private sector. Any attempt to involve governments in productive activities has been historically a failure and African governments must appreciate this reality and evolve relevant policies to effect appropriate changes.

Sharp Swings in regulatory policies affecting business and rapid changes of governments were cited by participants as major constraints to entrepreneurship development in that they create uncertainty in the operations of corporate entities and in the minds of individual entrepreneurs. Governments, regardless of their ideological

predispositions, were urged to be more cautious in introducing changes that adversely affect the operations of business.

Participants underlined the need for the establishment of institutions that can provide potential entrepreneurs with training in areas such as quality control, marketing and other management skills.

Chapter III

Enhancing Entrepreneurial Development in Small Scale Industries in Africa

The presentations on the various facets of Small Scale industries and businesses made penetrating analyses of the issues and challenges that confront entrepreneurship development in this sector. The presentations revolved around the opportunities and constraints to Small Scale Industries and businesses, the use of industrial extension services to ensure the viability of small scale enterprises in Africa and lessons of the Indian experience in entrepreneurship development for new enterprise creation.

The following are the major problems that emerged from the three presentations² as deserving urgent attention in developing industrial entrepreneurial capabilities in general and the small scale sector in particular:

- The lack in many countries of properly defined national policy of developing local entrepreneurial capabilities in both public and private sectors, particularly in the small scale sector;
- The lack of capital and technical skills reflected in too much dependency on foreign assistance.
- Inadequacy of financial allocations in the exchequer budgets for entrepreneurial training and the low priority given in private sector budgets to such training;
- The absence of indigenous training materials and local case studies relevant to local environments and the import of such case studies and teaching materials from overseas not having a direct bearing on local conditions and problems;

²The three presentations were made by Professor Odetola, Dr. Patel and Mr. G. Mbowe (presented on his behalf by Dr. I.J. Kabumba). Titles of their papers appear in Annex III.

- The gap between the designing of industrial programmes and the actual long-term needs of governments in identifying, developing, training their own local managers and potential entrepreneurs both in the public and private sectors;
- The lack of government programmes for motivating individuals or potential entrepreneurs to come forward; and often the unsuitability of procedures for selecting entrepreneurs, appointing staff in key industries which ignore natural aptitudes and innovative minds;
- Inadequacy of information of available entrepreneurial training programmes in local or overseas institutions;
- The absence of technical consultancy or advisory services to small scale entrepreneurs;
- The lack of willing trainers to render assistance to small indigenous industrialists;
- The lack of guidance to selection of raw material or other supplies suitable for industrial production in small scale industries;
- The lack of market power and penetration which inhibits the growth of several small indigenous enterprises;
- The lack of Entrepreneurial Development Banks to provide financial facilities and counselling to potential entrepreneurs, especially those in small businesses;
- The lack of non-conventional lending systems to small-scale industrialists which could ameliorate rigid loan conditions such as security of tangible assets as a pre-condition for loan approvals;
- The lack of soft funds which could be used to assist new entrepreneurs to set up enterprises;
- The lack of information on available project portfolios from which entrepreneurs could choose in accordance with their interest and that of the nation;

- The lack of institutions which could assist potential entrepreneurs to carry out feasibility studies at nominal fee or free of charge;
- The lack of business experience particularly for small scale entrepreneurs;
- The difficulties in processing requests for foreign exchange allocations for importing machines, spare parts, raw materials which discourage many potential entrepreneurs from going into industrial ventures;
- The lack of easy accessibility to facilities for R and D, and other technological information;
- The lack, in general, of effective national support measures to strengthen capabilities of each entrepreneurial group;
- The lack of complementarity among the entrepreneurial groups and capabilities, for example, in production and marketing especially between small production and large trading companies.
- Poor planning, poor record keeping, undercapitalization, unfavourable policy environment, poor marketing strategies and inadequate managerial skills as major constraints to the development of small scale industries.

In the discussions that followed, many participants expressed the view that the greatest challenge to the Small Scale entrepreneurs was to make governments recognize their existence and extend appropriate institutional support. Presently, it would appear that many government institutions have been created to serve the large business enterprises, ignoring the small ones. It is evident from the orientation of many lending institutions and other support policies that the large scale businesses are favored at the expense of the Small Scale Industries. From this observation, followed the suggestion that new Special banking institutions or facilities should be created or strengthened where they already exist.

It was, however, not enough to make money available through banking institutions. Small Scale entrepreneurs should be provided a variety of support and advisory services to ensure that they survive.

Among the particular areas stressed by participants was the need to provide managerial counselling, risk assessment training, diagnosis of business problems, identification of corrective actions and implementation of corrective measures and overall training in entrepreneurial skills. The idea of providing special counselling to small scale industries to overcome these problems was described as **industrial extension**. It was emphasized that industrial extension service programmes should focus on in-plant management consultancy for enterprise development.

Among other types of support advocated for enhancing small scale industries and businesses are providing important service facilities; physical support through establishment of industrial estates; common facilities and utilities; establishment of technology institutes; financial support ranging from availing easy term credit facilities to various forms of subsidies; project identification and planning support; establishment of national committee for small scale industries to promote marketing support, standardization and quality control, appropriate technology support, training and manpower development.

Participants observed that the Indian experience demonstrated that industrial or commercial work experience was a key element in the process of industrial enterprise formation. If, however, the experience inputs are weak or lacking in an individual, a development program package can be suitably evolved to make up for this inadequacy provided the person has entrepreneurial aptitude. Success in industry has been found to be a result of enterprise and competence rather than financial background of the entrepreneur.

It was also argued that entrepreneurship development inputs, finance and infrastructure facilities must be treated as a necessary package while removing various bottlenecks in the environment. Such a package requires sound and timely institutional and organizational arrangements and effective coordination among industrial support and statutory agencies to avoid harassment and delays.

While entrepreneurs can indeed be developed as experience firmly bears out, it was stressed that the task can be complex. The selection, motivation and training expertise, organizational resources and institutional support required are substantial. At the same time, for a wider and quantitatively significant impact on employment and growth,

entrepreneurship development will have to be undertaken on a fairly large scale. Its scope can, therefore, be expanded if manpower resources for effective Entrepreneurship Development Programs (EDPs) are strengthened and adequate funds are committed to this activity on a long term basis. Developing a team of competent trainer-motivator/facilitator to "deliver" the EDP package deserves priority.

In order to assist entrepreneurship development, it was suggested that:

- i. there was need to fund the introduction of EDP and assist expansions of or innovations in existing EDP activities and demonstration of effective EDP by expert agencies.
- ii. funding the introduction of entrepreneurship development programmes and assisting expansion of or innovations in existing EDP activities and demonstration of effective EDPs by expert agencies;
- iii. funding of trainer-motivator and bank credit officers (manpower) development by sponsoring short and long term training programmes in specialist institutions of developing countries or by facilitating a team of external experts to work in the needy country to train local manpower in selection and motivation techniques and the total EDP training process;
- iv. arranging workshops and seminars in African Countries for policy makers and senior executives/officers to enhance their appreciation of relevance of EDPs and support needs of new entrepreneurs;
- v. Support African countries' effort for-
 - (a) strengthening industrial information base and systems;
 - (b) documentation and evaluation of past small scale enterprise development efforts;
 - (c) building or strengthening technical and industrial counselling resources and institutional infrastructure for credit, counselling and physical facilities.

CHAPTER IV

Impact of Industrial Relations Climate and Human Resources Development on Entrepreneurial Development in Africa

The discussions by participants were preceded by two presentations³. The following main points emerged from the presentations:

- Certain attributes are essential for harmonious industrial relations which, in turn, influence the nature of entrepreneur-workers relationship. These attributes were identified as freedom of association, collective bargaining, security of tenure and improved conditions of service for workers.
- Implementation of structural adjustment/stabilization programmes by African governments on the advice of the World Bank/IMF have completely undermined the basis of a harmonious industrial relations climate particularly in the public sector, given that adoption of SAPs have compelled governments to freeze wages, reduce work force in public sector and restrain labour activities, in breach of ILO conventions 87 and 98.
- Industrial relations climate in Private Sector in Africa is comparatively healthier than in the public sector, although the foreign exchange squeeze arising from heavy debt service payments and other monetary and fiscal policies have had an adverse impact on the organized private sector.
- An enabling environment for entrepreneurship development must be created by both governmental and non-governmental institutions through attitudinal change, education and training, proper mobilization and utilization of research and development.

³The two presentations were by Hassan A. Sunmonu of OATUU and V.K. Ntandayarwo of OAU. Titles of their papers appear in the Annex III.

- Africa's greatest asset is its human resources. The Lagos Plan of Action (1980) placed particular emphasis on the need for comprehensive human resources development policies. This therefore requires full mobilization and effective utilization of men, women and youth for entrepreneurial development.
- The human resource factor is a critical element in the development of a nation's natural resources endowment, and hence in the process of economic development and transformation.
- Consideration should be given to the adoption of appropriate, relevant and effective training programmes and policies for skill and attitude formation, through both formal and informal educational systems for all segments of labour force.
- The current and prospective demand for trained manpower is for an increasing number and variety of skills. These are needed for increased African participation in business, mining, industry and other entrepreneurial undertaking hitherto dominated by foreign owned firms.

In the discussions, participants observed that the links between entrepreneurship, on one hand, and industrial relations and human resources development on the other, are many sided. Entrepreneurs whether of the public or private sector variety rely on their employees to implement and often times to design their corporate plans. On the other hand, employees depend on their productivity in the work place, provided by the entrepreneur, to earn a living. Development of human resources is key to motivating and mobilizing the citizenry for entrepreneurship.

Participants emphasized that a climate of harmonious industrial relations coupled with an effective human resources development policy are vital to increased productivity and efficiency - two key policy objectives that African entrepreneurs should seek to foster - and which African nations must promote as integral parts of their recovery and development efforts.

Particular stress was placed on the need to examine labour laws and labour policies in Africa to ascertain which laws impeded or enhanced entrepreneurship development. Such a measure was of vital

importance in enhancing the role of workers and trade unions in entrepreneurial development.

Participants also expressed concern that certain laws as well as social and cultural practices in some African countries have, through their discriminatory bias against women and youth, precluded these category of persons from active entrepreneurial development. At the same time, such laws and practices make it impossible for various countries to effectively mobilize all their human resources for development.

ANNEX I

The Cairo Communique on Enabling Environment for Enhancing Entrepreneurship in the Public and Private Sectors in Africa

We, the participants at the Senior Policy Seminar on an enabling environment for enhancing entrepreneurship in the private and public sectors in Africa, met in Cairo, Egypt from 8 to 12 October 1990. The Seminar was jointly organized by the UN Economic Commission for Africa and the African Association for Public Administration and Management. It was officially opened by their Excellencies Dr. Atef Ebeid, Minister of Cabinet Affairs and Minister of State for Administrative Development of the Republic of Egypt and Eng. Mohammed Abdel Wahab, Minister of Industry.

Participants comprised 34 senior policy makers in public and private sectors from 14 African countries. Selection of participants was designed to achieve a mix of policy makers dealing with such issues as industrial policy, labour relations, manufacturing and enterprises financing.

After reviewing and deliberating on the papers presented to us for discussion, we identified a number of critical issues relating to entrepreneurship development in Africa's private and public sectors that needed to be addressed urgently. Among the issues discussed were external environment and cultural factors as they affect entrepreneurship enhancement in Africa, the financing of the African entrepreneur, developing and training entrepreneurs, Small scale entrepreneurial development, the nature of business - government relationship, and the role of chambers of commerce and industry, trade unions, and employers federations in enhancing public sector entrepreneurship.

PART I - OBSERVATIONS

A. *Impact of External Environment on Enhancing Entrepreneurship in Africa*

The impact of the external milieu in enhancing entrepreneurship in Africa was one of the critical issues that we addressed at length. We observed that due to a combination of factors and circumstances, Africa has been subjected to a number of external pressures such as the IMF conditionalities (liberalization, economic reforms, removal of subsidies and the devaluation of currencies) which are causing severe strains on its economy. It was also noted that Africa, especially the public sector, has ill defined objectives and priorities;

does not quite know what it wants. Lack of negotiation and bargaining skills has seriously constrained its ability to effectively safeguard its interests.

We examined in depth the experiences with the Structural Adjustment Programs (SAPs) in the various countries where they were applied and identified the following positive and negative aspects.

Among the positive aspects identified were:

- (i) In some countries, SAP has tamed consumer behavior; forcing people to be more careful in their spending.
- (ii) SAP has forced leaders including managers, to be more financially disciplined.
- (iii) In some countries SAP has led to higher agricultural production.

On the other hand, the following weaknesses of SAPs were identified.

- (i) Contrary to the allegation that SAP will stimulate the economies to higher productivity and will create an environment that conduces to entrepreneurship development, we have noted that SAPs' contribution in this regard has been limited. In fact it has been observed that local entrepreneurs have not been beneficiaries of such development. Instead, multinationals have been the beneficiaries.
- (ii) The adoption of SAP has resulted in drastic reduction of incomes causing poverty and unemployment particularly amongst the most vulnerable groups in society viz. women, children, etc.
- (iii) Contrary to the alleged favorable economic environment that would result from SAPs and consequent attraction of foreign investment, nothing of the sort has materialized.
- (iv) Trade liberalization has led to the dumping of foreign goods which are cheaper than locally produced goods, thereby reducing the competitive edge of locally produced goods.

B. On the Impact of Culture on Entrepreneurship Development

The role that culture can play in promoting or impeding entrepreneurship was examined at length with respect to Africa. It was noted that, in some respects, certain African cultural traditions are among the factors responsible for the low levels of entrepreneurship development.

C. On Financing the African Entrepreneur

In spite of the critical role which finance plays in entrepreneurship enhancement, we noted with dismay, that policies concerning the financing of entrepreneurs were poorly articulated and in many ways unfavorable to the African entrepreneur.

The banks' preference for the bigger businesses has denied the smaller entrepreneur, who dominates the African economic scene, of the necessary resources for its growth.

The following specific constraints to entrepreneurship development were identified:

- (i) It is not easy for small entrepreneurs to get access to credit due to high interest rates, collateral requirements and bureaucratic procedures.*
- (ii) In the few instances where the banks deal with the small entrepreneurs, they do so reluctantly and consider them more of a nuisance than true business partners.*
- (iii) Governments tend to interfere in the work of financial institutions by, for instance, restricting the amount of loans that can be given out to small entrepreneurs.*
- (iv) There is little or no provision for internal capital and instead excessive reliance is put on external funding.*
- (v) Political and economic forms of instability, leading to coups and massive and frequent currency devaluations, have forced many people to keep their money in places other than banks, thus reducing the amount of funds available for lending to actual or potential entrepreneurs.*

The role played by grassroots and informal financial institutions in entrepreneurship development was acknowledged by participants. However, it was observed with regret that in spite of their potential, the grassroots and informal financial institutions are not receiving adequate support from governments.

D. On Developing and Training Entrepreneurs

Considering the potential role entrepreneurs could play in African economies, their proper training and development becomes crucial. Moreover,

given the stagnation of the African economy and the states' inability to absorb the fast growing school leavers, it was agreed that preparing those with the talent for entrepreneurship through appropriate training is a strategy worth pursuing vigorously. Hence the following observations were made with regard to developing and training entrepreneurs:

- (i) *The African economy is declining and is therefore incapable of absorbing the increasing number of school-leavers and other job-seekers;*
- (ii) *In responding to the critical employment situation, the tendency has been to adopt a "fire fighting approach", rather than one which is systematic, coordinated, and designed to focus the attention of all relevant institutions on a common goal of entrepreneurial development;*
- (iii) *There is a pool of entrepreneurial talent in the informal sector which is yet to be properly harnessed;*
- (iv) *The educational system is geared towards white-collar jobs and/or wage employment, and the curricula tend generally to promote a dependent mentality among the products of the educational system;*
- (v) *In designing general education and specialist training programmes in entrepreneurship, adequate attention has not been paid to some important distinctions - notably, the distinction between the need for general attitude change, and specialist training; between those who express vague interest in entrepreneurial activity and those who have the aptitude for it; between school leavers and those currently in wage employment; and among those specializing in entrepreneurial activities in various sectors (industry, manufacturing, trade services, agriculture, etc.)*
- (vi) *Apart from institutional support weaknesses, (credit, advisory market information) managerial incompetence has been identified as an additional constraint on entrepreneurial development in Africa.*

E. On Other Issues Relating to Small Scale Entrepreneurship Development

Apart from financing and development and training issues of entrepreneurship, we also examined issues of policy environment, infrastructure, technology and incentive. Realizing that the small scale entrepreneur can be a crucial actor in Africa's effort for recovery and development, participants expressed the need for creating an environment that

is conducive for his development. It was emphasized that in order to enable the small scale entrepreneur to play his role, all major constraints impeding his development will have to be removed as a matter of urgency. In this respect we identified the following major constraints to entrepreneurial development in Africa.

- (i) The policy of trade liberalization has negative and serious implications for the survival and growth of small scale indigenous enterprises.*
- (ii) Aspects of the on-going structural adjustment policies tend to threaten the survival and inhibit the growth of indigenous entrepreneurs.*
- (iii) The typical small scale indigenous enterprises lack adequate information on domestic and foreign market opportunities, industrial technology and raw materials.*
- (iv) Infrastructural support services and facilities are also inadequate.*
- (v) Policies on tax incentives and export processing zones etc. tend to be implemented either half-heartedly or in a way that discriminates against indigenous entrepreneurs.*
- (vi) Procedures for the registration of business enterprises and the regulations governing their day-to-day operations tend to be cumbersome, complex and time-consuming.*

F. On the Nature of Business-Government Relationship

While cordial relationship between business and government is a necessary condition for entrepreneurship development, we noted that in Africa the relationship tends to be characterized by mutual mistrust and suspicion. Considering the complementary roles both the private and public sectors have to play in the economic development of Africa, participants agreed that the relationship has to be improved and appropriate measures be taken to that end. The prevailing mistrust has to be removed and that both sectors should create conditions that would result in mutual confidence building.

G. On the Role of Chambers of Commerce and Industry, Trade Unions and Employers Federations

While the government should create the necessary favorable conditions for entrepreneurship enhancement, we felt that the Chambers of Commerce,

employers associations and trade unions should be partners in this endeavor as well.

H. On Enhancing Public Sector Entrepreneurship

Whereas entrepreneurship development has tended to be associated with the private sector, we felt that there is as much need for entrepreneurial spirit both in the business oriented government agencies and traditional civil services.

PART II - RECOMMENDATIONS

In light of the foregoing observations and analysis, the following recommendations are proposed for consideration by African governments.

A. On Coping With the External Environment

The Seminar Participants urge African governments to.

- (i) Assess the implications and impact of IMF's conditionalities on the growth of their economies, social - political stability and entrepreneurial development with a view to designing alternative programmes. In doing so, the governments should take into account the recommendations in the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP).*
- (ii) Pay special attention to the development of domestic markets so as to increase local capital and enhance export drive for selected competitive products.*
- (iii) Undertake programmes aimed at mitigating the impact of structural adjustment programs.*
- (iv) Resolve to trade more among themselves and eventually work towards the integration of African economies by strengthening the existing sub-regional economic groupings, coordinating their activities, and eventually creating an African Economic Community by the year 2000.*
- (v) Acquire more and better knowledge of their economies in order to evolve better economic policies.*
- (vi) Develop their capacity for policy analysis and negotiation.*

- (vii) *Work out and establish channels of communication so that they have as much information as possible about one another.*
- (viii) *Consult their people and keep them fully informed, ensure the people's participation in issues of public interest and increase the accountability of leaders and manager's.*
- (ix) *Ensure that their planning processes, including budgeting systems are completely changed so that they realistically reflect their resource bases.*

B. On Promoting Positive Cultural Elements to enhance entrepreneurship Development,

The Participants urge African governments:

- (i) *To undertake a comprehensive study to assess the impact of the cultural factors on entrepreneurship so that the negative effects can be minimized and the positive elements exploited creatively to promote entrepreneurship and other legitimate pursuits.*
- (ii) *African governments should develop entrepreneurship programmes which are not only indigenous and properly adapted to the African environment but also cater for all categories of entrepreneurs including women.*
- (iii) *African Governments should make surveys to identify the human and natural resources available in the different parts of their countries; determine what is available in terms of entrepreneurship; and then work out programmes that suit particular localities.*

C. On Financing the African Entrepreneur

The participants urge African governments to:

- (i) *Develop policy positions which would integrate institutional frameworks for lending (e.g. banks, credit guarantee schemes) with sources and usages of credit with a view to removing constraints such as high interest rates, equity and collateral requirements.*
- (ii) *Form forums to exchange ideas on how to finance entrepreneurs.*
- (iii) *Establish viable credit guarantee schemes to give assistance to banks and also encourage them to give out loans.*

- (iv) *Institute training programmes whose main objective would be to change bankers skills and attitudes towards entrepreneurs.*
- (v) *Establish special loan schemes (such as those based on "character loans") for the small scale entrepreneurs and the informal sector.*
- (vi) *Upgrade grassroots financial institutions such as the Nigerian "esusu" (Piggy Bank)*
- (vii) *Coordinate the efforts of the different informal and formal financial and credit institutions.*

D. On Developing and Training Entrepreneurs

Realizing that there is a large pool of potential entrepreneurs in Africa, the participants urge governments to undertake the development and training of entrepreneurs as a matter of priority. To this end we urge that:

- (i) *The entire educational system should be examined with a view to radically changing the orientation of school leavers from one of dependence on salaried employment to one of self-reliance and self-employment.*
- (ii) *That the educational curricula (from primary to university level) be revised to develop the attributes of entrepreneurship in the educational system in recognition of the new emphasis on self-employment,*
- (iii) *That a well sequenced and properly coordinated programme be introduced in place of the current ad-hoc, fire-fighting approach in entrepreneurial development making it possible for those with the aptitude for entrepreneurial activities to be identified, and exposed to specialized training, and supported with start-up capital and other facilities.*
- (iv) *That the reservoir of entrepreneurial talent in the African society be harnessed, developed, and provided with institutional support.*
- (v) *Given the fact that entrepreneurial activity extends beyond production to marketing and distribution, it is urged that all the sectors of the economy (industry, manufacturing, services agriculture) be covered by entrepreneurial promotion efforts.*
- (vi) *That industrial training and extension should be more practical and job-related. In this connection, a variety of training and counselling*

techniques should be applied, and successful, self-made entrepreneurs should complement the work of specially recruited trainer-motivator.

- (vii) That African governments establish industrial extension institutions to nurture the growth and development of industry and that;*
- (viii) Due consideration should be given to rural industrial extension services.*

E. On other Issues Relating to Small Scale Entrepreneurial Development

Participants urge African Governments:

- (i) to formulate and effectively implement a clear and comprehensive policy on the promotion and development of small scale industry. Elements of this industrial promotion and development policy should include the exploration of market opportunities at the national, sub-regional (including South-South) and global levels.*
- (ii) To make conscious efforts to enhance the managerial, technological and productive capacity of small scale enterprises through the provision of relevant support services (e.g training and industrial extension, credit, information and advisory services);*
- (iii) Depending on the situation prevailing with regard to raw materials, market opportunities, and technology, take appropriate steps to protect the interests of indigenous, small scale enterprises.*
- (iv) Encourage as a matter of policy ancillarization through sub-contracting. This entails instituting measures which would compel the large and medium scale enterprises to farm out to small enterprises the jobs of manufacturing and/or supplying spare parts, components and other intermediate products.*
- (v) Create and/or strengthen institutions for industrial research and enhance their capacity for information dissemination and industrial extension.*
- (vi) Establish and/or develop small industry centers in collaboration with the private sector which will preferably be located in proximity to large industrial centers and can, for that reason, feed the latter with their (the former's) end products.*

- (vii) *Establish small business committees in different localities to handle the take-off requirements of enterprises.*

F. On Improving Business-Government Relationship

The participants urge that:

- (i) *Business enterprises should try to improve their image by insuring that the pursuit of their businesses promote their interest as well as that of the host country's;*
- (ii) *Business enterprises should further take positive measures to assist in boosting productivity, reducing unemployment, promoting technological innovation, and improving the quality of the environment;*
- (iii) *Governments increasingly take the private sector into confidence in matters relating to economic policy through regular and institutionalized consultations and exchange of ideas and information and remove mutual suspicion;*
- (iv) *Governments take serious measures to minimize bureaucratic delays. One-stop investment promotion centers should be established, where they do not exist, to assist business enterprises to obtain licenses, and expedite other business-related services;*
- (v) *Appropriate measures be taken to ensure the development of positive attitudes to legitimate money-making ventures.*

G. On Role of Chambers of Commerce and Industry, Trade Unions and Employers' Federations

Realizing the catalytic role Chambers of Commerce, Industry and Agriculture, Trade Unions and Employer's federation can play in entrepreneurship development, participants strongly recommend that:

- (i) *The Chambers of Commerce should frequently commission studies aimed at identifying obstructionist and time consuming procedures in the civil service, and providing information which would form the basis of dialogue with government leaders on reform priorities.*
- (ii) *Chambers of Commerce should provide extension services to their members to help them develop their entrepreneurial talents .*

- (iii) *The status and image of the entrepreneurial class should receive the attention of Chambers of Commerce. In this connection the Chambers should collaborate with the relevant arms of the government in promoting innovation and motivating entrepreneurs to attain the highest ethical and professional standards.*
- (iv) *With regard to Trade Unions, Participants recommend that these organizations should:*
 - (a) *play an increasing role in the education and training of their members, and in developing union business enterprises through industrial extension and counselling;*
 - (b) *engage in constant and institutionalized dialogue with the government and employees on matters pertaining to industrial productivity and labour relations;*
 - (c) *undertake judicious investment of their funds in viable business ventures; and*
 - (d) *ensure that the culture of self-employment is developed among their ranks.*

Finally the participants expressed appreciation to AAPAM and ECA/SAPAM for organizing the seminar, the Central Agency for Organization and Administration of the Arab Republic of Egypt for hosting the Seminar and the host country for the warm hospitality extended to them. The participants thanked the individuals who prepared the working as well as the country papers, those who served as chairpersons and rapporteurs. The participants also requested the ECA and AAPAM to use their good offices to bring the Cairo communique to the attention of the African governments and other relevant organizations.

*Friday 12 October 1990
Cairo, Arab Republic of Egypt*

ANNEX II

Programme for the Senior Policy Seminar on Enabling Environment for Enhancing Entrepreneurship Development in the Public and Private Sector in Africa, Cairo, October 8-12, 1990

Sunday October 7 Arrival of Participants

Monday October 8

9:00 - 10:00 Registration

10:00 - 12:00 Welcome Addresses by:

*Dr. Sadig Rasheed, Chief Public Administration, Human
Resources and Social Development Division (Read on his
behalf by Dr. Asmelash Beyene).*

*Prof. G. Mutahaba, African Association for Public
Administration and Management*

Keynote Addresses by:

*H.E. Dr. Atef Ebeid Minister of Cabinet, Affairs and
Minister of State for Administrative Development.*

H.E. Eng Mohammed Abdel Wahab, Minister of Industry

12.30 - 14.30 Lunch

II Enhancing Entrepreneurial Development in Africa and Lessons from other developing Countries

*14:30 - 16:30 T.O. Odetola:
Entrepreneurial Development and Government Business
Relationship in Africa.*

*S.M. Ita:
The Role of the Public Sector in Enhancing
Entrepreneurship (Presented by Mr. Luke Obbanda)*

O. Fafowora:
Government Contribution to Enhancing Private Sector Entrepreneurship Development: A Private Sector Perspective

16:30 - 17:00 *Coffee Break*

17:00 - 18:30 *Discussion*

Tuesday October 9

III Enhancing Entrepreneurial Development in Small Scale Industries in Africa

9:00 - 10:00 *V.G. Patel:*
Entrepreneurship Development for new Enterprise creation: Lessons from India

G.H. Mbowe:
Financing African Entrepreneurs - Opportunities and Constraints with Specific Reference to Small Scale Industry Entrepreneurship
(presented by Dr. Ijika Kabumba)

T. O. Odetola:
Industrial Extension in Africa - A Vital but Neglected Area of Entrepreneurship Development

10:00 - 11:00 *Discussion*

11:00 - 11:15 *Coffee Break*

IV Impact of Industrial Relations climate and Human Resources Development on Entrepreneurship Development in Africa

11:15 - 12:00 *Hassan A. Sunmonu:*
Industrial Relations Climate and Entrepreneurial Development in Africa - The Worker's Perspective

V.K. Ntandayarwo:
The role of Human Resources Development in productivity and Enterprise Enhancement

12.45 - 14:30 *Lunch*

14:30 - 16:00 *Discussion*

Wednesday October 10

Presentation of Country Experiences

9:00 - 10:30 *Presentation of Papers*

10:30 - 10.15 *Coffee Break*

11:00 - 13:00 *Continuation of Presentation of Country Experiences*

13:00 - 14:30 *Lunch Break*

14:30 - 16:00 *Discussion on Country Experiences*

Thursday October 11, 1990

9:00 - 13:00 *Working Group I Committee Room A*
Working Group II Committee Room B

13:00 - 14:30 *Lunch Break*

14:30 - 16:30 *Continuation of Working Groups meetings and finalization of reports*

16:30 - 17:00 *Coffee break*

17:00 - 18:30 *Presentation of Working Group Reports*

Friday October 12, 1990

9:00 - 13:00 *Excursion/Preparation of Seminar Report*

14:30 - 16:30 *Presentation and Adoption of Report*

16:30 - 17:00 *Coffee Break*

17:00 - 18:00 *Formal Closing*

Statement by Dr. Sadig Rasheed, Chief, Public Administration, Human Resources and Social Development Division

Statement by Prof. Gelase Mutahaba, Secretary General, AAPAM.

Closing Speech by H.E. Dr. Atel Ebeid, Minister of Cabinet Affairs and Minister of State for Administrative Development, represented by Mrs. Zeinab Twefik, First Under Secretary, Central Agency for Organization and Administration (CAOA), Cairo, Egypt.

ANNEX III

LIST OF PAPERS

A. CONFERENCE PAPERS

1. *Entrepreneurial Development and Government - Business Relationship in Africa* by Professor T. O. Odetola.
2. *The role of the Public Sector in Enhancing Entrepreneurship* by Mr. S. M. Ita
3. *Government Contribution to Enhancing Private Sector Entrepreneurship Development: A private Sector Perspective* by Dr. O. Fafowora.
4. *Entrepreneurship Development for New Enterprise Creation: Lessons from India* by Dr. V.G. Patel.
5. *Financing African Entrepreneurs - Opportunities and Constraints with Specific Reference to Small Scale Industry Entrepreneurship* by Mr. G.H. Mbowe.
6. *Industrial Extension in Africa - A vital but Neglected Area of Entrepreneurship Development* by Prof. T. O. Odetola.
7. *Industrial Relations Climate and Entrepreneurship Development in Africa:- The Worker's Perspective* by Alhaji Hassan Sunmonu.
8. *The role of Human Resources Development in Productivity and Entrepreneurship Enhancement* by Mr. V.K. Ntandayarwo.

B. COUNTRY PAPERS

The following participants presented the experiences of their countries in entrepreneurship development.*

1. Eng. Adel Gazarin - Egypt
2. Eng. Hussein Sabbour - Egypt
3. Ato Berhanu Ejigu - Ethiopia
4. Mr. F. N. Macharia - Kenya

5. *Ms G. Konie - Zambia*
6. *Dr. Alex W. Khalid - Tanzania*
7. *Mr. Broohm Djalín - Togo*
8. *Dr. S. Mahlahla - Zimbabwe*
9. *Alhaji Ahmadu R. Mohammed - Nigeria*
(His paper was distributed in his absence)

** Some of these presentations were oral, while others were written papers.*

ANNEX IV

Opening Speech by Dr. Atef Ebeid, Minister of Cabinet Affairs and Minister of State for Administrative Development of Egypt

Dear Guests,

It is a great pleasure to welcome you, honourable guests of Africa to your second country EGYPT.

In fact the initiative taken by the African Association of Public Administration and Management and Economic Commission for Africa to hold this Seminar in Egypt expresses definitely the friendly desire for continued cooperation among African countries, and it is also a proof that the peoples in the African Continent attach great importance to finding effective solutions to problems that confront their march towards development.

No doubt the peoples of the continent are united in one and combined fate, due to the geographical situation and similarity in natural and environmental factors.

Dear Guests,

In spite of their special circumstances, the African States exert continuous efforts to achieve renaissance and civilization aiming at raising the peoples' standard of living through implementing plans and development programmes. For this reason, the African States try hard to mobilize all their potentials, natural, human and financial resources to realize their objectives. Therefore great attention is given to organizations and establishments operating in the economic activities through which development and rebuilding in any society are handled.

It is quite obvious that both the private and public sectors are the pillars of economic activities and cannot be separated. This is a fact well known to all developed and developing countries.

Public Sector organizations require huge investments and capitals for operating the national projects. The public sector plays a big role in realizing the social objectives of the State and in finding a certain equilibrium in the economic activity.

The private sector has a pioneering role in the process of development and rebuilding, thus promoting the personnel aptitude and the capabilities of all members of the society.

The efforts exerted by both the public and private sectors are very important to meeting the needs of development in the African States and contributing to the accumulation of their national wealth.

The system of administration applied is the essential factor for developing and supporting the projects in both the public and private sectors. It is recognized that the administrative process is the same in both sectors.

The measures of efficiency and success in both sectors are the same. They depend on best planning to determine the objectives and the right organization in setting the general framework for execution, follow-up, orientation and control to ensure good results.

There is, however, a great difference in the application of the administrative system in the two establishments. This difference, is relative to the procedures and the system of execution. Due to this difference the public administration system and business administration came into effect.

Public administration is suitable for government organizations that do not aim for profit. Business administration is appropriate for productive enterprises and establishments units in private sector, where the system of management is linked to incentives, necessary for free market.

Dear Guests,

The African States have made many attempts at administrative reforms applied in the productive projects, establishments and organizations; although they differed from one country to the other according to the results of their experience and the problems that faced them.

From the results achieved by some African States, lessons can be learnt that can be applied to improving further the public sector establishments and that requires more flexibility and free hand as well as improving work conditions by overcoming obstacles which impede its action.

It is obvious that productive units should be administered in a sound and scientific system, regardless of the nature of ownership. If it is public ownership, management should be developed and modernized to enable these units to solve their problems and to reduce bureaucracy and raise efficiency in order to achieve the expected results by applying the principle of management by objectives. To accomplish this, work systems, pricing, marketing,

employment control and follow-up would be developed to realize freedom and flexibility which at the end leads to great investment of revenues.

One of the most important factors for developing the public sector is limiting its units to undertaking major strategic projects such as heavy industries which require large financial capital and advanced technology such as machines, equipment and instruments.

From the point of view of supporting the private sector to fulfil its role, it is essential for the public sector to furnish the appropriate atmosphere for investment to encourage both foreign and local capital to take such projects.

Contribution of the private sector lies in its capability to create job opportunities and this can be achieved through developing insurance and taxation policies that are conducive for the private sector as well as overcoming any obstacles which confront investors i.e. when applying for license and starting the project.

Applying the free market system, the industrial countries succeeded in making great strides in development.

Dear Guests,

There are some principles which must be taken into consideration to support and develop establishments of both the public and private sectors and overcome obstacles which hinder their accomplishment:

- Great consideration should be given to selection and appointment of top management by using the most up-to-date administrative and scientific concepts to select the efficient leader who is able to perform work efficiently and skilfully.*
- Labor market where establishments and organizations exist, must be able to provide executive cadres from trained manpower well qualified to fill positions according to specializations needed by these establishments. This can be worked out through coordination between educational and training institutions which provide the required specializations for the labour market.*
- Personnel policies in these establishments should be developed to concentrate on applying the rewards and sanctions principles as well as material and moral system incentives that would differentiate the efficient from the inefficient. Management of companies suffering from financial losses due to low standard of performance should also be improved.*

- *It will be most appropriate to set wage systems on the basis of the principle of "equal pay for equal work".*
- *Great attention should be given to technical, professional and vocational training so that employees could gain the necessary skills and experience to perform their work efficiently and increase productivity.*
- *There is need for setting good planning for manpower in both the public and private sectors, aimed at utilizing manpower in the best possible manner and solving the surplus and deficit problems. Surplus manpower should be avoided so that it does not lead to increase in production costs. Deficit in manpower should as well be avoided, as it may decrease productivity level.*
- *Developing control concept in both the public and private sectors may be considered, so that it does not concentrate only on discovering deviations, but instead on investigating their causes and finding methods of remedy so that it may become both preventive and corrective control.*

Dear Guests,

The holding of this Seminar is a great opportunity to exchange experiences and to discuss common objectives among African countries. It is worth mentioning that the problem of developing the public sector in Egypt, which has dominated the economy for over thirty years is one of the most important issues that we will put for discussion in this Seminar with the hope that suggestions will flow from the participants on how it can be made to contribute further to the development of the Egyptian Economy.

Besides, the private sector is now encouraged by offering it more facilities to participate in the development and the rebuilding of the economy.

At present great importance is attached to supporting the small industrial enterprises run by the private sector more specially because of its potential to meet our society's needs. It assimilates huge numbers of manpower in the labour market, thereby solving the problem of unemployment.

Finally, I hope this Seminar will achieve its objectives. I sincerely wish the members of the African Association of Public Administration and Management (AAPAM) in achieving their aims towards developing administration in African States.

(Translation of the Arabic version made available to the organizers)

ANNEX V

LIST OF PARTICIPANTS

Botswana

Ms. Tekola Maungo Modiko, Training Manager, P.O. Box 496, Gaborone, Botswana

Egypt

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ORGANIZATION OF AFRICAN UNITY (OAU)

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