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This sixth issue of the Economic Bulletin for Africa contains a review of current economic developments in Africa, and three separate articles on specific subjects.

The secretariat of the Commission assumes full responsibility for the contents.

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CONTENTS

Chapter		Pages
A.I	World economic conditions in 1962/63	1
A.II	Recent developments in African trade	7
B.I	Co-ordination of development plans in Africa	39
B.II	Social aspects of African development planning: patterns and trends	64

NOTE

Symbols of the United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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LIST OF TABLES

		Page
A.I.1	World production and trade	1
A.I.2	Primary Commodities	3
A.I.3	Production of beverage crops 1960-1963	4
A.I.4	World production of vegetable oils	5
A.I.5	World production of non-ferrous metals	6
A.II.1	African trade by currency area	7
A.II.2	Percentage changes in the trade of African countries	8
A.II.3	WACU: Commercialized agricultural production of selected commodities ...	9
A.II.4	Geographical distribution of African exports to industrial countries	12
A.II.5	Morocco: Exports and Imports in 1961 and 1962	13
A.II.6	Tunisia: Exports in 1961 and 1962	14
A.II.7	Libya: Domestic exports in 1961 and 1962	15
A.II.8	UAR (Egypt): Exports in 1961 and 1962	16
A.II.9	Sudan: Exports in 1961 and 1962	17
A.II.10	Mali: Changes in imports between 1962	18
A.II.11	Ivory Coast: Value of exports and imports	18
A.II.12	Ivory Coast: Relative share of the main export products	19
A.II.13	Guinea: Main export commodities	20
A.II.14	Togo: Relative share of the main trading partners in the total trade	21
A.II.15	Dahomey: Value of exports and imports	22
A.II.16	Congo (Leopoldville): Main export commodities	22
A.II.17	Congo (Leopoldville): Imports by end-use	23
A.II.18	Ghana: Exports of domestic produce	23
A.II.19	Ghana: Geographic distribution of trade	24
A.II.20	Nigeria: Main export commodities	25
A.II.21	Nigeria: Imports by sections of commodities	25
A.II.22	Nigeria: Geographic distribution of trade 1961, 1962	26
A.II.23	ECU: Main export commodities	27
A.II.24	ECU: Imports by end-use	27
A.II.25	ECU: Trade by monetary areas	27
A.II.26	Value of exports and imports	28
A.II.27	Gabon: Main export commodities	28

A.II.28	Congo (Brazzaville): Value of exports and imports	29
A.II.29	Congo (Brazzaville): Main export commodities	29
A.II.30	Chad: Value of exports	30
A.II.31	Chad: Main export commodities	30
A.II.32	Central African Republic: Value of exports and imports	31
A.II.33	Central African Republic: Main export commodities	31
A.II.34	Eastern Cameroun: Value of exports and imports	31
A.II.35	Eastern Cameroun: Distribution of trade by monetary area	32
A.II.36	Ethiopia: Value of exports and imports in '000 Eth. \$	33
A.II.37	Federation of Rhodesia and Nyasaland: Main domestic exports	37
A.II.38	Republic of South Africa: External trade and gold output	38
B.I.1	Unit value of exports and imports for African and developing countries, 1959-1960	42
B.I.2	Composition of world exports by major commodity groups, 1960	46
B.I.3	Illustrative measurement of the economic distance between Africa and the industrial countries, 1960	48
B.I.4	Economies of scale in steel production costs per ton.	51
B.I.5	Economies of scale in cement production costs per ton.	52
B.II.1	Social aspects of development objectives in selected plans	67
B.II.2	Levels of living of African countries by selected-economic indicators	69
B.II.3	Level of expenditure on social services in selected countries, around 1958 (as percentage of national income).	73
B.II.4	Distribution of planned public capital expenditure in selected African countries	75
B.II.5	Actual government expenditures on social services in selected countries ...	77
B.II.6	Trends in the allocation of public capital expenditure for selected African countries	79
B.II.7	Planned public capital expenditure in the major social sectors of selected African countries	80
B.II.8	Distribution of public capital expenditure on social services in selected countries	81
B.II.9	Growth of education in Africa	86
B.II.10	Public capital expenditure on education by levels	88
B.II.11	Growth of medical personnel in African countries	89
B.II.12	French aid to Togo, Cameroun and Ivory Coast	95
B.II.13	Total issues from the United Kingdom's CD & W funds for social expenditure in Africa (for the period 1/4/46 to 31/3/58).	96
B.II.14	Salient features in African current social development programmes.	98

CHAPTER A. I.

World economic conditions in 1962/1963

1. World production and trade continued to expand in 1962. World industrial production moved faster than during 1961, but in many parts of the world advances recorded in production were more moderate than in earlier years. This was not only true of western

Europe and Japan but also of most of the centrally planned economies of eastern Europe where the depressing effects of bad weather on agriculture affected economic growth.

TABLE A. I. 1
World production and trade^a

	1959	1960	1961	1962	1963 (Jan-March)
World industrial production (1958 = 100)	110	118	122	130	131
World exports					
Value f.o.b. billion US \$	101.1	112.7	117.8	123.7	31
Volume index (1958 = 100)	107	118	124	130	129

Source: United Nations, *Monthly Bulletin of Statistics*, September 1963.

^a World, excluding the centrally planned economies.

2. The expansion in North America combined with some restocking in western Europe, favoured exports from developing areas. The volume of exports from these areas expanded more quickly in 1962 than in 1961, and at about the same rate as world exports.

3. In comparison with the last years, primary commodity prices showed more stability in 1962, and in a few instances relative improvements in prices were recorded. But though less than in the previous year, the combined price index of primary commodities declined again in 1962.

4. Export earnings of a number of developing countries were adversely affected by bad weather conditions which sometimes combined with further declines in export prices. In many cases the burden of accumulated short-term debt came to be increasingly felt and induced Governments to resort to restrictive import policies. Consequently, although exports from developing countries in 1962 expanded somewhat faster than in the previous year, their external payments position prevented any substantial increase in imports. Total African imports in 1962 were even lower than in 1961. This acted as a brake on the growth of domestic investment and general economic activity in a large number of developing countries.

Economic activity in industrial countries

5. In industrial countries growth in 1962 proceeded generally at a decelerating pace. Even in the

United States where the gross national product in real terms increased by about 5 per cent, as against 2 per cent in the preceding year, the tempo of economic expansion was less vigorous than during the 1961 recovery. Against \$ 13 billion in 1961, the average quarterly change in the gross national product in 1962 was only \$ 6 billion. And in the final quarter of the year the index of industrial production failed to register any progress.

6. The combined output of goods and services in western Europe increased in 1962 by 3.5 per cent, compared with 4.5 per cent in 1961 and 6.4 per cent in 1960. The slowing down in investment activity, already apparent toward the end of 1961, continued throughout the year; and as at the same time export demand tended to slacken in a number of countries, the continued expansion in western Europe was increasingly relying on the rapid development of consumption.

7. However, in contrast to the slower pace of production, western European imports expanded much faster than in 1961. This was due to a shift from inventory disinvestment in 1961 to accumulation in 1962. And since North American imports also developed at quite a rapid rate, the quantum of imports of industrial countries taken as a group rose in 1962 by about 9 per cent, as against 6 per cent in 1961. The rise in imports in North America was fairly

equally distributed between the industrial and the primary exporting countries. In the case of western Europe the increase in imports benefited more the primary exporting than the industrial countries.

8. The slackening pace of economic activity in the United States, particularly in the second half of 1962, had given rise to various pessimistic conjectures. None of these, however, has come true so far. By mid-1963 the United States economy was going fairly strong. Industrial production, which was more or less flat during the second half of 1962, has risen in every month of this year and in June was about 5 per cent higher than at the end of 1962. The gross national product in constant prices rose at an annual rate of close to 4 per cent in the first half of 1963. Moreover, the new wave of economic expansion seems to have as its motive force a rather sharp upturn in fixed investment. One reason for this should probably be sought in the new changes in taxation that were introduced during 1962; but the need to modernize equipment after a period of relatively low investment may be another important factor. Latest forecasts tend to be rather optimistic, and it is generally expected that growth will continue at an undiminished rate through most of 1964.

9. In the majority of western European countries industrial production in 1963 has rebounded from its low first quarter level and by the middle of the year was generally higher than at the end of 1962.

10. The economy of France, which had done particularly well in 1962, continued to expand during the first half of 1963, despite certain adverse effects of strikes. The rise in industrial production in Italy, which has been proceeding at an annual rate of about 10 per cent for several years, seems to have slowed down, though part of this is also attributable to strikes. Nevertheless production is expected to continue faster than in most countries during the rest of 1963. Investment and consumption are still developing at a high rate, and exports continue to expand despite rapidly rising domestic prices. In the United Kingdom, where there had been no increase in the gross national product in 1962, a fairly pronounced recovery took place during the first six months of 1963. Owing to a modest rise in consumers' expenditure and to a rapid expansion in exports, national output in real terms registered an increase of some 2—2.5 per cent on an annual basis, and a slightly faster rise seems to be expected in the latter part of the year. In West Germany, on the other hand, economic growth in the first half of 1963 was proceeding at a decelerating pace. Exports rose sharply during the second quarter of the year in response to previously placed orders, but neither consumption nor investment were showing the vigour of a year earlier.

11. In most other countries of the area industrial production in the first half of 1963 was going on at a somewhat lower rate than in the corresponding part of 1962. Official and semi-official forecasts are rather confident that economic expansion will continue fairly steadily in the period ahead. But, at the same

time, there is a high degree of consensus that the results for 1963 as a whole will be more modest than in the preceding year and no substantial changes seem to be expected in the first half of 1964.

12. The slowing down of economic expansion in western Europe, combined with a declining trend in inventory accumulation is likely to weaken somewhat the present demand for primary exports which can hardly be expected to be compensated by the somewhat more rapid growth in North America. But, as far as the year 1963 is concerned, developing countries, and primary exporting countries in general, may expect a larger increase in their export earnings than during 1962. As will be shown in the following section, primary commodity prices in 1962 showed more stability than in 1961, and the first half of 1963 witnessed a further improvement. A somewhat weaker demand for primary imports in western Europe, which is expected in the latter part of 1963, is not likely to offset the gains realized by primary exporters during the first half of the year. Prospects for the first half of 1964 are more uncertain, and there is enough ground to fear that the recent slight improvement in primary commodity prices will prove to be only a temporary phenomenon.

Developments in the world commodity markets

13. Despite a further expansion in the import demand for primary commodities, the average price of the major commodities entering international trade was slightly lower in 1962 than in 1961. As in the previous year, supplies on the whole remained ample in relation to consumption, but slight improvements in consumption, coupled in certain cases with falls in production or with more effective control over the flow of supplies, resulted in a somewhat better balance between supply and demand in a number of markets. The general price index of primary commodities declined less between 1961 and 1962 than over the preceding interval, and during the first six months of 1963 signs of recovery were visible. In the second quarter of the year the index stood at a level about 5 per cent higher than in the corresponding portion of 1962. But this relative improvement in primary commodity prices was not of a general character. The movement of the combined price index reflected improvements in a few sectors only, and even then they were mainly due to fortuitous developments on the supply side. There is no indication whatsoever that the disturbing trend in primary commodity prices may have changed its course, and the future remains as uncertain as ever.

14. Of all the major categories, it was with food commodities that an improvement took place in 1962/1963, owing to an impressive rise in the price of sugar and to higher prices of cereals.

15. Following smaller crops in Cuba and a reduced output in a number of western European countries, a spectacular rise occurred in the prices of sugar. From 2.3 US cents per pound at the beginning of 1962, its lowest level in nearly a quarter of a century, the price

of sugar doubled by the end of the year, and it continued to rise through the first half of 1963. At

the end of May, the price of sugar stood at about 12.5 US cents per pound.

TABLE A. I. 2
Primary commodities
Export price indices
Base 1958 = 100

Weight	in total	Food				Agricultural				Minerals		
		Total	Total	Coffee tea cocoa	Cereals	Total	Fats, oils, oil- seeds	Textiles		Total	Metal ores	Fuels
								Total	of which wool			
		100%	41%	9%	10%	35%	6%	11%	6%	24%	5%	18%
1955		104	102	109	105	115	101	125	125	95	98	94
1956		105	101	106	102	114	109	123	129	99	105	97
1957		106	103	103	100	113	105	126	144	103	107	102
1958		100	100	100	100	100	100	100	100	100	100	100
1959		97	93	83	97	105	100	98	106	94	97	92
1960		97	91	77	96	107	94	104	108	93	98	91
1961		95	90	72	98	103	97	105	107	92	100	90
1962		94	90	70	103	99	89	101	106	92	99	90
1961 J — M		94	89	73	95	104	99	106	104	92	99	90
A — J		96	90	73	95	106	102	108	110	92	100	90
J — S		95	89	72	99	103	95	104	108	92	101	90
O — D		94	90	70	102	100	91	102	105	93	100	90
1962 J — M		94	89	70	103	101	92	103	107	92	101	90
A — J		94	90	70	105	99	90	102	108	92	98	90
J — S		93	90	70	103	97	87	99	102	92	97	90
O — D		94	92	70	101	98	88	101	108	92	98	90
1963 J — M		97	96	71	102	102	94	110	121	92	96	91
A — J		101	104	74	101	102	96	111	122	92	95	91

Source: United Nations, *Monthly Bulletin of Statistics*, September 1963.

16. Smaller crops in importing countries in 1961/1962 also affected prices of wheat and coarse grains particularly maize, but from the second quarter of 1962 onward the rise in prices went on at a decelerating pace. World production of rice in 1961/1962 was slightly higher than in the preceding year, but a steady expansion in demand in importing countries pushed the price considerably above the 1961 level.

17. The combined price index for coffee, cocoa and tea was some 3 per cent lower in 1962 than in 1961, compared with a 7 per cent decline between 1960 and 1961.

18. The increase in coffee production in Latin America added further to the pressure on prices exerted by the large surplus stocks in that part of the world. A strengthening in the prices of Robustas, which came up as a result of poor crops in west Africa and — partly also — of the working of the International Coffee Agreement, was far too insufficient to offset the declines in Latin American varieties so that the average export unit value of all coffees in 1962 declined by a larger percentage than in the previous year — 9 per cent, as against 5 per cent in 1961. Short-term prospects might be somewhat better

as production and consumption forecasts point to a better balance in the coffee economy, but around mid-1963 the market was still clearly dominated by the existing surpluses.

19. Cocoa prices dropped slightly at the beginning of 1962 as it became clearer that the reduced 1961/1962 crop was still likely to be too large to be absorbed by current consumption. At the end of the year, under the influence of a further contraction in crops and a continuing expansion in commercial grindings prices began to rise, and this tendency continued through the first half of 1963. On the whole, cocoa prices displayed a considerably higher degree of

stability during 1962 than during the previous year, and the decline in the average export unit value in 1962 — of about 3 per cent — was modest if compared with the 20 per cent fall recorded in 1961. Besides, if — as is generally expected — production in 1963/1964 should again fail to increase, the pressure of rising demand may continue to strengthen prices. On the other hand, the depressing effects of a record crop are likely to be mitigated by increased manufacturers' stockbuying for future consumption. Further developments will also be affected by the outcome of the negotiations of an international cocoa agreement.

TABLE A. I. 3
Production of beverage crops 1960-1963

	1960	1961	1962 ^a	1963 ^b
	'000 tons		(index; 1960 = 100)	
Cocoa	1,052	111	107	105
Coffee	4,645	85	93	85
Tea	971	106	106	...

Source: United Nations, *Commodity Survey 1962*.

^a Preliminary estimates.

^b Forecasts.

20. Production of tea in 1962 fell below its 1961 level, mainly because of droughts in India and Ceylon, but the average export value remained virtually the same as in 1961. In 1963, estimated crops in the major producing countries seem to be considerably ahead of last year, but the pressure from increased supplies is not likely to cause serious declines in prices in the months to come.

21. Prices of agricultural raw materials were 4 per cent lower in 1962 than in 1961. Some of the ground lost was recovered during the first half of 1963, but movements in prices varied largely from commodity to commodity.

22. The average export price of oilseeds and oils was somewhat over 3 per cent lower in 1962 than in 1961 owing mainly to appreciably larger supplies of soya beans from the United States and groundnuts from west Africa, as well as of sunflower seed from Argentina and the USSR.

23. Of all the major commodities in this group, only olive oil and palm kernels reached a higher average price in 1962 than in 1961. The steep rise in the price of olive oil was caused by the small crops in Spain and Tunisia in face of a strong import demand, while the recovery in palm kernels reflected chiefly western European demand for seed because of larger oilcake

requirements in the livestock industry. The long-term upward trend in world production of vegetable oils and oilseeds is likely to be resumed. And since, at the same time, stocks of oils and fats in the world's largest exporter, the United States, are quite ample, prospects for any increase in prices in 1963/1964 seem very unlikely.

24. Export of fibres were about 5 per cent less in 1962 than in 1961. The decline was greatest in the case of cotton, owing to considerably lower imports of Japan, the Economic European Community, and — to some extent — of the United Kingdom. The prices of apparel fibres, on the whole, were relatively stable despite a weakening demand for cotton. The average export unit value of cotton remained virtually unchanged between 1961 and 1962, but in the final quarter of the year it was about 4 per cent below the corresponding 1961 level. Prospects for 1963/1964 look somewhat better. Some improvement in the cotton textile industry has been reported of late in a number of countries, particularly in Japan, India, and a few western European countries. World demand for cotton in the second half of 1963 and first half of 1964 is expected to continue fairly strong, while production, with sharp reductions in acreage in the United States, is not likely to be maintained at the 1962/1963 record level.

TABLE A. I. 4

World production of vegetable oils^a

	1960 (⁰ 000 tons)	1961	1962 ^b (index: 1960 = 100)	1963 ^c
Edible oils:				
Soya bean	3,466	97	108	112
Groundnut	1,982	112	117	121
Cottonseed	2,091	101	106	110
Olive	1,184	113	111	80
Palm oils:				
Coconut	2,014	106	96	98
Palm	1,320	98	96	96
Palm kernel	395	95	94	92
Linseed oil	975	99	96	100

Source: United Nations, *Commodity Survey 1962*.

^a Measured in oil equivalent.

^b Preliminary estimates.

^c Forecasts.

25. Prices of hard fibres, with the exception of abaca, experienced a sharp recovery after the steep decline in the second half of 1961. In the case of jute, the process of readjustment following the poor 1960/1961 crop, which had driven prices to abnormally high levels in early 1961, continued until the middle of the year; from then onward a vigorous recovery took place although by the end of the year the average price was still less than half the price recorded in the first quarter of 1961. The price of sisal, which in the preceding year had moved more quietly than that of jute, began to recover early in the year; by the end of 1962 the price of sisal had reached record heights, and the price of henequen had also turned sharply upwards. This rising trend, however, is not likely to continue. With large jute crops in India and Pakistan, a sharp recovery in abaca output, and further expansion of sisal production, supplies of hard fibres are certain to increase substantially and a pressure on prices seems inevitable.

26. Among the remaining agricultural raw materials, natural rubber was one which has had a rather poor year, although in 1962 no significant changes were recorded either on the production or the consumption side. Total consumption of rubber between 1961 and 1962 increased appreciably — mainly under the influence of the upsurge in motor-car production in North America — but the increase in consumption was entirely met by synthetic rubber. The average price of natural rubber in 1962 was about 5 per cent below the 1961 average, and the quantities of the two competing kinds of rubber used were for the first time approximately the same. Under such circum-

stances an increase in production of natural rubber, which is expected in 1963, is almost certain to lead to a further decline in prices.

27. The average price of minerals did not show any change either in 1962 or in the first half of 1963. But with the exception of the firm petroleum market, prices of the main commodities entering this group continued to drift slowly downwards.

28. Trade in non-ferrous metals and ores in 1962 expanded at a very modest rate since the recovery in import demand in the United States was not sufficient to offset the reduction in western Europe. On the other hand, production of all the major non-ferrous metals, with the exception of lead, recorded increases over the previous year so that prices — with the exception of those of copper — moved in a downward direction.

29. The price index of non-ferrous base metals entering international trade has drifted irregularly downward since the beginning of 1960 and at the end of 1962 stood at the lowest level since 1958. The first half of 1963 brought no improvement into this general picture. In the second quarter of the year the index was some 3 per cent lower than in the corresponding portion of 1961 and about 4 per cent below the 1962 average.

30. The 1961-1962 decline in the prices of non-ferrous metals was most pronounced in the case of lead and zinc — despite some recovery in the price of the former toward the end of the year, but tin prices, after a recovery in 1961 and early 1962, declined rather steeply during most of the year. The stability

TABLE A. I. 5**World production of non-ferrous metals**

	1960 ('000 tons)	1961 (index: 1960 = 100)	1962 ^a
Aluminium	3,560	97	106
Copper	3,640	100	104
Lead	2,300	103	99
Tin	147	96	99
Zinc	2,440	105	109

Source: United Nations, *Commodity Survey 1962*.

^a Preliminary estimates.

of copper prices was partly the result of increased consumption but more so of the efforts of producers to regulate supplies with a view to holding prices around the level of 31 cents per pound.

31. Further prospects for most metals and ores do not look particularly bright. As the experience of the last decade has clearly shown, production potentials are amply sufficient to meet any increase in demand, short of exceptional circumstances created by the international political situation. No significant increase in world demand, however, can be foreseen at this

stage. Even with the continuation of the present industrial expansion in the United States, a possible rise in metal consumption in North America should not be expected to assume significant proportions. In western Europe, however, demand for metals and ores in the second half of 1963 is almost certain to be weaker than in 1962 and the first half of 1963. Under such conditions any improvement in the present trend in prices seems virtually excluded while further declines may be prevented through more effective control over the flow of supplies.

CHAPTER A.II

RECENT DEVELOPMENTS IN AFRICAN TRADE

(a) **General developments**

32 African exports continued to expand in 1962. In that year, their total value stood at a record figure of \$ 6,770 million. The advance of slightly over 3 per cent was somewhat higher than that recorded a year earlier, but it nevertheless fell short of the expansion in the value of world exports. In value terms, world exports from 1961 to 1962 grew at a rate of 5 per cent, the same rate having been recorded in exports of both the developed and under-developed areas.

33. There was also a further but milder decline of about one per cent in the average unit value of African exports, reflecting lower prices of a number of important commodities such as cocoa, groundnuts, some of the palm products, cotton, as well as chrome, iron, and manganese ore. Since the average unit value of African imports remained the same, the deterioration

in the terms of trade of the region was determined by the fall in the average unit value of exports.

34. In contrast with a slight increase in imports of the less developed areas taken as a group, the value of African imports continued to decline from its 1960 peak. The decline of over 3 per cent from 1961 to 1962 was more pronounced than that which had taken place in the previous interval.

35. The divergent movements in exports and imports caused a further amelioration in the aggregate trade balance of the region. In comparison with 1961, the trade gap in 1962 was reduced by more than one third, and the improvement in the balance of trade was widely spread both among countries belonging to the Sterling Area and the Franc Zone countries. The most significant development in the case of the latter group was a drastic change in the balance of trade position, vis-à-vis France.

TABLE A. II. 1

African trade by currency area
(million US dollars)

	1959	1960	1961	1962
Total Africa				
Exports	5,900	6,400	6,560	6,770
Imports	7,250	8,020	7,890	7,620
Balance	-1,350	-1,620	-1,330	- 850
of which:				
Sterling Area countries				
Exports	2,989	3,129	3,243	3,348
Imports	3,400	3,886	3,770	3,770
Balance	- 411	- 757	- 527	- 353
Franc Zone countries				
Exports	1,470	1,704	1,887	1,978
Imports	2,402	2,684	2,654	2,350
Balance	- 932	- 980	- 767	- 372
Others				
Exports	1,441	1,567	1,430	1,444
Imports	1,448	1,450	1,466	1,569
Balance	- 7	+ 117	- 36	- 125

Notes: Import figures for South Africa and Rhodesia and Nyasaland are adjusted to c.i.f. value.

Algeria's exports include petroleum crude; 1962 data are estimated.

Intra-trade of the countries of former French West Africa is excluded for the following countries: Senegal, Ivory Coast (except Jan.-June 1959), Upper Volta (prior to 1961); Niger (prior to 1960), Mali (prior to 1961), Mauritania (prior to 1961).

Total Africa data are those given by the United Nations; "others" are obtained by subtracting Sterling Area and Franc Zone from total Africa.

Sources: United Nations, *Monthly Bulletin of Statistics*, October 1963; IMF, *International Financial Statistics*, October 1963; EEC, *Foreign Trade, Monthly Statistics*, Nos. 1-9, 1963; United Nations, *Yearbook of International Trade Statistics*, 1961.

TABLE A. II. 2
Percentage changes in the trade of African countries
(1960 to 1961 and 1961 to 1962)

	1960 to 1961		1961 to 1962	
	Exports	Imports	Exports	Imports
Morocco	— 3.1	+ 8.5	+ 1.8	— 5.0
Algeria ^a	— 6.6	— 19.1	..	..
Tunisia	— 7.5	+ 10.5	+ 5.2	+ 2.8
Libya	+100.0	— 9.7	+654.0	+ 38.0
UAR (Egypt)	— 15.8	+ 5.9	— 6.3	+ 24.2
Sudan	— 1.6	+ 29.3	+ 26.8	+ 8.0
Senegal	+ 9.7	+ 13.9	—	—
Ivory Coast	+ 16.8	+ 28.3	+ 2.5	— 4.8
Upper Volta	— 19.1	+172.1	+ 64.9	+ 8.1
Dahomey	— 21.2	— 15.4	— 21.0	+ 4.7
Niger	— 28.8	+ 23.8	— 6.4	+ 45.7
Guinea	+ 16.4	+ 46.0	..	..
Togo	+ 26.7	—	— 8.0	+ 3.3
Gambia	+ 12.5	+ 44.4	..	..
Sierra Leone	+ 1.2	+ 21.3	+ 7.1	+ 43.9
Ghana	— 0.7	+ 8.5	—	— 16.6
Nigeria	+ 2.6	+ 3.2	— 2.8	— 7.0
Cameroun	+ 1.0	+ 14.3	+ 5.1	+ 6.3
Equatorial Customs Union Congo (Leopoldville), Rwanda and Burundi	+ 19.0	+ 10.9	+ 12.7	— 1.8
Angola	— 11.1	— 10.0	..	..
Rhodesia and Nyasaland	+ 8.9	— 10.9	+ 9.6	+ 19.3
Mozambique	+ 0.2	— 1.2	+ 1.3	— 7.8
Madagascar	+ 21.9	+ 3.9	+ 2.2	+ 5.4
Reunion	+ 4.0	— 8.0	+ 22.0	+ 18.0
Mauritius	—	— 11.5	— 10.1	+ 9.7
Zanzibar	+ 59.0	— 5.7	+ 3.2	—
Tanganyika	— 25.0	—	..	..
Uganda	— 11.0	+ 4.7	+ 5.5	—
Kenya	— 3.3	+ 1.4	— 1.4	— 1.1
Somalia	+ 3.6	— 1.5	+ 6.7	+ 1.0
French Somaliland	+ 13.0	+ 6.7	..	..
Ethiopia	—	+ 42.9	..	..
Republic of South Africa	+ 3.9	+ 10.7	+ 5.3	—
	+ 7.5	— 9.7	—	+ 2.1

Sources: National publications; International Monetary Fund, *International Financial Statistics*, November 1962 and August 1963; United Nations, *Monthly Bulletin of Statistics*, November 1962.

^a Excluding petroleum shipments.

Changes in exports

36. Participation of individual countries in the expansion of exports in 1962 seems to have been somewhat wider than in 1961. Export earnings of the few leading countries (e. g. Republic of South Africa, Nigeria, Ghana, the Federation of Rhodesia and Nyasaland and the UAR) having remained virtually unchanged or even declined from their 1961 levels, the advance in the total export value of the region was primarily the result of the significant progress made by a large number of relatively smaller exporters situated in various parts of Africa.

37. The most notable illustration is provided by Libya where, in the wake of the dramatic development of the petroleum industry, exports shot upward at quite an unusual rate from \$22 million in 1961 to \$141 million in 1962. The 77 per cent rise in the value of exports from the Congo (Brazzaville) reflected chiefly an expansion in the transit trade of diamonds, but domestic exports of wood and palm kernels did quite well. In terms of export expansion, the Upper Volta ranked third owing mainly to the implementation of the 1961 agreement with Ghana which has abolished trade barriers between the two

countries. However, a good deal of the increase in the Upper Volta's exports was only a recovery from the sharp fall of a year earlier. Exports from Madagascar also expanded at a very satisfactory rate owing to generally good crops, and particularly to larger shipments of coffee and rice.

38. Exports from the two cotton growing countries in north Africa - the UAR and the Sudan - developed in opposite directions. Following the record 1961/1962 cotton crop, Sudanese exports reached unprecedented levels while in the UAR, where the cotton and rice crops were particularly poor, export earnings declined for the second successive year to the lowest level since 1956. Exports of foodstuffs from Morocco and Tunisia expanded quite satisfactorily but exports of minerals and crops, with the exception of phosphates, receded both in volume and value. No complete

data on Algerian trade in 1962 are available but it is certain that the importance of petroleum continued to increase fast. From 15.7 million tons in 1961, the production of petroleum went up to 20.5 million tons in 1962, and its relative share in the total exports of Algeria is likely to have reached 50 per cent.

39. The most severe decline in relative terms in exports seems to have occurred in Guinea. According to unofficial sources, the coffee earnings of this country were cut by more than half, while bauxite virtually disappeared from the export list. A few other west African countries also suffered drops in their export incomes largely due to unfavourable weather conditions which affected the output of some of the leading export commodities. Production of coffee was hit hardest but, with the exception of groundnuts, most agricultural products had a rather bad year.

TABLE A. II. 3
WACU^a: Commercialized agricultural production
of selected commodities
(Metric tons)

	1959/60	1960/61	1961/62	Change from 1960/61 to 1961/62
Groundnuts (shelled)	622,000	739,000	747,000	+ 1
Cocoa	71,366	107,234	92,440	-14
Coffee	136,682	196,122	110,538	-44
Cotton	24,995	28,789	27,800	- 3
Palm products (exports)	97,603	71,227	68,506	- 4

Source: Banque centrale des Etats de l'Afrique de l'ouest, *Rapport d'activité 1962*.

^a West African Customs Union (comprising Ivory Coast, Dahomey, Upper Volta, Niger, Mauritania, Senegal, Togo and Mali).

40. Developments in prices, on the other hand, were not such as to counteract the effect of decreased supplies. True enough, prices for African Robustas crept upward during the year but the advance was far too insufficient to offset the drastic fall in production. The average price for cocoa in 1962, despite a relative stability during most of the year, was lower than in 1961. Prices for most vegetable oils and oil-seeds continued to follow the decline which had set in in 1956. Cotton, which was holding fairly well during the greater portion of the year, began to decline by the end of the third quarter.

41. The sharp fall in coffee exports from the Ivory Coast overcompensated by advances in exports of wood, bananas and, to some extent, cocoa. But in Nigeria, the effects of the poor crops of palm produce and cotton could not be offset by the otherwise encouraging expansion in exports of petroleum. Exports of palm kernels from Nigeria dropped from 411,000 tons in 1961 to 366,000 tons in 1962; exports of palm oil went down from 143,000 tons to 115,000 tons, while

exports of cotton — at about 23,200 tons — were barely half the 1961 figure. Moreover, as in the case of Ghana, increased quantities of cocoa exports earned less foreign exchange than in the preceding year. Exports from Dahomey were again hit hard by a poor output of palm kernels and palm oil, and the 22 per cent drop in the earnings of Chad was entirely the result of the sharp fall in cotton output.

42. In east Africa, Uganda experienced a severe reduction in cotton exports, which brought down the relative share of this commodity in the export total from almost 43 per cent in 1961 to only 22 per cent in 1962. Combined exports of cotton from the three east African countries went down by 33 per cent in value from the 1961 level. On the other hand, due to increased quantities and slight improvements in prices, the total value of coffee from Uganda, Kenya and Tanganyika increased by about 19 per cent, and that of sisal by about 10 per cent. Export earnings from tea, despite a slight deterioration in the average export value, rose by about 29 per cent, while those

from meat and meat products, and copper and alloys, recorded advances of 17 per cent and 18 per cent, respectively.

43. Ethiopia's exports of coffee experienced a prosperous year. From 11 December 1961 to 10 September 1962, exports of coffee totalled 55,761 tons as against 51,322 in the corresponding period a year earlier. However, the increase in the total export earnings of Ethiopia in 1962 was due to increased quantities exported rather than to higher unit values.

44. Exports from the Rhodesias and Nyasaland moved but little from their 1961 levels. The export volume of copper — refined and concentrates — was smaller than in the previous year so that, despite some improvement in prices, export earnings from the Federation's leading commodity remained virtually unchanged. Earnings from asbestos, cobalt, lead, zinc and pig-iron exports were slightly lower than in 1961. However, the fall in export proceeds from mine products was more than offset by increases in the total value of agricultural and manufactured exports.

45. Although the composition of African exports did not show on the whole any significant change from 1961 to 1962, it is encouraging to note that there has been of late a tendency toward diversification in a large number of countries. There is no doubt whatsoever that minerals and mineral products are gaining a relative importance in exports of a great many countries, and this seems to be but the beginning of a promising trend. Apart from the extreme pattern of Libya, petroleum has already brought a radical change into the export pattern of Algeria, and it continues to gain ground in exports from Nigeria, the UAR, Angola and Gabon. The increasing importance of various mining products can be observed in the emerging export patterns of Gabon, Cameroun, the Congo (Brazzaville), Senegal, Togo and Uganda.¹

¹In order to obtain a rough picture of the dynamism shown by the major categories of African exports in the period 1950/1951-1959/1961, it is useful to quote some of the findings of a recent United Nations study which are summarized in the table below.

Africa: Earnings from export of major commodity groups, 1959-1961

(Index: 1950-1952 = 100)

Cereals	83
Meat	467
Fruit	175
Beverage crops	133
Fats and oils	130
Fibres	74
Rubber	170
Fuels	530
Non-ferrous metals	158

Source: United Nations, *Commodity survey*, 1962, New York 1963.

Fuels — almost exclusively petroleum — whose exports in 1950/1951 were practically negligible, realized the highest relative increase in export earnings. Meat, which was following closely, and to a large extent fruit, were those

More encouraging even is the fact that certain manufactures or semi-manufactures, like fruit juice, meat products, canned fish, soluble coffee, veneers, plywood and others, began to appear of late in exports of a number of countries which hitherto have been known solely as exporters of primary products. The quantities of those products exported are still on the modest side, but the mere fact that they have made their appearance on the export lists is a tangible proof of the increasing efforts under way in the direction of industrialization.

Changes in imports.

46. The decline in the total import value of Africa was considerably more concentrated than the expansion in export earnings. In fact, it was the contraction in the imports of only five countries — Nigeria, Ghana, the Federation of Rhodesia and Nyasaland, Morocco and the Ivory Coast — that was mainly responsible for the over-all decline, more than offsetting increases recorded elsewhere. However, the factors which affected the imports of these five countries were by no means the same.

47. In Morocco, and also in the Federation, the reduction in imports was primarily the consequence of a contraction in investment activity, which in the case of the latter country had its roots in the political considerations of expatriate companies. In Nigeria, the fall in imports was largely due to changes in tariffs in early 1962 which, as it seems, were primarily intended to raise government revenue. Moreover, the depressing effect of higher tariffs was accentuated by the fact that the change occurred in the situation of an overstocked and sluggish market while the growing domestic competition on its part was slackening the import demand for such goods as beer, flour,

categories for which consumer demand in industrial areas has shown the most marked response to rising incomes. Among the non-ferrous metals and ores, where on the whole the rise in proceeds came chiefly from the increase in volume exported, by far the largest expansion, of about 650 per cent, occurred in bauxite. Earnings from copper rose by 188 per cent while earnings from tin were lower in 1959/1961 than in the initial period, and those from zinc showed only a very modest increase. Proceeds from groundnuts and oils rose by 81 per cent, earnings from palm kernels and oils by 7 per cent, while earnings from palm oil went down by 5 per cent. In the beverage crops group it was tea where the largest expansion, of about 188 per cent, was recorded while proceeds from coffee and cocoa increased by 31 per cent and 26 per cent respectively. Earnings from cereals were lower in 1959/1961 than in the 1950/1952 period but the movements of individual commodities belonging to this group were by no means uniform: earnings from wheat and rice declined by 23 per cent and 11 per cent, while those from maize increased by 104 per cent. The fall in export earnings from fibres reflected declines in the export values of all individual items — 30 per cent in cotton, 16 per cent in wool, and 19 per cent in hard fibres.

cement, bicycles and cotton goods. The sharp decline in imports of Ghana was the result of deliberate policies intended, on the one hand, to give priority to developmental goods and, on the other, to bring imports more into line with the export capacity of the country. Finally, in the case of the Ivory Coast, the depressed demand for foreign goods ensued as a consequence of the sharply reduced purchasing power of coffee producers who suffered both from poor crops and from lower support prices.

48. Changes in the levels of imports in other countries were mainly determined by the amount of export proceeds in the previous year and by current inflow of foreign capital and economic aid. In a large number of countries, the impact of development plans and development policies was reflected in changes in import structures, capital and intermediary goods gaining in importance in comparison with earlier years. In some countries like the UAR, despite development-oriented policies, the relative share of consumer's goods increased due to declines in the domestic production of foods. In a few cases, however, imports continue to develop rather erratically, chiefly under the influence of import demands of the expatriate community and the upper strata of the African population.

49. Closely related to the tendency toward diversification of exports, a tendency toward growing import substitution was discernible in many countries. Apart from the majority of north African countries and the already mentioned example of Nigeria, Ghana, the Rhodesias, Kenya, the Ivory Coast, the Congo (Brazzaville) and a few others, domestic production of a number of consumer and intermediary goods tended to depress imports of similar foreign products. Much remains to be done, however, in a region where the processing of primary products, together with a further expansion of primary production, offers practically unlimited possibilities.

Geographical distribution

50. The over-all geographical pattern of Africa's trade in 1962, despite a number of changes with individual countries outside the region, was very similar to that of a year earlier. Slight changes in opposite directions in the relative shares of industrial countries in exports and imports tended to cancel each other, so that the relative position of this group in the total value of Africa's trade remained virtually unchanged. Almost four fifths of the trade of the region continue to be conducted with the industrial countries of western Europe, North America and Japan.

51. The relative share of North America reached the highest level ever recorded. From \$ 661 million in 1961 African exports to North America went up to \$ 727 million in 1962, reflecting mainly larger shipments of diamonds, petroleum and coffee. The rise in exports to North America was fairly widely spread, and included countries like Uganda, the Federation of Rhodesia and Nyasaland, the Ivory

Coast, Ethiopia, Libya, Guinea, Angola and a few others. Exports from North America to Africa rose at an even higher rate — from \$ 879 million in 1961 to \$ 1,036 million in 1962.

52. The most notable feature in the development of Africa's trade with industrial countries was the fact that exports to the EEC countries continued to expand in 1962 at a much higher rate than the total value of African exports while, on the other hand, the relative share of the EEC in the value of African imports registered a further and more significant drop from its 1960 peak.

53. The rise of about 8 per cent, in African exports to the EEC, as against less than 7 per cent in 1961, was the result of considerable increases in purchases from Africa by all members of the Community, with the exception of Belgium and Luxembourg whose imports were lower than in the preceding year. The decline in the EEC exports to Africa, however, was almost exclusively due to a sharp reduction in exports from France. According to French trade returns, French exports to the Franc Zone countries of Africa, including Algeria, declined from \$ 1,692 million in 1961 to \$ 1,325 million in 1962. As, at the same time, imports of France from this group of countries increased from \$ 1,291 million to \$ 1,403 million, the traditional French surplus, which in 1961 amounted to about \$ 400 million, gave place to a negative balance of about \$ 78 million. In the total change in the balance of France — of about \$ 478 million — the switch in the balance of trade position of Algeria accounted for almost 80 per cent. French imports from Algeria expanded by about 11 per cent while French exports to this country contracted by about 36 per cent. The 1961 surplus of France — of about \$ 295 million — was changed in 1962 into a deficit of about \$ 95.7 million. With the rest of the Franc Zone countries France still had a small surplus of about \$ 18 million, but this was only a small fraction of the surplus recorded in 1961.

54. It should be stressed, however, that the change in the balance of the trade position of France vis-à-vis all Franc Zone countries in Africa had occurred mainly in the period between April and September 1962, while the over-all surplus of France reappeared in the last quarter of the year.

55. The position of the United Kingdom in the total value of Africa's trade remained on the whole fairly stable although there was a mild decline in this country's relative share, particularly visible on the side of African imports.

56. The role of the USSR and eastern Europe in the total trade of Africa hardly showed any noticeable change, despite an increase in exports from these countries. African exports to the whole area slightly declined — from \$ 290 million in 1961 to \$ 280 million in 1962 — mainly due to a 16 per cent drop in exports from the UAR. On the other hand, exports from these countries to Africa expanded from \$ 355 million to \$ 380 million but the relative share of the USSR and

TABLE A. II. 4
Geographical distribution of African exports to industrial countries
 (percentage of total value)

	North America	European Economic Community	UK	Other western European countries	Japan	Total industrial countries
1959	9.0	39.7	20.9	4.8	1.8	76.2
1960	8.0	40.0	19.8	5.4	1.8	75.0
1961	8.9	41.9	19.9	5.0	2.4	78.1
1962	10.1	43.0	19.4	5.2	2.5	80.2

Geographical distribution of African imports from industrial countries
 (percentage of total value)

	North America	European Economic Community	UK	Other western European countries	Japan	Total industrial countries
1959	10.3	39.4	17.6	6.3	5.7	79.3
1960	11.0	41.4	17.3	6.3	4.5	80.5
1961	11.4	39.4	17.7	5.5	4.9	78.9
1962	13.7	35.4	16.9	6.3	4.4	76.7

Source: United Nations, *Monthly Bulletin of Statistics*, June 1962 and June 1963.

eastern European countries in the total value of trade of Africa remained, as in 1961, below 5 per cent.

57. Exports from Africa to Japan rose from \$ 155 million to \$ 170 million but owing to a further fall in shipments to other Asian countries total exports to Asia declined in value from \$ 361 million to \$ 343 million. The value of total exports from Asia to Africa of about \$ 570 million² was almost the same as in the previous year.

58. Intra-African trade, as measured by recorded intra-African exports, hardly moved from its traditionally low level. After the slight fall in 1961, intra-African exports crept upward by about \$ 10 million, thus reaching a total of \$ 540 million. In the total value of exports from the region, intra-African exports continued to play a very modest role of not more than 8 per cent.

(b) Notes on trade of selected African countries

59. The main developments in 1962 in the external trade of those African countries for which enough information was available, are briefly reviewed below.

² Excluding exports of Japanese ships to Greek owners in Liberia of about \$ 100 million in 1961 and \$ 50 million in 1962.

60. **Morocco:** The deficit of trade balance which went up by 78 per cent in 1961, reflecting the bad crop in Morocco, dropped by 26 per cent in 1962 (from 526 million dirhams in 1961 to 389 million dirhams in 1962). Imports declined from 2,257.4 million dirhams in 1961 to 2,151 million dirhams in 1962 (by 5 per cent), while exports expanded from 1,731.3 million dirhams in 1961 to 1,762 million dirhams in 1962 (by 1.8 per cent).

61. The rise in exports was associated with the expansion of foodstuff exports (canned fish, tomatoes, vegetables, potatoes, cereals, wine) by 68.7 million dirhams, and phosphates by 25 million dirhams, where-as exports of other mining products (iron ore, lead, zinc, manganese, cobalt, etc.) decreased in weight and value. Exports of lead, zinc and manganese were affected by international competition and falling prices.

62. The decline in total imports resulted mainly from the sharp decrease in imports of investment goods from 310.2 million dirhams in 1961 to 95.2 million dirhams in 1962, that is to about one third of the 1961 level. This sharp fall in imports of investment goods (chiefly for industry) was provoked by a marked contraction of investments expenditure in the country, which accounted only for 66 per cent of the targets planned for 1962.

63. Moroccan foreign trade has remained oriented towards France, although a marked decline of imports from France has continued (43.1 per cent of total imports in 1962, against 51.8 per cent in 1961 and 56 per cent in 1960). The Franc Zone was the larger buyer of Moroccan exports (47.7 per cent of total exports) and the first supplier of imported goods (45.2 per cent of total imports).

64. Exports to the EEC countries (including Algeria) represented 65.6 per cent of total exports in 1962, as compared with 67.7 per cent in 1961, and 79.6 per cent in 1957, and to the EFTA countries, 10.4 per cent of total exports. On the other hand,

imports from the EEC countries covered 56.1 per cent of total imports (as compared with 62.5 per cent in 1961), and from the EFTA countries, 6.6 per cent of total imports

65. The improvement of the trade balance in 1962 was due mainly to the decrease of the deficit with the Franc Zone, which dropped from 363 million dirhams in 1961 to 132 million dirhams in 1962, as a result of decline in imports from this Zone by 17 per cent and increase in exports by 4 per cent.

66. **Algeria**³: Complete data on the foreign trade of Algeria in 1962 are not available.

TABLE A. II. 5

Morocco: Exports and imports in 1961 and 1962

(in '000 tons and million dirhams)

Commodity	Quantity		Value	
	1961	1962	1961	1962
Total exports	—	—	1,731.3	1,762.0
of which:				
Canned fish	41	46	111.3	125.3
Citrus fruits	351	343	215.2	199.8
Other foodstuffs	636	877	422.0	492.1
Phosphates	7,623	8,128	410.5	435.5
Total imports	—	—	2,257.4	2,151.0
of which:				
Foodstuffs (incl. tobacco)	1,063	987	560.9	528.4
Durable goods	66	2	594.0	587.4
Investment goods	44	47	310.2	95.2
Intermediary goods	347	391	393.7	400.7

Source: *Marchés tropicaux et méditerranéens*, No. 919, June 1963; Banque nationale pour le développement économique du Maroc; *Compte rendu de l'Assemblée générale ordinaire 1962*.

67. Total exports of agricultural products (excluding wine) increased in volume by 3.8 per cent as compared with 1961, but are still below the level of 1960. Exports of citrus fruits rose in volume by 4 per cent as compared with 1961, exports of vegetables went up by 15 per cent and those of olive oil by 440 per cent, while exports of dates declined by 8 per cent.

68. Crude petroleum, wine and fresh fruits constituted the bulk of Algerian exports. The output of crude petroleum went up from 15.7 million tons in 1961 to 20.5 million tons in 1962, thus the share of crude petroleum in total exports increased rapidly following the rise in its output (30.6 per cent). France remained the main importer of Algerian crude petroleum and wine.

69. Trade with France, after a drastic fall in the summer of 1962, has begun to increase at a satisfactory rate in the last quarter of the year. However, total imports from France declined from N. F. 4,376 million in 1961 to N. F. 2,778 million in 1962, which means a decrease of 36.5 per cent, due mainly to a

sharp reduction in imports of investment goods and luxury consumer goods.

70. Exports to France expanded from N. F. 2,930 million in 1961 to N. F. 3,246 million in 1962 (by 11 per cent). Thus the adverse balance of trade with France was arrested and exports exceeded imports in 1962 by N. F. 468 million.

71. **Tunisia**: Exports increased in 1962 by 2.4 million dinars, and imports by 2.5 million dinars: thus the deficit of trade balance was, in 1962, nearly the same as in 1961 (42.2 million dinars in 1962 against 42.1 million dinars in 1961). Nevertheless, the structure of exports and imports underwent some considerable changes.

³ Direction générale du plan et des études, *La situation économique de l'Algérie au 1er janvier 1963*; "L'économie algérienne à l'épreuve de l'indépendance", *L'Economie*, No. 858/1963.

72. Total exports rose from 46.3 million dinars in 1961 to 48.7 million dinars in 1962, which means by 5.2 per cent, but they were still lower as compared with the level of the year 1960, when they amounted to 50.3 million dinars. This increase was due mainly to the expansion of foodstuffs exports which rose by 15 per cent, (29.3 million dinars in 1962 against 25.5 million dinars in 1961). Within this category of commodities, exports of olive oil went up by 3.2 million dinars, which is by 33 per cent, while exports of wine and wheat declined slightly (by 0.3 million dinars and 0.2 million dinars, respectively).

73. The decline in exports of raw materials and semi-manufactures continued in 1962; thus exports of iron ore dropped by 0.6 million dinars, exports of lead by 0.5 million dinars and those of phosphate fertilizers by 1.2 million dinars. Within this group of commodities, exports of phosphate (natural) showed a marked increase of 0.5 million dinars.

74. It is worthwhile noting that exports of minerals (iron ore, lead, etc.) decreased in value by 3.2 per cent, while in volume by 0.7 per cent only, which reflected the depressed level of prices fetched by these exports.

75. Imports expanded from 88.4 million dinars in 1961 to 90.9 million dinars in 1962, which means an

increase of 2.8 per cent. This rise in imports was due mainly to the sharp increase in imports of raw materials and semi-manufactures (by 2.4 million dinars), and manufactures (by 2.9 million dinars), and it was partly offset by the decline in imports of foodstuffs (mainly wheat: 3.2 million dinars), as a result of improvement in the domestic agriculture.

76. The increase in imports of raw materials and semi-manufactures (iron and steel, cotton yarn) by 9.2 per cent and in imports of investment goods by 9.6 per cent reflected the progress in the industrialization of the country.

77. Tunisian foreign trade remained oriented essentially toward France, although a marked decline of imports from France continued (52.4 per cent of total imports in 1962 against 66 per cent in 1959).

78. The deficit of trade balance with France remained in 1962 at about the same level as in 1961 (21.9 million dinars against 22 million dinars in 1961) and amounted to 52 per cent of the total deficit. With the other EEC countries, the deficit declined from 4.4 million dinars in 1961 to 2.1 million dinars in 1962.

79. The deficit with France is likely to be reduced by 50 per cent in 1963, as a result of a quota system which has been accepted by both sides in the last trade agreement between Tunisia and France.

TABLE A. II. 6

Tunisia: Exports in 1961 and 1962
(in '000 tons and million dinars)

Commodity	Quantity		Value	
	1961	1962	1961	1962
Total exports	—	—	46.3	48.7
of which:				
Wheat	33.9	29.0	1.6	1.4
Oranges, mandarines, and lemons	41.3	37.6	1.8	1.8
Olive oil	44.2	53.6	9.6	12.8
Wine	130.6	123.4	7.9	7.6
Phosphate, natural	1,691.5	1,870.0	6.4	6.9
Phosphate fertilizers	156.7	115.1	3.5	2.3
Iron ore	899.4	713.6	3.0	2.4
Lead (incl. manufactures)	19.5	15.4	1.5	1.0
Cement	111.9	187.8	0.4	0.6

Source: Service des statistiques, *Bulletin mensuel de statistique, Nouvelle série, décembre 1962-janvier 1963*, No. 97-98, p. 21.

80. **Libya:** In 1962, exports (domestic) reached the highest level in the history of Libya, rising from £L 6.5 million in 1961 to £L 49 million in 1962, which is 7.5 times in one year. Imports went up from £L 53.3 million in 1961 to £L 73.4 million in 1962, which is by 37.7 per cent. This unprecedented increase in the value of total exports was due to petroleum exports, which rose in 1962, more

than eleven times, as compared with 1961, and accounted for nearly 96 per cent of total exports. The tempo of increase in exports of crude petroleum was extremely rapid: in January 1962, 1.1 million US barrels, in June, 4.7 million barrels and in December, 7.5 million barrels. Total exports of crude petroleum in 1962 amounted to 59.5 million barrels, as compared with 5.2 million in 1961.

81. Imports of machinery and transport equipment, including oil companies' imports, were by far the most important items and amounted to £L 29.4 million which means 40 per cent of total imports. The increase in these items by 62 per cent as compared with 1961, was much faster than the growth of total imports (38 per cent).

82. As exports rose 7.5 times, and imports by 38 per cent, as compared with 1961, the deficit of foreign trade decreased from £L 46.8 million to £L 24.4 million.

83. The geographical distribution of total exports followed the directions of exports of crude petroleum. The main buyers of crude petroleum in 1962 can be classified in the following decreasing order: the United Kingdom (£L 16.9 million); Italy (£L 8.1 million); Germany (£L 5.5 million); Belgium (£L 5.1 million); the Netherlands (£L 4.9 million); the USA (£L 3.8 million) and France (£L 2.3 million).

84. **United Arab Republic (Egypt).** The sharp increase of 24 per cent in imports coupled with the fall of 6 per cent in exports and an acute deficit of

trade balance, were the main features of foreign trade in 1962 as compared with the previous year.

85. The fall in total exports from £E 168.9 million in 1961 to £E 158.3 million in 1962 was mainly due to the sharp reduction of cotton exports from £E 104.6 million in 1961 to £E 83.8 million in 1962 (19.8 per cent). This decline was partly offset by the increase in exports of fuels and foodstuffs.

86. Exports of crude petroleum went up from 1.8 million tons in 1961 to 2.8 million tons in 1962, which means an increase in value of £E 5.3 million (92 per cent). This rise was due to larger shipments to Italy and the USA.

87. Exports of onions increased by 73 per cent and of potatoes by 154 per cent, as compared with 1961.

88. As a result of the above mentioned changes in exports, the share of foodstuffs in total exports increased from 11.5 per cent in 1961 to 14.4 per cent in 1962, and that of fuels from 4.4 per cent in 1961 to 9.5 per cent in 1962 whereas the share of raw materials declined from 64.3 per cent to 54.8 per cent over the same period.

TABLE A. II. 7

Libya: Domestic exports in 1961 and 1962

SITC		1961		1962	
Code	Class of merchandise according to the SITC (revised)	Value in £L'000	%	Value in £L'000	%
0	Food and live animals	329	5.0	336	0.7
1	Beverages and tobacco	69	1.1	6	—
2	Crude materials, inedible except fuels	1,651	25.3	1,423	2.9
3	Mineral fuels, lubricants and related materials	4,138	63.5	46,967	95.8
4	Animal and vegetable oils and fats	331	5.1	280	0.6
5	Chemicals	—	—	—	—
6	Manufactured goods classified chiefly by material	1	—	3	—
7	Machinery and transport equipment	—	—	—	—
8	Miscellaneous manufactured articles	2	—	1	—
9	Commodities and transactions not classified according to kind	—	—	—	—
TOTAL:		6,521	100.0	49,016	100.0

Source: Central Statistics Office, *External Trade Statistics 1961*, p. VI and Ministry of National Economy, *Statistical Abstract of Libya 1958 - 1962*, p. 17.

89. The sharp increase of total imports from £E 243.8 million in 1961 to £E 302.9 million in 1962 has to be associated with larger purchases of wheat and wheat flour (£E 41.3 million in 1962 against £E 25.2 million in 1961), maize (£E 9.3 million against £E 2.1 million), tea (£E 10.4 million against £E 8.4 million), medicines and pharmaceuticals (£E 6.4 million against £E 4.1 million). The expansion of

imports of consumer goods from £E 65.1 million in 1961 to £E 90.1 million in 1962 provoked an increase in the share of this group of commodities in total imports from 26.7 per cent in 1961 to 29.7 per cent in 1962.

90. Although imports of intermediary goods and investment goods went up by 6.1 per cent, their share

in total imports declined by 9.3 per cent as a result of the expansion of imports of consumer goods.

91. A sharp increase in total imports and a fall in total exports provoked a deficit of trade balance, which reached, in 1962, an unprecedented level of £E 144.6 million against £E 74.9 million in 1961.

92. The geographical distribution of exports and imports in 1962 showed a considerable change, as compared with the previous year.

93. Although exports to eastern European countries in 1962 decreased by 16 per cent, this area remained the main market for Egyptian exports, followed by western Europe which imported from the UAR about 32 per cent more than in 1961. Exports to the Americas declined slightly, whereas imports from this region showed a marked increase (56 per cent) over the previous year, as a result of larger imports of wheat and wheat flour from the USA.

TABLE A. II. 8

UAR (Egypt) : Exports in 1961 and 1962
(in '000 tons and million £E)

Commodity	Quantity		Value	
	1961	1962	1961	1962
Total exports	6,387.6	6,609.8	168.9	158.3
of which:				
Cotton, raw	295.3	250.5	104.6	83.9
Rice	228.6	143.7	8.1	6.7
Onions (raw and dehydrated)	154.9	163.8	4.1	7.1
Potatoes	58.8	126.4	1.1	2.9
Sugar, molasses and confectionery	125.8	184.7	2.9	2.8
Fuels	2,044.5	3,412.1	7.4	15.1
Cement	689.1	443.8	2.9	2.0
Cotton yarn	18.2	20.8	8.7	11.2
Pure cotton piece-goods	11.1	13.7	7.3	7.5

Source: Central Bank of Egypt, *Economic Review*, Vol. III, No. 1, 1963.

94. **Sudan:** Both exports and imports reached unprecedented levels in 1962, viz. £S 78.9 million and £S 89.3 million, respectively.

95. Exports increased by £S 16.7 million which means by 27 per cent, as compared with 1961, a very considerable rise, primarily associated with the substantial expansion in the production and export of cotton and oilseeds.

96. The 1961/1962 cotton crop was of record size, totalling nearly 1,145,000 bales, an increase of more than half a million bales compared with the previous season's output. However, the problems posed by supplies of this magnitude, augmented by the carry-over of 231,000 bales from 1961, were very largely overcome; 961,000 bales were sold by producers and the bulk of this was exported. Nevertheless, at the close of the year, stocks still in the country amounted to 490,000 bales although, of this total, 194,000 bales were held by exporters for shipment in the early months of 1963.

97. Exports of cotton went up from £S 31 million to £S 43 million, which is by 39 per cent.

98. Exports of oilseeds increased considerably (see table A. II. 9). The whole group of oilseeds (includ-

ing cotton seeds) amounted in 1962 to about one quarter of the value of domestic exports.

99. On the other hand, exports of products typical for the Sudanese traditional sector of the economy, like gum arabic, durra, sheep and cattle, all showed a decrease in absolute value.

100. Imports went up from £S 82.9 million in 1961 to £S 89.3 million in 1962, or by 7.7 per cent.

101. The rise of total import value was dominated by a considerable increase of raw material imports reflecting both the higher investment level (e. g. building materials) and the growth of domestic economic activity.

102. The composition of imports underwent some changes. The percentage share of consumer goods dropped from 48 per cent in 1961 to 44 per cent in 1962, while the share of capital goods and raw materials rose from 52 to 56 per cent over the same period.

103. Within the framework of the total category of consumer goods, interesting shifts took place. Imports of durables rose faster than imports as a whole, whereas the value of non-durable imports declined somewhat (especially food, drink and tobacco) which pro-

bably reflects the growth of domestic production in these fields.

104. As the increase in exports from 1961 to 1962 (£S 16.7 million) was considerably larger than the rise in imports (£S 6.4 million), the trade deficit in 1962 was reduced by half compared with the previous year.

105. With the high receipts for exports and a net capital inflow from abroad, totalling £S 17.5 million the decrease of the Sudan's foreign exchange reserves in 1962 (£S 2.9 million) was lower than in 1961 (£S 4.9 million).

106. Although the year 1961 has brought an improvement in the Sudan's terms of trade, the average for the first three quarters of 1962 would seem to

confirm again the downward trend since 1954.

107. The European Common Market and the United Kingdom were the largest buyers of the Sudanese export products, but the percentage share of EEC in total exports dropped from 29.3 per cent in 1961 to 25.3 per cent in 1962, and that of the United Kingdom decreased from 19.1 per cent in 1961 to 18.0 per cent in 1962, whereas Sudanese exports to India were increasing considerably (9.8 and 15.4 per cent respectively). India was indeed the largest buyer of cotton, closely followed by the EEC countries.

108. The share of EEC and India in total imports decreased slightly, while that of the United Kingdom rose from 26.6 per cent in 1961 to 28.5 per cent in 1962.

TABLE A. II. 9

Sudan : Exports in 1961 and 1962

Commodity	Unit	(1000 units)		(£S millions)	
		1961	1962	1961	1962
Total exports ^a		—	—	62.2	78.9
of which:					
Cotton, Sakel	tons	96	148	28.9	40.7
Cotton, American	"	10	10	2.1	2.3
Cotton seed	"	118	204	3.7	5.5
Gum	"	51	39	6.1	4.6
Groundnuts	"	86	121	5.4	6.7
Sesame	"	63	77	4.2	5.7
Cattle, sheep	head	133	103	1.5	0.8
Hides, skins	tons	5	5	1.0	1.0
Durra	"	93	76	1.9	1.5

Source: Ministry of Finance and Economics, Khartoum, *Economic Survey 1962*.

^a Re-exports included.

109. **Senegal:** Senegalese trade with countries outside the West African Customs Union remained virtually unchanged in comparison with 1961. Despite an increased contribution of the Thaiba phosphates, exports did not move from their 1961 level of about CFA 30.6 billion. As in earlier years, the bulk of exports, up to 81 per cent of the total value, was accounted for by groundnuts. However, due to the poor 1961/1962 crop, exports of groundnuts were expected to suffer a serious decline in the course of the year 1963.

110. At CFA 38.2 billion, imports in 1962 were about the same as in the previous year. In the composition of imports some changes in favour of developmental goods were discernible although the investment activity both in 1961 and 1962, particularly in the modern industrial sector, slowed down in comparison with the preceding period.

111. The relative share of Senegal's most important customer — France — increased further, from 76 per cent in 1961 to about 83 per cent in 1962, thus bringing the share of the whole Franc Zone up to 91 per cent of the total Senegalese exports. Exports going to the Sterling Area countries dropped rather sharply, and there also was a decline in shipments to other monetary areas. Changes in the geographic distribution of imports were in the opposite direction. The value of imports from the Dollar Area was double that of a year earlier, and imports from the Sterling Area countries rose quite appreciably. On the other hand, the relative share of France declined from 70 per cent in 1961 to about 67 per cent in 1962.

112. **Mali:** The main development in Mali's trade in 1962 was a larger increase in the value of imports of about 28 per cent above the level of the preceding year. The rise of imports was mainly due to heavy

purchases of transport vehicles, including aircraft for a total of M. Fr. 1.6 billion, although a wide range

of goods intended for the implementation of the five-year investment plan also recorded sizable increases.

TABLE A. II. 10

Mali: Changes in imports between 1961 and 1962

	1961	1962	% change
Food, drinks and tobacco	1,708	2,186	+ 28.0
Other consumption goods	4,305	3,308	- 23.1
Fuels and lubricants	439	573	+ 30.5
Crude and semi-crude materials	1,111	1,250	+ 12.6
Transport and equipment	1,222	3,966	+224.5
Total	8,785	11,283	+ 28.5

Source: *Marchés tropicaux*, 29 June 1963.

113. In the total value of imports the Franc Area — with a relative share of almost 50 per cent — was in the lead. Next to it, with 28.6 per cent, were “other monetary areas” comprising mainly eastern European countries, while the shares of the Sterling, Dollar and EEC Areas (other than France) were 4 per cent, 4.5 per cent and 12.5 per cent, respectively.

114. Developments on the export side are more difficult to trace. According to official statistics the value of recorded exports in 1962 — of M. Fr. 2,476 million⁴ — was much below that of a year earlier (3,471 million). However, as reported by *Marchés tropicaux*, the last estimate, which also includes an estimate of unrecorded trade, was more than three-fold the official figure above, i. e., about M. Fr. 7.35 billion. According to the same source, live animals, with a total of M. Fr. 2,350 million, accounted for 32 per cent of the total export value. The other two major items were groundnuts (1,793 million), dried

and smoked fish (1,500 million), followed by cotton (584 million), rice (450 million), millet (200 million) and hides (90 million).

115. The relative share of the Franc Area was somewhat higher than on the import side — about 55 per cent, followed again by “other monetary areas” (mainly eastern Europe) — about 23 per cent. The respective shares of the Sterling and Dollar Areas were about 15 per cent and 6.6 per cent while those of the EEC (other than France) and of the rest of western Europe were practically insignificant.

116. **Ivory Coast:** Exports from the Ivory Coast expanded further in 1962 but the increase of about 2.5 per cent in value terms was very modest if compared with the almost 17 per cent rise of a year earlier. Imports, including those of priority enterprises entitled to duty free imports, were about 5 per cent lower than in 1961.

TABLE A. II. 11

Ivory Coast: Value of exports and imports

(Special trade with countries outside the West African Customs Union)
(in billion CFA francs)

	Exports	Imports
1950	13.7	10.6
1955	25.6	19.0
1960	37.3	29.6
1961	43.6	37.9
1962	44.7	36.1

Source: National trade statistics.

⁴ Service statistique de la République du Mali, *Bulletin statistique mensuel*, 1963, No. 1.

117. The slowing down in the expansion of exports was chiefly due to a poor 1961/1962 coffee crop which fell short of the figure attained in the previous season.

The fall in production, combined with a reduction in prices paid to producers, led to serious losses for coffee producers estimated at about CFA 8 billion.

118. As in earlier years, four products, i. e., coffee, cocoa, wood and bananas, accounted for well over 90 per cent of the total export value. However, certain shifts in the relative position of these main export products, which have already been observable for some time, were further enhanced in the year under

review. While the relative share of cocoa remained remarkably stable and that of coffee continued to decline, wood and bananas gained again in importance. Only in 1959, exports of the latter commodity to France had not amounted to more than 35,000 tons while in 1962 a figure of about 88,000 tons was reached. However, as in the case of coffee, exports of bananas to France are likely to encounter soon the problems of a saturated market.

TABLE A. II. 12

Ivory Coast : Relative share of the main export products
(in percentage of total export value)

	1960	1961	1962
Coffee	50.0	46.3	42.0
Cocoa	23.4	22.5	23.6
Wood	17.0	19.1	20.3
Bananas	3.4	4.8	6.3
Pineapple (and juice)	1.7	1.4	1.6
Palm kernels	1.6	0.8	0.6
Canned fish (tuna)	...	0.1	0.5
Manganese	0.4	1.5	1.2
Diamonds	0.9	1.8	1.3

Source: *Marchés tropicaux*, 10 August 1963.

119. Together with the rapid increase in exports of bananas and wood, a number of processed or semi-processed products appeared of late on the export list of the Ivory Coast. Most of them, like wood products, fruit juice, canned fish and soluble coffee, are exported at present only in modest quantities. But their appearance on the export list and the relatively good progress made by some of them, clearly indicate a trend toward greater diversification.

120. France, which absorbs about 50 per cent of the country's total exports, remains the main customer of the Ivory Coast. As supplier of coffee and cocoa, the Ivory Coast ranks first in French imports, covering about 37 per cent and 49 per cent, respectively, of the total quantities imported. Purchases by the EEC countries other than France marked further progress in 1962 but the increase was considerably below that of a year earlier. Some increases were also recorded in the relative shares of the Dollar and Sterling Area countries, the latter mainly as a result of heavy shipments to the Republic of South Africa.

121. On the import side, a large number of consumer goods were seriously affected by the 1962 reduction in the purchasing power of coffee producers. This was notably the case of food items, textiles and household appliances. The increased competition of

domestically produced goods seems also to have contributed to the reduction of imports of certain products. On the other hand, a further expansion in investment activity led to substantial increases in imports of a wide range of developmental goods, such as cement, chemicals, engineering and electrical equipment, railroad material, etc.

122. Supplies from the Franc Zone declined from CFA 28.3 billion in 1961 to about 25.8 billion in 1962, mainly due to a drop of imports from France of about 10 per cent; but the relative share of the whole zone still amounted to more than 80 per cent of the country's total imports and that of France alone to about 75 per cent. Imports from the EEC countries other than France were also somewhat lower than in 1961, while progress was recorded in imports from the Sterling Area, mainly as a result of increased purchases of rice from Asia. There was also an increase in imports from the Dollar Area caused chiefly by larger imports of petroleum and certain equipment goods as well as rice from Latin American countries.

123. **Guinea:** According to unofficial sources, the value of Guinea exports in 1962 was almost 27 per cent lower than in 1961. Imports declined too, but it

seems that the reduction in the value of imports was considerably smaller than that on the export side, so that the balance of trade of the country suffered a deterioration.

124. Three products seem to have been chiefly responsible for the drop in exports: diamonds, due to reduced clandestine imports from neighbouring countries into Guinea, and which in earlier years had often tended to inflate artificially Guinean export figures; bauxite, whose exports partly suffered from the cessation of work of the Bauxite du Midi but

partly also because of difficulties in finding suitable markets; coffee, the production of which declined drastically from the previous year's level. Exports of some other commodities, like bananas, groundnuts, pineapples and hides and skins were also somewhat lower than in 1961, while further progress was recorded in exports of minerals and ores. Exports of iron ore reached 720,000 tons, thus marking an increase of about 36 per cent over the previous year. Exports of alumina tended to stabilize around the figure of 460,000 tons and contributed well over 50 per cent to the total export proceeds of the country.

TABLE A. II. 13
Guinea : Main export commodities
(million Guinean francs)

	1960	1961	1962
Alumina	2,631	7,147	7,000
Bananas	1,146	1,607	1,119
Coffee	2,117	1,577	712
Palm kernels	919	650	735
Iron ore	690	394	612
Diamonds	1,758	1,913	497
Groundnuts	119	414	315
Pineapples	787	368	167
Hides and skins	100	52	43
Bauxite	1,128	608	22
Total, including others	13,601	15,175	11,087

Source: Economist Intelligence Unit, *Three-Monthly Economic Review*, No. 14, 1963.

125. Changes in imports varied considerably from one category to the other and even within the same category various items often moved in different directions. On the whole, the most serious reductions were recorded in imports of vehicles and transport material while increases ranging from 30 per cent to close to 200 per cent took place in purchases of pharmaceutical products, cement and wood products.

126. According to **Marchés tropicaux** of 25 May 1963, the geographical distribution of Guinea showed a few interesting changes, some of which seem to contrast with the trends observed since 1959. Thus, for instance, the relative share of the Franc Zone which had been on the decline for quite some time, rose appreciably between 1961 and 1962: from 30 per cent to 34 per cent in exports, and from 18 per cent to 20 per cent on the import side. The centrally planned economies continued to gain in importance as purchasers of Guinean products, but the relative share of supplies from these countries fell from 42 per cent in 1961 to 38 per cent in 1962. Most of the western European countries lost some ground both as importers and exporters while the relative share

of the Dollar Area countries, particularly on the import side, increased in comparison with 1961.

127. **Togo:** Togolese imports continued to expand in 1962 while exports followed a downward course. The increase in imports in value terms of about 4 per cent combined with a fall in exports of about 8 per cent brought up the trade deficit of the country to almost CFA 2.5 billion, an increase of more than 620 million over the figure recorded in 1961.

128. The two main export products, coffee and cocoa, fared fairly well despite a further decline in the prices of the latter, and it would seem that the fall in total export proceeds was mainly attributable to the poor crops of some of the relatively less important export commodities, particularly groundnuts, copra and cotton. Compared with the year 1961, the value of exports of groundnuts was reduced by 51 per cent, copra by 62 per cent and cotton (ginned) by about 20 per cent. A particularly encouraging feature, however, was the impressive progress made by exports of phosphates which, in quantity terms, increased more than threefold in comparison with 1961. However, the 1962 figure of about 185,000

tons appears to lag considerably behind the production capacity estimated at half a million tons annually; but in order to make full use of this potential source of export proceeds, the problem of markets would have to be solved first.

129. On the import side a significant increase took place in imports of food products, partly due to gratuitous shipments from the United States (soya oil and various cereals). Other consumption items were also on the increase so that the relative share of all kinds of consumption goods reached a figure of about 71 per cent. In sharp contrast to this the relative share of investment goods in total imports suffered a serious reduction — from almost 29 per cent in 1961 to about 18 per cent in 1962 — mainly due to the completion of the heavy investment programme of the **Compa-**

gnie togolaise des mines du Benin.

130. The geographic distribution of Togolese trade in 1962 shows a number of changes, the most important being a further decline in the role of France in both exports and imports, and a sharp fall in the trade with Ghana. As shown in table A. II. 14, the relative share of France still remains quite important but it has been following a clearly downward trend ever since 1959. On the other hand, the EEC countries other than France, and with the exception of the Netherlands, gained in importance as purchasers of Togolese products, while the role of the United Kingdom continued to increase on the import side. Japan is also gaining ground both as importer and supplier, and trade with countries of eastern Europe, although still very small, marked considerable progress in the year under review.

TABLE A. II. 14

Togo : Relative share of the main trading partners in the total trade
(in percentages of the total value)

	Exports			Imports		
	1960	1961	1962	1960	1961	1962
France	62.3	57.8	52.2	51.3	41.1	33.2
Federal Republic of Germany	1.5	1.1	2.4	10.8	6.7	5.8
Belgium and Luxembourg	4.6	3.2	6.0	0.8	1.5	1.7
Italy	0.7	0.4	4.3	0.4	0.6	1.3
Netherlands	9.8	9.6	5.8	3.1	4.0	5.8
United Kingdom	1.4	1.3	1.3	4.4	10.6	12.9
Ghana	6.3	4.5	1.6	12.6	7.3	3.7
United States of America	7.1	13.4	10.1	1.5	2.3	4.8
Netherlands Antilles	...	...	...	4.7	5.1	4.3
Japan	0.5	2.3	2.8	0.1	3.3	5.1
Eastern Europe	0.6	...	1.3	0.1	0.8	2.6
Other countries	5.2	6.4	12.2	11.0	16.7	18.8
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Banque centrale des Etats de l'Afrique de l'ouest, *Notes d'information et statistiques*, March 1963.

131. **Dahomey:** Dahomey was also among those west African countries whose exports suffered from the 1961/1962 crops. The value of exports dropped by about 21 per cent from the 1961 level while imports registered a small increase of about 3 per cent. The trade deficit of the country in 1962 was by more than one third larger than in 1961.

132. Exports of palm kernels, which account for over 40 per cent of the country's total exports, fell in value by 15 per cent; exports of coffee by about 12 per cent; and exports of groundnuts by a full 64 per cent. In fact, in comparison with 1961, it was only palm oil that marked an increase of about 8 per cent.

133. With a relative share of 76 per cent, as against 72 per cent in the preceding year, the leading position of France in Dahomey's exports was further strengthened. The remaining clients in 1962 were: the Netherlands (CFA 168 million); Nigeria (129 million); Togo (142.6 million); Senegal (65 million); Niger (71 million); Denmark (48 million).

134. No important changes seem to have occurred on the import side. The main importing commodities in 1962 were as follows: petroleum products (CF 525 million); automobiles (504 million); printed cotton fabrics (433 million); agricultural and industrial machinery (338 million); base metals (337 million); sugar (329 million); pharmaceutical products (313 mil-

lion); cement (278 million); wines and liquors (227 million); cotton yarn and plain cotton fabrics (269 million).

135. The relative share of France remained roughly the same as in 1961, which is almost two thirds of total imports. The remaining suppliers were in the

following order: Senegal (511 million); Venezuela (236 million); Ivory Coast (159 million); West Germany (155 million); Nigeria (149 million); the USA (137 million); Belgium and Luxembourg (121 million); the United Kingdom (119 million); Togo (106 million); Italy (105 million).

TABLE A. II. 15

Dahomey : Value of exports and imports
(in billion CFA francs)

	1960	1961	1962
Exports	4.51	3.20	2.53
Imports	7.64	5.69	5.87

Source: *Bulletin de l'Afrique noire*, No. 295.

136. **Congo (Leopoldville):** Current information on the trade of the Congo (Leopoldville) is still incomplete. The figures referring to the post-independence period differ widely in coverage and hardly allow any comparison. Export figures for 1959 quoted in table A. II. 16 do not include Ruanda-Urundi; those referring to the second half of 1960 exclude Katanga and South Kasai; figures for 1961 exclude Katanga, South Kasai, Kivu and the Oriental Province; figures for the year 1962 exclude Katanga and South Kasai only.

137. The fragmentary information contained in the table below does not give a full picture of the evolution of Congolese exports, but it indicates the magni-

tude of the foreign exchange and financial losses incurred by the central Government during the period 1960-1962. As shown in table A. II. 16, with the exception of rubber, all major agricultural items suffered severe reductions at one time or another in the years following independence while the fall of export earnings from exports of minerals assumed catastrophic proportions. A rough idea of the losses incurred by the central Government in this particular sector can be obtained by comparing the export figures for copper given in the table with the output of copper in Katanga which had been developing as follows: 300,000 tons in 1960; 294,000 tons in 1961; and 295,000 tons in 1962.

TABLE A. II. 16

Congo (Leopoldville) : Main export commodities
(in thousand metric tons)

	1959	1960	1961	1962
Coffee	56.5	58.6	34.0	37.0
Rubber	40.2	35.5	37.7	37.5
Palm oil (crude)	158.7	144.9	131.3	139.9
Palm oil (bleached)	24.9	21.8	22.3	11.4
Cotton	54.5	40.0	15.3	9.9
Palm kernels	39.8	20.4	12.8	19.0
Copper	284.0	149.5	0.1	0.1
Industrial diamonds (thousands of carats)	15.3	9.9	...	...
Tin	10.4	2.5	...	...

Sources: Ministère du plan et de la coordination économique, Léopoldville, *Conjoncture économique, 2e semestre 1962*; P. Dupriez, *Elements du commerce extérieur de la République du Congo, notes et documents*, No. 8/SE-4, (Léopoldville JRES, Université de Lovanium).

138. Congolese imports, which had begun to decline already in 1959, particularly due to a cut in imports of capital goods, went steeply down from the second half of 1960 onward. The total value of imports of

the part of the country which continued to be controlled by the central Government fell from about 15 billion francs in 1959 (including Ruanda-Urundi) to about 8.9 billion in 1960, and then to 6.5 billion

in 1961. At an annual rate, imports in the first three quarters of 1962 were somewhat higher than in 1961, reaching a figure of about 8.5 billion francs. At the same time, it seems that the 1962 import structure showed certain improvements in comparison with that

of a year earlier in so far as the relative share of capital goods advanced considerably from the low 1961 level while the share of consumption goods registered a decline of over 14 per cent.

TABLE A. II. 17

Congo (Leopoldville): Imports by end-use
(in percentage of total value)

	1955	1960	1961	1962
Consumption goods	30.3	37.8	49.9	42.6
Intermediate goods	32.5	34.3	34.7	34.7
Capital goods	36.8	27.5	15.3	22.4
Post parcels	0.4	0.4	0.1	0.3

Source: F. Herman, "La situation économique et financière du Congo en 1962", *Etudes congolaises*, Vol. IV/3.

139. **Ghana:** Despite an increase in volume of about 6 per cent, the value of Ghana's exports in 1962 did not move from the previous year's level. The value of imports, on the other hand, was reduced by over 16 per cent as against a decrease in volume of about 14 per cent.

140. As can be seen from table A. II. 18 there was in 1962 an increase of about 4 per cent in the quantity of cocoa exported but owing to a further decline in prices, total export proceeds from cocoa were lower than in 1961. Timber (logs) dropped both in

volume and value but saw-mill products registered an encouraging advance which was particularly pronounced in exports of veneer and plywood. Due to a 66 per cent drop in prices, export earnings from cocoa paste declined somewhat from the 1961 level despite a considerable increase in the quantity exported, while exports of kola nuts developed in the opposite direction. In the case of minerals, export earnings increased on bauxite, diamonds and gold, while a decline occurred in exports of manganese. Earnings from exports of other domestic produce more than doubled in comparison with the year 1961.

TABLE A. II. 18

Ghana: Exports of domestic produce

	1961		1962	
	Quantity '000	Value £G'000	Quantity '000	Value £G'000
Cocoa beans (tons)	405	69,274.2	421	67,002.8
Timber logs (hop. ft.)	21,480	9,052.1	15,981	5,794.4
Timber sawn (cub. ft.)	8,700	6,204.2	9,321	6,434.7
Bauxite (tons)	196	463.8	287	674.6
Manganese (tons)	385	6,025.0	476	5,500.6
Diamonds (carats)	2,854	7,148.5	3,327	7,424.3
Gold (f.o.t.)	970	10,749.6	946	11,253.8
Cocoa paste (tons)	5	1,038.0	13	911.5
Kola nuts (cwt.)	286	1,040.9	185	1,428.5
Others	—	2,177.7	—	5,232.2

Source: Republic of Ghana, *Economic Survey 1962*.

141. The fall in imports, which with the exception of fuel and lubricants affected all import categories, was largely due to the 1961 measures in the field of licensing and exchange control. The new budget policy introduced in October 1962 raised duties on a number of imported foodstuffs and basic commodities. The main aim of the new budget, as far as trade is concerned, is to encourage the production of certain commodities which can be produced economically in Ghana as well as to arrive at a better balance between exports and imports. The reduction in imports, however, was made easier by the existence of large stocks of goods at the time of the introduction of restrictions. 142. The predominant position held by the Sterling Area in Ghana's external trade was maintained in

1962. The EEC countries improved their relative position on the import side but the relative part of Ghanaian exports going to these countries declined further from the high figure that had been reached in 1960 (35.1 per cent).

143. Exports to the Dollar Area declined both in absolute and relative terms while the relative share of the area in Ghanaian imports remained the same, despite £G 2.5 million fall in the value imported. The most notable increase took place in exports to the centrally planned economies, which almost doubled in value in comparison with the previous year, while imports from these countries rose considerably less, by about 11 per cent.

TABLE A. II. 19

Ghana : Geographic distribution of trade
(in percentages of total value)

	1961		1962	
	Exports	Imports	Exports	Imports
Sterling Area	32.8	41.0	35.2	38.1
of which UK	28.7	36.3	31.5	33.9
of which African countries	1.3	0.6	1.0	0.5
EEC	31.9	21.7	28.0	23.9
Dollar Area	24.7	11.0	19.6	11.1
Centrally planned economies	4.7	5.4	8.9	7.3
African countries outside the Sterling Area	1.5	6.7	2.5	6.0
Japan	1.4	7.7	2.1	6.5
Other	2.9	5.1	3.7	6.1
Parcel post	0.1	1.4	0.0	0.9
	100.00	100.0	100.0	100.0

Source: Republic of Ghana, *Economic Survey 1962*.

144. **Nigeria:** The value of Nigeria's trade in 1962 was £ 18.5 million below the previous year's figure. At £ 168.6 million, exports were 2.8 per cent lower than in 1961 while imports recorded a fall of about 7 per cent, from £ 220.4 million in 1961 to £ 206.8 million in 1962.

145. On the export side, cocoa maintained the first place, closely followed by groundnuts. But the export earning effect in both cases was not proportionate to the increase in the quantities exported. A 7 per cent increase in the export volume of groundnuts was hardly reflected in the value figure while in the case of cocoa, export earnings receded from the 1961 level by £ 0.4 million despite an increase in volume of 6 per cent. Owing to very bad crops, palm products and cotton earned much less than in the previous year. Reduced quantities of these products were chiefly responsible for the over-all decline in the va-

lue of exports. The most significant advance, of almost 32 per cent, occurred in the value of petroleum which took the fourth place on the export list of Nigeria.

146. The fall in imports was mainly a consequence of the sweeping changes in tariffs which became effective in March 1962, and the introduction of which coincided with a rather sluggish and overstocked market. A number of commodities, however, like beer, cement, bicycles, cotton piece-goods and flour, were also affected by growing competition of locally produced goods.

147. The cut in imports did not affect all the import categories in a uniform way. The value of foodstuffs, for instance, reached a higher figure than in 1961, the drop in flour and stockfish having been more than compensated by heavier imports of sugar. Imports of cotton piece-goods fell from £ 26.4 million

TABLE A. II. 20

Nigeria : Main export commodities

	1961			1962		
	Quantity	Value	% of total	Quantity	Value	% of total
	'000 tons	£ m.	value	'000 tons	£ m.	value
Cocoa	183.9	33.7	19.5	194.6	33.3	19.8
Groundnuts	493.9	32.2	18.6	529.5	32.4	19.2
Palm kernels	410.6	19.9	11.5	366.6	16.9	10.0
Petroleum (and products)	—	11.5	6.7	—	16.7	9.9
Rubber	55.1	11.0	6.3	59.6	11.3	6.7
Palm oil	143.7	11.9	6.8	115.3	8.7	5.2
Groundnut oil	45.2	5.0	2.9	62.9	6.2	3.7
Cotton	46.3	11.1	6.4	23.2	5.8	3.5
Timber (logs)	20.3(m. cu.ft.)	5.5	3.2	16.2(m. cu.ft.)	4.4	2.6
Hides and skins	9.8	4.1	2.4	8.7	3.8	2.3

Source: *Nigeria Trade Journal*, Vol. II, No.2, 1963.

in 1961 to £ 18.6 million in 1962, and there was an even more pronounced drop — more than 50 per cent — in the import value of rayon goods. Together with textiles, imports of vehicles were among those which experienced most significant cuts. Imports of cars and kitcars fell from £ 8 million to £ 6.3 million, while lorries and chassis went down by some 54 per cent to £ 3.2 million.

148. The geographical distribution of Nigeria's trade showed but little change in comparison with the previous year. The mild decline in the relative share of the Sterling Area continued although the leading position of this group remained unchallenged. The position of the EEC countries remained remarkably stable, while the United States and Japan lost some of their earlier ground.

TABLE A. II. 21

Nigeria : Imports by sections of commodities

No.	Section	1961		1962	
		Value £ '000	%	Value £ '000	%
0	Food	22,723	10.2	23,493	11.6
1.	Beverages and tobacco	6,110	2.7	4,769	2.3
2.	Crude materials	2,454	1.1	2,409	1.2
3.	Mineral fuels, etc.	13,380	6.0	14,074	6.9
4.	Animal and vegetable oils	63	0.0	84	0.0
5.	Chemicals	12,597	5.7	12,332	6.1
6.	Manufactured goods	87,524	39.4	73,065	36.0
7.	Machinery	50,387	22.7	48,266	23.8
8.	Miscellaneous manufactured articles	23,753	10.7	21,653	10.7
9.	Miscellaneous transactions	3,334	1.5	2,864	1.4
10.	Total imports	222,325	100.0	203,009	100.0

Source: *Nigeria Trade Journal*, Vol. II, No. 2, April-June 1963, p. 78.

TABLE A. II. 22

Nigeria : Geographic distribution of trade 1961, 1962

	Imports				Exports			
	1961		1962		1961		1962	
	£'000	%	£'000	%	£'000	%	£'000	%
Total Sterling Area ^a	103,383	46.5	94,430	45.7	78,942	45.5	73,409	43.5
Total								
Non-Sterling Area	(116,206)	(52.2)	(110,001)	(53.1)	(91,120)	(52.5)	(90,605)	(53.7)
of which EEC ^b	47,706	21.4	41,518	20.1	57,937	33.4	56,680	33.6
Canada	1,670	0.8	2,700	1.3	503	0.3	1,719	1.0
Czechoslovakia	2,696	1.2	2,653	1.2	615	0.3	439	0.3
Denmark	1,002	0.5	1,609	0.8	1,166	0.7	1,869	1.1
East Germany	1,940	0.9	1,595	0.8	6	—	14	—
Japan	30,336	13.6	24,853	12.0	3,343	1.9	1,486	0.9
Norway	5,837	2.6	5,532	2.7	241	0.1	732	0.4
USA	11,894	5.3	14,976	7.2	19,091	11.0	18,104	10.7
Other countries	13,125	5.9	14,567	7.0	8,218	4.7	9,562	5.7
Ship stores	—	—	—	—	5	—	3	—
Total Domestic exports					170,067	(98.0)	164,015	(97.2)
Parcel Post	2,874	1.3	2,400 ^c	1.2	55	—	120 ^c	0.1
Re-exports					3,424	2.0	4,545	2.7
Total Imports/Exports	222,463	100.0	206,831	100.0	173,546	100.0	168,680	100.0

Source: *Nigeria Trade Journal*, Vol. II, No. 2, April-June 1963, p. 77.

^a Including: Eire, Ghana, Hong Kong, Iceland, India, South Africa, the United Kingdom, and others.

^b Including: Belgium-Luxembourg, France, West Germany, Italy and Trieste, the Netherlands and Netherlands' possessions.

^c Partially estimated.

149. **The Equatorial Customs Union (ECU):** Combined exports of the four member countries — Congo (Brazzaville), Gabon, Chad and the Central African Republic — increased in value in 1962 by about 13 per cent, while their total imports declined by about one per cent.

150. The Republic of Chad did not participate in the over-all rise in exports, while the 77 per cent expansion in the exports of the Congo (Brazzaville), as reported by the statistics of this country, was largely the result of an expansion in the transit trade of diamonds. However, exports from the Congo (Brazzaville), apart from diamonds, performed quite well in 1962, marking an increase in value of about 13 per cent.

151. As shown in table A.II.23, the year 1962 witnessed a number of significant changes in the combined export structure of the four countries. On the decreasing side, the most important change occurred in exports of cotton, followed by okume and other tropical woods. On the increasing side, there was a

remarkable expansion in exports of manganese and iron ores as well as an advance in exports of crude petroleum.

152. On the import side, the most significant change took place in the sector of equipment goods, the imports of which decreased by CFA 1.9 million while imports of all categories of consumption goods were higher in 1962 than in 1961.

153. In the over-all geographic pattern of trade of the four countries, the Franc Zone gained somewhat in importance on the import side while its relative share in the value of exports went down by about 10 per cent. Exports to the Dollar Area increased three-fold, bringing up the relative share of this area in the total value of exports from 2.2 per cent in 1961 to 6.1 per cent in 1962. Trade with the Sterling Area progressed also, due mainly to an intensification in trade with the United Kingdom, and there was an increase in exports to the EEC countries, apart from France.

TABLE A. II. 23
ECU : Main export commodities

	Quantity (in '000 tons)		Value (in million CFA francs and %)			
	1961	1962	1961	% of total value	1962	% of total value
Wood (logs)	1,013.4	989.4	10,336	38.0	9,796	31.8
Wood (sawn)	17.2	16.9	363	1.3	359	1.2
Plywood	33.5	32.9	1,830	6.7	2,029	6.6
Cotton	40.8	29.7	5,751	21.1	4,159	13.5
Petroleum	831.2	952.7	2,562	9.4	2,975	9.7
Manganese and iron ores	5.7	39.2	1,315	4.8	2,713	8.8
Jewellery (mainly diamonds)	—	—	586	2.1	3,999	13.0
Coffee	8.4	9.6	1,134	4.2	1,281	4.1
Cocoa	3.9	4.0	407	1.5	323	1.0
Cattle	17.2	18.6	279	1.0	368	1.2
Meat	3.4	1.7	402	1.5	153	0.5
Palm kernels	7.1	8.6	191	0.7	234	0.8
Palm oil	3.4	3.9	162	0.6	204	0.7
Hides and skins	1.0	0.9	215	0.8	195	0.6
Natural rubber	0.6	0.9	83	0.3	120	0.4
Groundnuts (shelled)	2.0	1.4	89	0.3	67	0.2

Source: Union douanière équatoriale, *Bulletin de statistiques générales*.

TABLE A. II. 24
ECU : Imports by end-use
(in million CFA francs)

	1961	1962
Food	6,837.2	7,387.3
Other non-durable consumption goods	6,481.7	7,098.6
Durable consumption goods	5,395.2	5,824.1
Energy	2,708.9	2,852.5
Intermediary products	5,883.9	5,870.6
Agricultural equipment	720.8	478.1
Industrial equipment	11,760.7	9,857.5

Source: Union douanière équatoriale, *Bulletin de statistiques générales*.

TABLE A. II. 25
ECU : Trade by monetary areas

	Imports						Exports					
	1961			1962			1961			1962		
	CFA	m	%	CFA	m	%	CFA	m	%	CFA	m	%
Franc Area	26,291		65.7	26,832		67.6	16,690		61.4	15,767		51.2
Dollar Area	3,269		8.1	2,629		6.6	606		2.2	1,881		6.1
Sterling Area	1,911		4.7	2,067		5.2	1,710		6.4	2,241		7.3
Other OEEC countries	2,942		7.3	2,781		7.0	961		3.5	1,064		3.5
EEC (apart from France)	4,768		11.9	4,296		10.8	6,013		22.1	7,572		24.6
Other areas	939		2.3	1,116		2.8	1,199		4.4	2,238		7.3
Total	40,123		100.0	39,721		100.0	27,179		100.0	20,763		100.0

Source: Banque centrale du Cameroun et de l'Afrique équatoriale, *Etudes et statistiques, Bulletin mensuel*, No. 82.

TABLE A. II. 26

Gabon : Value of exports and imports
(in billion CFA francs)

	1958	1959	1960	1961	1962
Exports	8.4	11.1	11.8	13.6	14.5
Imports	7.3	6.8	7.8	8.8	9.6

Source: *Bulletin de l'Afrique noire*, No. 291 ; ECU statistics.

154. The rise of about 9 per cent in the import value of **Gabon** was somewhat higher than the increase recorded on the export side but the traditional surplus of this country rose further by about CFA 150 million from the previous year's level.

155. The value of exports of okume and other tro-

pical woods dropped rather sharply from the 1961 level; and the case was the same with cocoa, but this decline was roughly compensated by a 14 per cent rise in the export value of petroleum combined with an impressive increase in uranium concentrates as well as in manganese which appeared for the first time on the export list of the country.

TABLE A. II. 27

Gabon : Main export commodities
(in million CFA francs)

	1961	1962	% change
Okume (logs)	6,678	6,096	— 8.7
Other woods (logs)	970	721	—25.7
Saw-mill products	99	107	+ 8.1
Plywood	1,740	1,981	+13.8
Cocoa	331	265	—20.0
Petroleum	2,209	2,527	+14.4
Uranium and concentrate	1,461	2,159	+47.0
Gold	98	93	— 5.2
Manganese ore	—	644	—

Source: *Bulletin du Service national statistique du Gabon*.

156. The present trend in investment activity seems to indicate that mineral products will be assuming an increasing role in Gabon's exports, most probably at some expense of the traditional forestry items. Total production of minerals and mineral products increased from about CFA 3.7 billion in 1961 to about 5.4 billion in 1962. According to official forecasts, the last figure should rise up to 8.8 billion in 1963, and further progress is expected in the years to come. Great hopes are laid in the projected petroleum refinery in Port-Gentil, as well as in the potential production and exports of manganese and iron ore. On the other hand, investment in the forestry sector does not seem to proceed at a satisfactory rate. It has been officially reported that foreign companies, especially the smaller ones, have not been giving proper atten-

tion to the replacement and expansion of their capital so that the production came to be seriously affected. Production of okume, for instance, which in the period 1952/1961 had tended to augment at a very high annual rate, went down from 782,000 tons in 1961 to 701,000 tons in 1962. This decline was solely attributable to a reduced rate of felling in the sector held by European companies.

157. Changes on the import side were mainly characterized by heavy increases in imports of cement, iron and steel bars as well as by a 15 per cent rise in imports of foodstuffs. On the other hand, there was a noticeable slowing down in imports of petroleum products and of equipment goods, particularly those needed for forest exploitation.

158. The geographic pattern of Gabon's trade remained similar to that of the previous year although there was evidence of the tendency of a further strengthening of economic ties with France. This increasing importance of France in the country's total exports, from 51 per cent in 1960 to 57 per cent in 1961 and to 59 per cent in 1962, is mainly explained by the fact that, for the time being, France remains the exclusive purchaser of Gabonese petroleum as well as of uranium. Purchases by the majority of the remaining trading partners, and the Federal Republic of Germany in particular, were on the decrease chiefly

as a result of reduced exports of tropical woods. Changes in the same direction occurred on the import side where the relative share of France rose from 59 per cent in 1960 to 62 per cent in 1962.

159. Exports from the Congo (**Brazzaville**) registered an impressive increase of about 77 per cent over the value recorded in 1961; as at the same time the value of imports declined by almost 15 per cent, the trade deficit of the country was remarkably reduced. However, in spite of this improvement, exports covered hardly more than half the value of imports.

TABLE A. II. 28

Congo (Brazzaville): Value of exports and imports

	1959	1960	1961	1962
Exports	3.5	4.4	4.9	8.7
Imports	13.9	17.3	19.5	16.7

Source: *Bulletin de l'Afrique noire*, No. 287; ECU statistics.

160. As already explained, the unusual expansion in exports was mainly due to a large increase in the transit trade of diamonds, but wood, which remains the leading export item, as well as coffee, palm kernels and mineral products apart from diamonds advanced at quite a satisfactory rate. About a half of

Congolese exports was absorbed by EEC countries other than France, with Belgium as the main customer. France bought goods for about CFA 1.5 billion while the rest was distributed among the United States, Israel, the United Kingdom and African countries.

TABLE A. II. 29

Congo (Brazzaville): Main export commodities
(in billion CFA francs)

	1961	1962	% Change
Bananas	10.3	7.7	- 25.2
Coffee	95.4	149.4	+ 56.6
Cocoa	76.8	59.6	- 35.4
Groundnuts (in shell)	104.9	40.2	- 61.6
Groundnuts (shelled)	14.4	-	-
Palm kernels	165.8	209.8	+ 26.5
Palm oil	162.3	203.0	+ 25.1
Wood	2,874.9	3,135.4	+ 9.1
Plywood	90.2	47.8	- 47.0
Petroleum	352.3	448.5	+ 27.3
Diamonds	78.9	3,148.8	-

Source: *Bulletin statistique du Congo*.

161. Developments on the import side were not particularly encouraging as the over-all reduction was mainly concentrated on capital goods, including trucks, electrical and industrial equipment. On the

other hand, important increases were recorded in imports of consumer goods, particularly liquors, the relative share of which went up to about 6 per cent of the total import value.

162. Exports from the **Chad Republic** in 1962 were severely hit by the sharp fall in production of cotton, by far Chad's most important export commodity. The drop in the cotton crop of almost one third brought

down the value of total exports by about 22 per cent from the 1961 level, while, at the same time, imports expanded by about 16 per cent, from CFA 6.2 billion in 1961 to 7.2 billion in 1962.

TABLE A. II. 30

Chad : Value of exports
(in billion CFA francs)

	1960	1961	1962
Total	3.27	5.29	4.08
of which cotton	2.04	4.23	2.82

Source: ECU statistics; *Bulletin de l'Afrique noire*, No. 278.

TABLE A. II. 31

Chad : Main export commodities
(in billion CFA francs)

	1961	1962	% Change
Live animals	297.3	398.4	+ 34.0
Meat	324.8	187.3	— 42.3
Fish (dried or smoked)	28.9	39.4	+ 36.3
Groundnuts (shelled)	10.6	19.6	+ 84.9
Dates	3.9	12.3	+215.4
Gum arabic	20.7	52.0	+151.2
Natron	22.1	35.9	+ 62.4
Hides and skins	227.4	199.1	+ 12.4
Cotton	4,229.1	2,820.5	— 33.3

Source: *Bulletin du Service de la statistique du Tchad*.

163. Prospects for the year 1963 seem somewhat better as the area under cotton was increased from 288,000 ha. in 1961/1962 to 338,900 ha. in 1962/1963. Some improvements are also expected in the production of the remaining agricultural commodities, e. g., groundnuts, grain, rice and gum arabic.

164. The increase in imports was mainly concentrated in petroleum and petroleum products, beverages, cement and motor-cars. As in earlier years, the bulk of imports came from France (about 53 per cent of the total), an additional 10 per cent from the remaining EEC countries, while the rest came from the Netherlands Antilles, the United Kingdom and a few other countries.

165. Exports from the **Central African Republic** progressed very slightly in 1962 while imports recorded an increase in value of about 13 per cent.

166. As in the case of Chad, cotton exports were considerably lower than in 1961, but the decline in cotton, as well as in a number of less important export commodities, was more than offset by increased export earnings from coffee, diamonds, sesame, rubber and sawn wood.

167. The main purchasers of products from the Central African Republic in 1962 were as follows: France (CFA 1,992.8 million); USA (474.6 million); the United Kingdom (151.4 million); Israel (136.3 million).

TABLE A. II. 32

Central African Republic : Value of exports and imports
(in billion CFA francs)

	1961	1962
Exports	3.39	3.51
Imports	5.50	6.22

Source: ECU statistics.

TABLE A. II. 33

Central African Republic : Main export commodities
(in billion CFA francs)

	1961	1962	% Change
Coffee	962.2	1,038.9	+ 7.2
Tobacco	40.9	29.6	— 27.6
Groundnuts (in shell)	30.0	28.0	— 6.6
Groundnuts (shelled)	57.2	41.1	— 28.2
Palm kernels	25.4	24.7	— 2.8
Sesame	21.4	40.2	+ 87.9
Wood (logs)	13.3	51.8	+ 28.9
Wood (sawn)	62.9	55.3	+ 12.1
Cotton	1,521.5	1,135.1	— 25.4
Diamonds	367.9	715.0	+ 92.1
Rubber	71.6	88.6	+ 23.7

Source: *Bulletin du Service de la statistique de la République centrafricaine.*

168. **Cameroun:** According to data covering only Eastern Cameroun, exports in 1962 rose by about 5 per cent while imports registered a slightly higher increase of about 6 per cent.

169. The five main export commodities (i. e. cocoa, aluminium, coffee, cotton and wood) having all registered increases, the composition of Cameroun's exports did not show any significant change in comparison with that of a year earlier. It should be noted, however, that the largest increase, about 10 per cent in value terms, occurred in exports of aluminium while the remaining four commodities advanced at considerably lower rates. In 1962 the relative shares of the five products in question in the total value of

exports were as follows: cocoa 25 per cent; aluminium 21 per cent; coffee 20 per cent; cotton 6 per cent; wood 5 per cent.

170. On the import side notable increases were recorded in imports of passenger and commercial vehicles, cotton cloth and yarn, and iron and steel sheets. The relative share of consumption goods, with the exception of food items, declined from about 43.5 per cent in 1961 to about 40 per cent in 1962.

171. The geographic pattern of trade of Eastern Cameroun was virtually the same as in 1961, the only change worth mentioning having been an increase in the relative share of France on the export side at the expense of "other monetary areas".

TABLE A. II. 34

Eastern Cameroun : Value of exports and imports
(in billion CFA francs)

	1959	1960	1961	1962
Exports	26.8	23.9	24.2	25.5
Imports	20.1	20.8	23.7	25.1

Source: *Bulletin de l'Afrique noir*, No. 281.

TABLE A. II. 35

Eastern Cameroun : Distribution of trade by monetary area
(in percentages of total value)

	Exports		Imports	
	1961	1962	1961	1962
Franc Zone	64.4	67.5	68.8	67.2
Dollar Area	5.6	6.3	8.4	9.5
Sterling Area	2.9	2.7	4.6	4.3
Others	27.1	23.5	18.2	19.0
	100.0	100.0	100.0	100.0

172. **Ethiopia:** According to data published by the Imperial Ethiopian Customs Administration, Ethiopian exports in 1962 were valued at Eth. \$ 196.2 million and re-exports at Eth. \$ 3.4 million, a rise of approximately 5 per cent over 1961. This is due mainly to the increased volume of coffee exports. Imports, however, registered a very slight decline after having reached a peak in 1961.

173. Coffee continued to be the principal crop exported by Ethiopia although its predominance has declined from 62.4 per cent of the total value of all exports in 1958 to about 53.7 per cent in 1962. Other principal products exported in 1962 include hides and skins (11.8 per cent of total exports), cereals and pulses (8.4 per cent), oilseeds (10 per cent), chat (5 per cent), fruits and vegetables (2 per cent). Of the principal items of exports that registered a rise in 1962 besides coffee, mention can be made of oilseed cakes, oilseeds, goatskins, and fruits and vegetables. Other items showed a slight decline.

174. The rise in value of Ethiopian exports in 1962 was the result of increased quantities exported rather than of higher unit value. The decline in unit value was marked in the case of hides and skins and oilseeds. Other commodities either remained steady in unit value or showed a slight decline. This reflected declining prices in world markets for primary commodities exported by Ethiopia. For example, Jimma coffee as quoted in New York, fluctuated between 32.6 and 30.8 US cents per pound during 1962, which gives an annual average of 31.8 as compared to 33.7 cents per pound in 1961.

175. Trading partners with Ethiopia in 1962 continue to be concentrated mainly in the USA and Europe. Out of the total value of exports in 1962, the United States share was 39.1 per cent while EEC and EFTA absorbed 21 per cent and 9 per cent respectively. Exports to other African countries accounted for 3.5 per cent, excluding **entrepôt** trade through Djibouti. Compared with the previous year, increases in exports

are noticeable in regard to France, the Netherlands, Aden, Yugoslavia, Greece, the USA and the Federal Republic of Germany. Exports to Italy and the United Kingdom dropped slightly.

176. Cotton textiles and products predominate the import picture of Ethiopia, although there is a clear shift from imports of finished textile products to imports of less finished textile products. Other imports followed the pattern of a developing country with concentration on machinery, which showed a decline compared to 1961, motor vehicles and parts, electrical materials, metal and metal manufactures and petroleum products. Imports of gunny bags more than doubled in 1962 as compared to 1961. Imports of woollen manufactures registered a similar rise. Sugar, fruits, foodstuffs and tobacco products showed a slight increase while imports of wines, spirits and beer showed a marked decline as compared to 1961, signifying perhaps the attainment of a higher degree of self-sufficiency in Ethiopia for these products.

177. **Kenya:** The balance of trade which had widened by about 30 per cent from £ 23.1 million in 1959 to £ 29.9 million in 1960, had started improving by 9 per cent, reducing the gap to £ 27.2 million in 1961, and improving further by 8 per cent, reducing to £ 25.0 million in 1962. But the import bill remained high, having slightly increased by about one per cent from £ 68.9 million in 1961 to £ 69.5 million in 1962.⁵ The increase in the value of exports was greater, being the main force behind the improvement in the balance of visible trade. The value of domestic exports rose by 7 per cent in 1962 over the previous two years, while the value of re-exports, having started rising again in 1961, increased further by 3 per cent in 1962. Inter-territorial visible trade among Kenya, Uganda and Tanganyika, the most dynamic

⁵ See *Economic Survey* 1963, p. 9.

TABLE A. II. 36

Ethiopia : Value of exports and imports

(year ending 9 December)
(in '000 Ethiopian dollars)

	Exports ^a	Imports
1951	116,771	101,312
1955	162,225	160,192
1960	182,245	207,673
1961	188,623	224,110
1962	199,556	222,939

Source: Trade returns of the Imperial Ethiopian Customs Administration.

^a Including re-exports.

sector of external trade for Kenya, also further improved its net visible balance in favour of Kenya by 10 per cent, from £ 9.0 million in 1961 to £ 9.9 million in 1962.⁶

178. Although the rise in the value of exports was accounted for by increased quantities of exported goods prices of the main crops remained steady and in some instances, notably sisal, contributed to higher export values. The average unit value of exports, however, declined from its 1961 level but owing to a larger relative decline in the average import price, the terms of trade of the country marked an improvement of about 4 per cent.⁷ But in the light of the general decline in primary commodity prices, this improvement looks more like a temporary phenomenon. The need to expand exports to meet the prospective rise in the import bill is still as great as ever.

179. Manufactured goods comprised 69 per cent of total imports in 1962. For both investment and consumer goods, while there was a decline for some items, there was an increase for others. This increase is attributable more to changes in the stock position of dealers rather than to an upward trend in the import of the items concerned.

180. Industrial and commercial machinery (other than electrical) fell by 6 per cent, from £ 5.5 million to £ 5.2 million. Imports of agricultural machinery

and implements fell by 17 per cent, from £ 298,000 to £ 247,000 and imports of fertilizers fell by a further £100,000. Commercial vehicles remained almost unchanged. On the other hand, tractor imports rose by 12 per cent from £ 351,000 to £ 394,000, and iron and steel increased by 25 per cent. The general picture for capital and intermediate goods is therefore that there was a sizable decline.

181. The imports of durable consumer goods showed a greater tendency to increase and probably accounted for the whole of the one per cent increase in the value of total imports. Passenger road vehicles (cars) increased by some 50 per cent, from £ 2 million to £ 3 million. Increased imports of textiles, medical and pharmaceutical products, wireless sets, radios, gramophones and bicycles were also recorded. In contrast there was a decline in the imports of clothing and footwear.

182. The picture that can be derived from imports of manufactures is that the decline in capital and intermediate imports, particularly agricultural implements and materials, was indicative of a slowing down in investment which has been evident during the 1960's. Increases in imports in fact appear to be more consumption biased.

183. Exports of meat and meat preparations rose in value three times from £ 310,000 in 1961 to £ 927,000 in 1962. Tea exports rose in both quantity and value, the latter by one million pounds or 30 per cent. Sisal quantity fell, but firm prices accounted for the increase in value of £ 130,000. Coffee exports declined in both quantity and value, because of the operation of the International Coffee Agreement which had severely restricted Kenya's share to only

⁶ Inter-territorial trade which is apparently of so much importance to Kenya is given very little prominence in the *Economic Surveys* of 1962 and 1963.

⁷ The East African Statistical Department, *Economic and Statistical Review*, June 1963.

300,000 tons. There was also a decline in the exports of groundnuts, sunflower seed and cotton. On the smaller quantity of sodium exported there was a value decline of 22 per cent. But cement exports increased to a record level of £ 740,000.

184. Re-exports changed little in 1962, with ships and aircraft stores accounting for 30 per cent of the total, the same proportion as the previous year.

185. There was little change in the contribution of the traditional sources of Kenya's imports, and buyers of Kenya's exports. The United Kingdom, chief supplier of imports, reduced its share slightly by 3 per cent from £ 24.1 million in 1961 to £ 23.3 million in 1962. Japan's share increased by 10 per cent from £ 4.8 million in 1961 to £5.4 million in 1962. The European Common Market countries also increased their share by £ 1.5 million in 1962. There was also a decline in imports from South Africa, the Rhodesias, and Nyasaland.

186. On the export side, the United Kingdom increased its buying of Kenya's exports by almost 20 per cent from £ 8.5 million in 1961 to £ 10 million in 1962. Exports to the United States, however, fell significantly by £ 1.2 million mainly because of a fall in coffee sales. By contrast, Western Germany purchased more Kenya coffee by £ 1.4 million in 1962, and with £ 7.5 million remained Kenya's second best buyer. Of all the European Common Market countries, only Belgium's share declined.

187. The new buyers of Kenya's exports in recent years have been African and Middle Eastern countries, and this trade continues to expand fairly rapidly.⁸

188. **Uganda:** Uganda continued to have a strong favourable visible balance of trade with the rest of the world outside east Africa of £ 14.5 million in 1962, somewhat less than £ 14.7 million in 1961. The visible balance within east Africa, however, was a little more adverse from level of £ 0.55 million in 1961 to £ 0.60 million in 1962. The total favourable visible balance therefore stood at £ 13.9 million in 1962, a little less than £ 14.1 million in 1961.

189. The complete contrast in the level of exports to and imports from outside east Africa, which accounts entirely for the very strong favourable balance, remained the same. While exports to outside east Africa stood at £ 37.6 million in 1962, having fallen by 4 per cent from £ 39.2 million in 1961, imports from outside east Africa stood very much lower only at £ 26.2 million in 1962 having also slightly fallen from £ 26.5 million in 1961.

190. Retained imports⁹ show that only a very few items had an increase in value. Among durable consumer goods only road motor vehicles had a

value increase of 42 per cent in 1962. Consumer items of food, and animal and vegetable oils had value increases of 28.6 per cent and 29.8 per cent respectively. Lastly, miscellaneous transactions and commodities had a value increase of 9 per cent. For the rest there was a decline in value, the greater part of which occurred in capital and intermediate goods, and some other items of durable consumer goods. The value of base metals declined by 4.9 per cent in 1962, other transport equipment by 6.2 per cent, machinery other than electrical by 15.4 per cent, electrical machinery and apparatus by 4.6 per cent, and tires and tubes by 20.7 per cent. Of the remaining consumer goods manufactured goods declined by 17.3 per cent, and clothing by 14.4 per cent.

191. The over-all picture was that there was a decline of 5.6 per cent in the value of retained imports. In the absence of an over-all import price index between 1961 and 1962, it is difficult to say whether or not there were fewer goods in real terms. But from the fact that Kenya, which imports virtually the same goods, experienced a fall in the over-all import price index, it would appear that the fall in real terms is not as great as the current values shown. The very significant decline in capital and intermediate goods indicates a lower level of investment in 1962 than in 1961.

192. The balance of Uganda's imports is supplied from east Africa, mainly Kenya. These are mainly consumption manufactures, or processed food items of wheat meal and flour, soaps, clothing, milk and cream, cigarettes, footwear, insecticides, plates and sheets, paper products, cereals (unmilled), butter and sisal bags. Each of these items increased in value to make a total increase of 3 per cent from £ 7.0 million in 1961 to £ 7.2 million in 1962. Imports from Tanganyika, while consisting more or less of the same items, declined in value slightly by about 2 per cent from £ 1,704 million in 1961 to £ 1,669 million in 1962.

193. The composition of exports to countries outside east Africa shows that the traditional export items of cotton and coffee still determined the level of exports. While the value of cotton fell by 50 per cent from £ 16.7 million in 1961 to £ 8.3 million in 1962, the resulting decline in the total value of exports could not have been sufficiently offset but for an also significant rise in the value of coffee of 44.3 per cent from £ 14 million in 1961 to £ 20.2 million in 1962. The other export item of note is copper whose value also increased by 20 per cent from £ 3 million in 1961 to £ 3.6 million in 1962. The remaining items are few, consisting of animal feeding stuffs with a value decline of 35.7 per cent; tea, increase of 33.3 per cent; hides and skins, increase of 50 per cent; groundnuts, decline of 40 per cent; fish, decline of 50 per cent, and wood and timber, decline of 50 per cent. The total decline for domestic exports was therefore 4.1 per cent.

194. The rest of Uganda's exports go to Kenya and Tanganyika, of which the former takes about 80 per

⁸ See *Economic Survey, 1962*, p. 11; and *1963*, p. 12.

⁹ Retained imports exclude imports from east Africa, but take account of international transfers of goods originally imported from outside east Africa, and re-exports of goods first imported into east Africa.

cent. The principal items exported to Kenya are, in order: sugar, cotton piece-goods, vegetable oil and electricity. The rest are: cigarettes, unmanufactured tobacco, meat and hydrogenated oils and fats. As usual, there was an increase in the total value of these of 6 per cent, from £5.1 million in 1961 to £ 5.4 million in 1962. Exports to Tanganyika consisted of a shorter list of cotton piece-goods, cigarettes, vegetable oils and unmilled cereals, representing a value of £ 1.7 million in 1962, the same as in 1961.

195. Uganda's trade with countries outside east Africa in 1962 reveals that exports to the trade groups of the Commonwealth, EEC and EFTA either fell or changed little compared with those to the countries outside these groups. Of the Commonwealth countries, only the United Kingdom increased its share, by about 15 per cent, but failed to offset the total Commonwealth decline of 9 per cent. India accounted for most of this through reducing its cotton imports from Uganda by £2 million, thereby cutting total imports by 30 per cent. The decline of exports to the EEC countries involved every one of the group, and was the greatest with a fall of 48 per cent. A decline of cotton sales to Western Germany was its major cause. Exports to the EFTA countries, except the United Kingdom, hardly changed. Of the ungrouped countries, the United States, through increasing its purchases of Uganda coffee, almost doubled its share from £5.7 million in 1961 to £ 10.0 million in 1962. Second was Spain, which increased its share ten times from £ 0.3 million in 1961 to £ 2.9 million in 1962 on account of more copper imports. This situation may be temporary, and might turn out to be like that of the People's Republic of China, which from nil in 1960, purchased Uganda cotton worth £ 3.3 million in 1961 and then nothing in 1962. Exports to the rest of the world which included Japan, Romania, the Sudan, South Africa, Israel, Argentina and the Congo (Leopoldville), changed little. In total, exports to the ungrouped countries increased by 30 per cent.

196. The geographical distribution of direct imports¹⁰ shows that the decline in imports was shared alike among the trade and non-trade groups. Imports from the Commonwealth countries declined by about 10 per cent, from EEC and EFTA countries hardly changed, and from the ungrouped countries declined by 5 per cent.

197. **Tanganyika:** The visible balance of trade surplus with the countries outside east Africa after adjusting for free famine relief imports, rose by about 30 per cent from £ 11.6 million in 1961 to £ 14.9 million in 1962. After including the traditional deficit in inter-territorial trade, the over-all visible trade surplus was £ 5.6 million in 1962, compared to £ 3.2

¹⁰ Direct imports refer to goods consigned straight to Uganda from outside east Africa. Only such imports can be geographically classified. Direct imports are normally very low, having to increase later by international transfers.

million in 1961, an increase of just over 40 per cent. The cause of this was the increase in domestic exports by 5.1 per cent from £ 48.7 million in 1961 to £ 51.2 million in 1962, while net imports increased only by 0.3 per cent from £ 39.7 million in 1961 to £ 39.8 million in 1962 including famine relief.

198. On the export side, most major staples increased as follows; sisal by 12 per cent (from £ 14.0 million in 1961 to £ 15.7 million in 1962), raw cotton exports by 8.8 per cent (from £ 6.8 million to £ 7.4 million in 1962), cashew nuts by 29.4 per cent (from £ 1.8 million to £ 2.3 million in 1962), meat and meat preparations by 12.9 per cent (from £ 2.0 million to £ 2.3 million) and tea by 20 per cent (from £ 1.3 million to £ 1.6 million). The decline in value, however, occurred in coffee from £ 6.7 million in 1961 to £ 6.6 million in 1962 because of a unit price drop of 6.9 per cent. The others were diamonds, hides and skins, wood and various oilseeds. Pyrethrum extract being exported for the first time realized a value of £ 0.3 million

199. On the import side, the food, beverages and tobacco section showed a decline in 1962. If famine relief items are excluded, food declined by £ 0.2 million because of cuts in imports of refined sugar. Beverages and tobacco decreased by 14 per cent from £ 0.29 million in 1961 to £ 0.25 million in 1962. Imports of crude materials increased by more than 50 per cent from £ 0.14 million to £ 0.31 million in 1962, and imports of mineral fuels rose by 8 per cent from £ 3.6 million to £ 3.9 million in 1962. Hydrogenated oils increased by 14 per cent, from £ 0.18 million to £ 0.21 million, and other vegetable oils increased by 18 per cent, from £ 0.22 million to £ 0.26 million. Chemicals rose by only 0.6 per cent, from £ 2.38 million to £ 2.40 million.

200. Imports of manufactured goods classified by material fell by 4 per cent, from £ 14.9 million to £ 14.3 million. This included the decline in such items as cement, asbestos pipes, building materials, plate and window glass, iron and steel and corrugated iron sheets. But in the textile group there was a rise of 8 per cent.

201. Regarding imports of industrial and commercial machinery at a value of £ 3.2 million, the figure represented a fall of 23 per cent over the previous year, when there had been abnormal imports of sugar machinery for a new factory. But there were also declines in sisal and tea machinery as well as a decline in tractor imports. The conclusion that can be drawn from imports of raw materials and machinery is that there was a fair decline in the level of investment.

202. The United Kingdom continued to buy the largest single fraction of Tanganyika's exports, increasing its share from 35.7 per cent in 1961 to 35.9 per cent in 1962. The remainder of the Commonwealth took 23 per cent. The second largest was Western Germany which increased its share from 8 per cent in 1961 to 8.4 per cent in 1962. The United States

figured third, but with its share falling. The others were Hong Kong 7.3 per cent, India 7 per cent and the Netherlands 5.8 per cent. Within east Africa, exports to Kenya increased by 6 per cent while to Uganda, about one fifth of the former, they increased by 12 per cent.

203. On the import side the United Kingdom again remained the largest single contributor, but with its share having fallen from 37.2 per cent in 1961 to 34.4 per cent in 1962. The other suppliers were Japan 13 per cent, India 7 per cent, Iraq 7 per cent, the United States 7 per cent, Western Germany 5 per cent and the Netherlands 4 per cent. The Commonwealth countries, excluding the United Kingdom, supplied 15 per cent while the African countries, excluding South Africa, supplied 15 per cent in 1962, a smaller percentage than in 1961.

204. Within east Africa imports from Kenya standing at £ 8.9 million in 1961 increased by 12.5 per cent to £ 10.0 million in 1962. Imports from Uganda in recent years, about one fifth of imports from Kenya, on the other hand, fell by about 3 per cent in 1962.

205. **The Federation of Rhodesia and Nyasaland:** The favourable visible balance of trade achieved in 1962 was a record, having risen by 22 per cent from £ 62.8 million in 1961 to £ 76.6 million. While imports fell by 8 per cent from the previous figure of £ 155 million, exports rose (as the trend has been since 1958) by one per cent, from £ 206.8 million in 1961 to £ 209.5 million in 1962. The result was that, although the adverse balance on invisible account had risen from £ 69.6 million in 1961 to £ 76.4 million in 1962, for the first time in the life of the Federation there was a positive balance of £ 0.2 million on current account.

206. There was a further deterioration in the terms of trade which stood at 124.3 in 1962 compared to 122.1 in 1961, taking 1954 as the base year. While the unit value of imports changed little from 111.6 in 1961 to 111.4 in 1962, the volume fell from 110.5 in the previous year to 102.1 in 1962 the unit value of exports fell from 91.4 in 1961 to 89.6 in 1962 but volume rose from 151.5 in 1961 to 156.3 in 1962. The export items that contributed to this deterioration in the terms of trade were minerals (with the notable exception of copper) and primary foodstuffs and tobacco. In contrast, average values reached for exported secondary manufactures were higher than in 1961.

207. Regarding imports, there was an 8 per cent decrease in the value of producers' goods which dominate the pattern of federal imports with an average share of about 65 per cent of total imports. Consumer goods, whose share of imports is about 30 per cent, also fell in value by 9.4 per cent. The sharpest decline occurred in capital equipment over a wide range of products, and in durable consumer goods generally, but particularly household equipment and motor vehicles. Of the non-durable producer goods imports, those for food production declined most due mainly to lower imports of wheat and raw sugar. The only

category of imports to show any appreciable increase in both volume and value were fuels and lubricants.

208. The decline in imports of producer goods was the consequence of a decline in total fixed capital formation and total changes in stocks. But while there was also a sharp reduction in imports of consumer goods, private consumption rose by about 2.5 per cent following an expansion in consumers' expenditure on domestic products and services.

209. Copper remained the most important export component accounting for 51 per cent of the total export value. The average export value of refined copper was three pounds per ton above that in 1961. Total exports of minerals and metals, on the other hand, fell in value for the third year in succession, despite an increased volume of asbestos, cobalt, lead, zinc and pig-iron exports. However, the fall in export earnings from mining was more than offset by increases of £ 1.2 million and £ 1.4 million in the total values of agricultural and manufactured goods exports respectively. Increases in agricultural exports were achieved despite a drop of one million pounds in earnings from tobacco, the second largest export item by value. The largest increases in agricultural export values were those of maize, groundnuts and canned meat, while for manufacturing exports, the increase in value was more evenly distributed. Net exports of gold declined from the peak level reached in 1961.

210. The trade of the Federation continued to be mainly with the western countries, trade otherwise directed being largely subject to controls and licences.

211. Although the United Kingdom continued to be the most important market for the Federation's exports, shipments to the United Kingdom fell by 10 per cent, from £ 96.2 million to £ 87.1 million, in 1962 as a result of reduced sales of copper, tobacco and tea.

The United Kingdom also remained the Federation's largest supplier of imports, virtually maintaining its share of 33 per cent. South Africa was second in supplying imports to the Federation with a share of 30 per cent of total imports. With the EFTA countries other than United Kingdom, a small decline in both imports and exports left the favourable balance virtually unchanged from the 1961 level. Reduced exports to Portugal, Switzerland and Norway were offset by the recovery of markets in Austria and increased exports to Sweden and Denmark. The increase in exports to the EEC countries was the major counter to the fall in exports to the United Kingdom. The visible balance with these countries was so large as to almost equal that with the United Kingdom. Italy was the chief market accounting for over 50 per cent of the total increase in exports to the EEC countries.

The rest showed moderate increases with the exception of West Germany whose purchases fell by 5 per cent. Increased exports to the EEC countries were accounted for by increased sales of copper (except to Western Germany) and tobacco. There was also a reduction in the adverse balance with the Dollar Area, mainly

on account of more copper sales to the United States, which had risen almost to pre - 1961 level. Finally, of the countries affected by special trading arrangements, significant changes occurred only in relation to Japan. This resulted in more copper, asbestos, and

hides and skins being allowed into Japan in return for receiving more Japanese goods of industrial equipment and more consumer goods, especially cheap cotton textiles.

TABLE A. II. 37

Federation of Rhodesia and Nyasaland : Main domestic exports

	1961		1962	
	£ '000	%	£ '000	%
Metals, minerals and mineral fibres	132,391	66.1	131,674	65.0
Of which:				
Copper	112,619	56.2	111,689	55.1
Agricultural products (including canned meat and other meat preparations)	57,284	28.7	58,531	28.0
Of which:				
Tobacco	41,968	20.8	40,961	20.2
Manufactures and other exports	10,552	5.2	12,403	7.0
Of which:				
Apparel	1,333	—	2,417	—
Cigarettes	550	—	709	—
Radios and parts	439	—	727	—
Footwear	412	—	350	—

Source: Federation of Rhodesia and Nyasaland, *Economic report 1963*.

212. **Angola:** According to unofficial sources, exports from Angola increased in 1962 by 10 per cent, to A. Esc. 4,264 million, while imports by 19 per cent, to A. Esc. 3,898 million in spite of a decrease in volume by 24 per cent.

213. The rise in exports was mainly due to larger quantities exported but to some extent also to higher world market prices for some of the tropical products. Exports of coffee and sisal went up by one third and 30 per cent, respectively, while exports of diamonds declined by 16 per cent as compared with 1961. Three commodities: coffee, diamonds and sisal accounted for more than 70 per cent of total exports (coffee constituted 43.7 per cent, diamonds 17 per cent and sisal 9.6 per cent of total exports). In 1962 Angola exported for the first time sizable quantities of crude petroleum and gasoline (1.8 per cent of exports).

214. Imports increased chiefly as the result of a very sharp rise in imports of textiles by almost 50 per cent and of motor vehicles by 30 per cent as compared with 1961. Imports of wine declined by 7 per cent. Thus textiles accounted in 1962 for 7.9 per cent of total imports, wine for 7.6 per cent, motor vehicles for 7.1 per cent, and steel and crude iron for 6.9 per cent of total imports.

215. As imports increased much more (19 per cent) than exports (10 per cent), the surplus on the balance

of trade declined from A. Esc. 606 million in 1961 to A. Esc. 366 million in 1962, which means by 40 per cent.

216. The United States was the largest buyer of the Angolan exports (25 per cent), followed by continental Portugal (20 per cent), the United Kingdom (15 per cent), the Netherlands (10.7 per cent), and the Federal Republic of Germany (7.7 per cent). The main supplier remained continental Portugal (41.4 per cent), the United Kingdom (12 per cent), the United States (9 per cent), and the Federal Republic of Germany (4 per cent).

217. **Malagasy Republic:** The external trade of the Malagasy Republic developed satisfactorily in the course of 1962. At CFA 23.3 billion, exports were 22 per cent above the level of a year earlier, while imports, at a figure of 30 billion, recorded an increase of almost 18 per cent. The trade deficit, however, went slightly up from CFA 6.4 billion in 1961 to 6.7 billion in 1962.

218. Three commodities, coffee, vanilla and rice, accounted for almost 50 per cent of the total export value but while the relative share of vanilla remained stationary in comparison with the previous year (9.4 per cent), the share of coffee went up from about 29 per cent to about 32 per cent, and that of rice from about 6 per cent to about 9 per cent. Among the remaining commodities it is worth mentioning sisal,

the exports of which almost doubled in comparison with 1961 (from 11,000 tons in 1961 to 21,800 tons in 1962).

219. The geographic pattern of Malagasy trade remained remarkably stable. As in earlier years, France was by far the most important trading partner, absorbing about 54 per cent of Malagasy exports while supplying three quarters of the total imports of the country.

220. The trade deficit with the Franc Zone, of about CFA 6.98 billion, was higher than the total trade deficit. There was a surplus of about 2.70 billion with the Dollar Area countries, a relative equilibrium in the trade with the Sterling Area (- 71 million) and a deficit of about 2.83 billion with the remaining countries.

221. **Republic of South Africa:** The visible trade surplus of the Republic of South Africa (including gold) continued to build up in 1962, despite the in-

creasing deficit in merchandise trade. The same was noticeable in the early months of 1963.

222. Despite higher tariffs in the Federation of Rhodesia and Nyasaland and a mild deterioration in the terms of trade, exports increased slightly during 1962 while re-exports dropped by about R. 17 million. The slight increase in exports, however, does not seem to represent an improvement in South Africa's long term prospects since most of it is attributable to an increased maize surplus.

223. The rise in imports was the result of various factors. On the one hand, there has been a rising demand for a wide range of durable consumer goods coupled with greater needs for fertilizers and chemicals. On the other hand the domestic production and assembly of vehicles was responsible for heavy imports of chassis and parts. Imports of vehicles and passenger cars were considerably reduced, and the same was the case with textile piece-goods which were adversely affected by the rise in local production.

TABLE A. II. 38

Republic of South Africa : External trade^a and gold output
(in million rands)

	1961	1962
Exports ^b	839.5	849.9
Imports	1,004.8	1,027.0
Gold output	575.0	636.9
Balance (including gold)	409.7	459.8

Source: EIU, *Three-Monthly Economic Review*, No. 45.

^a Provisional figures.

^b Excluding re-exports, ships' stores and bunkering.

CHAPTER B. I

CO-ORDINATION OF DEVELOPMENT PLANS IN AFRICA¹¹

INTRODUCTION

224. After three quarters of a century of political domination most of Africa has now emerged independent. But the people of the continent still remain ill-fed, ill-clad, ill-housed and illiterate. The new leadership of these countries is aware of the economic and social distance which separates them from the economically advanced countries in other continents. It has set itself the task of narrowing this distance as soon as possible. In this, it is supported as well as being pushed forward by the revolution of rising expectations of the African people.

225. As a first step in this direction, more than twenty countries in Africa have formulated their development plans. They account for nearly 80 per cent of the output of goods and services in Africa, excluding the Republic of South Africa. Other countries are in the process of preparing their plans. Such rapid acceptance of planning as an instrument to carry out the economic and social transition in Africa has profound implications for the continent's future — in the long run, perhaps of the same order as its emergence to independence. The plans set goals of development. They list various projects. They determine priorities and allocate resources. They aim at co-ordinating the hitherto unco-ordinated threads in the intricate network of a country's economic and social life. Even as first attempts, they represent the emergence of an over-all national will, guiding, directing, co-ordinating and, where necessary, centralizing and controlling those hundreds of decisions and activities which had so far remained the responsibility of individual ministries, private enterprises and citizens at large.

226. Despite the technical possibilities now opened, many of these plans are significantly modest in their objectives. This modesty is mainly the result of the recognition that most of these countries are too poor and too small. There are nearly twenty countries and territories, each with less than 2.5 million population, an annual income scarcely exceeding US \$ 250 million, and with a domestic capital formation of \$ 25 to 30 million **per annum** — or barely sufficient for one single medium size modern plant. Since some part of these resources have to be devoted to health, education, national security, administration and transport and communication, there is little left for investment in industries. Nor are their small markets

large enough to absorb the output of a medium scale plant, even if it were possible to construct it. As a result, even though these countries are endowed with widely varying natural resources, they remain unexplored. In the circumstances, the economic transformation of such a country can hardly even begin.

227. This recognition of reality forms the bed-rock of the acceptance of economic co-operation all over Africa. Projects that cannot be carried out by a single country become realizable under co-operation between many countries. Such co-operation widens the market, pools the resources and opens up the possibility of making the most economic use of a country's natural endowment. Industrial specialization becomes possible. What was impossible could at once become realizable. Economic co-operation thus opens up an entirely new economic horizon. Goals can be set higher. The pace of economic transformation can be accelerated.

228. But such co-operation among countries involves a considerable degree of co-ordination of their national development plans. In a sense, it represents a process not altogether dissimilar to the one which leads to the formulation of national development plans. In this case, the decision and guide-lines are to be consolidated not only within a country's economic life but among many countries.

229. The need for concerted action aiming at the gradual elimination of obstacles to the co-ordinated development and integration of the economies of the African nations has been a long felt one. In the discussions on planning, the Economic Commission for Africa at its fifth session "recommended that a study containing concrete proposals on co-ordination of development plans shall be presented to the Commission at its sixth session". Its resolution 80 (V) requested the secretariat **inter alia** to prepare a complete and objective study of "the design and establishment of consultative and advisory bodies for co-ordinated planning at sub-regional and regional levels", and "suitable areas and projects for co-ordinated and integrated planning at sub-regional and regional levels". The sense of unity so uniquely demonstrated at the Heads of State Conference held in Addis Ababa in May 1963 has given urgency to this need.

230. There is another reason which has added to the urgency of the co-ordination of development plans. Most development plans in Africa still represent a first attempt. They are, therefore, to be treated as flexible in setting the targets and formulating appropriate national policies required to attain them. Be-

¹¹ This paper is a revision of a study *Economic unity through co-ordinated development in Africa* prepared by Dr. Chukaka Okonjo of Ibadan University, who was invited by the Economic Commission for Africa as a regional planning adviser.

fore they become frozen, it would be easier to co-ordinate them in the framework of co-operation among various countries.

231. The Economic Commission for Africa has already submitted a short preliminary paper entitled, "Approaches to African economic integration: towards co-operation in economic planning and an African common market" to the Heads of State Conference in Addis Ababa. This study represents in part an elaboration of that paper. The statistical data available for Africa are fragile. The African development plans are still the first approximations to what would evolve later as firm policy instruments. Owing to all these gaps, this study can hardly pretend to be a blue-print for co-ordination of development plans.

1. THE POLITICAL, SOCIAL AND ECONOMIC SETTING IN AFRICA

(a) The political and social setting

232. The last decade has witnessed a profound transformation of the political, economic and social position of most of the African countries. Faced with the immense task of recording the facts of this change, economists and social and political scientists have hardly begun to assess and evaluate the far reaching differences in concepts, attitudes, modes and methods of thought and behaviour, which the various but simultaneous revolutions have engendered. Up to now, African nationalism and personality have been considered essentially negative in content. It was thought that after colonial rule, most of the emerging African States would have little or no common policy to take the place of the old order.¹² But the Heads of State Conference in May 1963 has shown that such an interpretation is devoid of an understanding about the mainsprings of the desire and drive for self-determination, economic progress and political unity in Africa.

233. Revolts and strikes in Madagascar, Algeria and other British, French and Belgian colonial possessions had long served notice of the emergence of an organized political consciousness on the part of the Africans. But it was not until the last decade that this consciousness reached such an intensity that bastions of the colonial Powers crumbled under one tidal wave of nationalism. In 1960, it culminated in the independence of seventeen African States.

234. Africa accounts for 22 per cent of the world land area. Its estimated population of 257 million,¹³ constituting some 8.5 per cent of the world population, is spread over 32 independent countries¹⁴ and

It is to be treated as a modest first attempt which explores various policies open to African countries for their development. Part 1 summarizes the political, social and economic setting in Africa. Parts 2 and 3 discuss various lines of development strategy, emphasizing the central role to be played by co-ordination of development plans in accelerating the rate of economic growth in Africa. Part 4 lists various areas in which co-ordination needs to be pursued. Part 5 is devoted to summarizing the areas in which the Economic Commission for Africa and the United Nations specialized agencies have initiated action involving co-operation of more than one country. It also includes, in broad outline only, some proposals for the co-ordination of development plans in Africa.

25 overseas provinces, territories, colonies or dependencies. About 26 per cent of this population lives in north Africa, 6 per cent in the Republic of South Africa, while the remaining 68 per cent are accounted for by tropical Africa, including the Malagasy Republic and other outlying islands. Only eight of the 58 countries or territories in the region have a population of more than ten million: Nigeria, the United Arab Republic (Egypt), Ethiopia, the Congo (Leopoldville), the Republic of South Africa, Sudan, Morocco and Algeria. Of these, Nigeria, with an estimated population of about 35 millions (14 per cent of the total African population), and the United Arab Republic, with 26 millions (10 per cent of the continent's population), are the most populous.

235. There is a very large number of extremely small countries in Africa. Some 19 countries, each with a population of between 2.6 to 10 millions contribute over one third of the total African population. There are 31 areas including the off-shore islands, each of which have a population of less than 2.6 millions or less than one per cent of the total population. By August 1963, about 80 per cent of the population of Africa was living in politically independent States. The remaining fifth,¹⁵ distributed over 26 territories, "provinces" or dependencies, was still under some form of political tutelage. Some of these like Kenya, Nyasaland and Northern Rhodesia are rapidly proceeding towards political independence.¹⁶

236. The prevalence of so many small countries stems from the history of the continent in the nineteenth century. Although contact with Europe had existed in Roman times, intensive trade — in slaves — between Europeans and the African kingdoms began in the fifteenth century. The second half of the nineteenth century saw the culmination of this long contact. During the last century of economic

¹² See the special supplement on the African revolution in the *Economist* Vol. CLXXXIX, No. 6016, London, 13 December 1958, p. 24.

¹³ Estimates of the 1960 population of the African continent by the Demographic Section of the United Nations Economic Commission for Africa.

¹⁴ Not taking into account the Republic of South Africa.

¹⁵ Including the Republic of South Africa where a white minority Government is in power.

¹⁶ As of November 1963.

change in industrial Europe, agricultural output rose some four to five-fold, industrial output about forty-fold and over-all **per caput** output more than seven times. But the African and other pre-industrial countries "continued to represent the models of dynamics of political economy as elucidated by Ricardo, Malthus and Mill where 'the power of population marched almost in line with 'the power of production' ".¹⁷

237. This remarkable development which altered the distribution of the world income and power did not remain without its political consequences. With it began the European domination of Africa. It was organized, not in an orderly and considered manner, but in a competitive and rivalrous spirit. The former African kingdoms were split into a mosaic of tiny States. Their boundaries marked the lines where each individual European power had extended its sphere of influence without coming into serious conflict with its neighbouring European power. These frontiers cut across ethnic groups. They did not correspond with known rational geographical, economic or political criteria.

238. Besides the legacy of so many small States left in Africa by external domination, there is another problem that remains to be resolved. That is racial discrimination or apartheid policies, pursued in South Africa and to a lesser extent in Southern Rhodesia.¹⁸ During the political enslavement of the African continent, large dynamic white settlements appeared where both the climate and economic conditions were particularly favourable, as in Southern Rhodesia and South Africa. European capital and managerial talent were attracted to these areas. As a result, these national economies have developed much more than countries in tropical regions of Africa, where the absence of white settlers has led to rapid political advance, and introduction of 'one man, one vote' democracies. But where white settler minorities exist, the application of such a political principle would mean the enthroning of an African majority government. Thus we find in Africa the paradoxical situation that where political power has been Africanized earlier, economic development and growth are still in their initial stages, while where modernization of the economy has taken long strides, "racial frustration, barriers and hatreds foster and grow."¹⁹

¹⁷ Patel, Surendra J., "Economic distance between nations — its origin, measurement and outlook", in the *Economic Journal*, March 1964.

¹⁸ For details, see International Commission of Jurists, *Report on South Africa* Geneva, 1960; United Nations Economic Commission for Africa, *Economic and social consequences of racial discriminatory practices*, (E/CN.14/132); Carter, G.M., *The politics of inequality — South Africa since 1948*, London, 1958; and South African Institute of Race Relations, *A survey of race relations in South Africa*, Johannesburg, 1958-1959, 1959-1960, 1961-1962.

¹⁹ Compare the special supplement on the African revolution of the *Economist op. cit.*, p. 5-8.

After the achievement of political independence, the African countries are now turning to the solution of their varied economic and social problems. Independence is not an end in itself but rather a means to an end, a means to end the age-old afflictions of African humanity — poverty, hunger, illiteracy and disease — and to restore the pristine dignity of the African himself.

239. Although some progress in social development has been made and its tempo and pace quickened during the last decade, the task still facing the African countries in the social field is immense.²⁰ For less than half of the countries under consideration have only one hospital bed to 700 inhabitants, one doctor to 15,000 persons, and an adult literacy rate of 25 per cent. Education may be used as an indicator. Only 40 per cent of those of school-age were in primary school by 1961-1962. At the secondary and higher education levels, only 3 per cent and 0.2 per cent of the respective age groups were receiving education. The implementation of the 1961 Addis Ababa plan for education in Africa implies a 100 per cent, 23 per cent and 2 per cent enrolment of the relevant age-groups at the primary, secondary and higher educational levels. In absolute number, this would involve an enrolment of 33 million at the primary, 6 million at the secondary and 0.3 million at the higher education levels by 1980. The Plan would cost an estimated \$ 24 billion of which some \$ 8 billion are to come as foreign aid.

(b) The economic setting

(i) Structure of the economy

240. A salient feature in the economic evolution of most countries in Africa is the continued transformation of the traditional and mainly subsistence economy to a modern economy, producing agricultural or mineral goods for export. But this dependence on primary production for export constitutes a basic weakness of the region's economy in its drive for accelerated economic growth. For, as can be seen from table B. I. 1, the unit value of African exports in 1962 was barely higher than twelve years earlier in 1950. The average price of imports, on the other hand, had increased significantly (by some 15 per cent) with the result that the region's terms of trade had deteriorated by some 13 per cent during the period.

241. This trend characterizes the trade not only of the African countries but also of all other developing countries.²¹ It is estimated that "had the terms of trade of the less developed countries been stabilized at their 1950 level, the aggregate purchasing power of their exports in terms of imports in 1960 would have been greater to the extent of \$ 2.3 billion".

²⁰ See this Bulletin, chapter B.II.

²¹ See United Nations, *World economic survey 1962*, I, "The developing countries in world trade", New York, 1963, p. 2.

242. Africa's export trade dependence on primary products is only a reflection of the dependence of the greater majority of Africa's 257 million people on agriculture for a livelihood. Thus 40 per cent of the national income of the African countries, as compared with 10 per cent in the industrial countries of Europe, comes from agriculture. Because of the low level of productivity in this sector, the proportion which it contributed to the gross domestic product is less than would be expected from the proportion of the economically active population engaged in it. On a **per caput** basis, for example, thrice as much land is cul-

tivated as in the developed countries of Europe, while agricultural income, which is \$ 40 **per caput** for the whole population, is only a third of that in Europe. Another important facet of Africa is its livestock. It has a larger number of livestock per inhabitant than most countries in the world. This is due to the fact that a great portion of the continent is semi-arid which makes it suitable for livestock. The **per caput** number of livestock is twice as high as in Europe, while the amount of grazing land available per unit of livestock is seven times as high.

TABLE B. I. 1

Unit values of exports and imports for African and developed countries, 1950-1960

(Index numbers, 1958=100)

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
African countries													
Unit value of Exports	88	115	111	101	104	103	104	102	100	94	94	90	89
Unit value of Imports	85	99	108	101	98	97	100	103	100	96	97	97	98
Terms of trade	103	116	103	100	107	106	104	99	100	99	97	93	90
Developed countries													
Unit value of Exports	85	102	103	99	97	97	100	103	100	99	100	101	101
Unit value of Imports	88	111	109	101	100	101	103	107	100	97	98	97	96
Terms of trade	97	92	95	98	96	96	97	96	100	102	103	104	105

Sources: United Nations, *Monthly Bulletin of Statistics*, New York, April 1963, p. viii and x; United Nations, *World Economic Survey 1962*, I, "The developing countries in world trade", New York, 1963, p. 2.

243. The potential resources of the continent are vast, although a complete appraisal of the natural resources of the region has yet to be made. Mining, which is the only sector wholly within the money economy and is largely controlled by foreign financial interests accounts for about one seventh of the world mineral output. Known reserves of high grade iron ore, to take only one example, total some 5,980 million tons.²² **Per caput** consumption of energy, indicative of the low level of manufacturing, is still low as compared with that of the industrial countries although the energy resources are considerable. The coal reserves in South Africa amount to some 75 billion tons. The hydro-electric potential of the continent, located mostly in the centre, forms 40 per cent of the world total. The oil and gas resources of north and west Africa are considerable.

244. Gross domestic product in Africa is of the order of \$ 31 billion, the average annual **per caput** income being in the neighbourhood of \$ 120. Excluding the Republic of South Africa which, though it contains only 6.2 per cent of the population, accounts

for about one fifth of the total output of the region, the average annual **per caput** income for the rest of Africa would fall to some \$ 100, or less than 8 per cent of that of the industrial countries, and about equal to that of most of south-east Asia.

(ii) **Foreign trade**

245. Africa's share of world trade is greater than its share of world income. The trade share, however, has declined during the decade 1952 - 1962. A remarkable feature of the regional economy is its foreign trade dependence, **per caput** levels of exports and imports in 1961 being \$ 25 and \$ 31 respectively. Calculated as a percentage of total output, trade dependence with respect to imports and exports is 29 per cent and 23 per cent. Comparable figures for the United Kingdom are about 25 per cent for imports and exports.²³ The figures given here do not, however, accurately

²³ Calculated on the basis of world trade figures given in the OECD *Foreign trade statistical bulletin*, June 1963 p. 2, and on ECA 1961 population estimate for Africa of 263 millions. The basic figures from which the percentage for the United Kingdom is derived are taken from International Monetary Fund, *International financial statistics*, August 1963, p. 268.

²² United Nations, *Economic survey of Africa since 1950*, p. 119-120.

reflect the foreign trade dependence of the continent, which must be much greater, since about one third of the continent's output originates in subsistence agriculture.

246. Imports, which expanded rapidly during the period 1950-1960 at an average annual growth rate of 5.2 per cent, have increasingly consisted of capital goods. The percentage share of foodstuffs and textiles has decreased, indicating an increase in the local manufacture of such products. Export earnings of most of the countries of the region derive mainly from only a few products. Since a considerable proportion of government revenues (some three to four fifths of budgetary revenue in some countries) is from import and export duties, these economies are extremely sensitive to variations in economic growth, in the industrial economies and consequently to import demand originating therefrom.²⁴

(iii) Intra - African trade²⁵

247. The high foreign trade dependence of the region reflects in part the low volume of intra-African trade which is no more than one tenth of the total trade of the region. The development of intra-African trade is hampered by the "homogeneous production pattern" of the African countries and the lack of adequate transport facilities between them. The value of intra-African trade was \$ 544 million in 1960, with east, central and south Africa accounting for over half of this, while north and west Africa accounted for 8 per cent each. This trade was mainly in manufactures, which made up 43 per cent of the total, and represented only 19 per cent of total African exports and 5 per cent of total African imports of foodstuffs and raw materials.

248. A remarkable feature of intra-African trade is its concentration according to sub-regional, monetary or economic groupings. The countries grouped as east, central and south Africa conducted over 80 per cent of their total intra-regional trade amongst themselves, with South Africa providing 75 per cent of the intra-African imports of Uganda, Kenya and Tanganyika, and 90 per cent of those of the Rhodesias and Nyasaland. South Africa took 40 per cent of its imports from the Rhodesias and Nyasaland. The basic pattern in other sub-regions is nearly similar. The west African countries conduct 90 per cent of their intra-African trade amongst themselves, with the twelve OAMCE countries accounting for some 75 per cent of this total. In north Africa, Algeria and Morocco account for some 77 per cent of the trade within the sub-region. The UAR, Sudan, Ethiopia and Somaliland fall into another group with the Sudan receiving 70 per cent of its intra-African imports from the UAR and Ethiopia, the UAR 50 per

²⁴ Economic Commission for Africa, *Economic bulletin for Africa*, Vol. I, No. 2, Addis Ababa, June 1961.

²⁵ The basic figures for this section are taken from Economic Commission for Africa, *Foreign trade newsletter*, No. 3 (E/CN.14/STC/FTN/3).

cent of its African imports from the Sudan and Ethiopia, and Ethiopia receiving 80 per cent of its African imports from the UAR and the Sudan.

(iv) Preferential systems, currency areas and current economic groupings

249. Two questions immediately suggest themselves from the foregoing analysis of the structure and pattern of trade of the economies of the countries of the African region — one relates to the set of principles or guidelines responsible for the present state and pattern of development and the second to their influence in the future.

250. In present day Africa, there are seven major currency areas: the former French, British and Belgian areas, the Spanish peseta and the Portuguese escudo areas, the South African rand area and the countries with national monetary autonomy. For our analysis, by far the most important of these areas are the French Franc Zone and the British Sterling Area²⁶ to which South Africa, before becoming a republic early in 1961, also belonged.

The Franc Zone area

251. The French preferential zone which had developed since 1927-1928 was characterized by high tariff walls and managed markets, prices in France for some tropical products like coffee and groundnuts from the overseas territories being 25-60 per cent above world market prices. The benefits enjoyed by the African territories in the sheltered French market were substantial. The preferential treatment precluded the development of exports to other markets, thus reflecting the adverse effect which preference had on the international competitiveness of their products. Moreover, they were to buy manufactured goods from the relatively high priced French market, although cheaper goods were available elsewhere.

252. The guaranteed high prices for products from these territories attracted large metropolitan firms into primary production. These firms did not usually plough back their gains into the territories but repatriated to France their profits and dividends, so that the territories did not create the basis for sustained investment. Where it was possible to establish industries in the secondary and tertiary sectors, the metropolitan Government often imposed import quotas and other forms of protection in order to protect the interests of metropolitan firms and workers.

253. French Africa, apart from North Africa, Madagascar and French Somaliland, was grouped into two federated territories: French West and Equatorial Africa with centralized administrations at Dakar and Brazzaville. These two centres contained the bulk of the French civil servants, who received a substantial proportion of the monetized incomes of these territories. They attracted the headquarters of the large

²⁶ Compare here Thomas Balogh, "Africa and the Common Market" in *Journal of Common market studies*, Vol. I, No. 1, Oxford, May 1962.

merchandizing firms and what little industry there was.

254. With the transformation of the French Empire into the French Community on 6 October 1958, the new States grouped into two sub-regional organizations and one regional organization: the Conseil de l'entente consisting of Upper Volta, Ivory Coast, Niger and Dahomey with complete freedom of trade, a unified system of external tariffs and fiscal schedules and a single system of administration of ports and harbours; the Union des Républiques d'Afrique centrale made up of Chad, the Congo (Brazzaville) and the Central African Republic. The regional organization, *Organisation africaine et malgache de coopération économique* (OAMCE), embraces all the French African States with the exception of the north African ones, Guinea, Togo and Mali.

255. The Currency Board which was responsible for the issue of currency of French Equatorial and West Africa became successively a quasi-central and later a central bank, with free access to the monetary resources of the French Treasury and Banque de France. A paradoxical situation developed whereby independent African countries had the right to make full use of French monetary facilities. These rights have, however, not always been observed, since in some cases the French Treasury has either suspended the unlimited convertibility (e. g. Guinea and Morocco), or blocked access to the Banque de France.

256. The dependence of these States on France is shown by French subsidies they receive towards the balancing of their budgets. These were running in 1958 at a rate of 10 per cent of the total budget for Madagascar, 12 per cent in west and 16 per cent in equatorial Africa.²⁷ It was only in 1963 that Niger for the first time succeeded in balancing its current budget without recourse to foreign aid. France also contributed nearly three fourths of the capital investments in these countries.

257. These transfers of public funds from France were offset, and at times more than offset, by an outflow of private payments for expensive administration set up and by the maintenance and services costs arising from economic and social overheads constructed before.²⁸

The Commonwealth area

258. British colonial policy stressed the necessity of the colonies being financially viable by balancing their budget from their own resources. The preferential treatment granted to their products on the British market, and that which Britain enjoyed on their own was not as great as in the Franc Zone. The net effect of the liberalization of trade was probably in their favour, for they gained access to cheaper sources of manufactured goods especially from Japan, although

the trading connexions, already established by the British, tended to work against this.

259. The cardinal feature of the monetary system in these territories was the operation of the Currency Board. The Currency Board exchanged "superior" money (sterling), for the "inferior" local currency issued by it (for example the west African pound or the east African shilling). The amount of currency in circulation was expanded or deflated, not in accordance with the economic needs of the territories concerned but rather in line with the balance of payments position of the territory. Thus, for example, exports from a territory were exchanged in the United Kingdom by exporters, for sterling, which was handed over to the Board, which gave in exchange the equivalent in Currency Board money. In so far as the Currency Board money was used to buy imports, exporters received value for their money. When the territory had a positive balance of trade (and this was usually the case for most of them), it was in effect giving a loan in sterling to the Currency Board — a loan which was invariably invested either in the United Kingdom or one of the older dominions.

260. The financial burden on the young growing economies resulting from these transfers to the benefit of the metropolitan Power was great. John Mars has estimated it to be at times in excess of 10 per cent of their yearly national income.²⁹ It is therefore not surprising that one of the first aims of the independent Governments was to control their currency and use monetary policy as an instrument for economic development.

261. Moreover, this trend towards the national control of monetary and economic policies was further accentuated by the failures of economic policy in some industrial countries to promote industrial growth in Africa. The "conventional wisdom" in these countries in the early fifties was that the free play of the monetary system and fiscal policies would result in accelerated growth; it would stimulate a greater demand for African products and through better factor allocation would lower the costs of their imports. Experience has not borne out these hopes. The economic difficulties of the African countries might have been mitigated if the extensive reserves accumulated by the various marketing boards and invested in the United Kingdom or the dominions had been invested in Africa and used in pursuing vigorous policies of economic growth.

The Portuguese Escudo Area

262. Portuguese economic policy during the period has been directed towards a strengthening rather than a weakening of the bonds of the preferential system. Since 1951, Portugal's African colonies have been

²⁷ See Thomas Balogh, *op. cit.*, p. 86.

²⁸ See United Nations, *Economic survey of Africa since 1950, op. cit.*, pp. 218-219.

²⁹ See John Mars, "The monetary and banking system and the loan market of Nigeria" in *Mining, commerce and finance in Nigeria*, Vol. II of a study of the *Economics of a tropical dependency*, (London, Margery Perham, 1947), p. 177-224.

declared "overseas provinces". Four fifths of their imports have been regulated, with quantitative restrictions, to come from Portugal. This preferential system is now being extended to the Escudo Area Common Market, established in 1962 and in which Portuguese duties on trade to and from the provinces would be established by 1964.

(v) **Africa and the European Economic Community**

263. It is on this pattern of preferential systems that the association of the former French, Belgian and Italian colonies in Africa to the European Economic Community was carried out. With the accession to independence of all but a few of the former colonies, their association with the Six was signified by their signing the second Convention of Association in Yaoundé in July 1963, a convention which was the conclusion of long and wearied negotiations between formally equal sovereign States.³⁰ In this convention the Six agreed to make the global sum of \$ 730 million available, during a period of five years, for the economic and social development of the eighteen associated African States. But of this, \$ 666 million will be deposited by the Six in the European Development Fund, and the remaining \$ 64 million will be found by the European Investment Bank to be given in the form of credits.

264. The preference on certain export crops (especially those on coffee and cocoa) and processed or semi-processed products of the associated countries are to remain. These countries are to be consulted before any changes are made in them. The associate States, on the other hand, pledge themselves to lower progressively the customs duties between them and to eliminate all quantitative restrictions on trade by 1966. There is a safeguard clause on a reciprocal basis for the protection of industries but the African States are pledged to guarantee free capital movements, minimum of currency control and rights of establishment on a basis of equality for all members of the European Economic Community.

265. The other partners of EEC had expected that article 155 of the Treaty of Rome would ensure the liberalization of trade with the associated African

States. But the former trade and other ties between France and these States have combined to increase rather than diminish the reliance of the associated States on the French Franc Zone. It is clear that the associated States will gain from being able to purchase manufactured goods at competitive prices from other members of the Six other than France. Their terms of trade might, therefore, improve. On the other hand, it is doubtful whether the financial grants given to compensate the associates for their loss of privilege, granted under the earlier arrangements with France, go far enough to meet their requirements.

266. Despite somewhat greater advantages on the French market, the associated States have not succeeded till now in initiating sustained industrialization. It seems that for the period 1963-1967 greater weight is to be given to the diversification of agricultural production and to the development of those crops which have a great chance of success on the market of the Six.

267. It is open to question whether EEC would be likely to continue to grant the associated African States the present privileges, if these countries, making effective use of the escape clause, were to industrialize on a large scale and exclude the manufactures of the Six from their markets, while flooding those of the Six with their own products. Even if the Commission in Brussels were inclined to allow this, there would be heavy pressures upon Governments by the affected industries (e.g. the oil-seed crushing industry in France) to close the markets of the Six for the products in question.

268. This section might be concluded by saying that, on balance, association with EEC offers little guarantee of industrial transformation, and that its long-run effects are uncertain. The association of a number of African States with EEC, however, may create difficulties for following new and more rational avenues of economic co-operation at a sub-regional level. It may also raise difficulties in the way of creating strategic industries through the co-operation of various geographically contiguous countries — industries which are jointly managed and are granted a protected market within the sub-region.

2. THE STRATEGY OF ECONOMIC DEVELOPMENT IN AFRICA

(a) The strategy of economic development

269. The necessity of accelerating the pace of economic development in Africa is generally recognized. Responsible opinion is gradually becoming aware of the special nature of the problems posed by the development of the African countries. But there is by

no means agreement on the nature of the solutions to be adopted. Three possible national approaches for achieving the break-through to self-sustained economic growth seem to be open to the African countries today: through the export of primary commodities; through export-orientated industrialization;

³⁰ Associated with EEC through this second Convention are the following eighteen African States: Cameroun, Central African Republic, Congo (Brazzaville), Ivory Coast, Dahomey, Madagascar, Mali, Niger, Senegal, Chad, Togo, Burundi, Congo (Leopoldville), Rwanda, Somalia, Gabon, Upper Volta, Mauritania. All except Burundi, Congo (Leopoldville) and Rwanda which formerly belonged to the

Belgian sphere of influence as Somalia to the Italian, were former French colonies. Algeria, Tunisia and Morocco, although belonging to the former French sphere of influence and not associated through this convention with EEC, have special relations with France and EEC. The six members of EEC are of course France, Germany, Italy, Belgium, the Netherlands and Luxembourg.

and through the expansion of output and industrialization for domestic demand. These national approaches should also be considered particularly in the context of sub-regional co-operation as formulated by the Economic Commission for Africa, some details of which are given later. Of course, they are not mutually exclusive. But it is necessary for the purposes of exposition to consider economic effort as being directed in the main towards the implementation of one of these policies.

(i) **Export of primary commodities**

The basic assumption in the theory of economic development through the export of primary products "is that staple exports are the leading sector of the economy and set the pace of economic growth. The limited — at first possibly non-existent — domestic market and the factor proportions — an abundance of land relative to labour and capital — create a comparative advantage in resource-intensive exports of staples. Economic development will be a process of diversification around an export base. The central concept of a staple theory, therefore, is the spread effects of the export sector — that is, the impact of export activity on domestic economy and society".³¹ This theory has dominated much of the thinking underlying

the economic planning and policy in the African countries during the last thirteen years.

Table B. I. 2 shows the composition of the value of exports by major commodity groups for the developed, centrally planned and developing economies of the world for the year 1960. The total value of the exports of the African countries in this year totalled \$ 6.4 billion³² of which \$ 1.2 billion or 18 per cent were manufactures. If metals which only reflect a very limited amount of processing are included among primary commodities, 94 per cent of Africa's exports would be primary commodities, in line with the corresponding percentages in Asia (85) and Latin America (94), and in sharp contrast with the developed countries (42) and the centrally planned economies(52).

Evidence over the last thirteen years has not, however, shown that such a structure has been conducive to the achievement of self-sustained growth in the developing countries. In fact, there is a real danger that economic growth might slow down in Africa if reliance for development is placed mainly on the external sector. As shown before, terms of trade have deteriorated for Africa (see table B.I. 1). As a result, it may be estimated that Africa has lost over the

TABLE B. I. 2
Composition of world exports by major commodity groups, 1960
Share in percentage

	Primary commodities ^a				Manufactures ^b					
	Food	Primary commodities ^a Agricultural raw materials and ores	Fuels	Sub-Total	Chemicals	Machinery and equipment	Metals	Textiles	Other manufactures	Sub-total
World ^c	18	17	10	45	6	22	9	5	14	56
Developed countries ^d	14	14	4	32	8	28	10	6	16	68
Centrally planned economies ^e	16	16	11	43	4	25	9	4	15	57
Developing countries	30	28	28	86	1	1	5	3	4	14
Asia ^f	18	30	35	83	1	1	2	7	6	17
Africa ^g	35	42	5	82	1	—	12	1	4	18
Latin America	42	19	31	92	1	—	5	—	1	8

Note: The totals may not add up to 100 owing to rounding.

Source: United Nations, *World Economic Survey, 1962*, I, "The developing countries in world trade", New York, 1963, p. 60.

^a Including SITC sections 0, 1, 2, 3 and 4.

^b Including SITC sections 5, 6, 7 and 8. Processed foods and mineral fuel are included in primary commodities.

^c Including centrally planned economies.

^d North America, western Europe (excluding Yugoslavia), Australia, New Zealand, Republic of South Africa and Japan.

^e Including Yugoslavia.

^f Excluding Japan, Turkey and centrally planned economies.

^g Excluding the Republic of South Africa.

³¹ Watkins, Melville H., "A staple theory of economic growth" in the *Canadian journal of economics and political science*, Vol. 29, No. 2, Toronto, May 1963, p. 144.

³² See United Nations, *Monthly bulletin of statistics*, April 1963, p. 85.

period 1950 to 1962 some five billion dollars worth of foreign exchange resources — which is almost equal to the average annual value of African exports since 1950.

In other words, the benefits of the increases in the output of primary products have by passed the African producer. In view of this, the triggering of a self-sustained growth through concentration of the production of primary commodities for export does not appear very hopeful.

In the nineteenth century, developing countries could pay for their needs of imported capital goods, other manufactures and food through increased exports of primary products. Three factors have, however, contributed to a substantial change in this situation:³³ first, primary products are sold in competitive markets, while the markets for manufactures are often controlled by producers; secondly, the revolution in agricultural techniques has given the developed countries price advantage in those primary products which compete with similar products from the under-developed countries; and thirdly, primary products are increasingly replaced by synthetic products in the markets of the developed countries. These factors have been responsible to a great extent for the pressure on the prices of the developing countries' exports of primary products, their deteriorating terms of trade and the serious limitation of the opportunity for these countries, including the African countries, to expand their exports.

(ii) **Export-orientated industrialization**

Another approach is Africa's industrialization based on the export of processed materials. The conclusions of the United Nations **World Economic Survey 1962** on this subject are pertinent. It stated: "It is not to be expected that total demand for processed materials would grow at a rate very different from the demand for the raw materials from which they are derived".³⁴

It is true that exports of aluminium and certain processed foods from the developing countries have increased significantly. But the production of these items has started quite recently and forms only an insignificant proportion of world supply. So far they do not really compete with the exports or domestic output in the industrial countries. On the other hand, exports of those processed materials which compete with those of the developed countries, have expanded more slowly than exports of a number of raw materials.

One is therefore led to the conclusion that while export possibilities for primary products

or for the processed products should not be neglected they can hardly form the basis of accelerated economic growth in Africa. For that, it is necessary to explore the possibilities that the third approach offers.

(iii) **Industrialization aimed at the domestic market**

In order to assess the significance of this approach, it is perhaps useful to begin with an understanding of the present economic position of Africa.³⁵ When it is said that Africa is economically under-developed, what does the statement imply? How is the economic backwardness, or the economic distance of Africa from the economically developed countries, to be measured? Even an approximate quantitative idea of the economic distance could indicate the main direction of change in Africa. Table B. I. 3 provides an illustrative measure of the distance by which Africa lags behind the industrial countries in the two major sectors of the economy: agriculture and industry (including mining).³⁶ Net agricultural output available per head of the total population in the industrial countries in recent years was only twice as high as in Africa. On the other hand, **per caput** industrial output in the former was twenty-four times higher than in the latter.

If the economic achievements of the industrial countries are taken as a rough model for Africa, it would then be seen that to obtain the same **per caput** availabilities of supplies of agricultural and industrial products, Africa would have to increase its **per caput** agricultural output two-fold and industrial output twenty-five-fold. These are the approximate parameters of the economic transition in Africa. Thus, there is an upper ceiling to the possible expansion of agricultural output, which is governed by the size of the human stomach, the extent to which it remains empty and the variety of the diet. Expansion of agricultural output beyond this limit would create surpluses, of which it would be difficult to dispose. There is no such ceiling for the total of industrial output. The main contribution to raising the level of economic well-being in Africa will thus have to come from the expansion of the supplies of industrial products which can be obtained through imports or domestic manufacture. But as stressed above, the export prospects and hence the prospects of import capacity for Africa are limited, so that rapid industrialization aimed at the domestic market becomes the bed-rock of the future economic transition in Africa. The time that this transition will require depends on the

³³ See Economic Commission for Europe, *Economic survey of Europe in 1957*, chapter V, pp. 22-24.

³⁴ United Nations, *World economic survey 1962*, I, "The developing countries in world trade", New York, 1963, p. 61.

³⁵ For details, see Economic Commission for Africa, *Industrial growth in Africa, a survey and outlook* (United Nations publication, sales No. 63.II.K.3), chapter 1.

³⁶ For the notion of 'economic distance' see Surendra J. Patel, *Economic Journal*, March 1964.

whole on the speed of industrialization. With so many small States spread all over Africa, the speed of industrialization would in turn depend on the extent of co-operation among them in setting up new plants.

With all the qualifications to which this analysis is subject, it is along the lines indicated above that the key to the rapid transformation of the African economies lies. Limitations on growth through export-dependence are severe. There are serious obstacles on the supply side such as lack of knowledge of foreign markets; lack of contact with foreign businessmen; lack of familiarity with the changing tastes of foreign consumers; the difficulties of securing finance; and inability of the African Governments to provide guarantees to exporters against certain types of losses which hamper the exports of manufactures from the African countries.³⁷

Moreover, the tariffs, quotas and other restrictive practices imposed by the developed countries on the imported manufactures of the developing countries make massive exports of such products nearly impossible.

It seems, therefore, more realistic to orient the expansion of output and industrialization in particular toward the needs of the domestic market in the region. Here, Africa is in a specially strong position.³⁸ The present market for imported consumer goods which are relatively easily substitutable, is three to four times larger than the present domestic output. This market is bound to expand over the years to come. Moreover, with a properly thought-out and well-executed strategy of development for the capital goods industries, substantial inroads could also be made into the capital goods sector.

TABLE B. I. 3
Illustrative measurement of the economic distance
between Africa^a and the industrial countries, 1960

Output by industrial origin	Africa		Industrial countries	Ratio of per caput ^c output in industrial countries to that in Africa (c):(b)	Rates of growth and period needed by Africa to reach the level (1960) in industrial countries	
	In African prices	In US relative prices			Annual per caput ^c rate of growth in per cent	Years
	(a)	(b)					(e)	(f)
Agriculture	40	60	120	2	1.5—2	40—50
Industry	15	20	480	24	7—8	40—50
Commodity output	55	80	600	8	5	40—50
Other sectors	35	... ^b	600	...	?	?
Total output	90	(150) ^b	1,200	(8)	(5)	(40—50)

Note: The figures, based on domestic products at factor cost, are very crude and have therefore been rounded to the nearest five or ten. Adjustments in column (b) are purely notional in character. Data are based on output and therefore do not take into account final availabilities, which are also dependent on the structure of foreign trade.

Source: *Industrial growth in Africa, op. cit.*, table 3 - computed from Surendra J. Patel's study "Economic distance between nations: its origin, measurement and outlook", in the *Economic Journal*, March 1964.

^a Excluding South Africa.

^b Relative prices in the service sector are difficult to compare nearly everywhere, but more so in Africa where, owing to the predominance of non-African population in this sector, the remuneration is relatively high. The figure for total output in column (b) is therefore purely arbitrary.

^c Of the whole population, not according to sectors.

The African region is thus in the position, through import substitution and without even attempting to make inroads into outside markets

or being dependent on the goodwill and tender mercies of other regions as far as export markets are concerned, to set and generate the

³⁷ See United Nations, *World economic survey 1962, op. cit.*, chapter 3.

³⁸ For details, see Economic Commission for Africa, *Industrial growth in Africa, op. cit.*, paras. 51-66.

growth rate needed for its rapid economic transformation. This possibility also offers a second advantage: the ability to attract foreign investors to a large growing market, the domestic products of which may be protected from external competition.

(b) The need for co-ordinated development

270. The appropriate strategy for the attainment of an accelerated pace of economic growth in the African context appears, therefore, to be a co-ordinated and integrated development of the African region. The treatment so far adopted here has assumed a global integrated economic unit, which has been treated aggregatively. For the reality in Africa is not one of a unified large region in the process of economic development. Only eight countries, each with a population of ten million or over, contribute 56 per cent of the total population in Africa. The majority of the countries constitute relatively small national economic units which do not lend themselves, in the implementation of economic policies, to the aggregative treatment.

271. The desire for African unity, which has hitherto been based on political considerations, has, however, as its strongest *raison d'être* economic considerations: raising the living standard, achieving a high rate of *per caput* economic growth and rational distribution of the total national income into the different segments of population. The attainment of this goal requires for most of the African States a high degree of co-ordination and harmonization of economic planning, ensuring at the same time a proper control of foreign investment.³⁹

272. If Africa is to achieve maximum rates of economic growth to enable it to catch up with other regions of the world in levels of living, if the economic distance between it and the other regions of the world is to be covered in five or six decades, planned economic development on a co-ordinated and integrated basis for all the countries in the region is imperative.

(i) The economic basis for co-ordination

The following facts, whose implication for the future of African economic unity is of the utmost importance, also lead forcibly to the same conclusion: most African countries taken individually having large populations, with perhaps a few exceptions, cannot singly devote sufficient resources to establishing large-scale industry. Nor are their markets large enough to sustain such industry. While their poverty and small cash-purchasing power partly explain

³⁹ Many African countries have initiated investment codes for foreign and domestic capitals; see Economic Commission for Africa study *Investment laws and regulations in Africa*, (E/CN.14/INR.28).

this, the crucial point is their smallness.⁴⁰ The total domestic output for the small African country with one million people is generally not larger than the purchasing power of an average western European town of 100,000 inhabitants. Thus it makes as much sense to plan individually for a small African country as it would to plan in Europe for a town of 100,000 inhabitants regardless of what happens elsewhere.

Secondly, the present national boundaries of the African countries generally do not make them either ethnic or 'geographico-ecological' units. Nor do they bear any significant relationship to the national units for economic planning by taking into account the unity of river valleys, the major natural resource deposits, the natural transport regions and other economic variables. In west Africa, for example, where the problem presents itself in its most acute and complicated form, most of the coastal countries represent portions of geological and climatic units stretching from the humid coastal belt to the dry savannah inner regions: on the other hand, the inner land-locked countries consist mostly of semi-arid areas which do not, of themselves, form viable economic units.

Thirdly, the diversity of climates and natural resources in the African continent opens up wide possibilities of co-ordinated planning and of mutually advantageous and intense specialization. The difference in climate, altitude, soil, population density, the variety of natural resources and the natural division of labour between coastal regions and inland areas, or between western and northern or southern Africa, make for such a degree of complementarity when Africa is compared with Europe that it is surprising these advantages have not yet been exploited and directed towards a greater degree of self-sufficiency on the part of the African countries. Despite immense possibilities, the virtual lack of intra-African trade is perhaps a symptom of the African unawareness of the benefits which would accrue, provided well-directed, co-ordinated and integrated economic planning and development for the African region as a whole were to be adopted.

⁴⁰ That the African countries are generally aware of the limitations of their size and small cash-purchasing power and of the need for co-operation and co-ordination of plans is shown, for example, by the hailing of the joint project for the production and distribution of electrical energy put forward by the United Nations for Togo and Dahomey, by the Togolese Foreign Minister, Georges Amah, as a first step towards an economic union of the two countries, which might one day extend to Ghana and Nigeria. See *Africa South of the Sahara*, (Paris, 21 October, 1963), p. 11.

Moreover, the minimum economic size of many individual, industrial and infra-structural projects makes it manifestly uneconomic for most African States to attempt to operate individually full-fledged capital goods industries such as steel plants, heavy engineering complexes or large-scale chemical industries, no matter what the long-term comparative advantage might be. They could not devote sufficient resources to take advantage of the complementarities present in the climatic and natural resources of the region, through integrated and balanced investment, even if the markets of each country were concentrated and optimally distributed from an economic point of view. In fact, the economic effectiveness of even this insufficient market is further reduced by being scattered as it is over a wide area with little or no national integration through transport and communications.

Since the narrowness of the national markets makes the cost of domestically produced industrial commodities prohibitively high owing to the fact that the economies of large-scale production cannot be fully exploited, the possibility suggests itself that a group of these countries should combine to undertake some joint industrial venture. The extent of gain which this method of co-operation brings to the participating countries is of course dependent on the economies of scale which obtain in each particular industry. Preliminary studies of the possibilities of this approach for the African countries have already been undertaken in the Economic Commission for Africa study, **Industrial growth in Africa**.⁴¹ The technological considerations cited above, however, tend to underrate the full range of economies of scale. Modern industrial structure is characterized by requirements for intermediate goods and industries. An economy that is large enough to provide adequate domestic outlets for the output of at least one optimum sized plant in all industries producing final products, may still be sub-optimal if some of these plants require equipment, servicing or other intermediate products but provide too small a market outlet for these.⁴²

(ii) Some examples

This might be illustrated by reference to a country's market large enough to absorb the capacity output of an optimum scale tractor plant, but too small to justify the establishment of a steel industry and the manufacture of other parts in the territory. It would at the same time

be necessary to bring down the cost of tractors to an internationally competitive level. Intermediate products, therefore, need to be supplied at low costs. In these circumstances, a programme of integrated industrial development between neighbouring countries is essential. It may be organized as follows. The tractor-producing country would grant preferential treatment to the intermediate goods from neighbouring countries, which in return would grant similar treatment to the finished tractors. In the end, all of them would benefit. On the basis of an efficient division of labour, an economically sound and technically efficient industry, beneficial to all the countries that have co-operated, can thus be built up instead of a high cost industry in the country.⁴³ Such co-operation does not have to be limited to an exchange of finished goods and intermediate products needed for their manufacture. It can in fact encompass the whole wide range of industrial products which can be exchanged with each other. Such an exchange, besides leading to a rapid industrial development, would also lay a firm foundation for intra-African trade by creating goods that could be traded.

These considerations apply more forcefully to the heavy engineering, chemical and metallurgical industries, in which production costs diminish significantly as output increases over a wide range. But they also apply to most other industries. The production of steel in an integrated steel plant offers a very good example of this phenomenon, as can be seen from table B. I. 4.

In west Africa for example, consumption of steel is estimated to reach in the range of 450,000 to 600,000 tons by 1965.⁴⁴ As a result of studies and persistent efforts of the Economic Commission for Africa, agreement has now been reached between the west African Governments on the necessity for one integrated steel plant. The Commission has been asked to prepare by April 1964 cost studies for a 400,000 and a 700,000 ton steel plant at alternative sites in west Africa. Transport of the raw materials and finished products will, however, necessitate further joint action in the fields of coastal shipping, overland transport, tariffs and customs duties which imply a considerable measure of co-ordination of plans. The form of ownership by the various Governments concerned has

⁴¹ *Op. cit.*, see chapters 4 and 5.

⁴² Tibor Scitovsky, "International trade and economic integration as a means of overcoming the disadvantages of a small nation" in *Economic consequences of the size of nations*, (London, E.A.G. Robinson, ed., 1960) p. 283.

⁴³ Compare Economic Commission for Asia and the Far East, "Economic development and planning in Asia and the Far East", *Economic Bulletin for Asia and the Far East*, Vol. XII, No. 3 Bangkok, December 1961, p. 68.

⁴⁴ Compare for example *Industrial growth in Africa*, *op. cit.*, paras. 180-182 and Economic Commission for Europe, *Long term trends and problems of the European steel industry*, Geneva, 1959, table 87.

to be worked out as well. It would also be the first experiment in which the protection of the "domestic" markets for steel in the co-operating countries would have to be jointly agreed among these countries. This opens up the possibility of thinking afresh of a vast number of industrial projects, which were beyond the capacity of any single country.

Another example taken from west Africa is the present attempt at multiplying cement plants in this sub-region.⁴⁵ Economically, two factors are of importance in the establishment of

a cement plant: the size of the existing markets and the cost of transportation. Apart from the Ivory Coast, Nigeria and Ghana, with markets of the order of 150,000, 1,200,000 and 480,000 tons, the existing markets in the other west African countries are not large enough to support economic cement plants. Table B. I. 5, taken from the report of ECAFE's second Group of Experts on Programming Techniques, shows the cost relations in cement manufacture based on an analysis of engineering data with regard to the wet process.

TABLE B. I. 4
Economies of scale in steel production costs per ton
(in 1948 US dollars)

Items	Annual capacity of plant in 1,000 tons of finished steel			
	50	250	500	1,000
Raw materials,	33.84	31.26	31.26	25.68
Maintenance and miscellaneous	20.59	11.11	10.57	9.83
Capital charges	122.93	101.20	87.10	85.05
Labour cost	32.00	15.20	8.57	6.60
Total cost	209.36	158.77	137.50	127.16

Source: *Economic development and planning in Asia and the Far East, op. cit., p. 69.*

The cost of transport of cement from Europe and from the ports to the inner land-locked countries is extremely high. Consequently, the establishment of a small cement factory becomes a very viable proposition. Nigeria has two cement plants, each of 450,000 tons capacity. It is planning a third of 200,000 tons capacity at Sokoto near the border with Niger. Niger on the other hand is planning the construction of a 30,000 ton capacity plant, at Malbassa near the Nigerian border. Niger's chief market at Niamey, however, is some miles nearer the projected Nigerian plant at Sokoto than its own plant at Malbassa.

Ghana with imports of 480,000 tons is planning a plant at Nauli in the western region with a 200,000 ton capacity by 1965. At the same time Dahomey is planning a 100,000 ton plant while Togo plans a cement clinker plant. Since markets in both countries are small, they could better be supplied now either by the Ewekoro plant in Western Nigeria or by Nauli in Ghana. The same position obtains with respect to Mali and the Upper Volta, where cement costs are some \$ 32 per ton, (8,000 CFA francs) while imported cement at Abidjan costs \$ 26 per ton (6,500 CFA francs). Here again, industries are planned although the national markets do not fully justify them. A cement industry

located at Bobo-Dioulasso and taking advantage of the economies of scale could export to northern Ghana, the Ivory Coast and south-eastern Mali, with all the countries concerned benefiting in the process. The need for rationalization and co-ordination of industrial plans is thus obvious.

The same conclusion as to the need for co-ordinated and integrated economic planning and development is reached when the import substitution road to accelerated economic development is considered. Import substitution, apart from its employment and national income raising effects, is generally practised in order to conserve foreign exchange for truly irreplaceable goods. It is necessary therefore to recognize clearly the limits of economic feasibility of import substitution effected on the basis of a narrow national market. There is also a grave danger in establishing consumer goods industries which not only are uneconomic, but also require large imports of components and raw materials. The results in such cases are inevitably self-defeating. Not only does this prevent other African countries from achieving the necessary export expansion, but by increasing the overall import needs of the region it helps to worsen its foreign exchange position. Such uneconomic industries result in waste and inefficiency. They limit considerably the increases in income which otherwise could be achieved through the establishment of large-scale industry to serve a

⁴⁵ See the article, "Cement as a test case", in *West Africa*, No. 2414, London, 7 September 1963, p. 1009.

number of countries. Moreover, they are a constant drain on the resources of other African countries, preventing the development of even those sectors — such as agriculture, light industries, traditional exports, etc. — where there is no direct and immediate problem of economic size.

Import substitution on the other hand, conceived as a co-operative venture among the countries of the region, would not only accelerate the substitution of imports from other parts of the world, but would also help to promote the utilization of the existing possibilities of specialization and trade within the region. It would thus stimulate international specialization and trade within the region without adverse effects on efficiency. Thus, taking the region as a whole, “imports from outside the region may be kept at a level compatible with the availability of foreign exchange, but the fall in the extra-regional import coefficient will be fully com-

pensated by a higher coefficient of imports from within the region”.⁴⁶

This is all the more so as the African situation is in some respects particularly favourable towards the speeding up of economic progress through co-ordinated economic development. African countries are often low-cost producers of their traditional and potential new lines of exports. This means that while international commodity agreements, stabilization measures, voluntary or involuntary quota arrangements might be helpful or essential to African progress, they are likely to leave the special reserves of productive capacity unutilized. This reservoir of potential productivity could be utilized for a co-ordinated and balanced expansion of African production through intra-African trade, not interfering with world trade or the exports of competitors in other countries. But this can only be done through co-ordinated planning, by the joint use of the productive potential thus set free.

TABLE B. I. 5
Economics of scale in cement production costs per ton

(in dollars)

	Annual capacity of plant in 1,000 tons						
	35	50	100	230	450	900	1800
Operating costs	16.2	15.5	15.2	14.7	11.0	9.4	8.4
Capital charges	12.5	11.5	10.8	10.0	8.8	7.0	5.5
Total cost	28.7	27.0	26.0	24.7	19.8	16.4	13.9

Source: *Economic development and planning in Asia and the Far East, op. cit.*, p. 70.

This particular aspect of the possibilities of intra-African trade needs special emphasis. The fulfilment of even modest economic goals, like those set in the United Nations Development Decade or those embodied in the national plans of the African countries, will not be possible without a dependable annual increase in real export earnings by approximately 7 to 8 per cent **per annum**. In the light of current prospects, however, it is difficult to see how this can be achieved either by an expansion of traditional exports to traditional markets or by the export of processed goods to the industrialized economies. Even if advantage is taken of the markets of the centrally planned economies and of those of Asia and Latin America, it seems more hopeful to expand the traditional exports and develop new lines of exports among the African countries. The tremendous scope offered in this field is shown by the fact that intra-African trade is as low as two dollars per

head, which is only a fraction of intra-Latin American trade.

Of the utmost importance, however, is the necessity for this co-ordinated developmental planning to start right now at this early stage of the independence of the African countries when practically all the African countries are still in the flexible phase of their development planning. Once unco-ordinated planning has become ingrained and vested interests have been created it will be much more difficult to introduce co-ordinated planning and beneficial mutual adjustment. Thus the prospects of economic unity and co-ordinated development are better now because of the very absence of development. Once the population growth, the exigencies of unemployment, the desire to attain higher in-

⁴⁶ See *Economic development and planning in Asia and the Far East, op. cit.*, p. 60.

come levels, and the influence of mass media creating new and higher horizons of consumption and living would have induced some of the African Governments to create industries, the economic distance between such countries and their poorer neighbours would continuously

widen with disastrous consequences for African Unity. Moreover, unless the African countries can combine for the purpose of industrial development, "they will either not be able to create an industry at all or only inefficient industry which will limit the increase of their incomes".⁴⁷

3. IMPLICATIONS OF THE STRATEGY OF CO-ORDINATED DEVELOPMENT

(a) Attempts towards economic unity

273 The importance of creating large economic units for the achievement of an accelerated pace in economic development and for the creation of efficient units in industry has been widely recognized by most African countries. It has led to the creation of various forms of economic unions and agreements which are at various stages of implementation and which have shown widely varying degrees of success.

274. By far the most important of these economic groupings among the French speaking States of Africa is the Organisation africaine et malgache de coopération économique (OAMCE), founded in September 1961 as the economic arm of the Union of African and Malagasy States (otherwise known as the Brazzaville Group), an organization set up in 1960 primarily to mediate the dispute between France and Algeria.⁴⁸ The OAMCE, with close economic co-operation between its member States to accelerate their economic development and thereby raise their standard of living, attempts to achieve this end through the co-operation of agricultural production and industrialization, through closer co-operation of monetary and fiscal policies, through the establishment of a common external tariff and increased regional trade and through co-ordinated bargaining for higher prices for their exports.

275. Within this main group two sub-groups exist: the Customs Union of West Africa made up of Dahomey, the Ivory Coast, Mali, Mauritania, Niger, Senegal and the Upper Volta, and the Equatorial Customs Union consisting of Chad, the Congo (Brazzaville), the Central African Republic and Gabon, with Cameroun, following a decision of June 1961, to be gradually integrated into the Union. These two customs unions can be regarded as economic successor organizations to the former federations of French West and Equatorial Africa. While the Equatorial Customs Union has functioned relatively satisfactorily, due to the equitable methods of sharing customs revenue, the need to strengthen the Union in order to promote the speedy economic development of the four

member States, has led to a re-organization of the Union in order to give it more cohesion especially in the field of industrialization.

276. The Customs Union of the west African States, on the other hand, has found considerable difficulty in the sharing of customs revenues and in the disparity between the indirect taxation systems of the member countries. Since its foundation on 12 June 1959, it has become more a free-trade area than a customs union. In recent years various attempts have been made to strengthen the Union and to co-ordinate the national development plans of the member countries in an effort to keep the Union alive. The unilateral action in the alteration of their tariff schedules by some member countries against other member countries has, however, not helped to improve the position.

277. Interesting as an example of a customs union within a customs union is the Conseil de l'entente established on 29 May 1959 and consisting of the former French territories (Ivory Coast, Dahomey, Upper Volta and Niger) which are members of the Customs Union of the west African States. Formed ostensibly as a non-political organization to cater for the common economic, social and technical objectives of the four States, one of its first decisions was the establishment of a customs union. The effectiveness of the Conseil has been limited by the steady dispute between the Ivory Coast and the Upper Volta over their respective shares of the total customs revenue collected, which has led to the establishment of a customs frontier between the two countries by the Upper Volta.

278. The fact that the English-speaking African States of west Africa have no common frontier has led to there being no equivalent customs union on the model of that of the "French" west African States, except in east and central Africa. The East African Common Market and with it the associated Common Services Organisation, whose foundations were laid as far back as 1917, serves Kenya, Uganda and Tanganyika. They have been relatively successful due in part to the fairly satisfactory method of sharing revenue. The two organizations, with modifications, may help to form the foundation of the federation of these three countries, negotiations for which are now in progress.

⁴⁸ The twelve original members of the UAM were: Cameroun, the Central African Republic, Chad, Congo (Brazzaville), Dahomey, Gabon, Ivory Coast, Madagascar, Mauritania, Niger, Senegal and Upper Volta. Since then Rwanda and Togo have joined, bringing the membership to fourteen.

⁴⁷ See Balogh, T., *Africa and the Common Market*, op. cit., p. 104.

279. The second English-speaking customs union, that of the Rhodesias and Nyasaland, which was transformed into a common market following the removal on 8 March 1957, of the disabilities arising out of the Congo Basin Treaties, has benefited Southern Rhodesia mainly and is likely to be broken up with the dissolution of the Federation in December 1963. Also of interest is the Trade Agreement between South Africa and the Federation of Rhodesia and Nyasaland, which is to encourage the free exchange of goods between the two areas.

280. Apart from these purely English-speaking or French-speaking African States arrangements, economic groupings between countries from both groups have also been organized. Of interest are the Ghana-Upper Volta agreement concluded in 1961. This was partly due to the disagreement between the Ivory Coast and the Upper Volta over the sharing of the customs dues collected in the Entente, as well as the Nigeria-Dahomey customs arrangement aimed mainly at curtailing and minimizing the flow of contraband goods into each country and at facilitating and accelerating the flow of goods across the common frontier.

281. Of greater importance in the African context have been the Union of African States made up of Ghana, Guinea and Mali, and the Casablanca Group-Ghana, Guinea, Mali, Algeria, Morocco and the United Arab Republic — which agreed to far-reaching arrangements towards a gradual elimination of intra-group tariffs and quantitative restrictions over the five year period starting January 1962. These and the competing but more loosely organized Inter-African Malagasy States Organization and Monrovia Group have been superseded by the Organization of African Unity established at the Heads of State Conference at Addis Ababa in May 1963.⁴⁹

(b) **Some problems in the way of economic co-ordination**

282. The large number of agreements, their constantly changing membership, their complexity and overlapping, and the conflicts between the agreements already reached, all tend to suggest that the foundations of these arrangements are indeed very weak. They are therefore less likely to attain the purposes for which they were called into being, among others the acceleration of economic growth.

283. The move towards a unified organization has, however, run into some difficulties since the Union of African and Malagasy States feels that its organization, especially the economic arm OAMCE, should now survive and function within the framework of

⁴⁹ The Monrovia Group consisted of Dahomey, Ivory Coast, Mauritania, Niger, Senegal, Upper Volta, Chad, Congo (Brazzaville), Gabon, Central African Republic, Cameroun, Ethiopia, Liberia, Madagascar, Algeria, Sierra Leone, Somalia, Libya, Togo and Tunisia.

OAU, and merge with it only later on through a gradual process of harmonization of policies. The association of these States with the European Economic Community from which they undoubtedly derive short-term benefits, forms the basis for this feeling. The division of the African States into States associated or not associated with the European Economic Community appears to be an obstacle towards the achievement of a unified economic front in Africa today. Considering that various short-term benefits accrue to the associated States, considerable political sagacity and statesmanship will be required in order that this obstacle to African economic unity is overcome. Certain factors, however, indicate that given the necessary political willingness and the ability to recognize and differentiate between short-term and long-term benefits and effects of association, this problem should not be without solution.

284. The possible limitation on the freedom of action of the associated States to join regional economic grouping with the non-associated States may prove a particularly serious obstacle. But here again, given the political will on the part of the associated States, the obstacle need not be insurmountable, more especially if it can be clearly shown that in comparison with other developed countries the EEC is not being discriminated against. The first convention of association in fact did not specifically introduce limitations on the trade policies of the associated States, as is clearly shown by the Ghana-Upper Volta customs arrangements of 1961. The second convention, however, is rather vague on this question; article 7 states that any arrangements between member and non-member States would be incompatible with the Convention, if the benefits accorded under such an arrangement to non-member States are not at the same time also accorded to the member States.

285. It seems reasonable to assume that the provision contained in article 7 is not meant as a protection, in the markets of the associated States, of the interests of the industrial countries like Western Germany, France and Italy against the fear of competition from Liberia, Sierra Leone, Ghana and Nigeria; but it is rather directed against other industrial countries like the United States, Great Britain and Japan. It is then less likely that EEC would be opposed to a regional association of the African countries, if their real competitors were not given an equal advantage. Moreover, they would not wish to take upon themselves the political odium of having in their own self-interest hindered a wider alignment of the poorer African countries, while they themselves are busy putting into practice the same principles of economic integration.

286. Under these conditions, a three-tier tariff system of a regional African unit including the associated and non-associated States might be considered:

- (i) A very low tariff which will ultimately vanish between the African countries;

- (ii) An intermediate tariff which would be applicable to the Six and all other most favoured nations. Thus, while for example the associated States would not apply this tariff against Great Britain and Portugal, the countries in the British and Portuguese preferential areas would apply it to their respective metropolitan countries but not to the Six; and
- (iii) A higher tariff applicable to all other nations. The height of the most favoured nation tariff wall would of course be decided by the African countries, taking into account the needs of their import industries.

287. The establishment of such a three-tier preferential system, it may be suggested, would conflict with the provisions of the General Agreement on Tariffs and Trade (GATT) — especially article XXIV 8b which requires the elimination of tariffs and hindrances to trade, and the provision which requires that “the duties and other trade regulations in respect of trade with contracting parties, not parties to such a Union, will not on the whole be higher or more restrictive than the general incidence of the duties of commerce applicable in the constituent territories prior to the adoption of such a union”.

288. Over the years, GATT has come to recognize the special need of developing countries to protect their industries. A particular method of setting up a tariff wall has been invented by the EEC, and this precedent accepted by GATT. Moreover, some of the GATT provisions are likely to be revised soon. It should therefore not be beyond the ingenuity of the African Governments prior to the formation of the regional unit to introduce national shadow tariffs which could then form the basis for the calculation of the three-tier preferential system, all completely in accordance with the rules and requirements of GATT.

(c) **The fair distribution of benefits**

289. The close co-ordination of the national development plans and policies not only needs to avoid wastage and duplication, but should also ensure relative equality in growth of the African countries and a fairly equal distribution of the benefits accruing from a policy of rapid industrialization. These can hardly be achieved through the mere creation of either common markets, free-trade areas, customs unions, or common service organizations. Experience has shown that the free play of market forces in such economic groupings, made up of States at different levels of development, largely works in favour of the most developed of these countries by the enlargement of the market for its industries, and by the tendency of capital to move into areas where an industrial base with at least partial facilities exists. Because of their lack of basic infrastructure, the less developed areas are not in a position to compete with the most economically efficient parts of the economic grouping and are thus deprived of the opportunities of development which they might otherwise have had.

290. This tendency towards the widening of the

economic distance between the component parts of an economic grouping can be easily traced in the development of the existing customs unions and common market areas in Africa. In the West African Customs Union area, industrial development was concentrated in Dakar, the administrative capital, with the port facilities available aiding greatly in this process. Senegal became the centre of development in the former French West Africa. In the Equatorial Customs Union area the benefits of the organization were mainly reaped by the Congo (Brazzaville). Southern Rhodesia in the Federation of Rhodesia and Nyasaland and the Republic of South Africa, in its relations with its neighbours, also derived similar benefits.

291. The result in the East African Common Market and East African Common Services Organisation is also similar. Although free trade and a unified market have benefited the whole east African area, the gains from protection and free trade have been very unevenly distributed. As the Raisman report points out, during the period 1952/1954 to 1957/1959 the real *per caput* income increased by about 40 per cent in Kenya, by less than 20 per cent in Tanganyika, and for Uganda remained almost unchanged. Industry has tended to concentrate in Kenya resulting in two disadvantages for Uganda and Tanganyika. Between 1951 and 1962, Kenya's exports to Uganda and Tanganyika increased nearly five-fold, while those of Uganda to Kenya and Tanganyika, and of Tanganyika to Kenya and Uganda barely doubled.

292. The problem of the unequal sharing of the benefits of industrialization and the concentration of industry in areas already more advanced deserves careful study. This is particularly the case when infrastructure already exists in some areas and when there is a tendency for investments to be more efficient. The economic conflict between the spear-point and the spread area could strain any attempt at economic unity. Such a state of affairs could be accepted when the territorial units concerned were under a common colonial rule. But it can no longer be accepted among units which are independent sovereign States. The redistribution of customs and other common revenues, as tried in east Africa, can hardly offer a lasting solution. The decisive interest of the poorer areas lies, not so much in a redistribution of revenues as in obtaining conditions for a relatively more rapid economic growth for them. This is again a problem which can only be solved in a planned manner.

293. Given the fundamental necessity of larger economic grouping, the foregoing analysis seems to indicate the following lines of action:

- (i) The consistent co-ordination of national development plans in such a manner that the benefits of an accelerated pace in economic growth as also those of an economic grouping larger than the nation State, will be fairly equitably distributed between all partners of the economic

grouping, and that a co-ordinated, integrated and balanced development of all partners would result.

- (ii) Measures to promote and encourage mutually advantageous and reciprocal trade in all sectors of the economy of the region especially the industrial sector.
- (iii) Specialized treatment for the poorer partners, especially the land-locked countries, which would ensure that their economies gain from the new economic arrangements — e. g. a slower pace of liberalization of their foreign trade and reduction of their tariffs.
- (iv) Fiscal redistributory arrangements including a development fund in order to ensure that the

poorer areas receive their fair share of revenue in view of the fact that they would be subsidizing the manufacturing industries of their richer partners.

- (v) The concentration of human investment, the most abundant type of capital in Africa, in the poorer areas to create the basic infrastructure necessary for accelerated development.
- (vi) The planned allocation of industry.
- (vii) The maintenance of comparable levels of social services and amenities between the poorer and richer nations.
- (viii) The establishment of a strong institutional structure able and willing to implement the lines of action indicated above.

4. AREAS OF CO-ORDINATED DEVELOPMENT

294. The preceding sections underline the importance of economic co-operation among African countries for the transformation of their economic structures at an accelerated pace of development. It is obvious that in a number of instances, the growth potential will be extremely limited and speed of economic transition very slow unless the co-ordination of development projects, plans and policies takes shape as soon as possible. The areas of such co-operation are indeed many. This section attempts to list the major fields where co-operation could begin. Such a list by its very nature can hardly pretend to be comprehensive; nor can it indicate precisely the order of priorities as well as the concrete arrangements and mechanisms needed for ensuring co-operation. The list is therefore exploratory in nature. Many other items could easily be added to it. The scope is very wide. More discussion, analysis and experience are needed to define the areas where the first steps would be taken.⁵⁰ The fields which are discussed in the general manner are the following: intra-African trade; industrial development; agricultural growth; transport and communications; irrigation, power generation and multinational projects; social infrastructure; development planning, and other aspects.

(a) Trade and the African common market

295. The expansion of intra-African trade and the founding of an African payments union and an African common market are among the most important steps towards the development of economic unity in Africa. While the expansion of intra-African trade requires the removal of trade restrictions and the increase in the facilities for the transport of goods between countries, the establishment of an African common market on the basis of a multilateral system would raise problems involving tariff schedules,

customs legislation, trade policy, intra-African trade, and the final repercussions of free trade and the equalization of tariffs. In all these fields there is bound to be a need for a co-ordination of activities, plans and policies. But the first step in this direction would seem to be the creation of an African payments union.

296. In view of the heavy dependence of the African countries on import-export duties for revenues, it would be difficult to implement an immediate equalization of duties on all import items. Moreover a régime based on the immediate and total equalization of such duties might prove unduly rigid. It would, therefore, have to be phased over a period — say five to ten years — during which the progressive application of a free trade régime to an increasing number of products would proceed in such a fashion that by the end of the period all goods would be traded freely. A multilateral treaty and equalization agreement of this type would require co-operation in the following fields:

- (i) In the setting up of an initial schedule of commodities to be traded with complete freedom and which would be amplified from time to time;
- (ii) Progressive reduction of duties by stages;
- (iii) Special temporary régimes for commodities which may be subject to quantitative import or export restrictions, with the ultimate goal of including all products in the free trade schedule.

297. Further, the standardization of import taxes and duties on merchandise subject to free trade, the granting of most-favoured-nation treatment to the rest of the articles traded and the movement of persons, investment and goods would require co-operation in setting up a uniform customs nomenclature and in assessing the comparability of duties. Moreover, the progressive building up of an African common market starting with an initial schedule of goods to be traded freely and with the inclusion of articles produced by new industries on this list as soon as

⁵⁰ See section 5 for a discussion of the areas in which co-operation has already begun and those which may be given priority in the near future.

they are integrated would require the co-ordination of information, marketing arrangements for import, export and intra-African trade and the regional circulation of tenders, so that as far as possible, shortages in parts of the region can be met and surpluses in other parts disposed of in the region.

(b) **Industrial development**

298. The key to the future of economic co-operation in Africa lies, however, in the development of trade in industrial products, for which the African countries are so far heavily dependent on outside imports. Most African countries are still in the initial stage of industrialization.

Present industrial output⁵¹ is mostly concerned with the production of a few consumer goods. But the building of large-scale industry and the widening of the range of manufactured products in many instances can hardly be undertaken without co-ordination of industrial development on the basis of industrial specialization. Such a development would lay the foundation for the rapid expansion of intra-African trade and of economic benefits among African countries.

299. The above mentioned study by the Economic Commission for Africa has shown in detail the wide possibilities of co-operation and co-ordinated development possible in this area.⁵² Provided there is sub-regional co-operation, a steel plant of at least 500,000 tons capacity could be installed in the west African sub-region immediately. The development of iron and steel and machinery industries on a regional basis would lead to a greater demand for the use of non-ferrous metals like aluminium, copper, lead, zinc and tin and to the establishment of industries based on these metals. The position in other regions is also similar. In the field of engineering the scope for co-operation is wide. The document discusses the possibilities as follows:⁵²

300. "It will be seen that there are a number of immediate possibilities in Africa, given an adequate volume of turnover, on the basis of plants with a low-dependency factor. These are summarized below:

Agricultural machinery: Assembly of tractors, reapers, harvesters; manufacture of implements, spades, axes, mattocks, hoes, rakes, discs.

Mining machinery: Manufacture of light fabricated equipment, storage tanks, light conveyor assemblies, small screens, jigs, special equipment; the manufacture of heavy equipment locally such as pumps, pressed conveyor sections, rollers, stamps, screens and tables.

Construction machinery: Fixing hardware, nails, screws, bolts, sockets, tools, light machinery conveyors, light steel trusses and columns.

Household equipment: Manufacture of cooking and serving utensils, sinks, metal fittings, baths, simple plastic items, receptacles, canisters.

⁵¹ *Industrial growth in Africa; op. cit.*

⁵² *Ibid.*, paras. 251-253.

Other types of machinery: Manufacture of machine tools; bearing and plumber blocks; industrial rubber goods, tires; household fittings.

Electrical machinery: Small transformers and large industrial transformers, simple switches, plugs, sockets, insulators, elements; standard ranges of switch gears, industrial fittings.

Transport equipment: Assembly of motor vehicles. Timber vessels and small ships up to 300 tons gross. Vessels from 300 to say 4,000 tons."

301. "Actual production possibilities", the study continues, "must depend on a series of detailed feasibility studies, *inter alia*, with a view to establishing market potential, economies of scale for different specific industries and raw material availabilities. Raw materials are by no means a decisive factor, but the development of domestic iron and steel production will give a major impetus. Sub-regional co-operation is feasible for a wide range of the products which would be manufactured and indeed essential, though at this stage it would be premature to make specific suggestions. The growing engineering industries in the UAR and the proposed iron and steel plant in Algeria would seem to form one natural point of departure. The proposed iron and steel plant in west Africa would be another, the already existing facilities for the production of iron and steel and some forms of machinery in central and part of east Africa a third".

302. This does not exhaust the list of possible industries, for the study shows that in chemicals, textiles, leather goods, plastics, pulp and paper and building materials, to name only a few, co-ordinated development on a regional basis could ensure their immediate establishment on a large scale in Africa.⁵³

303. Co-operation and co-ordination would also be required with respect to the tariffs for the products of such industries, the related products, substitutes and raw materials and legislation with respect to the benefits and exemptions to be enjoyed by them. The initial group of industries which would enjoy integration status has to be defined as well as the specific conditions governing the establishment of each industry. Agreement has to be reached on the location and minimum capacity of plants and the conditions under which new plants can be installed, managed and operated by a group of countries. In addition, rules for the protection of the consumers will also have to be worked out, since in the structurally disjointed economy of the region and in the protected market which will be created, monopolistic tendencies in industry and in the labour market would aggravate rather than alleviate the distortions to the detriment of the consumer.

⁵³ The reports of the three industrial missions of the Economic Commission for Africa to west, east and north Africa indicate a concrete outline of the various industries which could be set up in each sub-region on the basis of co-ordination among countries (E/CN.14/246, 247 and 248).

304. It will also be necessary to build up a regional machinery to enable both public and private investment resources to be easily transferable within countries of the region; to publicize, both within and without Africa, new investment opportunities offered by the programme of co-ordinated development; to co-ordinate the industrial investment required; to standardize tax regulations concerning investment; to equalize the incentives for industrial development; and to work out a financing and development mechanism for the industrial projects agreed to.

(c) **Agricultural growth**

305. Co-ordinated agricultural development in the region is a prerequisite for introducing specialization in production and trade and for generating self-sustained growth of the economies of the continent. In fact, one of the keys to accelerating growth in the regional economy is the speed of its agricultural transformation. Industrialization in Africa could be easily slowed down if agriculture were not capable of providing food for the new urban masses. The expansion of agricultural output may be achieved more easily in Africa through extensive cultivation and simple technical improvements like better seeds, fertilizers, careful weeding, insecticides and pest control. All these, however, require the removal of illiteracy and a change in the stagnant rural social structure.

306. Already in 1961, the region's import bill for food, beverages and tobacco came up to \$ 1.27 billion.⁵⁴ Considering the large variety of climate and agricultural resources in the region, it need not be too difficult to reduce this heavy import dependence. With further industrialization and urbanization, coupled with the prevailing lack of co-ordination and intensive specialization in agriculture in the region, there is a danger that the region will otherwise spend more of its badly needed foreign exchange resources on food imports which, with a little effort, could be produced in the region itself.

307. It should not be impossible through research during the next five years to define the main economic and technical problems in raising the output of food and agricultural raw materials. The causes of the deficit in the food balance can then be identified and measures be taken to ensure food self-sufficiency. At the same time efforts could be made towards the co-ordinated marketing of crops, especially of the export crops. This would of course make it necessary to have a standard classification of commodities for the region. The broad sketch given above suggests co-ordinated action in the following fields during the next decades:⁵⁵

- (i) The improvement in the collection of agricultural statistics and information, and their wide distribution.

⁵⁴ See United Nations *Monthly bulletin of statistics*, Vol. XVII, No. 3, New York, March 1963, p. XVIII.

⁵⁵ Compare also FAO, *Africa survey*.

- (ii) The co-ordination of research and extension services; studies on listing new techniques applicable to the varying conditions in African countries; joint measures to ensure their application.
- (iii) Joint training of the necessary administrative and technical personnel for a modern agricultural system.
- (iv) The joint exploitation of the fishery resources of Africa to meet one of the critical shortages in nutrition.
- (v) The use of modern methods of dehydration, canning, refrigeration, etc., in order to ensure the use of seasonal surpluses.
- (vi) Co-ordination of the fight against pest infestation and plant diseases.
- (vii) Evolving common policies for export commodities and the stabilization of their prices, and the co-ordination of national guarantee prices.
- (viii) Planning and construction of a regional network of facilities for the concentration, distribution, transformation and storage of commodities.

(d) **Transport and communication**

308. The co-ordinated growth and development of trade, industry and agriculture will, however, be severely limited if the transport and communication network is not improved rapidly. The existing networks, which reflect the distorted system of costs and prices favouring primary exports and imports of manufactures, are incapable of meeting the requirements of integrated development of the continent. If the African common market is then to be a reality, means of transport and communication ensuring a mobility of goods and resources have to be provided. This is an area in which progress is hardly possible without co-ordination among many countries. During the next five years the following projects could be carried out:

- (i) The definitive formulation of an all-African road, rail, river, sea, air, telecommunications and postal network, in which the different stages of execution are indicated for implementation through a multi-lateral agreement.
- (ii) The unification of maritime, air, port and overland traffic legislation; a uniform highway code, registration of cars and licensing of motor drivers (unification of road signs and signals); standardized specifications for road and bridge construction and norms for bridge designing.
- (iii) Studies on the predictable transport requirements in the various categories and the development of road transport and needs in the region with an analysis of transport costs and recommendations as to the means of lowering them.

(e) **Major multi-national projects**

309. Cognate with the development of transport facilities, action would also be necessary in the co-

ordinated development of other sectors of the infrastructure. The close connexion and inter-relationship in the development of the infrastructure is easily illustrated by reference to west Africa. The co-ordinated economic development of the sub-region would immediately raise the question of transport costs and the supply of fuel and energy to the land-locked countries like Mali, the Upper Volta and Niger. Any factories allocated to these countries would require energy and fuel and a cheap means of transport for the raw materials they need and the manufactured goods they would produce. The river system of the area needs to be developed on a multinational basis to satisfy not only the needs for cheap transport but also those of energy and agriculture. Thus a co-ordinated development of the Senegal, Volta and Niger rivers would bring to the land-locked, as well as the other countries, immense benefits in cheap transport. At the same time, the benefits of the current dam building programmes on these rivers could be shared by the other countries through, for example, the extension of the electric grid systems planned for Ghana and Nigeria to Dahomey, Togo, Niger, the Upper Volta and Mali. Such considerations suggest the following lines of co-ordinated action:

- (i) The co-ordinated development and joint utilization of river systems and basins, e. g.:
 - Nile - UAR, Sudan, Uganda, Ethiopia and Somalia.
 - Awash, Webbi Shibeli, and Ganale Doria - Ethiopia and Somalia.
 - Volta - Ghana, Togo, Upper Volta, Dahomey.
 - Niger and Benue - Nigeria, Dahomey, Niger, Upper Volta, Mali, Guinea, Cameroun and Chad.
 - Congo - Angola, Gabon, Congo (Leopoldville), Congo (Brazzaville), Rwanda, Burundi, Tanganyika and Northern Rhodesia.
 - Zambezi - Northern Rhodesia, Southern Rhodesia, Nyasaland, Mozambique and Bechuanaland.
 - Lake Chad - Chad, Cameroun, Niger and Nigeria.
- (ii) Survey of the hydrological resources of the region.
- (iii) Joint work on irrigation, the use and husbanding of water resources.
- (iv) The building of a sub-regional electric grid system; the adoption of standard voltages and frequencies and unified technical standards for electrical materials, equipment and instruments.

(f) **Social infrastructure**

310. As pointed out before, one of the greatest problems facing African economic development is that of the static social system. The age of enlightenment has hardly begun. Most of the people cannot decipher the magic of the written word. The conquest of di-

sease is just beginning. The continent teems with squatter settlements in its urban areas. An intensification of the problems of housing, especially in the low cost housing field, can be anticipated. The gradual ageing of the population will soon introduce its own problems of social benefits to the retired and aged. Alphabetization, the application of science and the necessity of mastering the new language and concepts of technology would imply specialized educational institutions and specialized teaching in various fields. Standards of teaching and evaluation of certificates have to be unified and the problem of meeting the goals set by the Addis Ababa Conference on Education has to be solved. These and other social problems suggest concerted action in the following fields:

- (i) Co-operation in the establishment of various specialized institutions of higher learning at different locations so as to ensure maximum utilization of capacity and low training costs.
- (ii) Co-ordination of the methods and standards of teaching, of the evaluation of certificates and methods of admission to higher institutions.
- (iii) Establishment of two or three specialized health clinics like the Mayo clinic to serve Africa.
- (iv) Joint eradication and control of epidemic and endemic diseases and the joint production of vaccines and medicines for men and livestock.
- (v) Study of the demand for building materials and of building material costs in order to standardize building materials and reduce the cost of construction.
- (vi) Co-operation in sport; establishment of all-African games.

(g) **Development planning**

311. The implementation of a far-reaching programme of co-ordinated development will bring in its train problems of a complicated nature. In order to anticipate these problems it would be necessary to make a continuous study of the problems of various national and sub-regional economies to be made. Country programmes for agriculture, electrification, transport and industry, to mention only a few sectors, have to be judged and reviewed under the hypothesis of development towards an integrated economy. Planning methods and techniques have to be examined and their usefulness in the African context assessed, while training for economists in applied analysis, in the use of projection techniques and the collection of statistical information has to be provided. Co-ordination of action in these fields would require the implementation of the following programmes:

- (i) Studies on economic development and growth prospects by countries and regions and by sectors of the economies.
- (ii) Confrontation of development plans of countries in the various economic sub-regions with a view to avoiding duplication of effort, suggesting projects which could be amalgamated

and located elsewhere, indicating new projects which could be undertaken only at a sub-regional level, pointing at the lines along which conflicting national policies could be harmonized.

(h) **Other areas**

312. Apart from the fields mentioned above, various other areas exist where concerted effort and action would pay handsome dividends. It is patent that in the region today there is considerable duplication of studies and research resulting in the wasteful use of scarce scientific manpower resources. Co-ordinated development would imply among other things the sharing of information, the rationalization and non-duplication of scientific research, standardization and normalization of equipment and machines, uniform standards for measurement and greater facilities for technological research, administrative and scientific training. Collaboration in the fields mentioned in the following list which does not pretend to be exhaustive, would undoubtedly smoothen the progress and functioning of co-ordinated development and would help the region to husband its scarce resources:

- (i) Compilation by the research centres of the most urgent problems needing research in the region, and establishment of priorities.
- (ii) Distribution of scientific research in order to avoid duplication.
- (iii) Standardization of definitions, usage and terminology in various fields and joint preparation of methodological and technical publications.
- (iv) Adoption of the metric system by all countries.
- (v) Standardization and normalization of machines and production in the region.
- (vi) Establishment of a translation bureau which would translate books and documents from and into Arabic, Hausa, Swahili, and other major African languages as well as English and French.
- (vii) Establishment of a bureau for exchanging and circulating technical information.
- (viii) Drafting of uniform investment code for foreign capital, and unification of commercial laws and practices.

5. MAIN LINES OF CO-ORDINATED ACTION

313. In the preceding section are listed the types of projects that can be handled only on the basis of co-ordinated action by a number of African countries. Even a glance at this list is enough to suggest that the task of carrying them out is overwhelming. Their execution would require detailed studies as well as the creation of an appropriate institution to deal with each of them. But building such institutions requires a considerable amount of preliminary work and patient negotiations which would finally lead, through the adoption of agreements and conventions, to realistic plans of action. When such institutions multiply in number it is likely to be fairly obvious, during the course of their varied operations, that their work would be very much facilitated if there were a central co-ordinating body with a considerable degree of supra-national powers in well-defined fields. Its organizational structure may run somewhat parallel to that of a number of similar organizations functioning elsewhere. Such a body would in all probability have many organs: an economic commission; an assembly of heads of State and council of ministers; a court of justice; perhaps an inter-parliamentary group and a number of advisory committees. The experience of the European Economic Community, the COMECON and other similar organizations may prove valuable in evolving an organization which may be suited to the particular economic, social and political conditions and requirements in Africa.

314. When will all these institutions and bodies be constituted? How will they be organized? What functions will they perform? What obstacles have to be overcome before they can start operating? Will they

simply be carbon copies of the organizations and institutions existing elsewhere? How will they differ in their scope of organization and functions from those already in operation in other continents? All these are difficult questions to answer **a priori**. They are difficult in the first place because the images produced by our time-machines become hazier as they are turned on to the future. The further the future, the less clear the image. But even more than that, the formation of such institutions needs an accumulation of certain types of experiences of co-operation endeavour. Only on the basis of an assessment of such experiences can a viable set of institutions be built. Many outlines of organization can be formally suggested for consideration. But there is little doubt that all of these will have to be modified on the basis of concrete experiences of various countries working together. This, however, requires time, which may be shortened but not skipped altogether.

315. The history of the formation of other regional organizations is instructive in this respect. The European Economic Community, for example, was preceded by a variety of European union movements in the inter-war period. In the post-war years, there were the Congress and Council of Europe, the European Payments Union, the Organization for European Economic Co-operation, the Benelux Union and the European Coal and Steel Community. The experience of each of these institutions and organizations slowly built, brick by brick, the foundations for the European Economic Community. The period involved can be said to have stretched from fifteen years to half a century.

316. The evolution in Africa is unlikely to be altogether dissimilar, although the time period may be shorter. There is little doubt that the smooth functioning of a future African economic community will be preceded by various lines of co-ordinated action, at times among few countries, at times among the whole sub-region and often at a continental level, in a number of areas. The immediate period ahead requires defining the concrete areas where co-ordinated action is urgently needed, and devising the institutions in which many countries would participate jointly to execute these specific projects. The final form of organization would then evolve like the formation of a mighty river which owes its existence to hundreds of small streams humbly inching forward from the watershed area.

(a) **The work of the Economic Commission for Africa and other United Nations agencies.**

317. The Economic Commission for Africa has from its very beginning recognized the need for economic co-operation among African countries. This is reflected in its continuous efforts to create various institutions operating at an all-African level: witness the African Institute for Economic Development and Planning, now already functioning at Dakar; the African Development Bank, which has just been founded at the last Conference of African Finance Ministers at Khartoum in July-August 1963; various studies of the Economic Commission for Africa aiming at the formation of an African payments union and an African common market. Its proposals for expanding intra-African trade are being considered by the African Governments.

318. Besides these, the Economic Commission for Africa is also engaged in promoting co-operation at a regional as well as a sub-regional level for a number of other areas. It has sought the co-operation of African Governments in promoting sub-regional co-ordination of industrial development. This is to be done along the basis of international specialization and harmonization of industrial development plans. The prospects of industrial growth in the African countries and the underlying need for co-operative action in this field have already been explored in considerable detail by the Commission. Not only the need for small and medium-scale industries but also the necessity to begin planning now for modern strategic industries, which can only be developed on a sub-regional basis under African conditions, have been clearly recognized. Its three industrial Missions (one to west Africa, one to east and central Africa and one to north Africa) are expected to give a moving outline of the industrial map of Africa — beginning from a handful of industrial undertakings surrounded by an ocean of agriculture to the springing-up of hundreds of industries, which in most cases can be brought to reality only on the basis of sub-regional co-operation. Its proposal to establish an integrated iron and steel industry and to locate it in one of the countries in west Africa has been accepted as a working proposal by nine countries in the sub-region.

A decision concerning its exact location and the mode of its operation is expected to be taken at another meeting in the spring of 1964.

319. Studies are under way on the means of harmonizing industrial, commercial and fiscal legislation and removing impediments to industrialization. The Commission is at present engaged in preparing an outline of rail, road, river, ocean and air transport networks, linked and operated on a multinational basis so as to facilitate the movements of goods and people. Its statistical and demographic research is slowly filling in the major gaps in vitally needed information about Africa. Its training activities in statistics, demography, public administration, customs, social services, etc. are adding to the number of specialized personnel, so badly needed for the accelerated development of the continent.

320. The specialized agencies of the United Nations family have also been working in similar directions in the fields of their competence. Some of their main activities may be highlighted here. The Food and Agriculture Organization (FAO) has been very active in promoting joint action by various African Governments to improve the level of agricultural technique and increase agricultural output. Its campaign for the control of desert locusts has led to the adoption of a sub-regional convention in east Africa, through which a number of countries have agreed to pool their human and national resources to locate, control and destroy the locusts. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has played a pioneering role in helping to formulate the Addis Ababa Plan for Education in Africa covering the next two decades. The World Health Organization (WHO) has been the initiator of the malaria eradication campaign, in which nearly all of the countries in Africa participated jointly. The International Labour Organisation (ILO) has been responsible for formulating, again with the co-operation of African Governments, a code for fair labour practices. These are only sample illustrations of a very wide field of operations.

321. All these attempts by the Economic Commission for Africa and other international agencies have explored a number of fields and covered considerable ground. And yet it is clear that much of the work in any particular field has taken place in an isolated manner. It has not so far been possible to tie these threads together, to test whether the assumptions, instruments and goals in one line of co-ordinated effort are consistent with other sets in another field.

(b) **Towards the co-ordination of development plans**

322. While these attempts at persuasion for co-operative action in individual fields were going on, the African countries themselves were also preparing their own development plans. Nearly twenty countries accounting for over 75 per cent of the output in Africa (excluding the Republic of South Africa) have now formulated their development plans. These plans outline the direction of development of these economies.

They list various projects and industrial undertakings. They indicate priorities among them and allocate resources. In a sense, planning in the countries represents the first attempt to guide, direct, co-ordinate and, if necessary, centralize and control those hundreds of decisions and activities which hitherto remained the responsibility of individual ministries, private enterprise and the citizens in general. Planning thus aims at co-ordinating the hitherto unco-ordinated threads in the intricate network of a country's economic and social life.

323. Once the logic of co-ordination at a national level is recognized, it is at once obvious that co-ordination is also needed at a sub-regional or continental level. This necessity arises in part from wanting to make sure that targets set in a particular sector in one country do not conflict seriously with those in another. The co-operation is particularly important for countries which export similar or competing products and which rely on the same source for foreign assistance. But this is relatively a minor basis for co-ordination. The case for it really rests on the fact that most African countries are too small and possess such limited resources that a large number of modern projects are simply beyond their individual reach. But if their resources are pooled together, the impossible becomes manageable. Various projects of multinational character could then be undertaken. Thus the negative need to avoid conflict in objectives is only of a peripheral significance to the case for co-ordination of development plans. The real basis for it is to plan for what otherwise was unattainable — in a word, to open up new economic horizons.

324. The need for co-ordination has been expressed in nearly all development plans in Africa. The plans have been formulated during the last few years and in most cases, the planners in one country did not have the opportunity of knowing in detail what the neighbours were planning. Consequently, the possibility of any real co-ordination among them was indeed limited. With over twenty development plans now available for analysis, there is an urgent necessity to confront them so as to avoid duplication of effort and to open up avenues which were not open during the unco-ordinated phase. Development planning in Africa is thus entering the second stage — the stage where co-ordination of national policies in the development plan reaches out to sub-regional and continental co-ordination.

325. It was against this background that the Economic Commission for Africa at its fifth session in Leopoldville requested the Executive Secretary to submit "concrete proposals concerning co-ordination of development plans of African countries". Since then the unity displayed by the African countries at the Heads of State Conference in May 1963 has provided firm directives for taking concrete steps towards the co-ordination of development plans. As mentioned earlier, there is another reason which adds to the urgency of the problem. The development plans in Africa are still in their early stages of for-

mulation, and therefore flexible. They can be modified in the light of the new economic horizons to be opened up by the prospects of co-operation among the various countries. But it is essential that this is brought about as soon as possible. Otherwise there is a danger that the policy framework of the various plans will be frozen so as to serve exclusively national interests, irrespective of, or often in sharp conflict with, the policies in other countries. Such a possibility would seriously disrupt the prospects of co-operative development in Africa. It would thereby place heavy, and perhaps difficult to remove, obstacles to an accelerated rate of economic growth.

326. How are the development plans to be co-ordinated? What projects are to be integrated? Which countries are to co-operate? What kind of organizational set-up could best serve this purpose? In the absence of concrete experience in Africa, it is indeed difficult to answer these questions *a priori*. Whatever proposals are made at this stage will therefore have to be tentative. They could serve only as a basis for introducing the discussion at the Commission's session as well as at other expert meetings.

327. The exact manner of achieving co-ordination of development plans could only be determined finally through experience. The process is likely to be somewhat similar to the formulation of national development plans. As is well known, there were no blue-prints to begin with. But they were born in the process, which involved many steps: first, there was the acceptance of the idea of using planning as an instrument of policy; then, studies of the economic anatomy of the country; formulation of vague ideas concerning the lines of future development; their translation into individual projects; determination of priorities, allocation of resources, formulation of economic policies; and finally weaving all these separate threads into the coherent framework of a national development plan. The process was by no means simple. It involved many steps and much bargaining, pressures, competition and conflicts amongst the various ministries and the competing claimants for resources.

328. Something similar would also be needed for the evolution of a fully functioning framework for the co-ordination of development plans in Africa. Such co-ordination would have to be accepted as an instrument of policy for African development. It will then be followed by a number of studies of concrete projects which can be carried out only at a multinational level. It would also be necessary to confront the development plans of various countries in a sub-region to demarcate the areas where the lines pursued by the plans are either in direct conflict or in competition; the lines where possibilities of easy co-operation exist — lines which would involve only a marginal alteration of the present plans. Then there would also be areas where co-operation would be of great economic benefit to all countries concerned but cannot be achieved without some major modifications of the projects and policies pursued by national de-

velopment plans. All this would have to be studied in considerable detail. Moreover, for each project concrete proposals will have to be prepared concerning the nature and the structure of the institution to carry it out. They would also involve agreement concerning allocation of resources, trade flows, sharing of benefits, management, administration, etc. These are the lines along which the present work of the secretariat has been proceeding. But it will have to be expanded significantly by the strengthening of its resources.

329. As the studies and the proposals become available, they need to be submitted for discussion and decisions at meetings attended by policy makers from the countries concerned. These meetings could be organized along many lines; the following are some of the possible alternatives:

- (i) The studies mentioned above could be submitted at the session of the Economic Commission for Africa. But since these need specialized discussion and since not all the countries in the continent may be involved at the same time, it may prove more useful to organize *ad hoc* meetings to serve specific purposes.
- (ii) It may also be possible to convene a meeting of experts (a committee of "wise" men) impartial and experienced in problems of development planning, to analyse and compare plans. They could advise African Governments on how to harmonize them and what specific projects to undertake jointly. This can be done within the framework of the Economic Commission for Africa. This has in fact been happening in many lines of work of the Commission and other United Nations specialized agencies.
- (iii) Perhaps a more fruitful line of approach would be to establish a new standing committee of the Economic Commission for Africa, which could be called the standing committee on development planning. It would discuss the various concrete proposals prepared by the secretariat and recommend appropriate policies aiming at

an adjustment of development plans and the harmonization of development policies. There is an additional advantage to this approach. The new standing committee could work in close co-operation with, and draw upon the results of, the existing standing committees.

The network of standing committees already existing in the Economic Commission for Africa is indeed impressive. It consists of the Conference of African Statisticians, the Standing Committee on Trade, the Standing Committee on Industry, Natural Resources and Transport, the Standing Committee on Housing and Town Planning; an Expert Group on Social Welfare and Community Development meeting annually; and an Expert Working Party on Public Administration meeting probably every two years. This wide network embraces nearly all the areas where co-ordination among African countries is needed.

These standing committees may be regarded as specialized arms on the new standing committee. In certain respects the new standing committee would play the role of an all-African commission in miniature. It would have as its task the co-ordination and synthesis of the various proposals put forward by the other specialized standing committees. This is not altogether dissimilar from the way in which the planning commissions or agencies put together in the national development plans various proposals advanced by ministries, other institutions and private and public bodies in a country.

The creation of such a standing committee on development planning could be taken up for discussion and decision at the next Commission session. Or alternatively, the Senior Economic Planners Meeting, which the Commission is convening towards the end of 1964 may be called upon to deliberate on it and make specific recommendations.

CHAPTER B. II

SOCIAL ASPECTS OF AFRICAN DEVELOPMENT PLANNING: PATTERNS AND TRENDS

INTRODUCTION

330. The last few years have witnessed a significant transformation of the African political landscape. At the beginning of the fifties there were only five independent countries.⁵⁶ By 1963 the number of such countries has risen to thirty-two. A few more are expected to become independent very soon. The leaders of these new countries are aware of the vast differences that separate their countries from the levels of economic and social development already attained in the industrial countries. Together with the political transformation, there has also been a general acceptance of the objective of raising as rapidly as possible the levels of living of the African peoples and of reinforcing political independence with economic advancement. Increasingly, these objectives are being given expression in the formulation of a development plan.⁵

331. Nearly twenty-five countries have already formulated their development plans. Others have outlined general perspectives and are now in the process of elaborating them in the form of development plans. The extent to which these plans cover the economy as a whole and the manner in which they promise to implement the objectives vary greatly from country to country. This is only to be expected in view of the limited experience in the field of planning. But even a cursory glance at the list of countries with some form of plans suggests that the idea of planning has now become firmly rooted in Africa. With time and more experience, there will no doubt be more revised, up-to-date, elegant and sophisticated presentation of these plans. It is clear at this stage, however, that the forces which propelled the political transformation in Africa are now turning to a rapid attainment of economic and social independence.

332. So long as the major sectors of the economy were guided by private, mainly foreign, enterprise and as the decisions relating to expenditures in the social sectors were partly made by external Powers, there was no place for co-ordinating developments in the social sector with over-all development targets. In fact, few if any targets were set at all. With independence and the spreading of planning, however, the situation has significantly altered. The need for finding criteria to set the targets, and providing the resources and creating the machinery to attain them has now become urgent.

333. In their quest for ways of shortening the economic and social transition in Africa, the countries are faced with important questions which have a direct operational significance. How fast should the economy grow? How rapidly should the various sectors of the economy grow? How much investment is needed to bring about this growth? How is the investment to be distributed between the competing claimants? Which sectors should receive priority? Are any sectors developing faster than needed so that the expenditure on them is wasted? Are any sectors lagging behind, thus creating a drag on over-all development? Are there any rational criteria to determine the level of expenditures? Are there any guide-lines, rules of thumb, which can facilitate urgent decisions such as whether the expenditure in a given sector should be maintained at the level of last year, or changed? These are the types of concrete problems that are faced by planning authorities for decision.

334. In this paper, these questions will be examined with particular reference to the social sectors. Investment in these sectors in countries at low levels of economic development raises the complex problem of the inter-relationship of economic and social development. There is an urgent need for all kinds of social services, and a strong pressure on Governments to allocate resources for these services, but at the same time their provision puts a great strain on the limited resources available. There are even more complex questions which require decisions. For instance, what changes in the social structure precede, accompany or follow an orderly and planned social and economic development at an accelerated pace? In what manner and at what speed should they be brought about? Answers to these questions depend upon a whole series of considerations about which there is so far a very inadequate empirically tested body of knowledge.

335. To these questions there are so far no ready answers. The experience of industrially advanced countries furnishes a body of knowledge which can be drawn upon for guidance. But these answers have to be modified in the light of the conditions and needs specific to a given country. Such a modification, however, will be facilitated if the main elements in the planning experience of various African countries are known to planners in any individual country. Recent experience can perhaps throw some light on the strategy of social development. The main patterns and trends in African development plans need to be carefully classified and analysed. Only then, some rules

⁵⁶ By 1951 the five independent African States were Egypt, Ethiopia, Liberia, Union of South Africa and Libya.

of thumb may be derived concerning the rational integration of social planning in the broad framework of over-all planning. This study attempts to cover the preliminary ground in this direction with particular reference to social development programmes. As is well known, social development comprises various elements. Some of them are measurable in quantitative terms and others are not, though no less important because they cannot be easily quantified. This study pays particular attention to the former, utilizing the given allocation of resources by a country as an indicator of the priority it attaches to a particular area of service.

336. Any attempt at a comprehensive definition of social development planning often leads to endless semantic discussions. Without entering into such discussions, what is meant by social development in this paper may be indicated. Defined in relation to over-all development policy and planning, "social development" embraces the following ideas:⁵⁷

- (a) The ultimate objective of all development efforts is the improvement of the standard of living of the people. The inclusion of social development objectives in over-all development objectives therefore implies the specification of targets in terms of various indicators of level of living such as **per caput** food consumption, literacy ratio, life expectancy, etc., as complement to the main economic indicator of national progress, which is **per caput** national income.
- (b) The transformation of the social framework in a particular way favouring increased social mobility and the mobilization of the whole population into a more effective participation in national life. Such a sociological development involves changes in outlook and class relationship but the levels of living and pattern of income distribution in any given community in-

fluence substantially the extent of such social transformation.

- (c) The popular participation of the people in the process of planning and executing social and economic development programmes. A means of securing such popular participation is the community development technique.
- (d) Finally, in a narrow sense, it refers to development programming in the so-called social sectors. This involves the setting of specific targets and objectives for the various sectoral aspects which together form the components of the levels of living.

337. The "social sectors" or more fully "social services sectors" would thus include those sectors of the economy which appear more directly related than others to levels of living. These sectors comprise: education; health and nutrition; housing and urbanization; social welfare and social security; community development; and employment.

338. In discussing the development of these social sectors — in particular education, health and housing which are discussed in considerable detail — this chapter seeks to indicate whether, primarily on the basis of published development plans, any definable patterns and trends appear for the African region as a whole and for a group of countries at approximately the same level of social advancement. The first section of the study deals with an analysis of social objectives in the development plans. The stage of social development reached by various African countries is indicated in section 2. With this as a background, sections 3 and 4 are devoted to detailed discussion of trends and patterns and investment criteria in over-all social development and in its major components; a fifth section deals with the financing of social services; the final section presents in a summary form the main findings of the study. In view of the statistical inadequacies, it need not be emphasized that the whole study has to be regarded as preliminary in character.

1. SOCIAL OBJECTIVES

339. Before analysing the concrete goals that have been set in development plans and the manner in which they are to be attained, it would be helpful to review on the basis of general statements in development plans, the main objectives and the machinery whereby they are to be attained.

340. The main objectives of social development policy as stated in the introductory chapters or descriptions in the plans for thirteen African countries are shown in table B. II.1. Although the coverage is not complete the countries form a representative sample. Neither the list of countries nor the list of objectives

here is comprehensive. It must be emphasized that the objectives relate only to the social aspects of over-all development of which they form an integral part.

341. It is at once obvious from the above that a wide range of social objectives are found in the plans, and at the same time the social objectives as stated in the development plan of each country vary considerably. The variation in the statement of objectives of different countries may depend less on the fact that the objectives are in reality so different, than on the fact that not all the objectives have been explicitly spelt out or even stated in the plans. Some objectives are simply implied in other related aims. There are plans for example which do not explicitly state that their aim is to increase **per caput** income; but as they aim at raising production of goods and services faster than

⁵⁷ See Economic Commission for Latin America, *Problems of the programming of social development* (E/CN.12/661), pp. 1-5.

population increase, the growth of output **per caput** is thus implied. The presentation of these objectives often depended upon whether the planners were given clear directives as to what is to be stated as national social development objectives.

342. A close study of table B. II. 1 leads to three conclusions:

343. In the first place it is clear that the social objectives are only part of over-all development objectives. This reveals clearly the inter-dependence of social and economic development objectives. For instance, the emphasis placed on human resources in many plans stems from the requirements of assuring an adequate supply of manpower for rapid economic growth. On the other hand the concentration of resources in the productive sectors of the economy in some plans reflects the need to increase the sum total of national output so as to provide resources for what may be termed "investment in man" — that is increasing the human and material resources for sustaining the main social sectors.

344. Thus, the objectives of raising the **per caput** output, removing social and economic inequalities, increasing employment opportunities, bringing about structural changes, etc., are all inter-dependent. The plans aim at a simultaneous growth in both the social and economic sectors of the various countries. But as will be clear from the analysis in the sections that follow, simultaneous does not mean equal. The degree of emphasis as reflected in investment allocations varies from country to country and is not always a full measure of the level or stage of economic and social development of the country concerned.

345. In the second place, certain specific aspects and objectives of social development appear with varying emphasis in most of the development plans. These include:

- (a) Increasing the **per caput** income;
- (b) Raising the level of education, health, nutrition and other constituents of social development;
- (c) Ensuring a balance between the various social sectors;
- (d) Reducing inequalities whether due to religion, race, class, sex, social groups or place of residence (urban and rural), and creating in general a social and economic set-up which would help towards a more rapid economic and social transformation of the country.

346. The plans express the mounting popular pressures to overcome as rapidly as possible the age-old afflictions of mankind. There is a general conviction running through all African development plans that with the advance of modern science these ills need no longer be tolerated. They represent efforts to see that the African people should soon stop being ill-fed, ill-clad, ill-housed and illiterate. As the Ethiopian second Five-Year Plan aptly puts it: "Development planning has to overcome the poor heri-

tage of the past and to bring prospective innovations and improvement" to the national life.⁵⁸

347. In the third place there is a marked emphasis on structural and institutional changes as found in the development plans of many African countries. It reflects the efforts of newly independent countries to reconstruct their societies to meet the demands of independent economic and social development and particularly to associate all segments of the population in this effort. The priority given to these changes varies from plan to plan, mainly reflecting the underlying political and social philosophy of the Government as well as the particular situation — economic, social and political — of each country. These aims are expressed less explicitly in the plans or outlines of development of countries still on the verge of independence.

348. This is to be expected, since the plans themselves are still at a very early stage of concrete formulation, and the ideas on the future social framework are only in the preliminary stage. On the other hand, in those countries where comprehensive development plans are part of an avowed determination to establish some form of African socialism, the objectives concerning social change find their most clear expression. Notwithstanding the differences in the pattern of political development there are some elements common to the majority of the plans.

349. These aims can be roughly summarized under three headings:

- (a) Minimizing inequalities of incomes between different socio-economic groups and different regions;
- (b) Land reform in those countries where inequalities of land holding constitute a problem, particularly in those countries where this has been associated with foreign settlement; this is accompanied by an emphasis on co-operative and collective farming; and
- (c) Human investment both in the sense of training the new cadres which are essential for the orderly development of the newly independent countries, and also in the sense of harnessing the collective energies of the mass of the population which still lie outside the effective limits of the modern economy. These aims are reflected in the administrative, fiscal and social reforms which are outlined in many of the plans.

350. For example, the Senegal 1961 - 1964 Development Plan was accompanied by structural reforms aimed, on the administrative side, at increasing local and regional participation in development planning, on the economic side, at widening the channels of trade and credit, and on the social side, at building co-operatives which would become the focal point of rural development. In Tunisia, the reform of the

⁵⁸ Ethiopia, *Second Five-Year Development Plan* (1962-1967), draft, p. 1/1.

social structure, to make it possible for the bulk of the rural population to participate in the economic

life of the country, forms the basis of the whole development plan.

TABLE B. II. 1

Social aspects of development objectives in selected plans

Country and period	Objectives
✓ Ethiopia (1962-1967)	To raise the level of living of the people through a growing productive capacity of the economy; to provide better social services, particularly education, public health, social security and cultural services; to offer equal opportunity to all citizens.
✓ Ghana (1963-1970)	To create a socialist society and economy; to ensure increased personal income and gainful employment to all; to evolve both socialized and co-operative sectors; to utilize national income for socially purposeful ends; to ensure the equitable distribution of the nation's output through taxation.
✓ Mali (1961-1965)	To introduce new socialist structure in national framework; to ensure the enthusiasm and support of the population; to improve the living conditions of the people (after some initial sacrifices).
✓ Morocco (1960-1964)	To mitigate population increase, unemployment and under-employment; the reform of the land tenure system; development of the educational system (technical training), mobilization of direct labour for capital formation.
✓ Nigeria (1962-1968)	To raise per caput income; to provide wider employment opportunities; to reduce regional income differentials; to improve the social conditions of the people; to harness the spirit of self-help and co-operation in the people.
✓ Northern Rhodesia (ZAMBIA) (1961-1965)	To provide for the maintenance of stable government; to expand facilities for the education and training of the people on whose skills depend the pace of development; to ensure the maximum possible increase in the prosperity and general well-being of the people; to develop crown land for settlement and exploitation.
✓ Nyasaland (MALAWI) (1962-1965)	To minimize under-employment and unemployment; to reduce inequalities in the distribution of income, wealth and economic power; to maintain stable prices.
✓ Senegal (1961-1964)	Social improvement through rural development, education, medical facilities and water supply; raising the (social and economic) levels of the backward areas; the mobilization of the nation, the animation of the masses and their participation; strengthening national cohesion through the development of a common language and education.
✓ Sierra Leone (1962-1972)	To support economic transformation with a supply of basic services in education and skills, medical and health facilities and housing and social welfare.
✓ Sudan (1961-1972)	Increase in real income per caput (2.2 per cent p. a.); creating sufficient opportunities for productive employment; improvement of social services; reasonable stabilization of prices.
✓ Tanganyika (TANZANIA) (1961-1964)	To ensure a rapid and progressive increase in cash income per head of the population; to secure a steady improvement in the people's standard of living.
✓ Tunisia (1962-1971)	Improvement of the general level of living of the people; full employment of labour; reform of the economic and social structure; advancement of the individual (through liberation from unemployment and poverty; removing regional and sectional inequalities; to ensure a minimum per caput annual income of 50 dinars by 1971.
✓ UAR (1960-1965)	To double the national income in ten years; better distribution of income amongst all classes; equal opportunity for personal development; social justice for all; abolition of private property monopoly and of unequal distribution of land; co-operative systems of production and ownership.

Source: Current national development plans.

351. However, the general statements of social objectives in African development plans do not outline the major steps and stages in the required strategy of social development; nor do they form an adequate guide for indicating the lines along which the efforts of the African countries would be directed. These plans still represent only the first steps towards a fully rational understanding of the requirements of social and economic transition in Africa. The evolution of an adequate social development strategy requires an analysis of the outstanding needs and accumulation of lessons from experience.

2. LEVELS OF DEVELOPMENT IN THE SOCIAL SECTORS

353. What should be the targets of development in the social sectors? How high should they be set? How rapidly are they to be attained?

354. Answers to these questions depend on a number of factors. However long the list of these factors, two are likely to predominate: the stage from which the country begins its development and the main elements constituting the development strategy for the given country. The former gives an idea of the distance which the particular country has to cover over the years to come. The latter encompasses a rather broad area, but in general it concerns policies relating to the distribution of available resources among the various sectors and the rate at which this distribution is planned to change so as to obtain given objectives.

355. In order to obtain a rough idea of the first of these factors, the initial level of development, countries have been placed in four groups under seven selected indicators, as in table B. II. 2, relating to per caput income, primary and secondary school enrolment ratio, adult literacy rates, urbanization ratio and the number of persons per hospital bed and per physician.

356. It should be emphasized that the data given in table B. II. 2 provide only a first approximation to actual levels of social development. In the first place the statistics themselves are in some cases only rough estimates of magnitudes. It is also true that the statistics available are not always the most meaningful; numbers of doctors and hospitals for example do not provide a reliable indication of levels of health in areas where preventive health measures and sanitation may be more important than curative measures. Other indicators which should be included have been omitted because they are available only for limited sections of the population, for example, **per caput** calorie consumption or infant mortality rates, or they have been omitted because they are available for only a limited number of countries, as is the case with employment data.

357. More important is the fact that country aggregates give no idea of the distribution of services and income within countries between major social economic groups and between geographical areas. Most African countries have been marked by small foreign-

352. A proper understanding of the strategy of social development in African countries therefore requires a close analysis of two items:

- (a) The present level and pattern of economic and social development, and
- (b) The goals set for each social sector and the manner in which resources have been mobilized and allocated to attain this. The first item, levels of social development, is discussed in section 2 and the second in sections 3 to 5. In a final section the main findings and conclusions of this study will be summarized.

dominated modern sectors, highly privileged **vis-a-vis** the mass of the population. In so far as social development means ensuring that an ever-widening proportion of the population has the means of reaching minimum levels of living, this internal pattern of distribution is of prime importance.

358. The grouping of countries in table B. II. 2 is only intended to serve as a bird's-eye-view of the social development landscape in the various African countries. However, even when all the limitations are borne in mind, it would seem that the data presented in the table can constitute a basis for a number of preliminary observations.

- (a) The indicators for even the highest level (IV) suggest that these countries are still far behind in social development as compared with the industrially advanced countries, and reflect the distance still to be covered particularly for those in the levels from I to III.
- (b) Not many countries fall into the same group under all the indicators. Thus, for instance, a country may fall in group I under one indicator, group II for another and perhaps group III for the third one. This only means that it is very difficult on the basis of these indicators to indicate the over-all stage of development of a given country.
- (c) Despite the variations in the grouping of individual countries, many of the countries within the same sub-region are generally within the same range of economic and social development as reflected by these indicators. For example, most countries in north Africa fall into group III or IV. With a few exceptions countries in south Africa also fall into these two highest groups. Central Africa is more varied, the countries falling either into group II or III. Most countries in east and west Africa, on the other hand, present a contrast to this picture. With the exception of Ghana and the Ivory Coast in west Africa, the countries fall into groups I and II. The countries of east Africa, excluding the Malagasy Republic, Mauritius and Zanzibar, also fall mainly into group II. For particular indicators these last two sub-regions show some striking variations.

TABLE B. II. 2

Levels of living of African countries by selected socio-economic indicators

Groups	GDP per caput	Ratio of school enrolment (1960)		Adult literacy	Urbanization ratio	Number of inhabitants	Number of inhabitants
	US\$ (1956-1958) (1)	Primary % (2)	Secondary % (3)	(around 1950) % (4)	Population in towns of 20,000 or over (5)	per hospital bed 1957-1959 (6)	per physician 1957-1959 (7)
	Under 80	Under 12%	Under 2%	Under 5%	Under 5%	Over 1200	Over 25,000
I	Chad ✓						
	Congo (Leopoldville)	Angola	Chad	Ethiopia	Central African Rep. ✓	Chad	Central African Rep.
	Ethiopia ✓	Chad	Ethiopia	Mozambique	Chad	Ethiopia	Chad
	Nigeria	Ethiopia	Mali	Upper Volta	✓Guinea	Ghana	Ethiopia
	Nyasaland	Gambia	Mauritania		Kenya	Guinea	Guinea
	Tanganyika ✓	Mali ✓	Niger		Mali	Liberia	Mali
	Uganda ✓	Mauritania	Ruanda-Urundi ✓		Mozambique	Mozambique	Mauritania
	Upper Volta ✓	Niger ✓	Somalia		Sudan	Niger	Niger
		Somalia	Upper Volta		Tanganyika	Nigeria	Nigeria
		Sudan			Togo	Senegal	Nyasaland
		Upper Volta			Upper Volta	Sierra Leone	Sierra Leone
							Togo
							West Camerouns
	81—125	13—25%	2—4%	5—10%	5—10%	700—1200	15,000—25,000
II	Central African Rep.	Central African Rep.	Angola	Cameroun	Angola	Bechuanaland	Angola
	Guinea	Dahomey	Bechuanaland	Gambia	Bechuanaland	Br. Somaliland	Basutoland
	Kenya	French Somaliland	Cameroun	Guinea	Cameroun	Central African Rep.	Bechuanaland
	Libya	Guinea	Central African Rep.	Ivory Coast	Congo (Leopoldville)	Gambia	Congo (Leopoldville)
	Madagascar	Liberia	Congo (Leopoldville)	Liberia	Dahomey	Kenya	East Cameroun
	Mali	Ruanda-Urundi	Dahomey	Nyasaland	Gambia	Mali	Gambia
	Mauritania	Senegal	Guinea	Sierra Leone	Ivory Coast	Nyasaland	Ghana
	Sudan	Sierra Leone	Ivory Coast	Sudan	Madagascar	Ruanda Urundi	Ivory Coast
	UAR (Egypt)	Tanganyika	Kenya	Tanganyika		Sudan	Liberia
			Liberia	Togo		Uganda	Mozambique
			Mozambique				Senegal
			Senegal				
			Sierra Leone				
			Tanganyika				
			Togo				

TABLE B. II. 2 (contd.)

Levels of living of African countries by selected socio-economic indicators

Groups	GDP per caput	Ratio of school enrolment (1960)		Adult literacy	Urbanization ratio	Number of inhabitants	Number of inhabitants
	US\$ (1956-1958) (1)	Primary % (2)	Secondary % (3)	(around 1950) % (4)	Population in towns of 20,000 or over (5)	per hospital bed 1957-1959 (6)	per physician 1957-1959 (7)
	126-200	26-39%	5-9%	11-25%	11-20%	400-700	8,000-15,000
III	Cameroun	Algeria	Basutoland	Algeria	Algeria	Angola	Congo (Brazzaville)
	Congo (Brazzaville)	Ghana	Congo (Brazzaville)	Ghana	Congo (Brazzaville)	Basutoland	Gabon
	Dahomey	Ivory Coast	French Somaliland	Kenya	Libya	Ivory Coast	Kenya
	Gabon	Madagascar	Gabon	Morocco	Nigeria	Madagascar	Madagascar
	Morocco	Morocco	Gambia	Nigeria	N. Rhodesia	Morocco	Morocco
	Niger	Mozambique	Madagascar	N. Rhodesia	Senegal	Somalia	Somalia
	Rhodesia & Nyasaland	Nigeria	Morocco	S. Rhodesia	Tunisia	Swaziland	Sudan
	Togo	N. Rhodesia	Nigeria	Tunisia	Zanzibar & Pemba	Tanganyika	Swaziland
	Tunisia	Nyasaland	Sudan	UAR (Egypt)		Togo	Tanganyika
		Togo	Swaziland			Tunisia	Uganda
		Tunisia	Uganda			UAR (Egypt)	
		Uganda	Zanzibar & Pemba			Zanzibar & Pemba	
		Zanzibar & Pemba					
	Over 200	40% and over	10% and over	Over 25%	Over 20%	Less than 400	Less than 8,000
IV	Algeria	Basutoland	Algeria	Congo (Leopoldville)	Mauritius	Algeria	Algeria
	Ghana	Bechuanaland	Ghana	Madagascar	Morocco	Congo (Brazzaville)	French Somaliland
	Ivory Coast	Cameroun	Libya	Mauritius	Republic of S. Africa	Congo (Leopoldville)	Libya
	Mauritius	Congo (Brazzaville)	Mauritius	Uganda	S. Rhodesia	French Somaliland	N. Rhodesia
	N. Rhodesia	Congo (Leopoldville)	Nyasaland		UAR (Egypt)	Gabon	Republic of S. Africa
	Republic of S. Africa	Gabon	N. Rhodesia			Libya	Ruanda-Urundi
	Senegal	Kenya	Republic of S. Africa			Republic of S. Africa	S. Rhodesia
	S. Rhodesia	Libya	S. Rhodesia			N. Rhodesia	Tunisia
		Mauritius	Tunisia			S. Rhodesia	UAR (Egypt)
		Republic of S. Africa	UAR (Egypt)				Zanzibar & Pemba
		S. Rhodesia					
		Swaziland					
		UAR (Egypt)					

Note:

1. Within each group, countries are arranged in alphabetical order.
2. The *per caput* GDP figures of north African countries are subject to later revision. Estimates of north African countries have been taken from different sources, and revision would probably tend to raise their levels in relation to the countries south of the Sahara.

Sources: Col. 1: Economic Commission for Africa, *Industrial growth in Africa* (United Nations publication, sales No 63.II K.3)
UNESCO, *Final report of the Meeting of Ministers of Education of African Countries* (UNESCO/ED/191)
Col. 2: 3, 6 and 7: United Nations, *Compendium of social statistics* (ST/STAT/SER.K/2)
Col. 5: Economic Commission for Africa, Economic Development Division, Planning and Policies Section.

For example countries such as Kenya, Uganda, Ghana, Gabon and the southern regions of Nigeria are leading their sub-regions in the educational fields by having attained levels comparable to those of the most advanced countries in Africa. On the other hand, advancement in the development of medical services in east Africa, excepting a few countries, has in general reached a relatively higher level than is the case in west Africa, a fact which may reflect the higher proportion of European settler population in the former.

- (d) There is also some correlation between the indicators for social advancement and the level of economic development of a country as reflected in **per caput** income, although in view of the limitations of the national income estimates too much should not be made of this.

In general, the countries in north Africa and south Africa that are in the high income levels (III or IV) are correspondingly in the higher groups under the social indicators. Similarly, in general, those countries of west and east Africa that fall in the lower national income groups as indicated by **per caput** national income, fall into the lower groups (I or II) under the social indicators. However, there are exceptions to this general pattern. In the west African sub-region for instance, education levels in Nigeria are high in comparison with **per caput** national income level while medical services are lower in Ghana than might be expected from the national income level. Some of the French-speaking countries in west Africa appear to be more advanced in economic level than in the social indicators included here, while the opposite is the case with some of the English-speaking east African countries, but this may be partly due to differences in the national income calculations.

- (e) The level of development in the social sectors may further be gauged in terms of either the relative magnitude of actual expenditure on social services or the degree of balance achieved for the different sectors and at the different levels of a given sector. The former concept involves an appraisal of the comparative costs of the various services, in terms of both the proportion of national income devoted to, and the unit costs of, the services concerned. This aspect will be dealt with fully in section 3.

359. The actual level of development in any given section of the social services sector may be masked by over-all aggregates. It is therefore necessary to appraise the effective level of development by a consideration of inter-sector balance and balance between the various levels of a given service. These balances between levels and sectors are significant in any planned endeavour to achieve integrated development and a high rate of over-all growth. As has been noted,

not many countries fall into the same group under all indicators of level of development, largely because development in all the major social and economic sectors has not been at the same rate nor have resources for their development been so allocated as to achieve an integrated balanced over-all development. Some services have grown faster than others and within a given social service sector the development of certain levels has sometimes not kept pace with other related levels. Similarly, in the distribution of social services some socio-economic groups and areas have fared much better than others.

360. In the development of education, for example, remarkable progress was made in most African countries during the last decade, especially in the expansion of basic education. However, "the educational systems, except in Ghana, suffered from a structural imbalance since a large part of resources was spent on the expansion of primary education".⁵⁹ The expansion of primary education facilities was not balanced with either adequate further training or employment opportunities for primary school leavers.

Thus the ratio of secondary school enrolment in all countries, excepting Ghana, was extremely low: under 7 per cent.⁶⁰ The establishment of higher institutions of learning though given a significant emphasis during the latter half of the decade was not developed in proportion to first level education. In the development of these higher institutions, which was particularly significant in Ghana, Morocco and Nigeria, too little weight was given to technical education and studies in the natural sciences and the curricula were not fully geared to the needs of a growing economy. The result of this structural imbalance in the educational system and in the allocation of resources for its development, was an uneven development of the various levels of the educational pyramid and a shortage of middle-grade and sub-professional, and in some cases, high-level manpower needed for the implementation of development programmes in many countries.

361. Similarly, in the development of health services, efforts tended to have concentrated on the provision of medical facilities with limited attention to nutritional services during the first half of the 1950's. During the latter half of the decade, emphasis shifted to preventive medicine, and the training of medical and health personnel. The result is that the expansion of physical medical facilities was not matched by a complementary provision of trained personnel to use them. The scarcity of medical personnel particularly in Togo, the Ivory Coast and Cameroun testifies to this type of structural imbalance in the development efforts.

⁵⁹ See United Nations, *Government expenditure on social services in selected African countries* (E/CN.14/SDP/6), p. 33.

⁶⁰ *The educational situation in Africa today: Conference of African States on the Development of Education in Africa*, (UNESCO/EDAF/S/4).

362. Structural imbalance between sectors or between socio-economic groups or geographical areas is an indication of under-development even in countries reaching a high level of social services for particular sectors or social groups. In Algeria for example, the main features of structural imbalance are the want of integration between the different economic regions, the low level of enrolment ratio of first and second level education and the excess of housing facilities in the urban centres.⁶¹ In Nigeria, Ethiopia and many other countries, there is a lack of balance in the geographical distribution of educational and health facilities.⁶² In all countries the provision of social services facilities in the rural areas has singularly lagged behind the level of facilities in urban centres. Consequently, the rural areas, which carry the majority of the population, thus constitute a drag to over-all development and largely account for the over-all low level of social development as shown by the various indicators in table B. II. 2.

363. The level of social development reached by any one African country or sub-region reflects a variety of complex forces operative from the past. These may be economic, social, political or institutional forces that have either aided or retarded social development over a period of time.

364. The geographical setting, for example, plays an important role together with problems of transport

and climate, with the result that economic and social development has concentrated in the peripheral coastal areas, along the rivers and at points of discovered resources, leaving relatively untouched much of the savannah areas and inaccessible interior regions. The extent of foreign settlement is another factor that has played a crucial role in the level and pattern of social development. There is also a significant difference in patterns of social development between those countries where development has been concentrated in the mining and industrial sector, heavily dependent on migrant workers, and in those countries where the development of African cash crops has been the main factor in development. Added to these are the effect of the different policies pursued by the metropolitan Powers during the period of dependence and the extent to which in the 1950s funds available for development from marketing board surpluses or from colonial funds were used to finance development in the social sectors.

365. The social setting which is shown in table B. II. 2 forms the background of analysis of patterns and trends in social development plans which follows in sections 3 and 4. The present level reached by a particular country for a given indicator can help to explain the particular strategy it follows in the sphere of its social development and the rationale of its investment criteria.

3. PATTERNS AND TRENDS IN SOCIAL DEVELOPMENT

366. This section is an attempt to indicate the manner in which resources have been allocated to the social sectors in African development plans. The analysis is mainly based on the quantitative data presented in the plans and supplemented with data from budgetary sources. It would seem that an analysis of quantitative data would bring out more sharply the actual weight on priorities in development than the general statements contained in the introductory chapters of the plans. The relative allocation of resources to the various sectors provides a clear indication of the relative priority that the planning authorities attach to a particular sector. In this sense it provides a much firmer basis for assessment than general statements. Moreover, such an analysis provides an indication of the relative emphasis given to social sectors in comparison with the other sectors.

⁶¹ Meeting of Experts on the Integration of Social Development Plans with Over-all Development Planning, Addis Ababa 9-18 October 1963: Proceedings of the Meeting.

⁶² In Nigeria for example, while the primary school enrolment ratio in the Western Region by the late 1950's had grown to 100 per cent of the population in the age group 5-14, the comparative ratio for the Northern Region was only 7.4 per cent by 1958, the latter Region having for religious reasons been protected from the early influence of western education.

367. This section analyses the pattern and criteria of allocation of social development expenditure as it emerges from the current development plans of a number of African countries. It attempts to trace the manner in which the pattern has changed over the last decade. A similar discussion is also undertaken concerning the changes in the allocation of public resources to the major components of the social sector.

(a) The level of expenditure on social services

368. It was noted in the preceding section that the level of social development may be appraised in terms of the relative magnitude of actual outlay in the provision of services. This input concept may be analysed by a consideration of the relative share of the social sectors in the total, current or development outlays by Government as well as a consideration of the proportion of the national income devoted to the development of the services concerned. Unlike planned outlay, actual expenditure has the advantage of reflecting more truly the operational criteria for the expenditure of available resources and the practical reconciliation of conflicting claims between sectors and within a given sector. Similarly, a consideration of total expenditures, i.e., maintenance and development expenditures combined, gives a truer picture of the sum total of national efforts being devoted

to the development and improvement of a given service.

369. Table B. II. 3 shows the proportion of national income devoted to the provision of social services around 1958 for a selected group of countries. The

table reflects the relative amount of resources devoted to social services, the relative share of social services *vis-à-vis* other services, and the relationship of these to the level of the economic capacity of countries to bear the costs of the various services.

TABLE B. II. 3
Level of expenditure on social services in selected countries, around 1958^a
(as percentage of national income)

Country	Social services % of GDP ^b	Education % of GDP ^b	Health % of GDP ^b	Total government expenditure on all services % of GDP ^b
Belgian Congo ^e	10.0	4.6	3.1	31.6
Cameroun	3.3	1.9	1.5	...
Ghana ^c	5.0	2.5	1.1	17.7
Ivory Coast	4.6	2.6	2.0	...
Kenya	5.9	3.0	1.1	22.3
Morocco	4.8	3.2	1.4	...
Nigeria	4.2	...	...	12.1
Southern Rhodesia	1.6	1.0 ^d	—	...
Tanganyika	4.3	2.7	1.2	14.0
Togo	3.5	1.8	1.4	...
Uganda	8.3	4.0	2.3	22.4
India	2.3	1.4	0.6	15.8
Thailand	4.3	2.9	0.5	16.8
United Kingdom	15.1	4.1	3.2	31.4
United States of America	9.4	3.8	1.1	30.4

Sources: United Nations, *Report on the world social situation*, New York 1961, p. 71; United Nations, *Government expenditure on social services in selected African countries* (E/CN.14/SDP/6), p. 30, table X.

^a Actual government expenditure for 1958 or a fiscal year partly in 1958 except where otherwise indicated.

^b Average GDP for 1957-1959; for the Cameroun and Ivory Coast, 1959-1960 average.

^c Ghana for the fiscal year 1959-1960.

^d African education only.

^e Partly budget estimates; includes an unknown amount of debt amortization.

370. Of the eleven African countries listed in the table, seven spent about five per cent of their gross domestic product on social services while two spent substantially more and the other two substantially less. For most of these countries government outlays on all its services accounted for a share ranging from one eighth to one fifth of the national income, of which about one third was devoted to the provision of social services. The greater part of the outlay on social services has gone to education and health services, accounting for 2-3 per cent and 1-2 per cent of the gross domestic product, respectively. Inter-country differences in the amount of resources thus devoted to social services are therefore not very significant.⁶³ A notable exception in the group, however, is the case of Southern Rhodesia with one of the highest *per caput* incomes in Africa but the lowest proportion of national income devoted to social services. The absence of expenditure on health services and on non-African education cannot fully explain the

low level of resources devoted to social services in that country.

371. The relative magnitude of national resources expended on social services in African countries is better visualized when compared with other countries both at fairly the same level of development and at higher levels. This comparison is also shown in table B. II. 3. Six or seven African countries in the list spent relatively more on social services than either India, Thailand, Viet-Nam, the Philippines, Ecuador, Columbia, Mexico or Portugal.⁶⁴ For example, though Tanganyika is poorer than India, it spent relatively more on education and health services than the latter country. Of the highly developed countries only the United Kingdom, Sweden, New Zealand and the United States of America have spent significantly more than most African countries in terms of the proportion of national income devoted to the provision of educational and health services by the Government.

⁶³ See E/CN.14/SDP/6, *op. cit.*, p. 31.

⁶⁴ See *Report on the world social situation*, *op. cit.*, p. 71, table 3.

The level of expenditure on education in the United Kingdom for example, is quite close to that of the Belgian Congo, Morocco and Uganda (around 4 per cent of GDP). "In 1925, when her **per capita** income was 275 US dollars, the United Kingdom spent only 3.5 per cent of her gross national product on education and health".⁶⁵ In 1958, Ghana, the Belgian Congo, the Ivory Coast, Kenya, Morocco, Tanganyika and Uganda, with substantially lower **per caput** incomes, spent relatively more than the United Kingdom did in 1925.⁶⁶

372. This comparative analysis of the allocation of national resources for the provision of social services leads to an obvious conclusion: "The levels of expenditures on social services bear little relationship to **per capita** income levels. The lack of such relationship in under-developed countries is partly explained by the fact that whereas in the United Kingdom the advancement in social services followed economic growth, in underdeveloped countries the growth of these services has either preceded or accompanied simultaneously economic advance. This has been due to the cultural and social impact of developed countries on under-developed countries and the consequent growth of ideas of equity, social justice and social consciousness in the latter countries. In African countries, therefore, the level of expenditure on social services has been largely a matter of policy. The only relevant consideration seems to be that of revenue position".⁶⁷

373. The level of expenditure on social services can also be indicated by the unit costs of the services provided. This concept also implies the number of persons reached by services provided. It was noted in an earlier section that the provision of social services is not evenly distributed in African countries and that the inhabitants of rural areas are largely under-served. The inadequacies of most of these services in terms of physical numbers are obvious from table B. II. 2. Marked expansion in educational and health services, for instance, took place principally in the post-war years. The greater part of current national efforts in the provision of social services is concentrated on expansion and extension of services to new areas. Consequently, the unit costs of expanding services which involve a rapid build-up of social capital assets, tend to be substantially higher than what would be needed for the maintenance and improvement of services in advanced countries. Thus the provision of universities, hospitals and training facilities locally has involved expensive capital outlays and high unit costs per graduate of such institutions. For instance "the median public expenditure on education per person in Africa is about two US dollars compared to \$ 1.40 in selected countries of

⁶⁵ A.T. Peacock and J. Wiseman, *The growth of public expenditure in the United Kingdom*, Princeton University Press, 1961.

⁶⁶ See E/CN.14/SDP/6, *op. cit.*, p. 32.

⁶⁷ E/CN.14/SDP/6, *op. cit.* p. 32.

⁶⁸ *Ibid.*, p. 33.

South East Asia and yet the school enrolment ratios, both at primary and secondary levels, are higher in the latter group of countries"; and while India spends only 1.47 per cent of its national income on education it "still has a larger population of university graduates than most of the African countries".⁶⁸

374. The high unit costs in the provision of social services has been due to a variety of factors of which the major ones are the limited number of persons covered by the services, the wages and salaries of service personnel, the high cost of buildings and equipment with their large import contents and the extra cost of expanding services until the level of minimum unit costs has been reached.

375. Considering **per caput** expenditure on social services, which may be derived by relating table B. II. 3 to population size, African countries show noticeable unit cost differentials.⁶⁹ For example, Togo reaches a relatively smaller population, although it spends relatively as much on education as Cameroun does. Similarly, Ghana reaches a relatively larger proportion of its population than either Nigeria or Morocco. In general, the unit costs in the French-speaking countries are higher than those of the English-speaking ones, reflecting differences in geographical and demographical factors among other things.⁷⁰

(b) **Pattern of allocation of social development expenditure**⁷¹

376. The data on the distribution of the planned public capital expenditure in the development plans of twenty-two African countries are shown in table B. II. 4. The distribution is shown for four major sectors: total social services, commodity production, economic services, and others. The table also includes information on the magnitude of the average annual development expenditure. For comparison purposes **per caput** figures on income, and total and social development expenditure are also shown.

377. The countries are arranged in descending order of the share of the social sectors in total public capital expenditure within each sub-region. There is no need, however, to repeat the warning against too precise an interpretation of the statistics given.

⁶⁹ See table B.II.4.

⁷⁰ See E/CN.14/SDP/6, *op. cit.*, p. 33.

⁷¹ In this study development expenditure refers to capital expenditure, unless it is specifically stated that it includes recurrent expenditure. In some countries both recurrent and capital expenditures on a "development project" are met from the so-called Development Fund and the combined outlay is "development expenditure". In others capital and recurrent expenditures on such a project are separated for budgetary convenience. It must be noted that not all votes on capital account are ultimately capital expenditure. For instance, an allocation for a university project is regarded as a capital vote even though part of such a vote may ultimately be used by the university authority for the maintenance of buildings and payment of salaries. In this study development or capital expenditure is what in plans is classified as belonging to capital account, irrespective of the ultimate use of such a vote. Recurrent expenditure is clearly distinguished whenever this type of outlay is meant.

TABLE B. II. 4

**Distribution of planned public capital expenditure in
selected African countries**

Country ^a	Plan period	Annual average in US \$				Distribution by sectors in percentages			
		National income ^b	Social development expenditure ^c	Per Capita		Total social services	Commodity production	Economic services ^d	Other services
				Total capital expenditure ^e	Total (capital) development expenditure (million US \$)				
North Africa									
Morocco	1960-64	191 ^e	6.2	23	263	27	59	10	4
Sudan	1961-70	89	1.7	7	82	24	41	21	14
Tunisia	1962-64	176 ^f	11.3	67	262	17	66 ^h	11	6
UAR (Egypt)	1960-65	109 ^e	4.7	31	781	15	49	24	11
West Africa									
Congo (Brazzaville)	1961-63	199	13.0	29	23	45	14	33	8
Sierra Leone	1962-67	70 ^f	9.6	23	56	41	17	34	8
Senegal	1961-64	325	7.0	20	51	35	26	34	6
Ivory Coast	1958-62	245	2.7	9	27	32	36	32	1
Niger Republic	1961-63	141	2.4	9	22	28 ^l	30	34	8
Ghana	1963-70	203	7.6	30	195	26	37	22	15
Mali	1961-65	63	...	12	52	35 ⁱ	24	41 ⁱ	... ⁱ
Upper Volta	1963-68	84	2.0	9	33	22	48	19	12
Togo	1959-61	116	...	...	...	21 ^l	22	43	14
Nigeria	1962-68	91	1.9	9	315	20	27	41	12
Cameroun	1961-65	172	1.3	7	23	18	39	36	8
Guinea	1960-63	133	3.1	19	53	16	49	25	10
East Africa									
Tanganyika	1961-64	58	0.7	2	22	27	29 ^h	26	18
Madagascar	1959-62	135	1.7	8	40	22	40	37	2
Kenya	1960-63	100	0.8	4	26	20	40	15	26
Ethiopia	1962-67	40	1.2	6	137	19	48 ^h	22	10
Uganda	1961-66	50	0.6	4	26 ^g	15	23	34	28
Central and south Africa									
Rhodesia and Nyasaland (Federal Govt.)	1962-65	169	0.6	4	32	14 ^k	14	55	17

Source: Compiled by the Economic Commission for Africa, Economic Development Division.

^a Countries are arranged by sub-regions and in descending magnitude of allocation to "total social services".

^b Projected national income for 1961, excepting (e) and (f).

^c Based on 1959 population data.

^d Power and communications only.

^e 1956 national income.

^f 1957 national income.

^g Capital account as far as known.

^h Including water development, irrigation and mining.

ⁱ Including geological surveys.

^j Social services and "other services".

^k Excluding £ 3.3 million housing project by the Rhodesian Railway Authority.

^l Education and health services only.

378. The various indicators in the table are obviously inter-related. The share of resources devoted to a particular sector has to be treated as an indicator of all the considerations and pressures which have led to the allocation of that share to that given sector. Some of these may have been rationally worked out and may thus reflect the balancing of the needs of

development as suggested by the stages of social development in table B. II. 2 and of the competing claims of other sectors, within the over-all limitation of the amount of total resources available as indicated by the ratio of development expenditure to **per caput** income. Others may represent a mere continuation of past patterns which have so far remained

unchanged in the absence of a precise formulation and implementation of development strategy suited to the needs of the country concerned. All these factors, however, are closely inter-dependent. There is therefore little doubt that a considerable amount of careful analysis is needed before the data given are used to derive operational generalizations.

379. The table shows that the pattern and range of allocation to the various sectors vary widely among the different countries and sub-regions. For example, allocations to social services range from just over 14 per cent of public capital expenditure in Rhodesia and Nyasaland to over 45 per cent in the Congo (Brazzaville). Those for directly productive sectors range from nearly 14 per cent in the Congo (Brazzaville) to 66 per cent in Tunisia. Countries with relatively high allocations to social development have, generally speaking, relatively low allocations for commodity output.

380. The countries where the public sector has accepted a major responsibility for the development of commodity production (agriculture and industry) show the public allocation for economic production to be two to three times higher than for the social sector. On the other hand, allocations to the social sectors are relatively large in those countries where the development of commodity output is regarded as a primary responsibility of the private sector.

381. The share of the social sector in planned total public development expenditure in African countries ranges from a low point of 16 per cent to as high as 45 per cent. These are obviously the extremes. Between these extremes, the allocations in most countries approximate two fairly clear levels: about one fifth and one third. The differences in allocation levels show a marked sub-regional concentration, amounting to one third or more in the countries of west Africa and one fifth or less in north African countries, with those in east Africa falling between the two extremes.

382. In general, it would seem that the countries in the middle range of social development, that is levels II and III in table B. II. 2, devoted one fifth to one quarter of their public resources to the social sectors. This appears to be the pattern of allocation that emerges for a significant number of countries in east and west Africa

383. It needs to be emphasized, however, that these general relationships are not applicable to all the countries. As is to be expected, there are a number of exceptions. For instance, Morocco in group III allocates more to social services than do other countries falling in this group; the Congo (Brazzaville), Sierra Leone, Senegal and the Ivory Coast are substantially higher than the average; Cameroun, Guinea and Uganda substantially below the average for group II; and Ethiopia and Upper Volta substantially less than level I would seem to require.

384. In some cases explanations can be suggested for these differences. For example the high proportion

devoted to the social sectors in Morocco is largely the result of the fact that as much as two thirds of the entire allocation for the social services sector are devoted to one item: housing and urbanization. It would seem that if the allocation for this section in Morocco were not significantly different from that of other countries at a similar stage, the share of over-all social expenditure in Morocco would more nearly conform to the pattern indicated earlier. The comparatively high level of social allocations in the Congo (Brazzaville) can also be explained by the large proportion devoted to housing and urbanization. In the case of Sierra Leone, 21 per cent of a high level of capital expenditure are devoted to health alone — a share which is five to seven times higher than the average for most African countries.

385. In order to have a balanced picture of the pattern of allocation of resources to the social sectors in African countries it is important to take into consideration the expected implications in recurrent expenditure. The estimates in this area represent one of the weakest points in African plans. Details and sectoral breakdown are often not available even in those plans which estimate over-all recurrent expenditures.

386. With this inadequacy of the available data on planned allocation of resources, it is necessary to look at past experiences in order to convey a proper picture of the recurrent obligations of planned capital outlay. For the 1950s, most African Governments spent on average two-thirds of their total expenditures on current account and about one third on development account. Of the 19 countries considered, 7 of them spent over three quarters of total outlays on current account. In the latter group, Ethiopia, the United Arab Republic and Somalia were outstanding in having devoted about nine tenths of total public outlays on current expenditures.⁷² It is significant that of the countries which spent over two thirds of total outlays on current account only the United Arab Republic, Morocco, Madagascar and the Republic of South Africa were in relatively advanced stages of development, i.e., levels III-IV of table B. II. 2. In the case of the United Arab Republic, the high proportion of outlays on current account has largely been due to the high magnitude of expenditure on defence, security and justice which together accounted for around 30 per cent of total recurrent expenditures.⁷³ For the less developed countries the need to build up public administration and maintain expanding social services might have largely accounted for the high proportion of total government expenditures on recurrent account.

⁷² "Public finance in African countries", *Economic Bulletin for Africa*, Vol. 1, No. 2 June 1961. The data used for this analysis are derived from tables 1 and 4 of this reference.

⁷³ See *Report on the world social situation*, "Planning for balanced social and economic development in the United Arab Republic, draft. p. 32.

TABLE B. II. 5

Actual government expenditures on social services in selected countries

(a) Absolute expenditures in national currency

(b) Proportion of social services expenditure in *total* expenditure (in percentages)

Country	Unit	1950			1954			1960		
		Current	Develop. (Capital)	Total	Current	Develop. (Capital)	Total	Current	Develop. (Capital)	Total
	Mln. CFA									
Cameroun	francs	806	...	...	2035	...	...	3269	...	...
	%	28.8	...	...	25.7	...	...	29.1	...	...
Ghana	£ mln.	1.80	0.38	2.18	6.75	4.12	10.87	15.91	6.54	22.45
	%	17.6	19.1	17.8	23.9	23.0	23.5	28.4	20.8	25.7
Ivory Coast ^a	Mln. CFA									
	francs	661	—	661	1333	—	1333	5468	370	5838
	%	34.4	—	29.3	36.2	—	30.3	25.8	10.5	23.6
Morocco	Bln. frcs.	11.44	4.49	15.93	16.39	6.48	22.87	40.30	3.95	44.25
	%	39.6	18.0	29.6	24.8	19.8	18.4	27.2	10.9	24.0
Nigeria, Fed.	£ mln.	3.82	0.60	4.42	0.99	2.71	3.70	5.19	2.68	7.87
Govt. ^b	%	20.3	15.3	19.4	6.1	41.6	16.2	14.3	7.6	11.0
Eastern Nigeria ^b	£ mln.	—	—	—	2.50	—	2.50	7.14	0.45	7.59
	%	—	—	—	53.0	—	52.6	56.2	12.6	46.6
Northern Nigeria ^b	£ mln.	—	—	—	1.99	0.07	2.06	5.52	0.94	6.46 ^h
	%	—	—	—	39.8	6.8	34.1	34.5	13.3	27.9
Western Nigeria ^b	£ mln.	—	—	—	3.03	—	3.03	8.65	1.84	10.49
	%	—	—	—	54.5	—	54.5	54.5	15.8	38.1
Sierra Leone	£ mln.	0.63	0.24	0.87	1.79 ^f	0.51 ^f	2.31 ^f	3.54 ^b	0.55 ^b	4.09 ^b
	%	30.1	16.1	24.2	33.3	27.5	31.8	34.9	22.7	32.5
Southern Rhodesia	£ mln.	...	...	...	2.8 ^f	0.2 ^f	3.0 ^f	4.9	0.3	5.2
	%	...	...	...	17.5	4.5	14.7	20.5	3.5	16.0
Tanganyika ^c	£ mln.	1.55 ^d	0.34 ^d	1.89 ^d	1.64 ^e	0.12 ^e	1.76 ^e	6.68	0.72	7.40
	%	15.0	9.9	13.7	18.1	7.5	16.5	30.4	18.3	28.6
Togo	Mln. CFA									
	francs	395	—	395	620	—	640 ^g	1319	—	1319
	%	40.3	—	30.9	39.6	—	34.4	57.8	—	38.5

Sources: United Nations, *Government expenditure on social services in selected African countries* (E/CN.14/SDP/6), Annex. Economic Commission for Africa, *The integration of social development plans with over-all development planning in Sierra Leone* (E/CN.14/SDP/12), pp. 12 and 18, tables II and III.

^a Local budgets till 1958.

^b Year ended 31 March.

^c Year ended 30 June.

^d Calendar year.

^e January-June.

^f 1955.

^g Including expenditure by FIDES.

^h Budget estimates.

387. Table B. II. 5 puts together the proportions of recurrent and development expenditures and the magnitude of actual government outlays on social services for selected years during the last decade for a number of countries. As for table B. II. 4, it shows wide variations in the proportions of actual expenditure devoted to social services in the various countries. In capital or development account, whereas planned outlays on social services accounted for about one fifth to one third of total planned investment in current plans (table B. II. 4) the average range for most countries for the past decade, in terms

of actual expenditures, was one tenth to one fifth. This lower range in actual outlays leads to the conclusion that the relative proportions of development outlays actually spent on social services generally fall short of planned investment.

388. In terms of actual outlays on social services for selected years of the last decade, on the average, most countries spent 20-25 per cent of total government expenditures on social services, that is about 30 per cent of over-all recurrent outlays and 20 per cent or less of development expenditures on social services, respectively. These proportions show wide variations

for different countries, ranging from 15 per cent to 55 per cent on recurrent account and 10 per cent to 20 per cent on capital or development account. As can be seen from table B. II. 5, the patterns shown by Togo and the regional governments in Nigeria are examples of extreme cases where about half of total government recurrent expenditures were devoted to social services.⁷⁴ In the case of Nigeria the relatively high proportions of government expenditures on social services reflect the concentration of constitutional responsibility for the provision of social services facilities on the regional governments.

389. A sample examination of the current plans of the Federal Republic of Nigeria, Western Nigeria, Eastern Nigeria, Sierra Leone, Northern Rhodesia, Uganda and Ethiopia shows wide variations in capital-recurrent expenditure ratios, with recurrent expenditure varying from one fifth of planned capital outlay in Uganda to over one-and-a-half times the size of capital outlay in Western Nigeria. The expenditure patterns of the United Arab Republic and Sierra Leone over the last decade for example, show some clear relationships between current and capital expenditures. In the case of Sierra Leone, actual outlays showed the capital-recurrent expenditure ratio to be of the order of 1:3 for social services.⁷⁵ For the United Arab Republic, the comparable ratio in the case of the social services sector was 1:2. In general, the recurrent implications of the capital programmes for most countries are of the order of twice the size of planned capital investment with the ratio still higher for social investments.⁷⁶ Thus every unit of capital outlay in expanding social services generally generates a relatively higher proportion of recurrent expenditure.

(c) **Trends in the allocation of social expenditure**

390. The above analysis presents a comparative picture of the allocation of resources to the social sectors in the current development plans of a number of African countries, at different levels of development. In order to assess the main elements in the social development strategy in African countries, it is also important to have even some rough ideas concerning the changes that have taken place in these relative allocations over the last decade. If these changes can be identified or a pattern can be indicated, it can then assist in forming the basis of outlining the main contours along which development in some of the countries can be expected to proceed in the years to come.

391. The pattern of social investment is governed partly by past attainments, the sources and size of

⁷⁴ The average for 1950, 1954 and 1960 showed 55 per cent on recurrent account for Eastern and Western Nigeria and 46 per cent for Togo. The proportions on total expenditures were 50 per cent, 46 per cent and 34 per cent, respectively.

⁷⁵ See Economic Commission for Africa, *The integration of social development plans with over-all development planning in Sierra Leone* (E/CN.14/SDP/12), table IV.

⁷⁶ See "Public finance in African countries", *Economic Bulletin for Africa*, Vol. 1, No. 2 June 1961, table 4.

development resources and by trends in the general socio-economic situation. Thus any deviations from the suggested generalized pattern of social development expenditures reflect past, present and future growth factors as appraised by planners. Table B. II. 6 shows the shifts in the pattern of allocation of public capital expenditure between the major investment sectors for a number of selected African countries during the past decade.

392. As can be seen from table B. II. 6, during the first half of the last decade, most countries launching development plans or programmes, geared their investment resources to the provision of basic economic services, that is, to the development of roads, ports and railways needed for the opening-up of the interior to commercial and social contact. This was usually, though not always, followed by investment in social services, mainly education and health.

393. During the second half of the decade most countries shifted their investment priorities more in favour of social services, though economic infrastructure development was still claiming a large proportion of resources, especially in west Africa. Investment in administrative services increased in importance in countries such as Ghana, Nigeria and Tanganyika. For some countries, emphasis was shifting to basic economic services such as electricity and power; for some others such as the Sudan, Kenya and Uganda the shift was more in favour of productive investment in agriculture or industry.

394. In the current plans, operating in the 1960s, there has been a further shift of investment emphasis in many countries, away from social overhead expenditure and in favour of more productive economic activities. In countries such as Tanganyika, Nigeria, Kenya, Ethiopia, Ghana and Uganda, the criteria for allocation of resources to social development programmes have put greater stress upon the claims of the productive sectors of the economy and the ability of these growing sectors to sustain expanding social services, and upon the availability of resources. However, this shift away from social services was more pronounced in the north African and east African sub-regions than in west Africa. Notwithstanding this regional differential in emphasis, countries such as Morocco, Sierra Leone, Ghana, Tanganyika, Nyasaland and the former Belgian Congo, were still devoting over a quarter of planned capital outlay to social investment (see table B. II. 6).

395. Shifts in investment emphasis and priorities for social development in African countries have been the result of a combination of factors. Although local conditions and needs have played an important role, external factors have, in general, been the main cause of shifts in investment allocations. In Ghana for example, "owing to the rather difficult economic position in which the country has found itself in recent years planning has had to give its highest priority to the expansion of the productive economy. Moreover, in order to satisfy the condition imposed by government policy that visible progress be made to-

TABLE B. II. 6

**Trends in the allocation of public capital expenditure
for selected African countries**

Country	Plan period	Distribution by sectors in percentages				
		Economic services	Commodity production	Social services	Administrative services	Miscellaneous
North Africa						
Algeria, Morocco and Tunisia	1949-52	43	31	—	26	—
	1953-55	30	33	—	37	—
Morocco	1960-64	10	59	27	...	4
Tunisia	1962-64	11	66	17	...	6
Sudan	1951-56	40	17	27	14	2
	1957-60	11	51	25	8	5
	1961-70	21	41	24	6	8
West Africa						
Sierra Leone	1957-59	37	12	39	12	—
	1962-67	34	17	41	...	8
Ghana	1951-59	44	10	33	6	6
	1959-64	46	14	20	...	19
	1963-70	22	37	26	...	15
Nigeria	1946-55	43	11	40	—	7
	1955-62	46	8	18	...	28
	1962-68	41	27	20	...	12
Nigeria, Regions	1955-60	8	15	44	23	11
Nigeria, Fed. Govt.	1955-62	48	2	12	38	—
East Africa						
Tanganyika	1946-54	43	12	18	22	5
	1954-57	24	12	43	19	2
	1957-61	24	12	43	19	2
	1961-64	26	29	27	...	18
Kenya	1957-59	16	37	21	5	21
	1957-60	13	47	22	...	19
	1960-63	15	40	20	...	26
Ethiopia	1957-62	36	34	27	...	4
	1962-67	22	48	19	...	10
Uganda	1946-55	36	23	23	...	18
	1955-60	43	15	23	...	19
	1961-66	34	23	15	...	28
Mozambique	1953-58	74	24	—	—	2
	1959-64	48	37	14	—	1
Central and south Africa						
Rhodesia and Nyasaland	1957-61	83	2	8	2	5
Federal Government	1959-63	73	2	17	6	3
	1962-65	55	14	14	...	17
Nyasaland	1962-65	39	20	26	...	15
Congo (Léopoldville)	1950-59	56	6	21	17	—
	1960-69	44	13	32	11	—
Angola	1953-58	70	29	—	—	1
	1959-64	52	36	6	—	6

Note: Totals do not necessarily add up to 100 per cent owing to rounding.

Source: United Nations, *Economic Survey of Africa since 1950* (E/CN.14/28), Table 4—XXII. Current national development plans.

wards the socialization of the economy, the pattern of expenditure 'proposed' for the government sector has had to exhibit a strong bias in favour of productive investment". Consequently, of the total government resources, "the proportion devoted to the social services as a whole shall be held down in favour of

the proportion allocated to agricultural and industrial investment".⁷⁷

⁷⁷ See J.H. Mensah, *Social development and general economic planning in Ghana*, mimeographed, pp. 2-3.

TABLE B. II. 7

**Planned public capital expenditure in the major social sectors
of selected African countries**

Country ^a	Plan period	Annual averages in US \$ per caput expenditure ^b		Sectoral distribution in percentages (total capital expenditure = 100)				
		Social	Total	Total social services	Education	Health	Housing and urbanizat.	Other social services
North Africa								
Morocco	1960-64	6.2	23	27	5	1	18	3
Sudan	1961-70	1.7	7	24	13	3	—	8
Tunisia	1962-64	11.3	67	17	10	1	6	—
UAR (Egypt)	1960-65	4.7	31	15	3	1	10	2
West Africa								
Congo								
(Brazzaville)	1961-63	13.0	29	45	8	5	30	2
Sierra Leone	1962-67	9.6	23	41	11	21	4	5
Senegal	1961-64	7.0	20	35	12	5	17	—
Ivory Coast	1958-62	2.7	9	32	12	4	9	7
Niger	1961-63	2.4	9	28 ^d	14	15	—	...
Ghana	1963-70	7.6	30	26	13	6	4	2
Mali	1961-65	...	12	35 ^c	...	...	...	...
Upper Volta	1963-68	2.0	9	22	8	2	8	4
Togo	1959-61	...	...	21 ^d	7	14	...	...
Nigeria	1962-68	1.9	9	20	10	3	6	1
Cameroun	1961-65	1.3	7	18	11	5	—	3
Guinea	1960-63	3.1	19	16	10	5	2	—
East Africa								
Tanganyika	1961-64	0.7	2	27	14	4	9	1
Madagascar	1959-62	1.7	8	22	7	8	4	4
Kenya	1960-63	0.8	4	20	8	2	8	1
Ethiopia	1962-67	1.2	6	19	2	2	15	—
Uganda	1961-66	0.6	4	15	7	4	3	1
Central and south Africa								
Rhodesia and								
Nyasaland	1962-65	0.6	4	14	5	4	5	1
(Federal Government)								

Source: Compiled by the Economic Commission for Africa, Economic Development Division.

^a Countries are arranged by sub-regions and in descending magnitude of allocation to "Total social services".

^b Based on 1959 population data.

^c Social services and "other services" of which social services may be of the order of 25 per cent (assumed).

^d Education and health services only.

396. It can be argued that in the post-war years social services were more heavily subsidized from metropolitan development and welfare funds than other sectors of the economy.⁷⁸ Although it is very difficult on the basis of available data to draw up a balance of all outside aid flowing into the social sectors, before and after independence, African countries, in particular those of English expression, had to reconsider in their recent plans the allocation of resources to social development in the light of a situation where grants-in-aid have come to an end, or declined to no

more than token technical and financial assistance.⁷⁹

397. Similarly, the shift to increased social expenditures in the latter half of the 1950s was due partly to a higher tempo of general development, particularly to the marked increase in government revenue associated with the favourable terms of trade of the first half of the 1950s, especially during the Korean war boom. This was particularly so in those countries where development funds were able to draw on marketing boards' surpluses for development purposes. By contrast, the shift to directly productive in-

⁷⁸ This will be considered in some detail in section 5 below.

⁷⁹ Excluding bilateral loans on commercial and semi-commercial terms.

vestment in the 1960s in most countries has largely been due to the subsequent deterioration in the terms of trade of primary producers. The reaction to the consequent falling rate of growth in public revenue and to the depletion of accumulated financial reserves was a desire to limit social development expenditure which might throw a further burden on the current budgetary expenditure.

398. Trends in the Uganda social services expenditure illustrate clearly the experience of many African countries.⁸⁰ Under Governor Sir John Hall, between 1945 and 1952, the Government of Uganda adopted a policy of cautious expenditure, based on the principle that since the country was poor, public efforts should be concentrated on economic rather than social development. Under this cautious financial policy part of the post-war high export prices was cream-

ed off through controlled export prices, and budget surpluses built up. After 1952, when favourable terms of trade brought increased public revenue, expenditure on social services rose rapidly. Thus, under Governor Sir Andrew Cohen, Government policy changed to one of giving equal weight to social and economic development. For, as Sir Andrew puts it in a policy statement, "the economic and social services must indeed go together. Without economic development the country will lack the resources and the revenue needed to finance social expansion. Without social development the human resources of the country will be unable to make their due contribution to economic development".⁸¹ But from the late 1950s, with static or declining public revenue, falling export prices and budget deficits, emphasis again tended to return to investment in the productive sectors in order to raise national output.⁸²

TABLE B. II. 8
Distribution of public capital expenditure on social services in selected countries

Country	Plan period	Average annual capital expenditure (US \$ million)	Percentage distribution by major sectors (total capital expenditure= 100)			
			Total social services	Education	Health	Housing ^a
Ethiopia	1957-62	54	27	...	...	18
	1957-62	68 ^b	29	...	...	25
	1962-67	136	19	2	2	15
Ghana	1951-57	56	27	15	6	6
	1959-64	196	20	8	5	5
	1963-70	195	26	13	6	4
Kenya	1957-60 ^c	26	22	9	3	9
	1960-63	26	20	8	2	8
Nigeria	1955-62	132	18	7	4	...
	1962-68	315	20	10	3	6
Rhodesia and Nyasaland ^d	1959-63	54	12	7	5	...
	1962-65	52	14	5	4	5
Sudan	1959-61 ^e	...	13		13	...
	1961-70	82	24	13	3	...
Tanganyika	1955-60	14	28	15	5	8
	1954-60	13 ^b	41	18	7	16
	1961-64	22	27	14	4	9
Uganda	1955-60	19	23	6	5	12
	1961-66	26	15	7	4	3

Source: As for table B.II.6 above.

^a Including urban development, town and country planning.

^b Actual expenditure; all other data refer to planned expenditure.

^c Revised.

^d Federal Government.

^e Budget expenditure.

(d) Composition of social development expenditure

399. The foregoing analysis relates only to trends in social development investment as a whole. Within this broad field there have also been shifts in emphasis and resource allocations as between the different main sectors. Table B. II. 7 shows the relative alloca-

tion of current capital programmes to the main social sectors in a number of African countries. As in table B. II. 2 countries have been arranged by sub-regions and in descending order of relative allocation to social services.

⁸⁰ For details see *Report on the world social situation, "Planning for social and economic development in Uganda"* (E/CN.5/346/Add.9), p. 7-19.

⁸¹ *Proceedings of the Uganda Legislative Council 1952, statement by the Governor to the Legislative Council on 20 November 1952.*

⁸² E/CN.5/346/Add. 9., *op. cit.*, p. 19.

400. As can be seen from the table, for most countries education is the leading social sector, followed by health, housing including urbanization, and other social services. Most countries in the west African and east African sub-regions, which approximate generally to levels I-II, allocate to educational facilities over twice the resources devoted to health facilities and substantially larger than that devoted to housing. Countries have shown exceptions to this pattern. For instance, Togo, Niger, Sierra Leone, Ethiopia and Madagascar have devoted substantially more resources to health services than to educational facilities while Senegal and the Congo (Brazzaville) have devoted to housing resources amounts equal to or even larger than the allocations to education and health combined.

401. With the exception of the Sudan and Tunisia, north African countries allocated relatively smaller proportions of planned capital investment to education than countries in levels I-II have done and substantially more to housing facilities.

402. The "other social services" item in table B.II.7 is made up of a wide range of social services including social education, public information, social welfare, employment services, sports and recreation and community development. The relative importance of and allocation to each of these vary from country to country.

403. Over time there have been noticeable shifts in the investment allocations within the social services sector in the different countries. Data on changes in relative allocation of capital outlay to the main social sectors are available for only a few countries. They are shown in table B. II. 8.

404. For most countries education and health services dominated social investment during the last decade.⁸³ During the second half of the decade, however, the development of housing and urban facilities was gaining in relative importance, especially for countries in levels III-IV. From table B. II. 8, it can be seen that in many current plans social investment emphasis was slightly shifting away from health services as in the case of Kenya, Nigeria, Tanganyika, Uganda and the Federation of Rhodesia and Nyasaland. This relative shift partly reflects the rising share of other social services and partly the shift of emphasis in some countries from the capital-intensive curative facilities to preventive medicine. By contrast, educational and housing facilities continued to receive increased investment emphasis. Increased allocation for housing and urban facilities was particularly significant in countries such as the Congo (Brazzaville), Ethiopia, Senegal, Morocco and the United Arab Republic (Egypt).

405. There have also been investment shifts within

⁸³ See *Government expenditure on social services in selected African countries, op. cit.*, p. 18. In terms of actual expenditures during the 1950's in Nigeria, Cameroun, Morocco, Tanganyika, Ivory Coast and Togo nearly 95 per cent of total expenditures on social services was spent on education and health.

each of the main social services sectors. These will be noted later in the case of education, health and housing when the patterns and trends in specific sectors come to be discussed.

(e) **Social investment model and investment criteria**

406. The grouping of countries into levels or stages of social advancement on the basis of quantifiable social indicators is a matter of approximation and a rough guide to actual achievements for a given country. The objective is to visualize a level of attainment as a basis for setting future targets and allocating development resources. Table B. II. 2, as already observed, forms such a basis, while past social investment patterns as already analysed, help to form an empirical development model. Such a social investment model can form a sort of guiding basis for allocating available resources to the main constituent of the social services *vis-à-vis* economic and administrative services.

407. If the previous analysis can be taken as a rough guide, countries whose social advancement approximates to levels III-IV may be expected to devote less resources to expanding social services facilities but more to the increase of national output. Efforts in the provision of social services may be concentrated on consolidation and qualitative improvements, while the increase in national output enables the economy to sustain a higher level of social development. The converse may be expected of countries whose social advancement approximates to levels I-II, where a higher proportion of national resources has tended to be devoted to social development, in face of the prevailing international demonstration effect and the general local desire to be free from poverty, disease and illiteracy as a follow-up to political independence.

408. With regard to specific service sectors, countries that have reached high levels in basic educational facilities, for example, tend to shift attention and development efforts to secondary and higher educational facilities, especially to manpower training needed for rapid economic growth.

409. In the provision of housing facilities, especially for urban workers, countries with a fairly rapid industrial development and a high rate of urban population growth would normally devote more attention to housing and slum clearance. For other countries where resources are predominantly derived from the agricultural sector, urbanization and housing problems are of lower magnitude. For such countries, public outlay on housing facilities would be relatively lower than in countries with substantial urban and industrial communities. Furthermore, it is only when urban housing needs have been substantially met that rural housing needs, except in settlement agricultural centres, come to be considered.

410. A social investment model derived from past patterns of resource allocation may be expressed in quantitative terms for countries at either a medium, high or low level of social advancement. Thus, on the basis of past investment patterns, countries at the medium level of social development invested some

8-10 per cent of public capital outlay on education, 4-5 per cent on health facilities, 6-7 per cent on housing and urbanization, and some 20-25 per cent on over-all social development. In the allocation of recurrent expenditure, 16-20 per cent were devoted to education, 10-15 per cent on health services and some 30-35 per cent for the maintenance of over-all social services. Total expenditure on social services for such medium-level countries has been of the order of 4-5 per cent of the gross national product, made up of about 2.3 per cent on education, 1.3 per cent on health services and 1.5 per cent on housing.⁸⁴

411. Countries whose attainments in educational and health services and in **per caput** national income approximate to levels I-II may be expected, on the basis of this analysis, to invest substantially higher proportions of planned public capital expenditure and of gross domestic product on social development than for countries in the higher levels.

412. Such an empirical model can serve as a rough guide to investment decisions in the social sectors. But as has been pointed out already, many countries deviate from this pattern because of differences in political, economic and social factors. Perhaps an even more important consideration is that some of the plans on which the analysis is based have been influenced by colonial patterns and standards in the social sectors, and the investment pattern of the past may not necessarily be most adapted to Africa's present needs. This need for flexibility and adaptation is brought out more clearly in the section discussing the separate social sectors.

413 .The present low levels of social and economic development in African countries have created a new awareness of the distance between their attainments and those of the more advanced countries, of the limited means for development at their disposal and of the need to economise such means and to deploy their use in such a way as to achieve rapid advances on all fronts of the national life. These needs have raised complex problems of priorities in development and a search for sound principles for the allocation of the limited national resources to the various competing claims of social, economic and administrative services. The old patterns of public finance and resource allocation that served well in the pre-independence era, have become largely inadequate to meet the challenges of independence, the need to buttress political independence with a dynamic economy and to satisfy the people's "massive appetite for social services, especially education, water and health".⁸⁵ Consequently, countries adopting development plans in more recent years have been influenced by the prevailing social, economic and political circumstances to seek and adopt a variety of criteria for the allocation of resources for social services **vis-à-vis** other services.

⁸⁴ See tables B.II.3 and B.II.8.

⁸⁵ See *Social development and general economic planning in Ghana*, *op. cit.*, p. 2.

414. The adoption of specific criteria for resource allocation raises many issues. It raises the question of priorities in the provision of services between economic and social sectors on the one hand and between the main branches of the social sector on the other. It means that priorities have to be based on principles that are mutually consistent in the attainment of social and economic goals. Above all, the provision of social services ~~have~~^{has} to be determined by the capacity of the economy to sustain them and resources have to be allocated in such a way that both social and economic capacities can achieve complementary growth without constituting a drag in the over-all tempo of development.

415. In the practical task of allocating limited resources to social development, experiences in African countries as elsewhere, have shown that so far there is no simple formula, no scientific model for such exercise. However, current practices and thoughts in many countries include the following methods:⁸⁶

- (i) An empirical approach of comparing expenditure patterns in countries, or in the same country, at different levels of income and economic development. By this method social investments may be related to needs and to the level and capacity of the economy to bear the costs;
- (ii) Comparing existing patterns of development in different social and economic fields in order to detect imbalances. Allocations may then be made with the objective of "filling in gaps" and "tying up loose ends"⁸⁷ and removing bottlenecks to balanced growth;
- (iii) Assessing the economic returns from different types of expenditures;
- (iv) Cost-benefit analysis. For social services this implies that anticipated socially desirable returns must justify the outlays on them.

416. These various methods are at best imperfect tools in the hands of social planners who have to reconcile the pressing social service needs of the masses, on the one hand, with the limited resources that have to be competed for by both economic and social services, on the other. The situation has to be faced realistically and the obvious danger of over-reliance on theoretical parameters such as capital-output ratios, inter-industry models, the productivity of investment, opportunity costs, or any purely monetary criteria must be avoided.

417. In a situation where neither minimum nor maximum ratios are realistic as a sound and practical basis for the allocation of resources to social development, a complex but flexible body of principles

⁸⁶ See United Nations, *Report of the Conference on the Social Aspects of Development Planning in the Arab States*, p. 7.

⁸⁷ See Economic Commission for Africa, *A preliminary note on criteria of investment in the social services in less developed countries* (E/CN.14/SDP/11), p. 12.

embodying both economic and social criteria have to be evolved:

418. Firstly, the capacity to create wealth is as paramountly important as physical assets for increasing national income.⁸⁸ Thus investment in human resources is fundamental to growth and can influence the creation of surpluses. Hence social investments that can directly influence the quality and productivity of labour need a priority rating as high as economic services.

419. Secondly, economic programmes with built-in social objectives should have preference over the purely economic services which do not possess such dual objectives.⁸⁹

420. Thirdly, social services that are in the nature of consumption goods or amenity services with no tangible direct influence in increasing the capacity of the productive sectors, should rank secondary to those social services having more direct influence on the creative capacity of man.

421. Fourthly, social investment should be related to the needs and levels of the economy and its ability to sustain it.

422. Fifthly, resources should be allocated to the social services sector in such way as to widen the productive sectors of the economy and to break social and economic barriers in order to increase the absorptive capacity of the economy.⁹⁰ This implies that in order to maximize the benefits of social investment high priority should be accorded to those social expenditures which not only maintain but also develop to a higher stage the productive capacity of human capital. It means giving priority to those types of social investments that "tie up loose ends" and "fill in gaps", and according the highest priority to "the smaller gaps and the closer ends".⁹¹

423. Finally, the competition between social and economic services for the limited resources at the disposal of Governments may be eased by the application of the minimum unit cost criterion. This means that priority should be given to those social investments with minimum unit costs but which give maximum benefits. Integrated services such as programmes of literacy campaign incorporating child care and nutritional education, tend to have minimum unit costs. So also are other social programmes attracting popular enthusiasm and local participation. Costs may be reduced where services are tailored to direct

⁸⁸ See *Report of the Conference on the Social Aspects of Development Planning in the Arab States*, *op. cit.*, p. 7.

⁸⁹ *Ibid.*, p. 10.

⁹⁰ *Proceedings of the Meeting of Experts on Social Development Planning*, *op. cit.*

⁹¹ See E/CN.14/SDP/11, *op. cit.*, p. 11.

needs and concentrated in those areas or socio-economic groups where these benefits are maximized.⁹²

424. Most current African development plans show ample evidence of the application of this complex body of principles as the basis for the allocation of resources to the social sector. In Ghana and Tanganyika for instance, there is a definite stress on investment in the (productive sectors) and on the ability of these sectors to sustain expanding social services.⁹³ Within the aggregate allocation of investment funds to the social services sector, the highest priority has often been given to those social services such as education and manpower training as in Ghana, Nigeria, Tunisia and Algeria, that are calculated to contribute most towards the attainment of economic targets in the plan.⁹⁴ Countries that have adopted comprehensive planning techniques have largely integrated social and economic objectives as already observed in section I and have, wherever practicable, given priority to economic programmes with built-in social objectives and vice versa.

425. Nearly all countries have given the highest priority to the needs of the economy in the over-all allocation of resources. For example, man-power development, including technical education, based on the present and future needs of the economy has been accorded one of the highest priorities in most plans. In general, social investments, like economic investments, have been geared towards over-all growth.⁹⁵

426. To ease the competition for the limited government resources and to associate the masses of the people with the national development efforts, the strategy of people's participation in planning and providing certain social services that are more in the nature of community consumption goods, has been widely applied as a technique of development planning and resource mobilization. Countries have, by and large, exercised much restraint in avoiding the danger of expanding social services beyond the capacities of the economy to bear it.

427. However, notwithstanding the application of these basic criteria in resource allocation, the old rule of thumb for the approval of estimates and release of funds by the Treasury, of flexibility in limiting development to actual available resources and of accommodation of political and administrative expediencies in public finance, continues to be operative in most countries.

⁹² See E/CN.14/SDP/11, *op. cit.*, p. 13-14.

⁹³ See *Development Plan for Tanganyika 1961/1962 - 1963/1964*, Dar-es-Salaam 1961, p. 7.

⁹⁴ See *Social development and general economic planning in Ghana*, *op. cit.*, p. 3.

⁹⁵ See Federation of Nigeria, *Federal Government development programme 1962-1968*, sessional paper No. 1 of 1962, p. 1-2.

4. DEVELOPMENT PATTERNS AND TRENDS IN THE MAJOR SOCIAL SERVICES

(a) Education

428. The last decade experienced phenomenal expansion in educational facilities in virtually all African countries. The magnitude and rates of growth in primary and secondary school enrolments in Africa south of the Sahara since 1950 are shown in table B. II. 9. As can be seen from the table the average annual rate of growth for the countries selected was 12-14 per cent at the primary level and 21-24 per cent at the secondary level during the period 1950-1959. The highest growth rates in both levels⁹⁶ were recorded for Guinea, Niger, Sudan, the Central African Republic and Chad, countries in groups I-II of the social indicators. By contrast countries that have attained fairly high levels experienced relatively slower growth rates during the same period.

429. The ratio of enrolment to school age population at both levels shows wide margins in the different countries, varying from under 10 per cent in Mali, Mauritania, Niger, Northern Nigeria and Ethiopia to over 50 per cent in Western Nigeria and Southern Rhodesia.⁹⁷ For most countries the growth trend has been one of a marked increase in the provision of primary school facilities in the years before 1957 and a shift to expansion in secondary education thereafter. However, for some countries such as Guinea, Niger, the Central African Republic and the Upper Volta both primary and secondary education grew at rapid rates both before and after 1957. For other countries such as Tanganyika, Uganda, Mauritius and Dahomey, secondary education expanded more rapidly before 1957 than after, even though in the latter period rates of expansion were still relatively high.

430. The expansion of primary school facilities during the second half of the decade was also matched by a great expansion in teacher training facilities, especially in countries which have adopted universal free primary education as is the case in the UAR (Egypt), Ghana and Nigeria. Notwithstanding this marked expansion, many African countries, by the end of the decade, were still faced with the problem of having the majority of their teachers without any professional training.

431. Qualitative as well as quantitative aims were stressed during this period. In some countries, as in the UAR, greater equality between urban and rural services and marked expansion in technical education facilities were achieved. Some countries, where separate educational systems for Europeans and Africans had been a marked feature, succeeded in laying a firmer foundation for African education. For

⁹⁶ Among countries whose growth rates have been shown in the table.

⁹⁷ *The educational situation in Africa today, Conference of African States on the Development of Education in Africa, op. cit.*, figures 3-5.

countries which were preparing for political independence, there was a marked expansion in higher educational facilities both at home and overseas, primarily to provide the necessary indigenous personnel for the assumption of political responsibility.

432. In the current plans of most countries, unlike the earlier ones, targets and priorities on educational programmes have been expressed not only in qualitative and financial terms but also in quantitative terms. Similarly, while the educational programmes of the 1950's in many countries did not stress the relationship between the various levels of primary, secondary, technical, vocational, general and academic education, between qualitative and quantitative output, and between urban and rural needs, current programmes have stressed the need to secure a balance between the different educational programmes.

433. Many of the countries at the higher levels, such as Ghana, Tunisia, Nigeria and the UAR, have based their educational programmes on a comprehensive appraisal of manpower needs. This has usually involved a reorientation of the educational programmes toward technical education at all levels.

434. In an attempt to co-ordinate African educational development programmes, some countries have also endeavoured to adjust their local targets to the Addis Ababa targets⁹⁸ both in the periodic review of their national programmes and in the actual execution of programmes. In some plans the bottlenecks and difficulties in the way of attaining these targets have been stressed.

435. Table B. II. 10 shows the pattern of distribution of planned public capital outlay on current educational programmes and the translation into financial terms of priorities between the various levels of the educational sector in a number of selected countries. The picture is only partial as it excludes educational outlay in the private sector and the more substantial recurrent outlay. The ratio of recurrent to capital expenditure varies widely in the different countries. In general, it may be taken as being of the order of three to four times the level of capital expenditure with the ratio for primary education exceeding the average. With this ratio in mind, the magnitude of the total expenditure involved in the educational programme as a whole and for each of the various educational levels may be fairly visualized from the table.

436. As can be seen from the table, for many countries the highest proportion of total capital allocation for educational programmes goes to secondary education, followed by primary education, higher education, teacher training and technical education, in the following ratios: 9, 8, 6, 3 and 2.

⁹⁸ *Outline of a plan for African educational development (UNESCO/ED/180). Final Report of the Meeting of Ministers of Education of African Countries, op. cit.*

TABLE B. II. 9
Growth of education in Africa

Country ^a	First level education								Second level education							
	Enrolment Ratio ^b	Enrolment in '000				Average rate of increase %			Enrolment Ratio	Enrolment in '000				Average rate of increase %		
		1950	1957	1959	1962-63	1950-57	1957-59	1959-62		1950	1957	1959	1962-63	1950-57	1957-59	1959-62
North Africa																
Sudan	13	133	233	288	372	37	11	9	7	5	27	61	92	70	61	17
West Africa																
Cameroun	78	126	...	371	432			5	3	1	...	14	21			17
Congo (Brazzaville)	70	41	...	89	104			5	3	3	...	5	7			13
Ghana	67	...	468	483	535			3	29	...	149 ^h	179	211			6
Gabon	66	21	40	50	58	12	12	5	2	1	1	2	3	2	41	16
Nigeria	43	...	...	2776	3437				3	...	...	146	248			23
Ivory Coast	33	32	...	200	276			12	1	2	...	10	15			17
Togo	32	40	...	79	96			7	1	1	...	2	4			22
Dahomey	31	35	75	88	109	17	9	8	1	1	3	4	5	21	13	16
Central African Republic	27	19	46	65 ^f	74	19	21	5	1	1	2	2 ^f	4	11	28	29
Senegal	24	38	81	107	135	16	17	9	2	3	6	9	12	17	20	15
Liberia	22	...	...	54	62			5	3	...	...	3	4			12
Sierra Leone	21	35	62	75	93	11	10	8	3	3	7	8	12	16	9	14
Guinea	20	18	43	79	110	19	43	13	1	1	3	6	10	36	56	22
Chad	14	8	33	54	79	47	32	15	—	—	1	2	3	46	55	35
Gambia	11	...	6	6	8			10	2	...	1	2	2			5
Mali	8	25	42	68 ^f	69	9	31	9	1	2	3	4 ^f	6	43	27	14
Mauritania	7	2	7	9 ^f	13	26	19	16	—	—	...	...	1			
Upper Volta	7	14	32	41	72	19	13	25	—	—	1	2	5	31	36	28
Niger	3	6	12	21	36	14	37	5	—	—	...	1	2	3	128	38
Central and south Africa																
Basutoland	91	88	114	128	140	4	6	2	5	1	3	3	5	20	6	23

Southern Rhodesia	84	236	...	...	531				3	3	...	...	15				
Swaziland	56	15	27	32	37	13	9	5	5	—	1	1	2	17	21	29	
Northern Rhodesia		54	162	...	266	305			5	3	1	...	5	10			31
Nyasaland		51	219 ^c	...	294 ^e	327			4	1	—	...	3	8	...		21
Bechuanaland		46	17	...	33	38			5	1	—	—	1	1	...		40
Ruanda-Urundi		36	104	238	340 ^f	294	18	22	—4	1	2	5 ^j	...	10			
Congo (Leopoldville)		72	910	...	1461	1663			4	3	16	—	49	78			20
East Africa																	
Mauritius		100	60 ^d	102	163 ^f	132	10	29	6	18	4	13	17 ^f	27	30	17	18
Kenya		52	...	548	720	831			5	4	...	14	25	37			16
Uganda		52	224	434	502	589	13	8	6	4	11	34	42	59	38	12	14
Madagascar		47	231	322	412	478	5	15	6	1	16	23	26	35	7	6	11
Tanganyika		24	189	374	434 ^g	501	14	8	5	2	9	14 ^f	18	25	63	14	13
Zanzibar		25	9	16	16	22	13	—5	12	5	1	1	2	2	8	16	12
Ethiopia		4	...	151	171	270			20	1	...	7	9	16			26
Somalia		...	...	16 ^e	...	30				...	...	2 ^e	...	5			
TOTAL^j			1273	2331	2970	11797	12	14	6		59	143	209	969	21	24	16

Source: Final Report of the Meeting of Ministers of Education of African Countries, *op. cit.*, table III.

^a Countries are arranged by sub-regions and in descending magnitude of primary level enrolment ratio.

^b Ratio adjusted for duration of school; data relate to years ranging from 1957 to 1960 for the various countries.

^c Primary grade 1-8 in 1950 and 1959.

^d Seven years.

^e Combined Italian and British Somaliland.

^f Projections.

^g 1958-includes grades V-VIII previously included in second level.

^h Includes 1466 part-time schools, middle schools previously included under primary education, now included under second level.

ⁱ Revised figure.

^j Totals do not necessarily agree with the sum of data given in columns as totals refer only to countries for which figure are available and incorporate other adjustments covered by footnotes.

TABLE B. II. 10

Public capital expenditure on education by levels

Country	Plan period	Allocation in local currency (million units)	Distribution in percentages (total educational allocation = 100)					
			Primary	Secondary	Technical ^a	Higher ^b	Teacher training	Others
Cameroun	1961-65	3,050 CFA frs.	13	11	...	...	...	76
Ethiopia	1962-67	30 Eth.\$		39	...	23	...	38
Ghana	1963-70	61 £G.	3	47	8	14	28	—
Guinea	1960-63	4270 G. frs.	21	21	9	29	...	20
Ivory Coast	1962-63	...	14	39	23	...	...	24
Niger	1961-63	2,284 CFA frs. ^c	32	58	2	...	...	8 ^c
Nigeria, Federation	1962-68	74 £N	12	16	9	39	16	8
" E. Region	"	9 £N	—	4	16	21	6	53 ^d
" W. Region	"	13 £N	6	18	19	39	16	2
" N. Region	"	19 £N	8	29	7	10	44	2
" Fed. Govt.	"	33 £N	19	12	4	59	3	3
Rhodesia and Nyasaland (Federal Government)	1962-65	3 £		34	6	11	5	44
Nyasaland	1962-65	2 £	3	38	5	47	6	1
Northern Rhodesia	1961-65	5 £	30	49	1	8	4	8 ^e
Senegal	1961-64	6,195 frs.	40	21	21	...	...	18
Sierra Leone	1962-72	13 £WA	17	21	...	48	11	3
Tanganyika	1961-64	3 £EA	18	38	4	29	9	2
Tunisia	1962-64	33 dinar	13	38	17	6	...	26

Source: Compiled by the Economic Commission for Africa, Economic Development Division.

^a Including agricultural education and special education.

^b Including polytechnic.

^c Including 6 per cent by private sector investment.

^d Balance on "Ashby Programme" (secondary and post-secondary).

^e Including government staff training.

437. Approximately one third of resources for educational development was allocated to primary, one third to secondary education, and about one fourth to higher education. Though technical education was stressed in the programmes of many countries, most countries allocated to it less than 10 per cent of the resources for education. The relatively high allocation to secondary and higher education largely reflects the high priority accorded in many plans to the development of the higher and middle-level manpower needed for the planned development of the countries concerned. Similarly, the relatively high allocation for teacher training in countries such as Nigeria, Sierra Leone and Ghana reflects the stress put on improving the quality of educational services. In some cases, countries whose basic educational facilities are in groups I-II of the social indicators are for some reasons amongst those with the lowest allocation to education.

438. A consideration of the pattern of allocation leads to the conclusion that in most African current educational plans, investment criteria have been weighted more in favour of manpower requirements for plan fulfilment and to a lesser extent by a desire

to achieve a balance between the various levels of the educational structure. (This is not inconsistent with the earlier statement that current plans have achieved a fairer balance than the earlier ones.) Consequently, many countries which should have embarked on programmes of universal primary education and of mass literacy have not found it expedient to do so in their current plans.

(b) Health

439. Health facilities were greatly expanded in many countries during the decade. There was a considerable expansion in medical facilities in the form of new hospitals and dispensaries and their equipment. For some countries the rate of expansion was substantially higher in the latter half of the decade than in the first half. In the French-speaking countries, between 1950 and 1956, the number of medical centres declined by about one seventh, but the total number of dispensaries increased by over three-fold⁹⁹ as a result of the emphasis placed on spreading facilities to the rural areas.

⁹⁹ See *Service des Statistiques d'outre-mer* 1958, table 3, p. 155.

440. Table B. II. 11 indicates the growth of medical personnel during the last decade for a number of African countries. There are many reservations on the qualifications of the personnel of each of the four categories, and in some countries the data refer to the number of persons on the registered list, while in others they refer to the number actually practising in the country. The rate of expansion in building up medical personnel in the different countries varied a great deal. In some countries such as the UAR, the

Sudan, Tanganyika, Angola and Nigeria, the number of physicians and midwives in the countries expanded by two to three fold. By contrast, in countries such as Tunisia, the Congo (Leopoldville) and Togo the number of these categories of medical personnel remained either static or actually decreased. In some countries the situation was particularly affected by the extent to which foreign medical personnel left the country after independence.

TABLE B. II. 11

Growth of medical personnel in African countries

Country	Period Covered	1949-50-51 ^a				1958-59-60 ^a			
		Physicians	Dentists	Midwives	Pharmacists	Physicians	Dentists	Midwives	Pharmacists
Algeria	1950-59	1,578	340	478	520	1,870	449	622	708
Angola	1950-60	139	5	14	18	323	8	49	46
Basutoland	1951-59	18	...	...	...	35	1	106	2
Bechuanaland	1950-59	16	1	8	...	26	1	71	1
Cameroun	1951-59	139	4	24	15	130	13	32	59
Congo (Leopoldville)	1950-60	464	29	168	48	223	44	17	36
Fr. Somaliland	1951-59	6	2	2	1	10	2	2	3
Gambia	1949-58	8	1	...	...	15	2	10	...
Ghana	1949-60	116	6	254	...	315	16	595	315
Kenya	1949-59	300	25	200	...	674	51	630	157
Madagascar	1951-59	556	...	436	41	195	3	22	40
Mauritius	1949-60	85	11	43	33	142	37	71	50
Morocco	1951-60	801	144	132	234	1,236	183	239	418
Mozambique	1950-60	152	...	21	18	321	13	34	115
Nigeria	1949-60	331	10	1,182	...	1,079	49	5,558	542
Reunion	1949-58	12	...	40	1	80	16	70	34
Northern Rhodesia	1950-60	51	2	...	10	328	35	334	116
Nyasaland	1949-60	45	1	126	...	86	8	50	13
Southern Rhodesia	1949-60	364	62	378	154	720	123	1,063	312
Ruanda-Urundi	1948-60	35	2	...	...	90	6	25	8
Sierra Leone	1948-58	55	2	32	...	36	6	401	3
South African Republic	1950-60	5,703	957	8,095	2,300	7,939	1,319	12,459	2,847
Sudan	1948-59	100	2	12	4	290	38	651	46
Swaziland	1950-59	11	...	...	...	24	...	...	4
Tanganyika	1949-60	226	11	26	...	520	29	214	55
Togo	1951-60	29	1	28	3	15	3	8	16
Tunisia	1950-59	526	65	141	181	503	81	159	196
Uganda	1948-59	227	11	711	...	434	7	177	57
UAR (Egypt)	1949-60	4,000	600	700	1,200	10,144	927	1,280	2,539
Zanzibar and Pemba	1949-59	36	2	23	...	43	4	16	7
Ethiopia	1950-56	98	10	9	21	207	16	26	47
Liberia	1956-61	62	10	286	...	80	7	40	5
Libya	1955-60	107	6	28	30	205	9	32	47
Fr. Equatorial Africa	1951-55	173	12	50	19	224	10	55	42
Fr. West Africa	1951-55	618	...	392	42	638	31	453	134

Source: United Nations, *Statistical Yearbook*.

^a The exact year to which data refer for a given country can be determined by reference to the period covered by the survey.

441. For a long time medical facilities depended heavily on expatriate personnel, but during the decade the training of African doctors and auxiliary medical personnel at local and overseas institutions was substantially expanded. Notwithstanding this development, the provision of medical facilities in the form of hospital beds outstripped the increase in the number of medical personnel in many countries. Consequently, as can be seen from current plans, this lack of balance in growth has largely influenced the revision in emphasis, particularly in the change from curative to preventive health services in some countries.

442. In spite of the development of medical facilities, half the countries and territories listed in table B. II. 2 had more than 700 inhabitants per hospital bed and more than 15,000 inhabitants per physician. This situation again resulted in a re-thinking of the organization and staffing of health services.

443. In the public health fields, preventive health measures through mobile teams have played an important role in the past in Africa, particularly against the major epidemic diseases such as small-pox, plague and yellow fever. During the second half of the 1950s increased emphasis has been put on the development of preventive health services based on rural health centres and maternity and child welfare clinics. At the same time campaigns have been launched with aid from the former metropolitan Powers and from international organizations against the major endemic diseases such as yaws, leprosy, venereal disease, tuberculosis, trachoma and malaria.

444. In the current health programmes of many countries there has been a relative shift of emphasis from curative to preventive and social medicine. This is particularly the case with countries whose levels of attainment in medical services have risen substantially as a result of the investment efforts of the last decade. In other countries also a greater stress has been placed on preventive health services, especially on programmes based on rural health centres. Consequently, marked expansion in rural health centres and maternity and child health services as well as in nutritional and health education is envisaged in the current plans of many countries. In some plans targets in physical and/or financial terms have been set for both urban and rural areas in the distribution of these facilities.

445. The training of personnel for both the preventive and curative services, especially in local institutions, has been stressed in many plans. This need has influenced both the magnitude and the pattern of allocation of resources to the development of health services, as is particularly the case with the health programmes of Ghana, Nigeria and Sierra Leone for example.

446. Some current health plans have been formulated on a long-term basis. In Tanganyika for example, an integrated plan covering central and local government and voluntary agencies' programmes has been adopted with the objective of providing a balanced

and effective curative and preventive medical organization as a foundation for comprehensive future health schemes.¹⁰⁰ In Ghana, the present seven-year health programmes are expected to lay the foundation of a free national health service. In the UAR, a long-term health plan is already being implemented.

447. According to the figures given earlier on overall allocations to the health sector, countries in the medium group of social indicators tended to invest 4-5 per cent of planned public capital outlay and 10-15 per cent of recurrent expenditure on health services. In current plans, there are significant exceptions to this pattern. Sierra Leone for example allocated 21.4 per cent of total investment to health services which reflects a particularly high expenditure on medical training facilities. In general the health allocations of those countries in the higher groups, and in countries like Nigeria where health expenditures were high over the decade, tend to be relatively lower than in the case of countries at the lower levels. On the other hand, there are some countries in the lowest group under the social indicators where the allocation to the health sector is considerably below the average for that group.

448. Inter-country comparisons of health expenditures, however, need to be made with some caution in view of the lack of a clear definition of what should be included under this item and the difficulties of making a functional breakdown of items which may be the responsibility of different ministries and departments. Detailed breakdown of health expenditure between the various divisions or levels of the health sector are seldom included in the plans. From the breakdowns available it seems that even where the development of preventive services is given high priority in the plans, expenditures on hospitals and training continue to absorb a large proportion of the allocations.

(c) Housing

449. In the case of housing it is still more difficult to provide a simple indicator of levels and trends over the past decade. However, from recent censuses and surveys it is becoming possible to accumulate statistical confirmation of the large proportion of urban Africans living in overcrowded and unhealthy conditions.¹⁰¹ In some cases a comparison between two recent censuses indicates a worsening of the situation. Urban areas where the housing situation has been marked by virtual segregation between the modern mainly European town, and the African traditional quarters, have been faced since independence with the major problem of drawing up integrated housing programmes for the city as a whole.

450. Allocations to housing were included in some of the development plans during the fifties (see table

¹⁰⁰ *Development Plan for Tanganyika 1961/1962-1963/1964*, Dar-es-Salaam 1961.

¹⁰¹ See *Housing in over-all development planning* (E/CN.14/SDP/24), p. 4-7.

B. II. 8); the main emphasis was on the provision of subsidized housing for public employees, as in Ghana and Kenya, and on slum clearance and housing schemes in some of the more densely settled African areas. The *cités africaines* of Leopoldville provide an outstanding example of the latter. These programmes were usually implemented through semi-public housing agencies.

451. The various programmes of the last decade, however, only touched the fringe of housing requirements and urban development. A major problem of these early housing programmes in Africa generally was that they had been considered separately rather than in relation to the development policy of the country as a whole, with both their social, economic and physical aspects fully integrated. They have tended to neglect the long-term economic implications of the schemes as well as the human factors involved.¹⁰²

452. In current plans, information on housing needs, priorities and targets for urban and rural areas is available for some countries.¹⁰³ In general, however, the housing sector in the plans tends to be less detailed and explicit than others and while only in some countries is the housing sector regarded as part of a more comprehensive development plan, most countries have yet to attempt an estimate of their housing needs and formulate their long-term housing policies.

453. There has been a trend towards the assumption by Governments of greater responsibility in the planning, execution and financing of housing as an integral part of a general social and economic development plan.¹⁰⁴ As a result, public allocations to housing in current plans, as shown earlier in table B. II. 7, are higher in relative and absolute terms than in the previous plans and tend to be higher in the countries falling into groups III and IV under the social indicators than in the lower ones. However, the problems arising in the definition and comparability of the contents of housing expenditure make it necessary to look at this type of comparison with a good deal of caution. It should also be remembered that the capital/recurrent expenditure ratio is much lower in this sector (around 1: $\frac{1}{3}$ - 1) than in the case of either education or health, a factor influencing the over-all financial commitments of the government.

454. In current plans, priorities in most African countries have been accorded first to low-cost housing for urban and industrial workers; secondly, to housing of public employees; and lastly, to rural housing. The trend in many countries has been to move away from private housing with heavy public subsidy through lower rent charges, to "low-cost" but economic housing for workers within the range of

income-groups able to own their own private houses. The activities of semi-public housing corporations trend largely towards this direction. A further element in the "low-cost" housing programme is the provision of serviced building plots for private housing.

455. The main housing efforts are concentrated in urban areas. In those countries where some resources are being devoted to rural housing, these are usually complementary provisions to specific rural development schemes.¹⁰⁵ In Tunisia for example, approximately half of the "popular homes" to be built over the next ten years are earmarked for rural areas, in connexion with the development of co-operatives in irrigated and other rural development areas.

456. The relative allocations of planned housing units between the various income groups are shown clearly in some plans. The emphasis placed on "popular" houses bears out the high priority accorded to the housing needs of the low income-groups, in the large urban centres.

457. As indicated in table B. II. 7, countries falling into the middle groups under the social indicators tend to allocate around 6-7 per cent of public development expenditure to housing and urban development. There are, however, wide variations from this pattern, some countries such as Madagascar, the Rhodesias and Nvasaland, Ghana and Guinea falling well below this average, while Morocco, Senegal and the Congo (Brazzaville) come substantially above it. Once again it is likely that a closer analysis would show that definitional differences play a part in these variations.

458. Complementary to housing programmes is the development of urban facilities such as public transportation, water and electricity supplies and sewerage. During the last decade attempts have been made by a few African Governments to replan towns. Overall plans which include slum clearance, redevelopment and the creation of new pilot neighbourhoods have been projected in Abidjan, Bamako, Nairobi and Lagos, for example. In north Africa, local authorities have taken measures to improve public utilities and to cope with other problems of urban expansion.¹⁰⁶

459. As already noted, the integrated approach to housing development in many current plans has resulted in increased attention and resources being devoted to the provision of ancillary services to housing programmes. Besides the provision of essential utilities, increased attention is being devoted to surveys essential to accurate mapping and registration of titles and to the planning of suburban areas and secondary townships.

¹⁰² See *Report on the world social situation* (E/CN.5/375/Add.2), chapter XIV, p. 184.

¹⁰³ See *Housing in over-all development planning, op. cit.*, p. 4-12.

¹⁰⁴ See *Report on the world social situation, op. cit.*, chapter XIV, p. 183.

¹⁰⁵ See *Housing in over-all development planning, op. cit.*, p. 45-46.

¹⁰⁶ See United Nations, *Report of the urbanization survey mission in the Mediterranean region*, (ST/TAO/SER.C/51 — ST/SOA/SER.T/1), p. 13.

(d) Employment

460. Much has to be done to bring together the data on the economically active population by type of activity and on the wage-earning population, in order to obtain a picture of trends in employment and levels of employment and unemployment in Africa over the past decade. The over-all picture is one of a comparatively small nucleus of persons in regular wage-earning employment, amounting to some 15 per cent of the total working population in north Africa, 11 per cent in Northern Rhodesia and 23 per cent in Southern Rhodesia, but less than 5 per cent in much of west and east Africa. The wage-earning employment is heavily weighted on the side of administration and services. The regular industrial and agricultural labour force is supplemented by a large number of migrant workers alternating between subsistence agricultural and temporary wage employment.

461. As a result of a combination of forces, the falling-off of export prices, political uncertainty, rationalization of production methods and the use of more capital-intensive machinery, the number of wage-earners in most countries has not shown much increase over the past decade. In some countries of east, central and south Africa this has resulted in actual unemployment of those with previous employment but in other countries the situation is marked by an acute shortage of qualified persons and skilled workers and a large mass of unskilled, under-employed persons on the fringe of the labour market. In some countries, as a result of the rapid extension of education, the situation has been further complicated by the arrival on the labour market of young persons who have finished primary or middle school, and are not able to find the jobs they expect for lack of the required training.

462. Most of the early plans did not include employment as a separate sector, or try to link employment targets with over-all planning. It was not until the late 1950's that the expansion of employment opportunities began to be included in the plans as one of the major socio-economic objectives. Some attempts to draw up programmes to meet these problems are found rather earlier in the plans of the north African countries, where seasonal unemployment and under-employment in urban and rural areas with the associated rural migration to towns, were already raising acute problems.

463. A few countries which have comprehensive development plans have usually worked out the employment implications of these plans, although this is necessarily a fairly rough estimate, and is usually not closely related to the main programmes in the plan. Tunisia, for example, hopes to absorb all the economically active male population by the end of the ten-year period. Conversely those countries where employment targets are given a high priority, take this criterion into consideration when evaluating specific investment projects. Countries for example which stress the necessity of introducing capital-intensive methods in the modern sector, may put great stress

on the use of labour-intensive methods in the traditional sector. Countries with a tradition of small-scale artisan industry, like north Africa, may emphasize the need to foster and encourage this sector because of its employment opportunities. Employment criteria are sometimes explicitly mentioned in considering the location of new industries.

464. Perhaps the most original feature of employment plans in the African countries is the attempt to take up part of the present backlog of under-employment and unemployment by providing employment on infrastructure schemes demanding little skills, such as road-making and land clearance and other construction work. Such a scheme is built into the Moroccan plan for example. In Tunisia over one quarter of the expenditure on administration, in addition to considerable external aid in kind, goes towards financing the *chantiers de lutte contre le sous-développement*, by which the manpower of the unemployed and under-employed is utilized on projects of national importance.¹⁰⁷ In 1961 over 200,000 persons were employed in such schemes, half as much as the wage-earning labour force.

465. In other countries, Ghana and the Congo (Brazzaville) for example, such schemes are directed specifically towards providing work and training for unemployed young people. At the other end of the scale these programmes merge into rural "human investment" programmes which aim at mobilizing local communities for local development projects with technical aid from government departments.

466. A few countries have gone a step further in their plans and worked out the manpower implications of the investment programmes in terms of broad skills likely to be demanded, and related this demand to the number of persons finishing different levels of formal and other types of education.¹⁰⁸ In the Sudan, the UAR and Tunisia for example, the supply of, and demand for, skilled and professional manpower formed the basis for formulating training programmes, and in Nigeria, the Ashby Commission's report¹⁰⁹ on the country's needs for post-school certificate and higher education formed the basis of the country's current educational programmes. In some countries these estimates have been made by independent manpower committees and are not included explicitly in the plans.

(e) Other social services

467. Reference to other social services, including social welfare and social security programmes, sport and recreational programmes, as well as community development programmes, are found scattered in various parts of the plans. Some of these programmes are more closely related to over-all planning than

¹⁰⁷ See *The integration of social development plans with over-all development planning in Tunisia* (E/CN.14/SDP/13), p. 18.

¹⁰⁸ See E/CN.14/SDP/13, *op. cit.*, p. 5-12.

¹⁰⁹ Sir Eric Ashby, *Investment in education*, Lagos, 1960.

others. Some are financed largely from voluntary sources; some involve insurance contributions. Government expenditure, or grants-in-aid tend to be scattered between various government departments. For these reasons no attempt has been made here to present a systematic analysis of these programmes as they appear in the plans.

468. In general it can be said that social services in the earlier development plans were modelled largely on the metropolitan patterns, and were concerned mainly with specific social problems in urban areas, probation services, homeless children, youth clubs, care of the handicapped, etc. Government programmes aided and supplemented the efforts of voluntary organizations in these fields. In the rural areas community development programmes concentrated largely on literacy campaigns, women's clubs and other educational programmes.

469. In the current plans these programmes are more directly related to the social changes under way and tend to be more positively linked to the needs of the communities concerned. In the field of social welfare services this has meant more emphasis on community centres, youth clubs, vocational train-

ing centres, and greatly increased educational activities in the field of health, home economics and child care. It has meant the establishment of government programmes of *jeunesse et sport*. It has meant an emphasis on community development as a means of educating rural communities to take advantage of available possibilities for raising their levels of living.

470. In many of the recent plans substantial allocations have been made towards community development programmes. The trend is to link these programmes more closely with agricultural development schemes, so as (as it is put in the Ethiopian plan), "to unite the efforts of the people in the communities with those of the government authorities to improve the economic, social and cultural conditions of the communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to the national progress".¹¹⁰

471. These social services reflect the emphasis which was found in an earlier section of this paper on the need to associate as large a proportion of the population as possible with the development effort in order to overcome the age-old problems of poverty, hunger, disease and illiteracy.

5. FINANCING OF SOCIAL SERVICES

472. Financial resources for implementing government social development programmes have generally come from tax revenues in the main and to a lesser extent from internal grants, special endowment and provident funds in some countries, from external grants-in-aid and sometimes from internal and external loans. As a general rule social services are not revenue-yielding and where certain services yield some revenue, the receipts are often a mere trifle compared with the outlays.¹¹¹ Payments such as education fees and hospital charges also augment the resources that go into the development of social services. Thus the financing of social services largely depends upon the productive and revenue-yielding sectors of the economy and to a lesser extent on external financial assistance.

473. Apart from the general revenue, some countries have adopted special fiscal measures to raise revenue for financing specific types of social services. Revenues derived from special taxes on alcohol, gambling and lottery which are devoted to the provision of educational or health facilities are examples. In Sierra Leone, Western Nigeria and Ethiopia the net profits of government lotteries make some tangible contributions to the provision of specific social services. In Tanganyika special taxes were levied to finance non-native education and the proceeds were

substantial and nearly met all the expenditures on such education.¹¹²

474. Internal grants and gifts from public or private bodies, donated for specific types of social services, have in the past been less significant in most countries. In the west African countries, however, where produce marketing boards have been operating, internal grants and loans have sometimes been very substantial. In Ghana and Nigeria the marketing boards played a major role in the financing of public development programmes during the 1950's. Between 1948 and 1954 these boards made grants and loans to Governments totalling £34.9 million in Nigeria and £25.9 million in Ghana. Of these funds some 4 per cent in Nigeria and 15 per cent in Ghana were directly devoted to educational purposes other than agricultural research.¹¹³ The contributions of these boards to the over-all financing of government development programmes seemed to have risen to higher proportions during the second half of the decade when it became necessary for some countries to fall back on their sterling reserves. In Eastern Nigeria for example, apart from loan assistance to the Government, the Eastern Regional Marketing Board undertook to provide the sum of £5 million in ten annual instalments with effect from 1955 for the financing of the University of Nigeria, Nsukka. By

¹¹¹ See E/CN.14/SDP/12, *op. cit.*, p. 22. In the case of Sierra Leone, for the period 1950-1960, recurrent revenue from social services represented roughly 4-5 per cent of recurrent expenditure on social services.

¹¹⁰ See *Ethiopia, Second Five-Year Development Plan (1962-1967)*, *op. cit.*, p. 21/1.

¹¹² See E/CN.14/SDP/6, *op. cit.*, p. 24.

¹¹³ See E.K. Hawkins, *Marketing boards and economic development in Nigeria and Ghana, 1958*, p. 56.

1962 this Board has actually contributed £ 3.5 million.¹¹⁴ In Uganda, a similar marketing arrangement made possible the establishment of Price Assistance Funds from which transfers were made to establish the African Development Fund which largely financed social programmes.¹¹⁵

475. Occasionally the Government received gifts made by private companies or by resident alien communities with a request that such funds or gifts in kind be used for specific social services. The special independence gifts made to the Government by the oil companies and mercantile firms in Nigeria in 1960 for the provision of educational and health facilities, are examples of substantial internal financial assistance.

476. Endowment and provident funds or special funds exist in some countries and these are available principally for financing social development objectives. In general, social security taxes do not operate in most African countries. In Southern Rhodesia for example the contributions from the social security scheme rose from £ 0.5 million in 1955 to only £ 0.7 million by 1961 and this helped to finance only 17 per cent of total expenditures on social services in 1955 and 9 per cent in 1961.¹¹⁶ In Nigeria a national provident fund scheme launched in 1962 for certain grades of workers yielded about £ 2 millions in less than two years¹¹⁷ and the scheme, besides its direct social security benefits, promises great potentials for financing workers' housing, for example. In Ghana the Kwame Nkruma Trust Fund established in 1958 makes its resources available as grants-in-aid to voluntary organizations for the provision of certain social services. A special case is the Gezira Social Development Fund which uses its two per cent share of the Gezira Board's profits for the provision of social services for the Gezira district only.¹¹⁸

477. Internal loans raised for financing social services have not been of any significance in most African countries as social development projects are generally unable to stand the profitability test for securing loans on commercial terms. Loans have sometimes been raised internally by the Government for general development purposes, either by issuing stocks such as the Nigerian Federal Government Development Loan Stocks or by raising loans from produce marketing boards or from special local financial houses. It is, however, difficult to determine what proportion of such loans has been expended on social services but both social and economic services have generally competed for such funds.

¹¹⁴ See *Eastern Nigeria Development Plan 1962-1968*, p. 4.

¹¹⁵ See E/CN.5/346/Add. 9, *op. cit.*, p. 42.

¹¹⁶ See E/CN.14/SDP/6, *op. cit.*, p. 24.

¹¹⁷ Federation of Nigeria, *The modernization budget*, budget speech, Lagos 2 April 1963, p. 13.

¹¹⁸ See *Report on the world social situation*, "Planning for balanced social and economic development in the Sudan", revised draft, p. 57, table 6.

478. External funds have played a substantial role in the development of social services in African countries since the last war. Such external financial resources have taken the form of free grants, loans and grants in kind, whether in the form of gifts in kind or technical personnel for use in the development of social services. Comprehensive data on the total external aid by both public and private donors are generally not available for most countries and where data are available the proportions contributed to the financing of social services are sometimes unknown. Available data¹¹⁹ on the financial sources for the implementation of both economic and social development programmes during the latter half of the 1950's showed that most African countries relied on internal sources for roughly half of the funds needed for executing these programmes. There were variations in the degree of dependence on external financial resources, with the degree of local financial accommodation ranging from nil in the former French territories to 65 per cent in Ethiopia and 95 per cent in Angola. Foreign grants-in-aid were highest in Gambia and the former French tropical Africa, being about 95 per cent of total planned expenditures, while loans were highest in Kenya and Tanganyika at about 75 per cent of total planned outlays.¹²⁰

479. "A special difficulty is encountered in the case of the former French territories in Africa to which aid was given not only by the French Treasury but also through a variety of institutions established by France. The transactions of all these agencies and those of territorial administrations were so closely woven together that from the available data it is difficult to eliminate inter-account transfers and estimate net flow of French public funds into her former territories".¹²¹ Table B. II. 12 shows the amount of aid given by FIDES and CCFOM to Togo, Cameroun and the Ivory Coast between 1946 and 1958 and the proportion of this aid that was devoted to educational and health services. In the case of Senegal, FIDES provided 52.9 per cent and Laissé (cheap loan) sources a further 18.0 per cent of the funds required for financing social programmes, excluding expenditures on urban development for which cheap loan sources accounted for 4.9 per cent.

480. In the first ten-year plan (1947-1956) formulated by France for its overseas territories, social expenditures accounted for 27 per cent of total outlays while actual expenditure on social services for the period 1946-1953 was only 15 per cent of the total plan expenditure. In the second plan (1954-1958), 20 per cent of the outlay was earmarked for social services. Of the total expenditure by FIDES during 1946-1953, 21 per cent was on social services.¹²²

¹¹⁹ See United Nations, *Economic survey of Africa since 1950*, p. 246, tables 4-XXIII and 4-XXIV.

¹²⁰ *Ibid.*

¹²¹ See E/CN.14/SDP/6, *op. cit.*, p. 27.

¹²² See Barbu Niculescu, *Colonial planning*, 1958, p. 145-148.

TABLE B. II. 12
French aid to Togo, Cameroun and Ivory Coast
(Crédits de paiement)
(in billion francs, for period 1 July 1946 to 30 June 1958)

Country	CCFOM	FIDES		Total	FIDES		Overseas Section		
		General Section	Overseas Section		First plan ^b	Second plan ^b	1955/56	1956/57	1957/58
Togo, Total	5.54	0.15	8.79	14.5	4.69	4.10	1.23	0.50	1.21
Education					0.24	0.18	0.07	0.01	0.06
Health					0.81	0.22	0.02	0.03	0.04
Cameroun, Total	34.8	5.21	65.5	105.5	36.48	28.45	7.19	5.03	7.42
Education					0.97	1.83	0.46	0.50	0.43
Health					1.02	1.81	0.50	0.50	0.36
Ivory Coast ^a , Total	5.05	0.22	17.45	22.72					
social services	4.09	0.16	2.79	7.04					

Source: *Government expenditure on social services in selected African countries, op. cit.*, p. 25.

^a For the period 1953-1957 (Second Plan).

^b The first plan commenced 1 July 1947 and ended 30 June 1955. The second plan covered the period from 1 July 1953 to 30 June 1958. The period 1 July 1953 to 30 June 1955 is an overlap period for both plans.

481. In the case of the former British territories grants made available by the Colonial Development and Welfare Funds generally accounted for a substantially higher proportion of the outlays on social services than the corresponding outlays in the former French territories. Around 1955 these grants accounted for 15 per cent of total plan outlays in all the United Kingdom territories. The relative contributions of these CD and W grants in the financing of development programmes in the different territories varied greatly, as some countries preferred to use these grants for social services while deploying local resources largely to finance economic programmes.¹²³ The share of CD and W funds in the total plan outlay of Nigeria around 1955 was 48 per cent as against 4 per cent in Ghana and 22 per cent in Tanganyika.¹²⁴ The magnitude of the total issues of these grants and their impact on the main sections of social services can be seen from table B. II. 13. As in the case of the former French territories, the bulk of these grants and credits was concentrated in financing educational and health facilities.

482. Besides the metropolitan Powers which aided their overseas territories in Africa with loans and grants, the United States of America was the only country that made substantial financial assistance to African countries during the 1950s. Between 1948 and March 1956 of a total \$ 738 million made available to various African countries, some \$ 55 million were allocated to development assistance and about \$ 54 million to technical co-operation. Between 1954

and 1958 the volume of grants coming from the United States has grown to about thrice the volume of loans.¹²⁵ The main beneficiaries of this financial assistance up to 1958 were Libya, Morocco and the UAR (Egypt) but many more countries have since benefited from American aid, in particular from the teaching personnel being supplied under the Peace Corps projects.

483. In the over-all financing of social development programmes, the contribution of the people benefiting from the services, apart from the nominal fees sometimes charged for specific services, had been very significant in many countries. In all countries voluntary organizations, in particular missionary agencies, are responsible for providing a substantial part of the various social services and for their financing. Where these voluntary organizations are grant-aided by the Government, the greater part of the financial burden of the services they provide are met through their own local, and sometimes external, voluntary contributions and donations.

484. In some countries such as Ghana, Nigeria and Algeria for example, communities are known to have contributed substantially to the provision of certain classes of social services such as schools, dispensaries, maternity centres and rural hospitals, which the people were most eager to have and willing to finance through voluntary or induced self-help schemes. This contribution of the people has sometimes taken the form of self-imposed financial levies by cultural organizations or special levies by local councils for specific social services such as an education rate for

¹²³ See E/CN.14/SDP/6, *op. cit.*, p. 29.

¹²⁴ On a *per caput* basis, Nigeria was one of the largest beneficiaries from these funds, receiving about 13s 9d *per caput* as against 9s for Ghana.

¹²⁵ See *Economic survey of Africa since 1950, op. cit.*, p. 235-236, tables 4-XVI and 4-XVII.

educational facilities; and generally, under-used resources such as voluntary labour and local raw materials have been used for the execution of local community development projects, based on the prin-

ciple of aided-self-help. Through these various contributions by the people a substantial part of the overall financial requirements of social programmes has been successfully met in many countries.

TABLE B. II. 13
Total issues from United Kingdom's CD and W funds for social expenditures in Africa

(for the period 1 April 1946 to 31 March 1958)
(in £ '000)

	Total issues, all services ^a	Education	Health	Housing and town develop.	Water supplies & sanitation	Other ^b	Total social services	Social services as % of all services
East Africa								
High Commission Territories	2,474	347	110	—	—	1	458	23.3
Kenya	9,754	1,289	731	111	638	72	2,841	29.1
British Somaliland	1,454	261	149	4	91	127	632	43.5
Tanganyika	7,963	728	737	623	630	86	2,804	35.2
Uganda	3,059	686	205	202	773	126	1,992	65.1
Zanzibar	1,257	366	129	31	20	35	581	46.2
Central Africa								
Northern Rhodesia	2,874	746	127	363	—	514	1,750	60.9
Nyasaland	4,610	670	177	927	109	107	1,990	43.2
Fed. of Rhodesia and Nyasaland	1,286	1,087	15	—	—	11	1,113	86.6
West Africa								
Gambia	1,266	185	327	241	107	3	863	68.2
Ghana	3,592	830	212	—	467	31	1,540	42.9
Nigeria:	(26,596)	(5,170)	(5,084)	(60)	(4,577)	(425)	(15,316)	(57.6)
Pre-federation	16,302	3,345	3,572	60	2,631	409	10,017	61.5
Federation	1,809	368	52	—	5	—	425	23.5
Northern Region	5,512	604	579	—	1,701	1	2,885	52.3
Western Region	1,273	489	368	—	29	—	886	69.6
Eastern Region	1,112	164	415	—	201	3	783	70.4
Southern Cameroun	588	200	98	—	10	12	320	54.4
Sierra Leone	3,591	1,402	587	—	76	54	2,119	59.0
South Africa								
Basutoland	1,658	164	215	—	89	18	486	29.3
Bechuanaland	2,076	241	195	86	653	32	1,207	58.1
Swaziland	1,760	307	249	132	18	25	731	41.5

Source: United Kingdom, *Colonial Development and Welfare Acts, Cmd 672*, London 1959.

^a All services including administrative, economic and social services.

^b Includes broadcasting and information and welfare.

485. A major problem in the financing of social services is the tendency for the services provided to grow faster than the means for financing them. For a future higher level of social service facilities, external sources of finance, which have made a very significant contribution in the past, are not so reliable for long-term planning of the services themselves. In the pre-independence era, external grants such as those made under the CD and W Funds were most helpful. In the former French territories development planning was an integral part of the French foreign aid policy and "the pattern of external aid, therefore,

determined largely the structure of social service expenditure in these countries".¹²⁶ In the post-independence years and for the future, uncertainty has developed as regards the amount of aid, its timing and its character, as a result of the new influence of international political relations and diplomacy.

486. New sources have grown and the number of foreign countries giving financial and technical assistance in the social field has considerably increased

¹²⁶ See E/CN.14/SDP/6, *op. cit.*, p. 29.

with political independence. Significant of these new sources are the cheap loan sources such as the Special Commonwealth African Assistance Programme under which loans, grants, training, scholarships and fellowships may be obtained from other Commonwealth countries for both social and economic programmes.¹²⁷ Cheap loans are also available from the Special Fund, an agency of the United Nations Organization and applications from under-developed countries for certain types of social programmes are acceptable to this Fund.

487. However, a major problem in the acceptance and use of foreign loans and grants for financing social programmes is the capacity of the receiving country to meet the local costs of the programmes being aided. The incidence of local costs in both recurrent and development expenditures for aided programmes ranges from a minimum of 50 per cent¹²⁸ to two thirds or more. A study of the contribution of external financial aid in Sierra Leone for the decade 1950-1960 shows that the ratio of local costs to off-shore costs in total government expenditures was 9:1 as against 8:1 for non-social expenditures and 19:1 for social expenditures.¹²⁹ "Thus the possibility arises that programmes, even where they may have been properly worked out and the projects analysed and presented in such a way as to attract

foreign investment or assistance, may have to be postponed because of the Government's inability to raise the local cost contributions. This automatically makes the project financially non-viable from the external donor's or investor's point of view."¹³⁰

488. Furthermore, the new sources of external financial and technical assistance are only palliative in meeting the expanded programmes of social services or in filling the gap left by the withdrawal or substantial curtailment of grants from former metropolitan treasuries. Consequently, the key to the future financing of social development programmes will increasingly depend upon an overhaul of government fiscal measures, the adoption of a policy of making the users of certain classes of social services (such as higher education and housing of public servants) pay for the services they enjoy, and of shifting a good part of the financial burden of providing social services from central to local governments with responsibility to shift this burden ultimately to the people through the payment of local rates. It will also depend upon a greater use of community self-help techniques. The success of all these alternative measures ultimately depends upon every country fostering an ever-expanding and sound economy, that is, an accelerated increase in **per caput** national income.

6. SUMMARY AND CONCLUSIONS

489. This study has discussed briefly the social aspects of development plans in Africa, with particular emphasis on the general level of development, the planned allocations of public expenditures to the different social sectors and the financing of social services. It has covered among other things, the structural changes envisaged, income targets and income distribution, the relative emphasis between economic and social objectives and programmes, the share of resources devoted to social sectors, investment criteria, social priorities stressed, special area or regional programmes, and the employment contents of the plans. A summary presentation of the main features of a selected number of development plans can be found in table B. II. 14.

490. Although the analysis found in the earlier sections must be regarded as preliminary, and subject to later revision in the light of more detailed study, a number of tentative conclusions emerge:

491. It was pointed out in section 1 that some countries put greater stress in their plans on the type of society and economy that is desired, and the institutional changes and provisions necessary for the attainment of these objectives. The social develop-

ment objectives tend to be fitted into these over-all socio-economic targets. It can be seen from columns 2 and 3 of table B. II. 14 that these structural changes are linked with changes in the distribution of income. While all countries aim at increasing over-all **per caput** income, some countries explicitly include a more equitable distribution of income amongst the objectives of the plan. In the plans of these countries there is a clearer indication of the structural changes which are needed to reach these objectives.

492. The extent to which objectives in the social sectors have been related to the over-all plans varies greatly according to the degree of comprehensiveness of the plan and the nature of the social sector. In some countries the social sectors are only very perfunctorily related to the plan. Often the targets are less precisely stated than in the economic sectors. In a few plans the targets in the social sectors are woven into the fabric of the plan and form a framework for the productive sectors. In general the education and employment targets are more closely tied in with the over-all objectives than is the case with health and housing.

493. Over time there have been shifts of emphasis in the relative priority accorded to social development **vis-à-vis** economic development, which have reflected changes in the economic and political situation rather than the level of social attainment. While

¹²⁷ See E/CN.14/SDP/12, *op. cit.*, p. 27.

¹²⁸ A 50 per cent off-shore cost has become current in many international aid programmes in recent years.

¹²⁹ See E/CN.14/SDP/12, *op. cit.*, p. 25, table V.

¹³⁰ *Ibid.*, p. 28.

TABLE B. II. 14

Salient features in African current social development programmes

Country	Structural changes envisaged	Income distribution and target	Relative plan emphasis social/economic	% share in public capital allocation	Investment criteria	Social priorities stressed	Regional or multipurpose and integrated programmes	Employment content
1	2	3	4	5	6	7	8	9
Ethiopia 1962-1967	Land reform.	Progressive taxation in land use. <i>Per caput</i> income (net) rising at 2.8% <i>per annum</i> .	Concentration on productive services; social services to grow at lower rate.	Education 1.8 Health 2.3 Housing 14.7 Soc. services 19.4	Productivity; infrastructure needs of productive sectors; maximum returns through integrated projects; capital/labour intensity; economy in costs.	Technical education and training; decentralized health service and preventive medicine; low cost housing; community development.	Community development on integrated basis; regional concentration in river valleys: Blue Nile, Awash and Shebelli; Addis Ababa five-year programme.	Partial modern sector only 180,600 job places.
Ghana 1963-1970	Create a socialist society and economy; co-operative sector; large socialized sector.	Equitable income distribution.	Precedence given to economic development.	Education 13.2 Health 6.4 Housing 4.1 Soc. services 25.9	Making full use of existing social and economic over-head; productive investments in agriculture and industry.	Education for training skills including secondary education and teacher training.	Nine regional development areas; Volta river project.	600,000 workers; of which 200,000 are direct job places.
Kenya 1960-1963	Land consolidation and farm planning.	<i>Per caput</i> income rising at about 3.5% <i>per annum</i> .	Emphasis on economic activities as in previous plans; over 65% of resources devoted to economic services.	Education 8.3 Health 2.4 Housing 8.4 Soc. services 19.5	Concentration on revenue-yielding investment especially agriculture.	African secondary education; "high density," low income group housing.	Rural development (ALDEV) services and land consolidation scheme.	
Mali 1961-1965	Co-operatives and State economic participation.	<i>Per caput</i> net income rising at 5.5% <i>per annum</i> .	Fairly balanced for infrastructure needs.	Soc. services 35.0	Building up the economic and social infrastructure of the economy (70% of total planned investment); State action in productive sectors.			
Morocco 1960-1964	Agrarian and land tenure reform.	<i>Per caput</i> income rising at 3.7% <i>per annum</i> .	Production and social overhead aiding economic growth (technical education and housing); low emphasis on traditional social services.	Education 11.0 Health 4.0 Housing 8.0 Soc. services 23.0	Concentration on productive sectors; technical training; mobilization of domestic savings and direct labour.	Unemployment; manpower training; rural and urban development.		80,000 jobs through public works.

TABLE B. II. 14 (Contd.)

Salient features in African current social development programmes

Country	Structural changes envisaged	Income distribution and target	Relative plan emphasis social/economic	% share in public capital allocation	Investment criteria	Social priorities stressed	Regional or multipurpose and integrated programmes	Employment content
1	2	3	4	5	6	7	8	9
Nigeria 1926-1968		<i>Per caput</i> income rising at 2% p.a.; redressing regional income inequalities.	Weighted in favour of productive sectors and social overhead (manpower training) accelerating growth.	Education 10.3 Health 2.5 Housing 6.2 Soc. services 20.2	Productivity; basic services to give the economy an industrial base; agricultural and industrial development.	Technical and higher education; manpower training; low-cost housing; participation of people.	Lagos development scheme; Niger delta scheme; Niger dam project.	
Rhodesia and Nyasaland Federal Government 1962-1965		<i>Per caput</i> income rising at 2% p.a.	Re-allocation of resources in favour of productive services; 68% resources for econ. serv.	Education 5.4 Health 3.5 Housing 4.6 Soc. services 14.2	Investment in the productive sectors; labour-intensive activities.	Unemployment and under-employment; technical and higher education aiding economic growth.		
Nyasaland 1962-1965	Co-operative and public ownership; control of monopolies.	Income & wealth redistribution; <i>per caput</i> income rising at 3.7% p.a. to £23 by 1965.	Concentration on economic infrastructure and agricultural modernization.	Education 17.1 Health — Housing 3.2 Soc. Dev. 2.0 Soc. services 25.8	Continuation works productivity; employment effect; resource utilization; balance between sectors.	Development of human resources through education and training.	38,200 additional places (in theory)	
Senegal 1961-1964	Co-operative ownership and production; administrative reforms.	<i>Per caput</i> net income rising at 5.7% p.a.	Tends to be weighted in favour of social services; aims at redressing imbalance of social and economic sectors.	Education 12.3 Health 5.3 Housing 17.2 Soc. services 34.8	Qualitative development and social improvement; reliance on <i>investissement humain</i> .	Health and education especially rural needs; employment; welfare; rural housing.		
Sierra Leone 1962-1967	A social environment favourable to a "mixed economy".		Emphasis on infrastructure Social services 41.2% Economic services 34.3% Production 16.8%	Education 10.5 Health 21.4 Housing 4.1 Soc. services 41.2	Providing deficiencies in basic economic and social services on integrated basis.	Qualitative basic education; local training of medical personnel.		
Sudan 1961-1972		<i>Per caput</i> net income rising at 2.2% p.a.	First priority is productivity; basic services in health and education also important.	Education 13.0 Health 3.0 Soc. services 23.7	Concentration on basic (economic and social) services for long-term planning.		Gezira scheme; Zandi scheme; Gash scheme.	

TABLE B. II. 14 (Contd.)

Country	Structural changes envisaged	Income distribution and target	Relative plan emphasis social/economic	% share in public capital allocation	Investment criteria	Social priorities stressed	Regional or multipurpose and integrated programmes	Employment content
1	2	3	4	5	6	7	8	9
Tanganyika 1961-64		<i>Per caput</i> income rising at 3.4% p.a.	Complementary development with higher emphasis on economic assets; over 60% of resources allocated to economic development.	Education 13.8 Health 4.0 Housing 8.7 Soc. services 27.1	"Laying foundation for future growth"; productivity and basic services; higher national income for accommodating welfare services.	Secondary education and technical training.		
Tunisia 1962-1964	Democratizing economic power; adaptation of administrative organs; land reform; co-operative production.	Minimum <i>per caput</i> income of 50 Dinars (1974); <i>per caput</i> income growing at 4.2% p.a.; redressing income inequalities.	Concentration on economic infrastructure and manpower training.	Education 10.0 Health 1.0 Housing 6.0 Soc. services 17.0	Productivity; employment effect; import substitution and foreign exchange.	"The humanization of society"; education; housing for the poorest class.	Medjerda Valley scheme.	Full employment by 1971.
Upper Volta 1962-1967		<i>Per caput</i> net income rising at 2% <i>per annum</i> .	Priority to productive sectors and economic services.	Education 8.0 Health 2.2 Housing 7.5 Soc. services 22.0	Identification of natural resources and their utilization for production.			
UAR (Egypt) 1960-1965	Abolition of private property with monopolistic powers and of unequal land ownership; co-operative system; State enterprise; land reform.	Double national income in 10 years; <i>per caput</i> income rising at 5% p.a. Income re-distribution.	Weighted in favour of economic growth with housing and urban facilities as complement.	Education 2.9 Health 0.6 Housing 10.3 Soc. services 15.3	Productivity geared to rapid industrial growth.	Equal opportunities for personal development; social justice.		

Source: Compiled by the Economic Commission for Africa, Economic Development Division.

up to the late 1950s, high priority was accorded to social investment expenditure, in the current plans, emphasis has shifted to productive investment and the rate of growth in social services has tended to fall. In many plans, as can be seen from columns 4 and 6 of table B. II. 14, emphasis is put on the need to increase the national output in order to sustain a higher level of social services in the future. At the same time an attempt is made in some plans to differentiate between those social services likely to contribute towards growth in national output and those that can be more easily postponed. But much more needs to be known about the inter-relationships involved for rational choices to be made.

494. In some current plans stress has been put on a regional approach to integrated economic and social development in an attempt to achieve a more even development between geographical areas and social groups and to increase the proportion of the population brought within the modern sector of the economy. In some cases, as can be seen from column 8 of table B. II. 14 this has taken the form of rural development schemes, providing an opportunity for combined economic and social development.

495. It was shown earlier, and it is reflected in column 5 of table B. II. 14, that within the social sectors the emphasis put on the different services has varied between countries and over time, reflecting different needs and pressures and patterns of development. The social services tend to compete for resources in terms of finance and personnel and in practice the largest allocations tend to go to the most articulate advocates and those who can show most clearly the link between investment and returns. In fact the programmes of the different social services are closely inter-related, and need to be looked at, as the Sierra Leone ten-year plan suggests, on the basis of group needs rather than targets in isolated social sectors.

496. The analysis of investment allocations in relation to levels of development has brought out sub-regional patterns, and in some cases has thrown into

relief country variations from these patterns. More could be done in this way to establish the basic inter-relationships and to explore reasons for departures from regional levels.

497. The contents of current plans reveal a growing public responsibility for social development and for the encouragement of institutions and agencies for social change. The share of the established voluntary agencies is relatively getting smaller. At the same time an attempt is being made to decentralize the provision of social services "from above" and through local administration or self-help schemes to stir into life new voluntary efforts. In the field of social development much will depend on the success of these efforts.

498. The problem of financing expanding social services has assumed new significance in recent years. This has largely resulted from the fact that the rate of growth in the social sectors has generally been faster than in the productive sectors which sustain them, and for many countries the attainment of independence has led to the virtual withdrawal or substantial curtailment of metropolitan grants which had previously played a major role in the provision of social services. Furthermore, because the recurrent financial implications of capital outlays on social services are generally more burdensome than for economic services and ultimately tend to limit government capacity to promote over-all economic development, countries had of necessity, in their current plans, to exercise restraints in expanding social services whilst popular demand for these services continues to grow. The prospects of international aid in providing these services look only palliative to African Governments because of the uncertainty surrounding such aid and, in particular, the limited capacity of these Governments to bear the comparatively heavy local costs complement of such aid. Thus the future prospects for the development and acceleration of the level of social services in African countries largely depend upon attainment of a higher level of economic capacity.

