

47723



UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL



Distr:
GENERAL

E/CN.14/773
E/CN.14/INR/235
26 March 1980

Original: FRENCH/
ENGLISH

ECONOMIC COMMISSION FOR AFRICA

First meeting of the Technical
Preparatory Committee of the
Whole

Addis Ababa, 3-8 April 1980

ECONOMIC COMMISSION FOR AFRICA

Fifteenth session of the Commission/
Sixth meeting of the Conference of
Ministers

Addis Ababa, 9-12 April 1980

AFRICAN STRATEGY IN THE FIELD OF INDUSTRIAL DEVELOPMENT
AND CO-OPERATION 1980-1985

Proposals Submitted by the Ministerial Follow-up Committee
(of the Whole) on Industrialization on behalf of the Conference
of African Ministers of Industry

M80-796

TABLE OF CONTENTS

	Page
I. PREAMBLE	1
II. LONG- MEDIUM- AND SHORT-TERM INDUSTRIAL DEVELOPMENT OBJECTIVES	3
1. Long-term objectives up to the year 2000	3
2. Medium-term objectives up to the year 1990	3
3. Short-term objectives up to the year 1985	4
III. REQUIREMENTS FOR THE ACHIEVEMENT OF INDUSTRIAL DEVELOPMENT ...	4
1. At the national level	4
2. At the subregional and regional level	5
3. At the international level	6
IV. CONCLUSIONS	7

I. PREAMBLE

1. Twenty years after the majority of African countries have acceded to political independence, the African continent is facing the decade 1980-1990 seriously handicapped by its underdeveloped condition. This underdevelopment is manifested socially, among other things, by the low level of satisfaction of the basic needs of the population continued widespread illiteracy, and the persistence of major endemic diseases.

This situation is reflected in economic and administrative structures which fail to meet the requirements of development.

The African economy is still based essentially on agriculture and artisan-style production, the main features of which are the low productivity of the techniques used, poorly qualified manpower and inadequate infrastructures.

With an average per capita, income of \$US165 (1973)^{1/} and in spite of an average rate of growth of 3.5 per cent (1970-1977) and with 20 of the 30 least developed countries, the African continent occupies the worst position in the world-wide struggle against underdevelopment. ^{2/}

2. Africa's present state of underdevelopment is the direct consequence of many centuries of colonization and domination in all their numerous forms, under which both the population and the continent's raw materials were ruthlessly exploited.

3. Like the developing countries as a whole, with which they have close ties, the African countries have undertaken to achieve their economic and social development which, while entailing the radical transformation of their societies and the establishment of an integrated economic structure, necessitates in addition to a plan for mobilizing the entire human and material resources of each one of them, requires having recourse to massive external resources which represent an essential contribution.

4. The variety of external resources needed by the African countries to complement the resources they will mobilize themselves in order to give their development activities the depth, continuity and pace without which any effort of such magnitude is bound to fail, should come to a large extent and above all from the developed countries, which owe their present wealth in large measure to the exploitation of the African continent.

^{1/} Excluding oil exporting countries. For the low-income group of countries, the figures are \$145 for Africa and \$155 for other developing regions. For the middle-income group, the figures are \$390 for Africa and \$990 for the other developing regions.

^{2/} Manufacturing value added in Japan was six and one half times that of Africa in 1963 and nine times that of all African countries together in 1975. The share of Latin America in world manufacturing value added was 5.5 times that of Africa in 1963 and six times in 1975.

5. The African countries consider that the present underdeveloped state of the majority of the peoples of the earth, and the African peoples, more particularly constitutes not merely an obstacle to the continued development of the existing advanced countries but also a threat to world peace.

6. In this connexion, the massive transfer of resources to the African continent must take the form either of grants or of soft loans which will enable the African countries to achieve genuine development and ever increasing economic independence. It will have to be organized in such a way that the proportion of grants is in inverse proportions to the level of development of the beneficiary country.

7. The African countries reaffirm the vital need to undertake global economic, social and cultural activities which will mobilize the strength of the country as a whole and ensure that both the efforts put into, and the benefits derived from development are equally shared.

8. The industrialization of the African continent in general and of each individual African country in particular constitutes a fundamental option in the total range of activities aimed at freeing Africa from underdevelopment and economic dependence. The integrated economic and social development of the African continent demands the creation, in each African country, of industrial base designed to meet the interests of that country and strengthened by complementary activities at the subregional and regional levels. Industrialization of this kind will contribute, inter alia, to:

- (a) the satisfaction of basic needs of the population;
- (b) the exploitation of local natural resources;
- (c) the creation of jobs;
- (d) the establishment of a base for developing the other economic sectors;
- (e) the creation of the basis for assimilating and promoting technological progress;
- (f) the modernization of society

9. By harmonizing development activities and ensuring that optimum use is made of the limited resources of the various African countries, industrial co-operation creates conditions conducive to regional and subregional collective self-reliance, while at the same time providing the framework for strengthening the efforts of each country.

10. Conscious of this situation and of the need to strive to translate development targets, African countries reiterate their support for the resolution adopted at the third General Conference of UNIDO recommending that the United Nations General Assembly should proclaim the 1980s as the African Industrial Development Decade. They are fully aware that such a proclamation will confer certain obligations on those who work for it and thus undertake to make an appropriate contribution to the efforts required to ensure its success. They are determined, furthermore, to take all necessary steps to ensure that this Decade is fully successful.

11. The African countries note with great disappointment the negative results of the third General Conference of UNIDO. In the first place, they appreciate the true significance of this failure, namely the impotence of the developed countries to

induce the developing countries to abandon their legitimate demand for a just and equitable new international economic order.

12. In addition, they draw a number of conclusions, including:

- (a) the need to promote, side by side with the other developing countries, recognition of their right to development;
- (b) the need for fruitful co-operation between African countries, on the one hand, and between African countries and the other developing regions on the other hand;
- (c) the urgent need for each country to adopt a national development policy based, above all, on using its own resources;
- (d) the urgent need to implement a plan for the collective industrialization of Africa based on the concept of self-reliance.

II. LONG- MEDIUM- AND SHORT-TERM INDUSTRIAL DEVELOPMENT OBJECTIVES

13. In application of that section of the Monrovia Declaration relating to industrial development in Africa and bearing in mind the targets set at the second General Conference of UNIDO at Lima and the relevant resolution of the third General Conference of UNIDO at New Delhi on the African Industrial Development Decade and in accordance with the New Delhi Declaration and Plan of Action submitted by the Group of 77, the African countries adopt the following industrial development strategy for the long, medium and short-term up to the years 2000, 1990 and 1985 respectively.

1. Long-term objectives up to the year 2000

14. In implementing the long-term development strategy up to the year 2000, Africa's target shall be to achieve 2 per cent of world industrial production in accordance with the Lima target.

15. The attainment of this target will require the creation of an industrial structure and national levels within the framework of an integrated economy.

2. Medium-term objectives up to the year 1990

16. During the 1980-1990 decade, African countries intend to achieve 1.4 per cent of world industrial production and at the same time to do all within their power to attain self-sufficiency in the following sectors: food, building materials, clothing and energy. To that end they have set themselves the following targets:

- (a) creation of a solid basis for self-sustained industrialization at the national and subregional levels;
- (b) development of human resources to ensure that they are fully mobilized in the industrial development process;

- (c) production in sufficient quantities of agricultural inputs such as fertilizers, pesticides, agricultural tools and machines;
- (d) production, in sufficient quantities of building materials for the construction of decent urban and rural housing for the continent's growing population and in general to meet the economy's requirements in terms of building materials;
- (e) development of the intermediate and capital goods industries and particularly those intended for other industries and infrastructure building;
- (f) on-the-spot processing and upgrading of an increasingly large portion of the continent's raw materials;
- (g) satisfaction of industry's energy needs by developing the different forms of energy available on the continent;
- (h) satisfaction of clothing needs with special reference to textiles.

3. Short-term objectives up to the year 1985

17. In pursuing their medium and long-term industrial development objectives, African countries intend to achieve the following targets in the short-term:

- (a) to achieve at least 1 per cent of world industrial production;
- (b) to lay the foundations for the development of the following industrial branches:
 - (i) Food and agro-industries;
 - (ii) Building industries;
 - (iii) Metallurgical industries;
 - (iv) Mechanical industries;
 - (v) Electrical and electronic industries;
 - (vi) Chemical industries;
 - (vii) Forest industries;
 - (viii) Energy industry

III. REQUIREMENTS FOR THE ACHIEVEMENT OF INDUSTRIAL DEVELOPMENT

Objectives

18. If the whole set of long-, medium- and short-term industrial development objectives set by African countries are to be achieved, a variety of requirements will have to be met at the national, subregional, regional and international levels.

1. At the national level

19. Industrial development in each African country will depend on:

- (a) design of a national industrialization policy which lays down priorities, targets and the human, financial and institutional resources required;

- (b) establishment of training facilities for technical personnel which will meet the requirements at all skill levels;
- (c) launching of a prospecting programme with a view to making an inventory of all the resources in a country and establishing how they should be exploited;
- (d) establishment of institutions responsible for promoting industrialization, in the field of studies, research, standardization and other services;
- (e) creation of financial institutions which offer such terms and conditions as to promote accelerated industrial development and take account of the special features of emerging sectors;
- (f) creation of machinery to co-ordinate and promote industrial co-operation between the country concerned and other countries in the subregion and the region;
- (g) creation of a network of small- and medium-scale industries;
- (h) monitoring of the activities of transnational corporations.

2. At the subregional and regional level

20. African countries have decided to give concrete expression to their will to co-operate by adopting the following measures:

- (a) preparation of subregional and regional plans for the creation of major industrial complexes whose cost and production capacity would exceed national financial and absorptive capacities;
- (b) creation of multinational regional or subregional institutions to make an inventory of and exploit shared national resources;
- (c) strengthening of existing institutions:
 - (i) African Regional Centre for Technology
 - (ii) African Regional Centre for Engineering Design and Manufacturing
 - (iii) African Industrial Development Fund
- (d) establishment of machinery to monitor industrialization at the sub-regional level;
- (e) creation of an African Regional Centre for Engineering Consultancy and Industrial Management Services;
- (f) promoting trade in manufactures among African countries;
- (g) strengthening and where necessary creating industrial project financing institutions;
- (h) creation of industrial zones;
- (i) creation of multinational institutions to promote financial flows and the transfer of technology to Africa;
- (j) initiation of research work at the subregional and regional levels into new sources of energy.

3. At the international level

21. African countries feel that it is essential to co-operate with other regions of the world in order to attain their industrial development objectives. They insist on the fact, however, that such co-operation should be mutually advantageous and should be based on respect for the fundamental interests of the continent and in particular the sovereignty of every country over its natural resources.

In their relations with other developing regions, African countries will in particular strive to:

- (a) promote the exchange of industrial technology;
- (b) implement joint technical training programmes;
- (c) conclude trade, monetary and payments agreements with a view to promoting trade in finished and semi-finished products with such regions;
- (d) obtain the additional resources required to finance their industrial development from financial institutions which, like BADEA, are controlled by developing countries and in particular the oil exporting countries;
- (e) strengthen their bargaining power by working together with other developing regions and harmonizing with them the positions to be taken vis-à-vis the developed countries.

22. For the African countries, co-operation with the developed countries should in particular lead to:

- (a) a massive transfer of resources to finance industrial projects which are accurately costed to take account of all types of additional expenditure borne by the industries of African countries;
- (b) transfer of technology at the lowest cost;
- (c) monitoring the activities of transnational corporations so as to ensure that their activities are compatible with the interests of African countries;
- (d) the adoption of an international code of conduct on the transfer of technology as well as a code of conduct for transnational corporations designed to safeguard the interests of African countries;
- (e) industrial redeployment at the world-wide level which will ensure that African countries achieve the Lima targets;
- (f) free access to developed countries' markets for the industrial products of African countries through the removal of protectionist tariff and non-tariff barriers.

23. Concerning the role of international organizations whose task it is to promote industrial development, and in particular UNIDO, African countries would like them to concentrate, as a matter of priority, on the least developed countries, and would want to see these organizations receive more material and financial resources so that they can play an effective role in promoting the industrialization of African countries.

24. Furthermore, they call for measures to be taken to put the system of consultations within UNIDO on a legal and permanent basis and to ensure that the decisions reached are binding.

IV. CONCLUSIONS

25. Twenty years after the attainment of political independence by a majority of the African countries, the continent is entering the 1980-1990 decade in a state of underdevelopment which makes Africa the least developed region in the world and which has resulted from several centuries of colonial domination.

26. Aware of their handicap and determined to follow through their action which is aimed at lifting them out of their underdevelopment, African countries undertake to promote global and accelerated economic and social development individually and collectively.

27. African countries accord, in their development plans, a major role to industrialization in view of its impact in meeting the basic needs of the population, ensuring the integration of the economy and the modernization of society. To this end and in order for Africa to achieve a greater share of world industrial production as well as to attain an adequate degree of collective self-reliance rapidly, African countries proclaim the years 1980-1990: Industrial Development Decade in Africa.

28. In order to achieve the industrial development objectives in the long, medium and short terms, African countries decide to take all measures at the national, subregional and regional levels and in the areas of human resources, natural resources, financing and promotion institutions in order to lay the foundation for the total and complete mobilization of all energies in ensuring the success of the gigantic task undertaken.

29. African countries determined to act in concert with the rest of the international community whose cooperation in all forms is indispensable to their own action.

30. In this connexion, African countries consider they are owed a massive and appropriate contribution by the developed countries to the development of the African continent, the successful achievement of which they see as the very condition for the continued development of the advanced countries and the preservation of world peace.