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CRITICAL ANALYSIS OF THE COUNTRY PRESENTATIONS OF AFRICAN LEAST
DEVELOPED COUNTRIES IN THE LIGHT OF THE LAGOS PLAN OF
ACTION AND THE FINAL ACT OF LAGOS

CONTENTS

	<u>Paragraphs</u>
INTRODUCTION	1 - 9
PART ONE : BROAD APPROACHES, OBJECTIVES AND PRIORITIES	
I. Assessment of convergence in objectives and general policies outlined in the Lagos Plan of Action, the Final Act of Lagos and in country programmes	10 - 25
II. Analysis of development and national resources management policies	26 - 56
III. Analysis of bilateral, subregional and regional co-operation structures	57 - 72
PART TWO : REVIEW OF SELECTED SECTORAL POLICIES	
I. Food and Agriculture	73 - 85
II. Industry	86 - 102
III. Transport and communications	103 - 122

INTRODUCTION

1. The Monrovia Strategy for the Development of Africa and the Lagos Plan of Action for its implementation were launched against a background of very poor performance in most of the African countries. In addition it had become increasingly clear that the structure of the African economy was very weak and unable to respond adequately to Africa's needs in terms of economic growth and development.
2. Given such a situation it was only natural that the Monrovia Strategy and the Lagos Plan of Action were of necessity formulated to redefine the approaches to development in Africa. New strategies were needed so that past structures of production and patterns of consumption could be replaced by a new kind of an African economy with a new self-reliant and self-generating development process and new life styles.
3. The purpose of the present paper is to assess how individual national structures have responded to the call for socio-economic change as outlined in the Monrovia Strategy and the Lagos Plan of Action. Naturally such an assessment has to be based on the national long-term plans of the individual African countries. Unfortunately it has not been possible to collect all national plans that have been launched or formulated since the adoption of the Lagos Plan of Action by the African Heads of States and Governments in April 1980. However, the ECA secretariat was fortunate to have had programmes prepared by individual African least developed countries in the framework of the Substantial New Programme of Action for the 1980s. It is on these individual country programmes that the present paper is based.
4. It is acknowledged that, by confining itself to African LDCs, the paper can give only a partial picture of the ongoing efforts in African countries to implement the Lagos Plan of Action. However, even this is believed to be very useful especially in terms of highlighting the modalities of adapting the all-important recommendations of the Plan. It is hoped in the future to continue this exercise to cover all countries in the African region.
5. The present paper is divided into two main parts. Part one examines the over-all broad objectives and general policies of development especially in respect of self-reliance, self-sustainment and welfare of the African people and contains an analysis of the problems of development and management of national resources (natural, including energy, human, financial and institutional) and co-operation arrangements at the bilateral, subregional and regional levels. Part two examines sectoral transformational strategies and policies in agriculture, industry, and transport and communications.

6. In preparing the present paper, care was taken to concentrate on what is believed to be the crucial aspects of the implementation of the Lagos Plan of Action and the Final Act of Lagos. First, it is important to identify the objectives, strategies and policies outlined in the country presentations and to assess to what extent such objectives and strategies reflect the real meaning of the Lagos Plan of Action as far as development and economic growth are concerned. Such an assessment is of great importance as it lays down the foundations for planning in African countries in the 1980s.
7. Secondly, since development starts with the evaluation and use of the whole range of domestic resources (human, natural, institutional and financial), it is of paramount importance to review strategies and policies with respect to those resources. Hence, the extent to which domestic resources play a central role in development effect in individual countries constitutes the main characteristic of national economic policies.
8. Thirdly, it has become increasingly obvious that, as most of the 51 developing African countries are tiny both in size and population and/or land-locked, they must co-operate in all fields, especially in production, training and trade, in order to achieve the objectives laid down in the Lagos Plan of Action as well as the Final Act of Lagos. Hence, it is essential that such a paper should address the problem of bilateral, subregional and regional co-operation with a view of identifying areas in which the least developed African countries have or should have concentrated in their country programmes.
9. Finally, three important sectors have been selected to review specific policies, namely the leading sectors of agriculture and industry and the integrating sector of transport communications. Other sectors could be included at a later date.

PART ONE : BROAD APPROACHES, OBJECTIVES AND PRIORITIES

I. ASSESSMENT OF CONVERGENCE IN OBJECTIVES AND GENERAL POLICIES OUTLINED IN THE LAGOS PLAN OF ACTION THE FINAL ACT OF LAGOS AND IN THE COUNTRY PROGRAMMES

10. The fundamental guiding principle of the Monrovia Strategy relates to the establishment of self-sustaining, internally located processes of development and economic growth based on individual and collective self-reliance, development and fuller utilization of the national natural and human resources including the broad participation of the masses and acceleration of the industrialization process. In addition, the process of development envisaged in the Monrovia Strategy would have to be consistent with improvements in the standards of living

of the mass of the African people as well as with an equitable distribution of the gains of socio-economic development.

11. The Lagos Plan of Action, in amplifying the above strategy, identified a variety of objectives and priorities. These objectives and priorities can be grouped into three major areas namely: (a) individual and collective self-reliance; (b) self-sustainment; and (c) improving the standards of living of the masses. The assessment of convergence in objectives and policies in the Plan and in the African least developed country programmes which follows below is also based on these major subgroups of objectives, policies and priorities.

A. Individual and collective self-reliance

12. All the country programmes have self-reliance as a major objective although different emphasis is laid on the different aspects of this theme. In general, all countries see an urgent need for the establishment of an independent national economy with greatly reduced external economic and policies vulnerability and dependence. The major aspects of individual and collective self-reliance which are covered in the 20 country programmes of the African least developed countries include: (a) food self-sufficiency; (b) reduction of dependence on external resources (human and financial); (c) greater control over national natural resources; and (d) increased complementarity with neighbouring countries.

13. Food self-sufficiency is seen by most countries as of such critical importance that most of the country programmes have targets of achieving individual self-sufficiency in food with some of them even aiming at achieving food surpluses for export. However, it is only one country which points out that food self-sufficiency should be viewed in a subregional context. In this regard it is argued that, although imports from countries in the region must not serve to offset production shortages, they must, however, form part of balanced foreign trade given official status by subregional agreements. Such trade in food could supply countries in a given subregion with food products that cannot be satisfactorily produced in a given country or subregion. This perception of food self-sufficiency is very important as it highlights the need for subregional studies to be undertaken so as to map out ways of planning for optimal sub-regional food self-sufficiency and collective self-reliance.

14. Reduction in dependence on external factors is explicitly set out as an objective and a priority in the framework of achieving a self-reliant process of development. For the attainment of the objective three distinct areas are envisaged in the various country programmes namely: (i) reduction in the dependence on a few export crops; (ii) reduction in the dependence on external

expertise and capital; and (iii) reduction in the vulnerability to the political climate in neighbouring countries as is the case for countries in the southern African subregion. In the area of reducing dependence on one export crop or commodity, many country programmes aim at broad diversification to transform the monocultural character of their economies will be transformed into a more broadly based structure capable of absorbing external shocks in external commodity prices or demand.

15. In the area of external resources many countries indicate a variety of objectives for reducing in the continued dependence on external aid. Thus many programmes refer to the need progressively to develop a base of skilled managerial and technical manpower, to base their growth increasingly on the process of internal capital accumulation and to strengthen and expand the foreign exchange earning capacity of the country including economising on the disbursements and leakages of foreign resources. Thus, despite the fact that the country programmes of the least developed countries were prepared in a spirit of mobilization of external assistance, all the African least developed countries in their programmes place a lot of emphasis on the importance of internal resources mobilization as a means of achieving a self-reliant economy.

16. Greater control of national natural resource as a major objective for the attainment of a self-reliant African economy is mentioned by only a few countries and even in these cases emphasis is mainly on conservation of the nation's natural resources rather than the need for the nation to acquire a fuller knowledge of its resources and ensure that these resources are not exploited by external interests. This difference in emphasis between the Lagos Plan of Action and the individual country programmes of the African least developed countries may be a result of the very low level of natural resource exploitation coupled with the relatively low capacity of these countries to exploit the resources by themselves. Nevertheless it should be emphasized that the Lagos Plan of Action's concern for national control over natural resources is critical for all African countries as it is the most important means of ensuring the internalization of the development process.

17. Increased complementarity with neighbouring countries is another concern and objective of the Lagos Plan of Action which, however, is explicitly referred to as an objective by only two country programmes. There is no question that this objective has also to be emphasized since it incorporates the critical aspects of expanded co-operation between African countries and increased intra-African trade - all vitally important for the attainment of a genuinely self-reliant African economy.

B. Self-sustainment

18. According to the Lagos Plan of Action the major tenets of a self-sustaining process of economic growth and development include the following:

- (a) Structural transformation of African production and consumption patterns;
- (b) Development and national technological capabilities within the country;
- (c) Appropriate institution-building including effective planning and plan implementation structures;
- (d) Broad participation of the masses.

19. All the LDC country programmes emphasised the necessity for structural transformation in the establishment of a self-sustaining process of development. However the means of achieving the socio-economic transformation and the nature of the envisaged structures are not clearly laid out. Most of the programmes, for example, refer only to transforming the structure of production by raising the share of the industrial sector in total GDP while gradually reducing the share of agriculture and substantially reducing the share of services. In only a very few cases is reference made to such important and basic requirement of self-sustainment as (i) the establishment of intra-sectoral and inter-sectoral linkages; (ii) transformations aimed at the establishment of basic industries for intermediate production inputs (agricultural chemicals, implements and tools, building materials, etc.) and the creation of a base for capital goods industries; and (iii) the establishment of a strong and dynamic domestic market adequately oriented towards the consumption of essential domestic products and not imported luxuries. The role of physical infrastructure, especially transport and communications, is nevertheless given its due importance in many programmes.

20. The development of national technological capabilities too is not given the prominence attached to it in the Lagos Plan of Action. The only indications in a few country programmes relating to technology concern policies for labour-intensive techniques. In most cases the country programme implicitly assume the continued imports of technology although no indications are given as regards the sources of the technology - i.e. from the North or the South. Increased attention needs to be given to this aspect of the long-term perception of how Africa can attain a self-sustaining development.

21. In the majority of the country programmes the role that institution-building can play is acknowledged. Of major importance is the fact that most of the

programmes point to the desirability of creating an indigenous base of entrepreneurs capable of driving the development process in the desired direction. Specific institutions are sometimes recommended in the fields of agriculture, energy social services, banking, etc. However two important areas which are tackling in almost all the country programmes are research and development and technical co-operation. There can be no doubt that for self-sustained development, African countries urgently need to establish strong institutions in these two fields at either the individual national or the subregional levels.

22. The broad-based participation of the masses of the population in development is well recognised in the country programmes of the least developed countries. The main aspects emphasized are the creation of rural agriculture co-operatives the promotion of cottage industries.

C. Improvement in the welfare of the people

23. Social welfare and social justice are given prominence among the objectives outlined in the country programmes of the African LDCs. This prominence is without question very legitimate and is very much in line with the concerns of the Monrovia Strategy and the Lagos Plan of Action.

24. One of the underlying themes of both the Monrovia Strategy and the Lagos Plan of Action is the need to understand, define and undertake the development process in Africa as one involving the utilization of real domestic factor inputs for the production of goods and services aimed at satisfying the needs of the people. In fact the strategy is emphatic that it was not desirable and feasible to replicate alien life-styles which had often led to a continuing state of dependence, persistence of mass unemployment, poverty, wide and increasing disparities in the distribution of income and wealth and gradual loss of cultural identity.

25. As such it is very encouraging to note that all African least developed countries addressed themselves to the critical goal of improving the standards of living of their people especially in the rural area. In relation to this goal the African least developed countries outlined the following objectives:

- (a) Praising the level of the income of the people;
- (b) Ensuring better income distribution by narrowing down inter-personal and interregional imbalances;
- (c) Ensuring better access to basic social services of health and sanitation, nutrition, water, education and housing for all the mass of the population;
- (d) Expanding employment opportunities and ensuring sufficient wages.

II. ANALYSES OF DEVELOPMENT AND NATIONAL RESOURCES MANAGEMENT POLICIES

1. Introduction

26. The attainment of self-sufficient and self-centred economic growth as well as indigenous and self-sustaining economic development in Africa as required by the Lagos Plan of Action and Final Act, depend, among others, on the attainment of the following three objectives:

(a) Attainment of a high level of equipment utilization and especially employment of labour and a high degree of on the spot working and processing of natural resources;

(b) The evolution of prices and salaries compatible with the normal flow of economic relations and social progress, which implies a revenue policy favouring savings promotion and a price policy to stimulate production; and

(c) Attaining a balance in external transactions (especially through an appropriate management, assistance and foreign investment policy and by reducing capital drain in order not to comprise the chances of future economic growth.

27. These objectives are centred around men, natural resources, physical and institutional facilities and resources to finance development. The management of national resources is fundamental for the least developed African countries which have to overcome long-lasting structural imbalances, which are real obstacles to the implementation of the cumulative processes leading to self-sustaining growth: in some cases, imbalances between productive capacities and labour, forced people to adjust their life style and behaviour to match the chronic shortage of employment; there are also imbalances between supply and investment needs, between the natural resources potential (especially minerals) and the percentage of those resources mined, between the rate of population growth and training and social welfare facilities, between the revenues of the modern and traditional sectors with the result that urbanization is speeded up and the already small organized urban economic sector becomes smaller.

2. Natural resources

28. The three main components of natural resources are mineral resources, energy resources and water resources. The situation of African countries in general and the least developed countries in particular is characterized by an absence of geological inventories, heavy dependence on external energy (in recent years, an average of 16 per cent of their export earnings was spent on the 81 per cent of liquid fuel consumed) and an almost chronic shortage of water, which is an important factor in the well-being, health and the integrated development of "livestock, agriculture and human".

29. The statements made by the least developed African countries reflect an awareness of those shortcomings. Thus, with regard to mineral resources, emphasis was put:

(a) On the possibility of attaining an equilibrium in external trade by increasing the portion of the demand for building materials and agricultural inputs (especially fertilizer) satisfied by local production;

(b) And on the multiplier effect of investments in this sector in the field of incomes and jobs.

30. It seems, however, that only three 1/ of the 21 countries concerned outlined, in their statements, substantial investment policies for mining mineral resources, committing an average of 15.7 per cent of planned investments for 1980-1985. The others are still making inventories of potential or looking for means of financing feasibility studies.

31. In line with the recommendations of the Lagos Plan of Action, the statements focus on detailed programmes for the first half of the Decade and almost all forecasts of large scale commercial mining are concentrated in the first few years of the second half. Therefore, very few countries presented a detailed study on their consumption needs and the socio-economic impact (creation of jobs, income distribution etc.,) of the mining of mineral resources. National mining funds have often been proposed as support structures.

32. Two comments are pertinent here:

(a) The portion of the products designated as strategic by the Lagos Plan of Action (iron, manganese, phosphate, ...) is still very small. Production focuses mainly on precious metals (gold and diamonds, the latter represents 11 per cent of world production) and rare metals (uranium accounting for 7 per cent of world production) which are traded on markets where the level of protection makes producer countries absolutely powerless to fix prices and therefore restricting the added value derived from their exports;

(b) The range of individual actions is limited by the high level of technology and investments required as well as the long period of gestation of the latter.

33. As explained elsewhere, the lack of regional and subregional structures for co-operation in mining recommended by the Lagos Plan of Action, constitutes a serious obstacle to the implementation of the objectives of the plan, which is above all "a regional approach to the economic development of Africa". Thus, investments to renew productive capital in the countries, which in the recent past had flourishing extractive activities 2/ and investments to establish such structures in countries

1/ Botswana 30.5 per cent, the Niger 7.6 per cent and Guinea 9 per cent.

2/ Botswana, Central African Republic, Uganda and Tanzania.

looking for funding, would be much easier to mobilize since the viability of the projects, the competitiveness of the products and regional complementarity, are assured.

3. Energy and Water Resources

34. The long years of draught which shook some of the least developed African countries as well as the increase in the prices of petroleum products which caused an economic growth crisis in the industrialized countries and had a feedback effect on the developing countries whose economies are mainly based on the production of raw materials, polarized various policies aimed at attaining a balance in energy consumption and satisfying essential requirements (especially in health and food where water plays a dominant role). The situation of the least developed African countries is characterized by:

(a) An incomplete inventory of mining and hydrogeological potential and a low level of working of those resources with the result that fuel imports totalled 60 or 75 per cent of export earnings and it was difficult to increase the proportion of the industrial sector in the total value added;

(b) The important role played by wood in total fuel consumption (it is as high as 94 per cent in one of the countries ^{3/} and its effects on ecology;

(c) A concentration of water distribution and power facilities around large urban centres where consumption is 55 ^{4/} to 95 per cent ^{5/} of the total, thus causing a disproportion between the level of satisfaction of needs in the urban areas (30 to 50 per cent) and rural areas (less than 1 to 10 per cent); for the former, problems are more in terms of ultimate household consumption and for the latter they are more in terms of water and energy for productive activities.

35. The Lagos Plan of Action and Final Act propose a two-tiered approach:

(a) At the national level through "many small scale projects": low out-put hydroelectric power stations in the rural areas, location of facilities by villages or by consumer, grouped into renewable sources of energy (especially solar, wind, geothermal and biomass), national water committees and plans, ...

(b) At the subregional and regional levels "through large scale projects": river and lake basin development commissions, "connecting several countries to certain major national power systems whose production is in excess of local demand", African Energy Commission, African Fund for the Development of Energy, Intergovernmental Water Committees, ...

36. This is how the political options of those national programmes which are explicit appears.

^{3/} Upper Volta.

^{4/} Ethiopia.

^{5/} Burundi.

37. With regards to energy: almost all the countries envisage a policy to gradually substitute imports of petroleum products. The most popular substitutes are coal, hydroelectric power and renewable sources of energy. Apart from the countries which import the greater part of the electric power they consume from neighbouring States and those that are already members of river and lake basin development commissions, hardly any countries mention making their surplus high potential electric power available to neighbouring countries. On the contrary, the trend is sometimes towards a declining power supply between States 6/ and some national projects are designated as priorities when the corresponding power consumption could have been, to a large extent, met by the surpluses from neighbouring countries.

38. The unanimous acceptance of the need to develop the enormous hydroelectric potential is not a solution to short and medium term problems as is showed by how slow some river and lake basin development commissions are in identifying sites, carrying out feasibility studies, mobilizing resources and implementing projects. The effectiveness of this potential should be seen in the long term. In the short term, to respond to the objectives of the Plan, especially in the rural area, the trend seems to be towards curbing urban consumption and promoting renewable sources of energy. These solutions seem to be the most appropriate for the least developed countries because of the extremely wide dispersion of their populations, and the substantial investments in infrastructure required by large-scale water supply and electrification projects. Moreover, in line with the recommendations of the Plan, those solutions facilitate the integration of stock breeding, agriculture and men while accommodating acquired habits and making the house work of women, to whom particular attention is paid in the Plan, (see the chapter on: "Women and development") less strenuous.

39. To respond to the energy demand corresponding to the increase in the portion of industry in the total added value, all the countries stress petroleum research while the level of qualifications of staff and technology as well as the financial resources necessary to utilize uranium give uranium the exclusive status of an export raw material.

40. Water is the focal point of the strategy to satisfy essential needs; top priority is given to rural hydraulic engineering. In most cases, a master water plan, which will provide water at the lowest cost, is being prepared or implemented while projects to put water at the service of agriculture, industries and transport are mostly linked to the above-mentioned hydroelectric projects.

5/ Imported electricity: from Egypt to Sudan, the volume of Nile water which can be used by Sudan is restricted to 20 billion cubic meters, - from Ghana to Benin, the output distributed is limited to 50 megawatts.

4. Human resources

41. It is a fact that the development and participation of human resources in accelerated economic growth are hampered by constraints in the fields of health, training, and employment. It should be noted that the development of human resources appears to be the best means of implementing the objectives of the "strategy for satisfying essential needs," which is based on the improvement of the lot of the poorest people.

42. The rural populations which represent more than 80 per cent of the inhabitants of the least developed countries, have socio-economic indicators (rate of unemployment or underemployment, number of beds or doctors per capita, number of teachers per child, illiteracy rates) which are more alarming than the various national averages which, on their own, constitute obstacles to development. The aim of the Lagos Plan of Action is to wipe out those anomalies by giving priority attention to the social strata in the majority, that is, the rural populations through the elaboration of adequate population policies, the reduction of the rate of unemployment and under employment, training of qualified personnel, eradication of illiteracy.

43. The populations of the least developed African countries are affected in particular by malnutrition, calory and vitamin deficiency (about 20 per cent of the minimum required), and an infant mortality rate of about 170 per thousand per year and medical coverage of one doctor for more than 25,000 inhabitants. These average figures do not accurately reflect the disparities among states especially within the same country between urban and rural areas which for example range, as far as the number of patients per doctor is concerned, from 22,000 to 75,000 7/. To reduce the inadequacy of resources required by the facilities for providing medical treatment, all the countries proposed primary health activities based on prevention and provision of assistance to the people in nutritional centres, the objective being to attain, on the average, an immunity coverage of 50 per cent by 1985 and to reduce substantially the rates of malnutrition and infant mortality by allocating an average of 4 per cent of the 1980-1990 investments for that purpose.

44. Health needs are complemented by training needs whose acuteness stems from the high rates of illiteracy (about 80 per cent), high rates of population growth (2.5 per cent per year) and a population age structure which shows that more than 50 per cent of the population is under 15 years. However, in almost all the cases, the percentage of children attending school in this age group, is still very low (about 38 per cent of which 63 per cent for the primary school and 13 per cent for secondary school). Here again, the inadequacy of resources coupled with the lack of a population policy permitting the annual population growth

to be kept within the limits compatible with the education facilities explain why the Plan's education objectives, especially attainment of a 100 per cent primary school attendance by 1990, are a long way from being attained. In the short run, efforts seem to be focused on the primary and secondary cycles consequently, self-sufficiency in qualified personnel and the aim of "1 scientist for 5 technicians and 30 craftsmen" are longer term objectives. Hardly any countries envisage any solutions to the high drop out rate between the various cycles: as an indication, in some cases 8/, out of 10,000 children of school-going age, only 2,300 are actually registered, of which 57 and 3 reach the secondary and university levels respectively. The possibilities of reintegrating them at the various levels through extra curricular and vocational training (trade associations) have often not been explained 9/ and no reference is made to regional institutes providing training in various fields such as statistics, planning, engineering, etc. For higher age groups, training projects are envisaged through literacy facilities while very little mention is made of a consultation among the States in training; the tendency is towards individual actions.

45. Once health and training are assured, men can aspire to employment which, even though it is an essential requirement, helps to satisfy other essential needs. The job situation in the least developed countries is characterized by:

(a) Difficulties in absorbing the active population which, according to projections, would increase by about 3 per cent per annum from 1990 to 2000, in the productive and permanent job creation sectors, hence the high rate of unemployment and underemployment;

(b) A shortage of qualified labour;

(c) A barely organized job market and an almost total absence of job statistics.

46. As it shall be indicated later on, the need for an employment policy stems from two basic aspects of the Lagos Plan of Action:

(a) The satisfaction of essential needs which calls for a redistribution of income, especially in favour of the poorest;

(b) And an effort towards a greater monetization of the economy in order to ensure greater funding of investments from local resources, because in the least developed countries, only monetary income can be mobilized for investment purposes.

8/ Especially in Burundi.

9/ With the exception of some countries such as Upper Volta, Guinea, Tanzania and Ethiopia.

47. For most of the national programmes, the public sector will provide the bulk of employment through projects that are highly labour intensive. However, this is only a short, and perhaps medium term solution and the proportion of permanent employment which would be generated will be very small. Long term solutions depend on the ability to progress from the subsistence level to the production of marketable surpluses as well as on the capacity to ensure stable cash income for the various producers and this calls for a vigorous policy to promote firms.

48. The promotion of the private sector (especially small and medium size firms) which is an excellent means of providing employment for the youth outside the civil service, thus reducing budget imbalances, was very often merely outlined in the national programmes. The measures envisaged consist in encouraging the conversion of commercial firms into small industrial firms or cottage industries and to control the growth of the tertiary sector by curbing credits.

5. Financial resources

49. There are two major forms of development financing:

- (a) national savings connected essentially to income; and
- (b) foreign aid.

50. The Least Developed African Countries are sharply feeling the effects of the vicious circle of stationary economies where low incomes produce only low savings which, in turn, supports only low rates of investments which can only produce low outputs therefore low incomes. In order to break the vicious circle, ensure a growth rate of about 6 per cent between 1980 and 1990 (that is, a doubling of the real GDP by 1990) and ensure investment of \$US 123 billion (1979 prices), the countries envisage two types of measures: encouragement of national savings and substantial increase of external aid.

Encouragement of national savings

51. This is in line with the need to obligate, for the period 1981-1990, the \$US 53 billion needed for the local financing of investment expenditures.

52. With regards to the budgets of states, measures to generate surpluses vary: control of salaries, improvement in the efficiency of the fiscal system, austerity measures to keep the growth rate of recurrent charges below the rate of inflation, making public co-operations profitable to satisfy the local savings requirements of the public sector ... all these measures are aimed at ensuring the self-financing of the public sector, while the redistributive effects, especially of the fiscal system, recommended by the Lagos Plan of Action are limited because the bulk of incomes is below the taxable level and in some countries with sophisticated taxation systems, the system of taxation is beyond the data processing capacities of the State. It is therefore necessary to examine the various possibilities of improving the existing systems.

53. In the households, measures to encourage savings focus primarily on increasing the interest rates on deposits; decreasing taxes on savings income and establishing specialized banks which give priority to the provision of credit to savers.

54. Almost all the projections of the proportions of savings are above the 15 per cent of GDP required for self-sustaining growth. It seems that the statements presented by the countries are not explicit enough as regards the process of creating and distributing incomes; the programmes only outlined general objectives in the field of incomes without specifying the means of attaining them.

55. External aid should supply between 1981 and 1990, 60 per cent of investment expenditures (that is about \$US 80 billion in 1979 prices). This substantial amount responds to the high import content of the investments needed (especially in the industrial sector) and completes the export promotion efforts at 8.7 per cent per annum (as against 10.5 per cent for imports).

56. Recent studies by the ECA secretariat give the impression that in recent years, there might have been a negative co-relation between external aid, growth rate and savings rate; that co-relation is largely due to the use of aid as subsidies whose effect on over-all growth does not exceed five years. Therefore, in order not to jeopardize the prospects of future growth, States should design a system of financial programming where priority is given to the mobilization and utilization of local resources and where, as recommended by the Lagos Plan, external aid, even on favourable terms, would only be a supplement. This calls for a profound restructuring of the institutions. Similarly, the national programmes do not place enough emphasis on the measures to preserve foreign exchange reserves because substantial resources are recycled in the industrialized countries as invisibles (banks, insurance, promotion and other services).

III. ANALYSES OF BILATERAL, SUBREGIONAL AND REGIONAL CO-OPERATION STRUCTURES

1. The least developed African countries and the current co-operation structures

57. The Final Act of Lagos set the objective of establishing regional economic communities, similar to the Economic Community of West African States, which would gradually permit the establishment of an African Common Market by the year 2000. Such a recommendation is of particular significance to the least developed countries because most of them have geographical as well as economic and human handicaps and genuine long-term development of their economies could be designed and implemented only within a bilateral or multilateral African framework. It is well known that some of those countries are land-locked, island or under-populated, all of which makes it difficult to establish viable markets for economic development.

58. Of the 21 least developed African countries, eight West African countries are members of the Economic Community of West African States (ECOWAS), eight Eastern and Southern African States belong to the Preferential Trade Area (PTA), two East African countries belong to the Economic Community of the Great Lakes Countries (CEPGL) and one Central African country is a member of the Central African Customs and Economic Union (UDEAC). Moreover, four of the eight least developed countries of West Africa are members of the West African Economic Community (CEAO), and five are members of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS). Similarly, many countries are members of organizations for the development of the river basins such as the Senegal, the Niger, and the Gambia as well as Lake Chad. Finally, many bilateral agreements either between least developed countries or between least developed countries and other African countries have been concluded and some of those agreements, such as those between Nigeria, are already fully operational.

59. This brief enumeration shows clearly that there are frameworks for fruitful co-operation which the least developed countries could use to implement their 10-year development programmes prepared for the United Nations Conference on the Least Developed Countries held in Paris from 1 to 14 September 1981 and which adopted the Substantial New Programme of Action for the 1980s. Unfortunately, as will be shown later, the programmes presented by the African least developed countries had only very difficult and marginal plans for multinational activities. The reasons for this stem from domestic policies as well as external factors connected with the nature of current subregional co-operation agreements.

2. The inadequacies of the current structures of regional co-operation

60. The current subregional co-operation agreements do not lay enough emphasis on what should constitute the first challenge to be faced by the developing African countries and particularly the least developed among them. Indeed, what these

countries should do is (i) to take advantage of their natural resources by developing them and processing them into consumer goods to satisfy first of all the requirements of their people; (ii) to develop the factors of production such as manpower skills, technology and development institutions; (iii) to develop domestic and overseas markets in order to support national production; (iv) to mobilize national financial resources in order to finance development plans; and (v) to depend, as little as possible, on external financial resources by expanding the possibilities of increasing foreign exchange reserves and by cutting down on the sources of capital loss. Although the current economic communities are important steps forward, they stress the harmonization of national economic policies more than they do actions with a direct impact on economic growth.

61. In the field of raw materials for example, most of the present economic communities have not made provision for a mechanism through which countries which produce raw materials could market them in countries which have the potential required to utilize them for production purposes. Similarly, the co-operation agreements contain very few elements on measures planned to expand subregional markets for products whose production would be distributed among the States of the subregion according to their respective potentials. More generally, the current subregional co-operation mechanisms tend to stress the exchange of goods and services more than the modalities of producing those goods and services within a concerted subregional framework. It should however be pointed out that some of the measures planned by the communities or already implemented such as those connected with communications infrastructure, the harmonization of customs policies, the establishment of bodies to finance development, are, undoubtedly, in line with the integration of the economies of the countries which constitute the community.

62. In addition to these remarkable efforts, the African economic communities should strive to transform their economies whose major current concern is (i) to find outlets in the developed countries for the primary products and (ii) to secure prices that are sufficiently remunerative for those products. Since the developed countries cannot continue to absorb indefinitely the primary products of the developing countries, the latter should endeavour to establish themselves the markets needed both to transform the raw materials and to consume the finished products. This effort would be all the easier if it were undertaken within a bilateral or subregional framework where advantage could be taken of complementarities as far as natural resources, manpower and production techniques and development institutions are concerned.

63. Besides the shortcomings of the current bilateral and multilateral co-operation mechanisms, there are also certain negative aspects of national economic policies. Although, as the Lagos Plan of Action emphasizes, concept of autonomous and self-sufficient economies should first be applied at

the national level, especially as far as food and other basic requirements such as shelter, health and education are concerned, the fact still remains that the concept should, as far as possible, take into account subregional complementarities and be aligned with the Final Act of Lagos. African countries often compete fiercely with each other not only to acquire markets in developed countries in order to sell the same raw materials, but also to acquire external resources to finance identical projects. In some cases, key projects such as the construction of hydroelectric infrastructures or basic industries are undertaken in an exclusively national framework while it would have been easier to implement them at the regional level. Often, an analysis of subregional opportunities shows that a given project planned at the national level would have greater linkage effects at the bilateral or multilateral level. This is all the more true if the difficulties that face emerging industries when they are carried out in exclusively national frameworks (production costs, raw materials, market, management problems) are considered.

54. Because African States are excessively dependent on external sources to finance investments, they give priority to exclusively national economic policies. These sources of finance which are, for the most part bilateral, prefer to make investments within the national framework either for political reasons or because they feel, wrongly, that there are more risks involved in investing within a multinational framework. Thus, because of their low level of domestic savings African countries are "forced" to make their development plans almost wholly dependent on external sources, thus negating the subregional co-operation agreements, which should focus on the concerted production of goods and services from the natural, human and financial resources of the subregion.

55. The national programmes prepared by the African least developed countries under the Substantial New Programme of Action adopted by the United Nations Conference on the Least Developed Countries should be situated in this context. These programmes cover in general the whole of the 1980s and identify sectoral projects whose implementation is considered a priority.

3. National programmes and bilateral and subregional co-operation

56. In agriculture, all the national programmes stress food self-sufficiency and give priority to projects aimed at increasing food production through agricultural development plans and the provision of incentives (experts, supply of pesticides, insecticides and fertilizer). However, very little mention was made of regional projects especially in agricultural research which is a field in which bilateral or multinational co-operation could help in discovering and promoting new varieties of seeds. Moreover, it seems that the key problems of food self-sufficiency and food security as dealt with in national programmes are not envisaged in a sub-regional context. Finally, multinational river basin development projects are not generally mentioned in national programmes.

67. Generally, sectoral programmes in the agricultural field do not put enough emphasis on the support which should be given to subregional intergovernmental organizations in designing and implementing subregional plans for food production (especially cereals), irrigation and the establishment of village watering points, animal protection, etc. The inclusion of such projects in national programmes would contribute towards speeding up the implementation of the Lagos Plan of Action as regards collective self-reliance.

68. As regards manufacturing industries, while all countries stress the promotion of import substitution industries, efforts are focused on national projects and very few projects are envisaged in the bilateral or subregional context. Large-scale industrial projects in particular are indicated only as long-term activities without specifying any means of implementing them. However, in some national programmes, specific mention is made of the need to encourage the establishment of multinational private industrial concerns. Another national programme proposes the adoption of an industrial co-operation policy among bauxite producing countries and countries with hydro-electric potential with a view to the production of aluminium. Those are very laudable intentions which are not given specific form in national programmes with the exception of some isolated cases of bilateral industrial co-operation in some industrial branches such as cement and sugar factories.

69. Just like in the agricultural sector, the industrial portion of the national programmes of African least developed countries could have placed greater stress on investments to transform the sectors by concentrating on how best the countries can complement each other in the fields of natural resources, manpower qualifications and markets. The national programmes could have, for example, integrated subregional projects for metallurgical, chemical and metal industries and done the same thing for building materials industries. Thus, while external aid would be channelled into medium-scale industrial projects (agro-industries, light import substitution industries,...), subregional co-operation, including the mobilization of subregional financial resources, would concentrate on acquiring investments to transform the sectors thus permitting progress towards collective autonomous and self-reliant development.

70. Contrary to what happens in the agricultural and industrial sectors, the transport and communications sector is given priority attention in national programmes dealing with subregional co-operation. There is, in fact, an impressive number of railway and road linkage projects such as:

(a) The railway network linking Burundi, Rwanda and the United Republic of Tanzania;

(b) The rehabilitation of the railway links between Mali and Senegal, Ethiopia and Djibouti, and Guinea and Mali;

(c) The railway links between Egypt and the Sudan;

(d) The Benin-the Niger railway links;

(e) The Zambia-Malawi-Mozambique railway links;

(f) The Upper Volta-Mali, Malawi-Mozambique, the Niger-Algeria, the United Republic of Tanzania-Burundi-Rwanda road links;

71. Implementation of these projects would undoubtedly constitute an important step towards integrating the subregional economies and, in the long run, the establishment of an African regional common market. It could simply be stressed that these projects could have been better co-ordinated on the one hand, with the industrial sector as far as mechanical and electrical industries are concerned and, on the other hand, with the development of human resources. In other words, sub-regional planning of basic industries, structures and training institutions could have a positive impact on subregional transport and communications programmes.

72. The last point leads to the conclusion that there has been very little or no co-ordination among the countries with regard to the preparation of their 10-year plans or programmes. In many cases those programmes are not harmonized with those being drawn up or implemented in the subregional intergovernmental organizations. Although it is true that the countries themselves tend to focus their development efforts within an exclusively national, (and are therefore often vulnerable) framework are partly responsible, the fact still remains that the international community, including the United Nations system and bilateral sources of finance, has also contributed to compartmentalizing these programmes. It should therefore be hoped that, when preparations are being made for round table conferences to finance programmes in 1983, greater emphasis would be put on projects which are subregional or have a subregional impact and that subregional intergovernmental organizations and the United Nations system would co-ordinate activities.

PART TWO: REVIEW OF SELECTED SECTORAL POLICIES

I. FOOD AND AGRICULTURE

73. The two leading production sectors of the Lagos Plan of Action are food and agriculture and industry. However food and agriculture form the cornerstone of a self-reliant and self-sustaining development process. Hence, the main features of the food and agriculture sector are those of food self-sufficiency and the development of the agriculture sector to provide both the necessary inputs to the processing industries and the markets for the products of the domestic industrial sector. In this way, the Lagos Plan of Action recommends a structure of agricultural production which emphasises the internal agricultural linkages and dynamics rather than exports of agricultural raw materials.

74. According to the Plan of Action, the root of the food problem in Africa is the fact that the necessary priority has not been accorded to agriculture in terms both of allocating adequate resources and of giving sufficient attention to policies for the promotion of productivity and improvement of rural life. Consequently, the plan outlines a variety of important priority actions to improve the African food situation in particular and agricultural output in general.

75. In the short-term period (over the years 1980-1985), the Lagos Plan of Action identifies the primary objectives as being to ensure an immediate improvement in the food situation and lay the foundations for the achievement of food self-sufficiency especially in cereals, livestock and fish products. The short term priority actions needed to achieve these short-term objectives would have to include:

- (a) Securing a substantial reduction in post-harvest food losses;
- (b) Setting up national strategic food reserves aimed at establishing a coherent national and/or subregional food security policy;
- (c) Bringing about large and sustained increases in the production of food based on, inter alia, adequate and realistic agrarian reform, improved organization of agricultural production, and the formulation and application of effective and coherent incomes-and-prices policies to ensure adequate incentives to farmers;
- (d) Modification of the techno-economic structures of crop production with better utilization of water for on-going and new irrigation schemes, soil conservation, flood control, physical infrastructural development (small bridges, dams, feeder roads, rural electrification and other social facilities) and the intensification of the use of improved hand tools and draught animals or the promotion of mechanized farming where justified;
- (e) Improving livestock and fisheries production with substantially increased support for training, disease control, range-land management, development of industrialized off-shore fleets, improving processing methods, encouraging subregional co-operation, etc.

76. In the long run, the Lagos Plan of Action recommends that African countries should make a structural change in agriculture by adopting policies and programmes such as which involve:

- (a) Channelling greatly increased volume of resources to agriculture;
- (b) Carrying through essential reorientations of social systems;
- (c) Applying policies to induce farmers to achieve higher productivity;
- (d) Setting up effective national institutions and machineries for the formulation of relevant programmes and for their execution;
- (e) Involving the youth and arresting the rural-to-urban migration;
- (f) Evolving new dimensions of intercountry co-operation programmes;
- (g) Improving agricultural research by strengthening national research system and gearing national and inter-country co-operative research programmes to support the objectives of food self-sufficiency;
- (h) Strengthening of extension services by establishing closer links between these services and research and developing strong institutions for rural development planning, monitoring, data collection, provision of agricultural credit and inputs, marketing, agro-industrial development and storage.

77. Such short and long-term food and agricultural policies as recommended by the Lagos Plan of Action are of vital importance to the African least developed countries which have experienced very poor agricultural performance in the past two decades. For example, although agriculture constitutes the largest sector of the economies of the African LDCs in terms of both the numbers employed in the sector and its absolute share in GDP, its growth in the 1970s only averaged about 1.3 per cent and actual per capita food production and consumption is estimated to have declined drastically in the same period. According to the African least developed countries themselves, this consistently poor performance in agriculture has been a result of many factors ranging from ecological to institutional problems. Thus, in line with the diagnostics and recommendations of the Lagos Plan of Action, the major problems of agriculture identified by the African LDCs in their programmes include:

- (a) Drought, desertification and soil degradation including the indiscriminate and unscientific use of land and deforestation;
- (b) Inadequate allocation of resources to agriculture;
- (c) Weak institutional structures for research, extension services, marketing, storage, rural credit, etc.;
- (d) Inadequate physical infrastructures for land development, irrigation, transport and processing;
- (e) Archaic land tenure systems and production processes, all of which need modernising and reorientation;

(f) Weak intersectoral linkages, low use of local resources as well as unbalanced or inappropriate production mixes of domestic food crops and export crops;

(g) The lack of adequate incentives policies favouring the agricultural rural sectors;

(h) Scarcity of cultivable land especially in some small African LDCs.

78. The individual country programmes of the African LDCs show a profound recognition of the most critical problems in agriculture and, indeed, many of the agricultural strategies and policies outlined in the programmes reflect a great determination and insight into how to arrest and reverse the unsatisfactory past trends in agricultural production.

79. In line with the highest priority given to the food self-sufficiency objective in the Lagos Plan of Action all the individual African LDCs gave food self-sufficiency as the major goal of agricultural development. However, the means and policy instruments that are propounded for the attainment of this objective differ from country to country reflecting the special characteristics and problems of the different African LDCs. Thus while some countries put a lot of emphasis on expanding farm acreage, other countries (with less cultivable land areas) show higher preference for intensification of production through improved land use, management, research, etc. Similarly, some countries see the peasant farmers as the core of the machinery for food self-sufficiency, while other countries see the need for expanded large scale farms and mechanisation as more important.

80. However, it must be stressed that some very important elements of the Lagos Plan of Action in the field of food self-sufficiency do not receive adequate attention in many of the programmes of the African LDCs. Firstly, many of the programmes do not address themselves to the immediate actions required to bring about an immediate improvement in the food situation in the short-term period of 1980-1985. Thus, although some countries referred to the need for rehabilitating many agricultural projects, most programmes paid little or no attention to remedial actions to reduce post-harvest losses in food or to the need to set up national strategic food reserves and/or national/subregional food security systems. Similarly, only very few country programmes showed any significant concern for the need to take into consideration the nutritional values of foodstuffs in their self-sufficiency programmes.

81. On the broader aspects of developing the agricultural sector, all the African least developed countries reflected concerns very much similar to those expressed in the Lagos Plan of Action. For example all the country programmes of the African least developed countries placed a lot of emphasis on the need for concrete policy action to improve agricultural

institutions of research, extension services, agricultural credit, storage and marketing. In this area, in line with the Lagos Plan of Action, many countries pointed to the need to (a) raise the effectiveness of agricultural research and extension services with more relevant agronomic research and more vigorous agricultural training programmes including training in the use of new technology packages, conservation techniques, etc.; (b) establish, develop or strengthen support credit and other financing institutions aimed mainly at ensuring the modernization of the operations of peasant farmers, and (c) rationalize the market for foodstuffs and improve on the over-all marketing network in and outside the country.

82. Secondly, in all the programmes African least developed countries planned for greatly expanded resource allocation in the sector of agriculture. These increased resources are envisaged to cover a variety of programmes in the individual countries the most common of which include expansion of irrigation schemes, undertaking land reclamation programmes and stemming erosion, reinforcing village technologies with new technology packages, establishing State farms, developing river basin schemes, etc. Some countries also plan for greatly expanded mechanization although many others call for caution in this field. Also, considerable resources are envisaged in the country programmes for the development of a strong rural infrastructure especially in the areas of feeder road transport, water, rural electrification, etc.

83. Thirdly, the establishment of incentive schemes is emphasised in many country programmes especially with regard to the need for remunerative prices to farmers and to rural development programmes that will improve the incomes and welfare of the rural population.

84. However one important aspect of agricultural development seems not to have received the importance in the programmes of the African LDCs which is accorded to it in the Lagos Plan of Action. This is the area of reorienting the agricultural sector in such a way that it has maximum internal structural linkages in terms of providing inputs into the domestic production processes, consuming the output of domestic industries and providing remunerative employment and, hence, increasing the incomes of the mass of the population.

85. Over-all, it is noteworthy that the programmes of the African least developed countries in the food and agriculture sector were very much in line with the recommendations of the Lagos Plan of Action. Indeed, there is little doubt that if the individual LDCs manage to implement their agricultural programmes in the 1980s, they will make a great advance in the direction of achieving the objectives of the Monrovia Strategy and the Lagos Plan of Action especially as regards the elimination of hunger and poverty for the mass of their population.

II. INDUSTRY

86. The critical role of industrial development has been systematically emphasised by African LDCs in their country programmes, which anticipated the objectives of the Lagos Plan of Action in many respects. The essence of the programmes emphasized the importance of industries which, by virtue of their potential effective linkages, can generate powerful growth-promoting effects in other industries. In a number of them it was quite evident that the envisaged pattern of industrialization in the 1980s has to a large extent focused upon the basic needs strategy. Most of the programmes strongly stressed as priority areas the development of agro-based industries particularly local-resource-based industries using locally available inputs or ones that can be developed in time.

87. The experience of these countries in the field of industrial development in the 1970s was quite disappointing in many respects, and which eventually necessitated a substantial inflow of investment and initiated a new type of policy modalities to alleviate the impeding constraints as well as to develop the sector on a more solid basis. The import substitution programmes vigorously pursued in the 1960s and the 1970s had resulted in the creation of high-cost enterprises with high unit cost of production, high capital working requirements with longer gestation periods, limited utilization of by-products and waste materials, low levels of capacity utilization owing to erratic supplies of raw materials, lack of spare parts and components and paucity of repair and maintenance facilities. Equally, export promotion policies were not quite successful either. In the main, the export programmes were not sufficiently oriented to development of external markets. For instance, the policy of increased local processing was hampered by external as well as internal factors such as severe competition from export products of developing countries in terms of both quality and prices, development of technology of synthetics and substitutes, inelastic demand with respect to international prices, protectionist practices and quota restrictions on labour-intensive products, and crude and weak degree of fabrication owing to lack of capital and skill.

88. Acknowledging these failures, the industrial programmes for the 1980s in most of the country presentations came with a new vision of establishing an integrated and articulated industrial plan. Further, in recognition of the hard experience with donors and transnational corporations, these countries came to the realization that the only way out of such an entangled circle was to emphasize an internally generated and independent resource-based approach as envisaged in the Lagos Plan of Action. In this connexion development of import substitution programmes were continued but pursued with new emphasis and direction. Employment promoting industries that take full account of their comparative advantage of cheap labour relative to capital were given due attention in industrial programmes. Export-oriented industries were encouraged in new venues to develop local skills and to reduce import content.

89. Stimulation of indigenous industrialization constitutes the main thrust of the industrial investment package of the 1980. In particular, more emphasis was given to the development of labour-intensive products from projects with low capital-labour ratios, less energy and greater mobilization of local skills and resources in an effort to expand the realm of small and medium-size industries. This policy is mainly directed to develop local technological capabilities, and to generate sufficient income and employment in the rural sector with the aim of equalizing rural-urban terms of trade, mitigating rural-urban migration and increasing the size of the market to stimulate domestic industrial production by increasing demand for products from industries such as textiles, metal manufactures and building materials, etc. The introduction of an internal-resource-based industrial development approach would, however, explain the reason why the development of industries has been assigned the lowest share in the external financial assistance package for the 1980s.

90. The speedy implementation of the industrial programme for the 1980s is ultimately dependent on the pace at which the impeding constraints to industrial growth in these countries throughout the 1970s could be adequately alleviated. While some of the stresses and strains are of a specific nature that could easily be eliminated by administrative procedures, structural problems constitute the major obstacle, which can be alleviated only through the simultaneous development of the other sectors. Among the most serious ones are the growing adverse developments in the primary sectors particularly the erratic performance of the agricultural sector, the undeveloped institutional and physical infrastructure, the weak absorptive capacity, the small size of the domestic market owing to inelasticity of demand at low levels of purchasing power, the excessive cost of transport owing to oil price hikes for both domestic and transit trade which severely limits the expansion of market potential and reduce the ability to take full advantage of the benefits of economies of scale, and the lack of appropriate skills and technology which limits the capacity to exploit only commercial feasibility products and minerals and reduces the ability for further processing with an enormous loss of additional foreign exchange. Moreover, the acquisition of inappropriate technology at high cost on account of technology market imperfections has compounded the cost composition and rendered most of the industrial activities economically unviable. Price imperfection and the inappropriate credit policies pursued in these countries have not been conducive to a sufficient flow of raw materials to processing centres with attendant huge idle capacities in the processing sector. This appalling situation has been further compounded by the practice in some countries of pricing industrial outputs below production costs and the introduction of excessive protection for inefficient operation. The extent to which these countries are affected varies considerably with resource endowment and geographical location.

91. Nevertheless, in practically all the country programmes the Immediate Component of the Substantial New Programme of Action has been specifically directed to remedy these problems by enhancing the absorptive capacity of the economy before embarking upon new projects and establishing of new industries. The Immediate Action Programme has generally concentrated on structural adjustments which emphasize balancing investment to ensure

full use of the existing capacity. In most of the country programmes, substantial amounts have been allocated for the rehabilitation and revival of stagnant industries in an effort to improve existing capacity utilization. In the programmes sufficient attention was also paid to the development of ancillary industries, notably development of repair and maintenance facilities. However, as the Immediate Action Programme has a short time span, it is not generally expected that the structural problems of a long-term nature such as the development of the supportive infrastructure could be easily alleviated.

92. In general, most of the programmes make reference to the promotion of industrial capabilities covering the wide range of objectives specified in the Lagos Plan of Action. Nevertheless, the degree of such emphasis differs considerably among countries. While some countries have stressed the development of industry even to the extent of moving to advanced lines of operation in metal engineering industries, others have given considerable attention to the development of the supportive infrastructure in the field of agriculture, natural resources and manpower development with less emphasis on the development of industry. On the average it has been estimated that the largest shares of the external financial requirements package for the 1980s were needed for the development of infrastructure (transport, energy, construction) and for agriculture and other productive sectors, amounting to 40 per cent and 30 per cent respectively. At the same time in some country programmes industry has been assigned a low priority rating of only 2 per cent. No doubt, such unbalanced allocation of investment is incompatible with the declared objectives of Lagos Plan of Action for industrial development in view of the intermediary role of industry in creating effective linkages, of its being a fast growing sector and the one that bears the highest potential for the creation of the conditions for self-sustaining growth and structural transformation.

93. A substantial portion of the financial assistance required for the development of industry was directed towards the development of light industries and very little for the development of the engineering and basic metal industries. In fact, there is no clear phasing for such priorities in the Lagos Plan of Action but on the whole strong emphasis was placed upon the development of basic food and textile industries, with the aim of attaining self-sufficiency in the medium-term horizon. A number of country programmes for 1985-1990 have stressed the need for building new capabilities in new industrial venues extending to areas beyond the provision of basic food, such as paper and chemical industries, etc. However, while the Substantial New Programme of Action recommends increasing the annual rate of manufacturing growth to 9 per cent or more by developing agro-based industries and on-the-spot-processing and building up medium-scale and light industries to meet the growing needs of the population for essential and basic consumer goods, it does not make any specific mention of the development of basic industries, contrary to Lagos Plan of Action long-term objective which place considerable emphasis on the development of intermediate and capital goods industries which provide other industries with basic inputs for the achievement of self-sustained growth.

94. While so many countries emphasized the need to indigenize their industries based on the exploitation of local natural resources, no specific projects on small-or-medium scale industries or initiation of ancilliary institutions have been proposed in their investment programmes. In all cases, the development of small-and medium scale industries is synonymous to the development of the rural sector. What is of utmost importance here is the complementarity between projects and their regional distribution for a balanced regional development. It is indeed crucial to have a mechanism for regional development of the regions in order to develop the rural sector by establishing small-and medium-scale industries with employment creation potential so as to reduce drastically the rural-urban income disparities in an effort to expand the size of the market for industrial products.

95. For sustained growth of the industrial sector, the general trend in most of the programmes favoured programme aid which improves the productive capacity of the sector by involving complementary projects with strong linkages to project aid. To this end, quite a number of countries have emphasized the need for feasibility studies for consistent and systematic preparation of such programmes. A close examination of these programmes has revealed that most of the projects are in line with the national priorities and time horizon of countries and are not simply those appealing to donors which usually emphasize the profitability criteria in project selection in preference to a programme approach that takes account of the basic needs such as the social impact of projects in terms of employment and income distribution, etc. On the whole, there is sufficient indication that the main thrust of the financial assistance programmes for the 1980s lies in the restructuring of the industrial sector by increasing domestic linkages in order to achieve a greater degree of self-sufficiency.

96. It is quite evident that a general shortage of technical skills and support infrastructure limits industrialization in these countries. Thus, as industrialization is a long-term process, sufficient emphasis in the country programmes was placed on the development of supportive sectors with strong forward and backward linkages for self-sustaining growth, in which resources could be best exploited in the industrial framework. The development and expansion of industry is, however, conditioned by the scale and capacity of development of natural and human resources, power generation and the extent to which mineral resources are exploited. Practically all the programmes have emphasized, in varying degrees, the development of infrastructure and agriculture as strong support for the development of industry. By assigning substantial amounts of investment to the development of agriculture, it seems there is an apparent need in most of the countries to adopt an integrated and multi-sectoral growth approach to foster complementarity between agriculture and industry. The immediate interaction between industry and agriculture is seen as by the development of rural infrastructure which has a close structural relationship with both of them. On the one hand, the expansion of rural employment opportunities through an integrated rural industrialization programme will generate sufficient

demand to stimulate industry, while on the other hand, the development of the industrial structure will enhance the development of the primary sectors by securing the provision of basic inputs at lower costs.

97. In all cases, industrialization depends on the systematic application of skills to the effective development of natural resources and their transformation into goods and services. Hence in the 1980s considerable attention have been paid to the development of the requisite manpower and technical skills and to the strengthening of existing or creation of new national institutions aimed at deepening local skills to develop factor inputs. In all programmes, there is a clear indication that a national apprenticeship system in industry with specialized institutions for manpower training in specific industrial sub-sectors, pre-vocational and vocational training programmes are to be strengthened especially in the field of vocational guidance, skill analyses, and methods of accelerating skill training and up-dating training with new techniques to improve the efficiency of industrial operations. Moreover, there is an apparent tendency to orient education to facilitate the satisfaction of basic needs out of the resources available locally and to reduce dependency on overseas expertise and specialized services. In this regard, post-secondary educational and training institutions to produce specialists at the high and middle levels in the fields of science and technology are to expand in the 1980s.

98. The development of industry is largely linked to the rational and efficient exploration of local national resources. It is well known that raw materials for industry come mainly from the country's national resources endowment including mineral deposits, energy and forestry reserves. Therefore, it is of the utmost importance that the choice of location and the scale and capacity of the technology used in industrial units should be in line with the human and natural resources base. The development of industrial activities should be planned in conjunction with programmes for the conservation and development of forests, the development of alternative sources of energy such as hydro-electric power, wind power and solar energy and the development of the exploitation of mineral resources. It is necessary, then to establish a mechanism for identification, exploration and assessment of natural resources.

99. Another area of concern is the development of local technologies. For an internally self-generating system, the process of adapting technology to basic needs is very crucial. The accelerated development of natural resources in this line requires technologies to suit environmental conditions such as providing equipment suitable for persons with limited technical ability in ground exploration for minerals and underground water and other soil inventories. Thus, it becomes essential to involve the rural population in natural resource prospecting, processing and converting them into intermediate and finished products by providing simple mobile equipment and technical assistance. The public sector in this regard can play a catalytic role as the disseminator and promoter of the development of indigenous technology by providing consultancy and other basic services. This would, of course, help planners to decide on what type of industries should be established or developed and what type of technologies to be imported, adapted or locally developed.

100. In the country presentation most of the programmes for development of natural resources are sketchy. The lack of a coherent theme among the projects was largely due to the fact that the countries themselves are not aware of their potential and are therefore not in a position to identify their needs in relation to their natural resource inventories such as the volume and disposition of energy sources and mineral resources etc. Hence the selection of projects appears to be based on a sectoral and enclave type approach without no integration with the production process to promote backward linkages. The projects are relatively large in relation to the available local skills and technology as most of them are not specifically related to the development of natural resources that is directly required for agriculture and indigenous industrialization in particular. However, as the group of African least developed countries are poor, the natural resources development projects should be small- to medium-scale in nature, labour intensive and located in rural areas using simple technology consistent with factor endowment as stipulated in the Lagos Plan of Action. Although, the present dependence on foreign technology will continue for a long time, there is no clear indication in any of the country presentations that appropriate measures were being considered to establish centres for the transfer, modification, adaptation, diffusion and assimilation of imported technology in the future.

101. As recognised by Lagos Plan of Action, the critical action for implementation of the Decade programme for the whole region should be the summation of full harmonization of efforts at the national level. The modalities would then be developed and reinforced by their collective action at the subregional and hence the regional levels. The advantage offered by co-operation in the field of industrial development is immense. The opening up of external markets, joint exploration of resources to develop raw materials on a complementarity basis with the aim of moving into the production of intermediate goods and other industrial inputs, setting up centres for training for further utilization of human resources, joint exploration and evaluation of natural resources, pooling financial and other resources, exchange of information directly related to markets, methods of production, transfer of technology, arrangements such as commodity exchange markets, clearing houses, producers' association, and establishments of long-term agreements concerning product specialization and product-sharing system through complementarities could provide a tremendous boost to industrial development and would eventually strengthen the countries bargaining position in the acquisition of technology and other production inputs and factors from abroad. Intra-African co-operation in some of these fields has been noted in some of the country programme such as joint ventures in cement plants, electricity generation, road networks, joint-training centres, etc.

102. On the whole, however, the programme of industrial development as embodied in the country presentations to donors cannot be termed ambitious. Moreover the dependency syndrome that prevailed throughout the 1970s may not prove to be conducive to stimulating industrial growth in the long run given the continuing deterioration in the international economic situation by which the least developed countries will be the most affected. Moreover,

even if the funds are forthcoming they may not be in harmony with the taste needs and size of the local market. Their past experience with transnational corporations more or less confirms this fact. Throughout their operation in Africa and time horizon of transnational corporations the objectives clearly conflict with the interest of the Governments of the African least developed countries. Therefore, the acquisition as foreign capital is a very slow process and in fact a supplement and not a substitute for local efforts; countries should, as a matter of urgency, use their own resources to stimulate the growth of specific branches of industries for which they have some comparative advantage such as small- and medium-scale industries and enact procurement laws to favour such ventures and supplement them with rationalization programmes to upgrade equipment and financial support, to substitute imports by domestic raw materials, and to take concerted action at the national and regional levels to implement plans for collective industrialization based on the concept of self-reliance as stipulated in the Lagos Plan of Action.

III. TRANSPORT AND COMMUNICATIONS

1. Background

103. Available data show that the system of transport and communications in Africa in general has not been sufficiently adapted to development objectives. In most countries, the transport system has been composed mainly of roads linking coastal peninsulas with the hinterland. These roads were built primarily for reasons of foreign trade: for sending raw materials from Africa to the developed countries and, in return, importing consumer and capital goods. However, these traditional route of communication have been inadequate for promoting domestic trade or even for trade with neighbouring countries. In fact, the road network in most African countries is underdeveloped in terms of both length and quality of construction. Most countries have developed their transport systems independently of their neighbours, making communication difficult.

104. The situation of transport and communications is especially critical for the 21 African least developed countries. In their programmes submitted to the United Nations Conference on the Least Developed Countries, these countries dwelt at length the alarming state of their transport and communications systems. They stressed in particular the fact that, during the 1970s, the transport and communications sector degenerated to such a degree that it currently constitutes a major bottleneck in their over-all economic growth. As concerns road transport, they noted the poor condition of the road network, which fails to meet the needs of rural development, domestic trade and the tourist industry. Numerous secondary roads and most service roads cannot be used during the rainy season. Only some 15 per cent of all roads are bitumen-surfaced, the rest being earth roads and tracks. The rail network, which often consists of a single track, has a relatively poor utilization rate overall and is an obstacle to the expansion of the economy as a whole, even though railways are the most economic means of transporting goods over long distances or in large quantities. Inland water transport remains minimal in general, in relation to these countries' enormous natural potential. Port facilities are inadequate and the occupancy rate of berthing ports is high. Air transport, which is an advantageous means of linking various national and international regions, still plays a very limited role in agricultural and industrial development and in the domestic transport of goods intended for export.

105. The fundamental constraint to the development of transport and communications systems in African least developed countries is financing not only infrastructures but particularly maintenance. In most countries, available national resources cover only approximately 25 to 30 per cent of needs. To this is added the lack of qualified personnel, difficulties in replacing machinery and obtaining spare parts,

delays in delivery, lack of foreign currency to import new vehicles in sufficient numbers, the lack of comprehensive national transport plans integrated in the economy, overstaffing and inefficient and disastrous administration and financial management. Because of extremely high costs, roads, airports and other components of the transport infrastructure are not adequately maintained. The telecommunications network is elementary, obsolete and far from being able to meet current needs; many areas are without telephone and international communications by telephone and telegraph are seriously hampered by long waiting periods.

106. The transport situation is of particular concern in the 11 land-locked least developed countries in Africa. The transport and communications capacity of these countries is far from being capable of ensuring the import and export of goods and rural development. The lack of an opening to the sea makes these countries far removed and isolated from world markets. These countries are totally dependent on the ports and shipping services of ~~foreign~~ countries. This poses problems for the transit of passengers and goods across neighbouring territories and entails high transport costs.

107. However, Africa as a whole has 17 major transit corridors: six on the east coast, five along the coast of Central Africa, five on the west coast and one on the north coast; each of these corridors is unique as regards its environment and physical conditions, the technical modes of transport in use and economic and political conditions. Land-locked countries nevertheless remain beset by difficulties related to the transit transport of goods and passengers. These difficulties consist of high transport costs resulting from inefficient transport management; dependence on inadequately qualified personnel; imbalances in traffic, depending on direction and season; and the lack of adequate basic facilities and services such as telephones, telegraphs, telexes and postal services along the entire transit routes. The general inadequacies in transport shared by all African least developed countries hamper the development of trade among these countries. Less than 5 per cent of foreign trade occurs among African countries because of the inability of transport and communications systems to ensure the smooth flow of goods, passengers, information and ideas. This inadequacy slows down in particular the implementation of new projects as compared with forecasts, resulting in a loss of production and an abnormal run-over of costs.

2. Global strategy and plan of action for transport and communications

108. In resolution 291 (XIII) of 26 February 1977, at its fourth meeting, the ECA Conference of Ministers recommended that the international community should proclaim a Transport and Communications Decade in Africa during the years 1978-1988.

This recommendation was adopted by the United Nations General Assembly. Subsequently, the Assembly of African Heads of State and Government meeting at an Economic Summit at Lagos, endorsed the proclamation of the Transport and Communications Decade in Africa. In brief, the various Lagos resolutions recommended, inter alia, a global strategy for the development of transport and communications throughout the entire region, while stressing problems of harmonization, co-ordination, modernization and development.

109. The Lagos strategy for transport and communications is intended to ensure independence, collective autonomy and co-operation among African countries in all areas and for all modes of transport and communications by:

(a) Promoting the integration of transport and communications infrastructures with a view to increasing intra-African trade;

(b) Ensuring co-ordination of the various transport systems in order to increase their efficiency;

(c) Opening up Africa's land-locked countries and isolated regions;

(d) Harmonization of national regulations and reduction to a minimum of physical and non-physical barriers with the aim of facilitating the movement of persons and goods and of standardizing networks and equipment, research and documentation of techniques adapted to Africa;

(e) Promotion of African industry in the field of transport and communication equipment and, to this end, mobilization of technical and financial resources during the Decade with a view to providing the development and modernization of transport and communications infrastructures in Africa.

110. This strategy bears specifically on the: (1) establishment of a transport and communications infrastructure; (2) training of administrative and technical personnel; (3) setting up of national transport and communications industries; (4) adoption of appropriate and harmonized legislation intended to promote the movement of persons and goods and protect the environment, the establishment or strengthening of centres for the elaboration of development policies and the establishment of co-ordination machineries and an information system with a view to monitoring the application of the strategy in the various sectors.

111. As concerns the least developed countries, the Lagos Plan of Action specifically recommends the development of transport and communications with emphasis building local capacities for the construction and maintenance of feeder roads in order to ensure efficient production and distribution of goods and services. Stress should also be laid on the improvement of transit services for land-locked countries

and on the development multimodal transport systems. Coastal countries are also requested to facilitate land-locked countries' access to the sea and provide them with port facilities to open them up.

3. Implementation of the Lagos Plan of Action by least developed countries

112. The programmes introduced at the United Nations Conference on the Least Developed Countries contain general provisions concerning general policy objectives and orders of priority as well as projects intended to develop and improve the transport and communications systems of these countries. In general, these investment programmes for the 1980s are aimed at improving transport and communications services in such a way as to strengthen domestic and intra-African trade, eliminate bottle-necks so as to meet urgent needs in other sectors of the economy and provide support services required for the implementation of agricultural and industrial development programmes. A high level of priority is granted to the expansion of both goods and passenger transport in order to meet needs as economically as possible.

113. In the context of the Lagos strategy for transport and communications national projects are classified according to whether they are located in least developed countries or in other African countries. This classification can be summarized as follows:

Table 1

Programme of the first phase (1980-1983) of the United Nations
Transport and Communications Decade in Africa
(Millions of United States dollars)

Type	Total national projects	National projects with a regional impact		Other projects	
		LDCs a/	Other countries b/	LDCs a/	Other countries
Transport	7 351.83	2 503.21	3 096.07	766.05	985.9
Communications	260.9			53.24	207.66

Source: United Nations Transport and Communications Decade in Africa, 1978-1988
(E/CN.14/726 - E/CN.14/TRANS/147), vol. 1, p. 31.

a/ LDC indicates least developed countries.

b/ Developing countries in Africa other than least developed countries.

114. The Lagos strategy acknowledges the priority that must be accorded to least developed countries, given that most of them are also land-locked or island countries. Consequently, the magnitude of the work that they face in national reconstruction and implementation of the Lagos Plan of Action calls for special efforts to be made on their behalf in the area of transport and communications. In order for the Decade to be concretely implemented as soon as possible, priority has been given to international financing of national projects located in least developed countries or in countries capable of facilitating the rapid opening up of land-locked countries. Most projects or 95 per cent of all credits sought, are for investments or acquisition of equipment (construction, overhauling, expansion), with 1.2 per cent earmarked for studies and technical assistance, 3.3 per cent for training and 0.2 per cent for co-operation activities. This high amount of investment merely indicates the inadequacy of the basic infrastructure of African transport and communications in general and in the least developed countries in particular.

115. The fact that the projects selected for the first phase of the Decade are located in specific countries but of interest to neighbouring countries raises the issue of responsibility for their financing. This problem is of particular concern to transit countries, which must often develop their transport and communications infrastructures beyond their national needs to meet those of neighbouring land-locked countries. The same is true for the land-locked countries themselves, which must set up the transport and communications infrastructures needed in the context of sub-regional integration. Nevertheless, the cost of these projects often exceeds the financial capacities of these countries, thus justifying the provision of financial assistance by the entire community, if necessary, through the establishment of appropriate instruments for co-operation and community financing to promote and accelerate the implementation of projects with an acknowledged regional impact.

116. In the area of roads and road transport, least developed countries have given priority in their programmes for the 1980s to the implementation of projects for the construction of feeder roads linking remote rural areas to national highways and rail networks; to the purchase of road vehicles; to the expansion of repair and maintenance facilities; and to the establishment of road transport companies. Some countries intend to furnish and maintain vehicles for urban, interurban and regional public transport. There are even some trucking projects intended to establish trucking companies which would also provide regular vehicle maintenance and manpower training. However, the quality of the road networks in these countries is uneven and is marked by varying standards of construction. For example, countries such as Burundi and Rwanda suffer from inadequate road investment in neighbouring countries (the United Republic of Tanzania and Uganda). In West Africa, the basic overland transport system is taking shape with a road network designed in accordance with standards for all-weather use. Projects in this subregion are geared towards the systematic maintenance and overhauling of national infrastructures.

117. At present, five major trans-African highway projects are being implemented throughout the continent, namely: the Mombasa-Lagos; Trans-African Highway; the Dakar-Ndjamena Highway; the Lagos-Nouakchott Highway; the Cairo-Gaborone Trans East African Highway and the Trans-Saharan Road. In addition, the construction of four other trans-African highways is planned: Tripoli-Luanda; Nouakchott-Cairo; Ndjamena-Massawa and Beira-Lobito-Luanda. These trans-African highways will serve as a basic framework for the pan-African network and will be connected by feeder roads gradually to complete the major African network. Among the projects of African least developed countries included in programmes for the 1980s, particular priority has been given to projects related to the completion of the trans-African highway network and to projects for opening up land-locked countries.

118. In the area of rail transport, it must be noted that African railways are made up of numerous national networks largely independent of each other and with differing characteristics. Thus, the fundamental problem of interconnection, as emphasized in the Lagos Plan of Action, raises questions in four technical areas related to track gauge, dimensions of rolling stock, braking and traction. The programmes of African least developed countries stress investment for strengthening operational effectiveness, improving track, replacing obsolete rolling stock and improving signaling and modes of communication. The major operations scheduled in this area relate primarily to the improvement of network management and administration; modernization and maintenance of equipment infrastructures; training of the personnel needed for efficient running of the networks, particularly management and technical personnel; and the development of a railway industry. Many least developed countries are convinced of the need to carry out, although in the long term, the interconnection of lines called for in the Lagos Plan of Action to facilitate the movement of passengers and goods across Africa. They are also convinced that implementation of the Plan in this area must be preceded by the modernization and harmonization of present-day rail networks. For these countries, then, the priority short-term action must be the development and implementation of modernization programmes, rather than the expansion of networks and their interconnection.

119. In the area of maritime and inland water transport, LDC programmes are intended to strengthen cargo-handling resources by modernizing existing facilities and acquiring new barges and tugs; upgrading port operations by shortening berthing periods; expanding berthing ports; and helping to solve the problem of silting and sedimentation. Projects selected in the area of inland water transport consist of the establishment of an inland water transport organization which would be responsible for all lighter and barge transport as well as all ferry services; the building along rivers of piers better adapted to the loading and unloading of bulk cargoes, goods in general and passengers; improvement of ferry terminals and an increase in the number of ramps and passageways and shore facilities; and the installation of navigational devices along the entire length of the river.

Likewise, several projects concerning the training of maritime personnel, the establishment of new schools and financial assistance to existing schools have been identified in various LDC programmes.

120. LDC civil aviation programmes focus primarily on the improvement of existing airports, which must be brought up to international standards; increasing passenger and goods traffic by means of measures to attract a greater number of airlines and jumbo jets to national airports; and increasing the number of high-level civil aviation personnel. These projects call for, among other things, special action concerning air freight to encourage intra-African trade and to develop the exports of African commodities to developed countries. At the same time, there are very few projects for the establishment of a multinational, regional airline, since many national airlines of LDCs are experiencing difficulties in maintaining regular operations. Mention should be made, however, of the establishment of a subregional airline in the context of the Economic Community of the Great Lakes countries, to which Burundi and Rwanda belong; this project is in line with the Lagos strategy, which envisages prospects for the progressive integration of African air transport by stressing projects of regional and subregional interest.

121. In the area of telecommunications, LDC projects submitted to the Paris Conference stress the restructuring of the direction and organization of telecommunication services in order to increase telephone and telex circuits to meet current needs and to improve the quality of both incoming and outgoing traffic; increasing the profitability of services while stressing their commercial nature; and the tightening of links with the Pan-African Telecommunications Network. Plans also call for a reinforcement of postal services staff and managerial personnel by means of training conducted on the job and abroad. Likewise, special consideration is given to the development of domestic routing and distribution of mail, the revitalizing of postal savings services through higher interest rates and the expansion of rural postal services.

4. Conclusion

122. In order for the Transport and Communications Decade to be translated into concrete results, machineries for co-ordination and monitoring must be established at both national and subregional levels. It is still too soon to ascertain whether the Decade is being implemented fully in African least developed countries, since the implementation of programmes and projects falling under the Decade requires considerable resources that must be sought first of all at the national level. However, in view of the extremely difficult situation of all African least developed countries in this area, and taking into account the very high cost of transport and communications, the implementation of projects in this sector will require the provision of considerable material, financial and technical resources by the

international community to supplement local resources. At the Paris Conference on the Least Developed Countries, some donors committed themselves to financing transport and communications projects with specifically regional character, but this financing is far from sufficient. As a result, the promotion of the total development of transport and communications means that States and national transport and communications companies should co-operate with a view to ensuring the rational utilization of the various national and international resources. This co-operation must be aimed at increasing the effectiveness and profitability of the various modes of transport (road, maritime, inland water and air) and telecommunications, but especially at leading to the eventual establishment of multinational companies which could mobilize all the most important national resources with a view to implementing and accelerating the implementation of projects whose regional impact is recognized.