

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL



Distr.
GENERAL

E/CN.14/493/Rev.1
18 January 1971

Original: ENGLISH

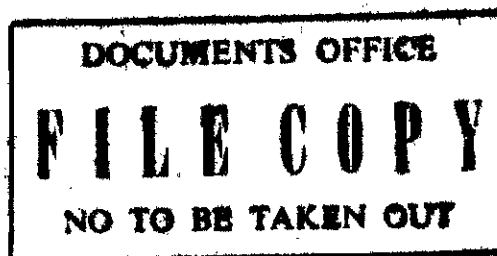


ECONOMIC COMMISSION FOR AFRICA

Tenth session

Conference of Ministers

Tunis, 8-13 February 1970



AFRICA'S STRATEGY FOR DEVELOPMENT IN THE 1970s

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PART I

Planning for development

1. The pluralistic structure of almost all African countries, consisting of a traditional subsistence sector, an indigenous monetized sector and a foreign enclave, poses three main challenges:

(i) A small number of people in each country, generally found in urban centres, constitute the forces for modernization but they are surrounded by vast areas of rural backwardness where the consequences of extremely low productivity are holding back development. The overwhelming proportion of the population in developing Africa still lives in the predominantly subsistence sector with low living standards. There is a comparatively small but growing proportion of the indigenous population living almost completely within the monetized sector where living standards are higher but generally unsatisfactory.

(ii) Foreign enclaves which Governments have had difficulty in controlling and integrating into national economies play an important economic role in many countries.

These enclaves (comprising externally controlled companies and expatriate personnel) account for a considerable portion of the total gross income in the countries concerned. Because they are some of the principal generators of income they are important contributors to government revenues.

(iii) The fact that the participation of the indigenous population in the private sector of the economy is insignificant.

2. The integration of national economies is therefore of high priority. This integration has physical, organizational, economic and socio-psychological aspects. It requires an effectively co-ordinated programme concentrating on regional physical planning, integrated rural development, reform of local government, income policies, transport and communications, building and construction, etc.

3. Two other characteristics call for attention. The first is the extreme dependence of agricultural exports on a limited number of markets in developed countries. The second is the limited relevance of the development of science and technology in the developed world to the problems facing African countries, in particular problems bearing upon the transformation of the socio-economic structures in Africa.

4. African Governments have in the past attempted to formulate and implement economic development plans within this social, economic, technological and organizational framework. However, their efforts at implementation have in general not been particularly successful. A study of the machinery for formulating and administering development plans in Africa also discloses a singular lack of a system of follow-up and operational control of a plan once it has been launched. It has furthermore become increasingly clear that some of the models adopted were either over-elaborate or otherwise unsuitable.

5. In order to achieve better results and to approach the targets set for the Second Development Decade, African countries should specify and quantify as accurately as the available data will permit, the objectives of national and regional development. These may be briefly stated:

- (i) Effective marshalling of national and external development resources;

(ii) Mobilization of all sectors of population for participation in activities which should lead to the integration of the traditional sector, at present the less productive sector, with the modern dynamic sector;

(iii) Promotion of structural changes to reduce the almost exclusive dependence on external factors for the initiation of the processes of transformation and development.

6. In broad terms, the planning strategy should be to identify points of potential leverage in African socio-economic systems and to apply pressure simultaneously to these points. In practice this should imply establishing, in a physical, economic and social sense, backward and forward linkages and promoting spread effects between rural and urban communities as a matter of deliberate policy.

Trade

7. An appropriate strategy for the trade of African countries during the 1970s should have two basic objectives:

(i) To generate structural changes by being a vehicle for transforming African economies from a traditional, almost exclusively primary-producing basis, to a dynamic combination of agriculture and manufacturing industries;

(ii) To provide foreign exchange earnings for the financing of development.

8. The overall trade balance of Africa has moved steadily from heavy deficits at the beginning of the 1960s to the achievement of small surpluses at the end of the decade. The annual rate of growth of exports during the United Nations

First Development Decade has been more than twice the annual rate of increase during the 1950s. However, this vigour in the export trade of Africa as a whole has been largely confined to petroleum and other minerals; the traditional items that bulk large in its export trade have expanded at a much slower rate.

9. The basic commodity composition of African exports has not altered significantly. Exports of primary commodities continue to constitute between 80 and 90 per cent of total exports. This heavy weight of primary commodities can partly be explained by the predominance of the developed market economy countries in African trade. Although exports to the socialist countries of Eastern Europe, predominantly of primary commodities, developed relatively fast during the 1960s, they still account for no more than about 5 per cent of total African exports. Only about one-tenth of African trade is carried on with other developing countries, one-half of which is with other African countries.

10. A determined effort will have to be made to remove those rigidities which are inherent in the economic and institutional links between African countries and developed economies and to change the production structure of African economies. In order to maintain and increase the revenue earning capacity of African countries while action is being taken to change the structure of African trade, the following steps should form part of the international strategy for the 1970s:

- (i) An international commodity policy to secure remunerative, equitable and stable prices for primary commodities, including the conclusion of a general agreement on commodity arrangements so that there might be uniform principles and models on which all commodity agreements could be based;

- (ii) Improved access to the markets of the developed countries for primary commodities;
- (iii) Establishment of associations and groupings of African primary producing countries, in co-operation with other developing countries, to enable commodity producers to take action on their own initiative to protect their interests in commodity markets;
- (iv) International action to facilitate the diversification and expansion of trade in manufactures and semi-manufactures by African countries.

11. The prospects for transforming a country's economy through the growth of the export sector depend to a great extent on the linkages of the export industries with other industries in the economy. The stronger these linkages are, the greater is the effect of a rise in exports on production in other sectors of the economy. Exports of primary commodities in general develop only fairly weak industrial linkages, while exports of manufactures on the other hand have strong industrial linkages. Increasingly, in addition to the export of primary commodities, it is a growing export trade in manufactures that the African countries have to seek. The full potential of this can only be exploited through effective industrial programming and efficient policy implementation.

12. The dominant position of the developed countries as customers of African products points to a continuing need to pay attention to these markets as sources of revenue in the short run. On the other hand, in the 1970s a determined effort should be made to diversify the commodity composition of Africa's trade as well as its direction, and in particular, to increase trade in manufactures among African countries. Strategies formulated at the international level can only

supplement Africa's own strategies and priorities. With this in view, the following measures should form part of the strategy for the 1970s:

- (i) African countries should continue to devise, negotiate and put into effect their own practical trade and payments agreements to achieve a better utilization of resources through selective diversification of production;
- (ii) They should in particular speed up the current negotiations designed to elaborate mutually beneficial preferential trade arrangements and to create better trade channels between African markets;
- (iii) They should establish machinery for collaboration, for identification of projects and products suitable for intra-African trade expansion.

13. The objectives and measures outlined above are designed to create the permissive conditions for a development-oriented expansion of African trade. Experience has shown that the opportunities created are sometimes not used to advantage. There is therefore the need for promotional activity to stimulate the expansion of existing or new lines of trade. With this in view, the following measures should form part of the strategy for the 1970s:

- (i) African countries should develop better and more co-ordinated trade promotion organizations and programmes;
- (ii) African countries should identify trade incentives and disincentives and streamline their trade promotion policies and procedures.

14. Action should be taken to reduce or eliminate the concentration of economic power in the hands of non-nationals. In the modern sector this concentration is reflected in the pre-emption of large areas of commerce and finance by a few expatriate business houses. Through an appropriate combination of measures, including the setting up of national trading corporations, national corporate bodies for the promotion of industry, a national system of banking and finance and accelerated training of nationals, trade and industry can be turned into effective instruments for social and economic development.

External financial and technical co-operation

15. An appropriate strategy for external financial and technical co-operation to Africa during the 1970s should have three basic objectives:

- (i) Increasing the flow of external assistance commensurate with the special requirements of African countries;
- (ii) Facilitating the transfer of foreign technology appropriate to the needs of African countries;
- (iii) Generating structural transformation and changes in African countries by enabling them to utilize their own natural resources, accumulate their own capital and operate their own economies with a view to achieving not only an accelerated growth of average income, but also more equitable income distribution and more jobs for the rapidly growing labour force.

16. Africa's share of total assistance to developing countries fell from 35 per cent in 1960 to about 23 per cent in 1967. In addition to the declining share, aid to Africa fluctuated more than for other developing regions. The volume

of aid to Africa reached its peak in 1962, when it stood at \$1,777 million. By 1967 it had declined to \$1,610 million. If the 1967 volume is adjusted for changes in prices of manufactures entering into international trade, the amount in 1960 prices is reduced to \$1,490 million. During the same period the net flow of investment income out of Africa more than tripled, from 12 per cent of net official inflow to about 42 per cent.

17. The total of reported external debt of Africa increased from \$3.3 billion in 1960 to 8.7 billion in 1968. Africa's service payments on external public debt amounted to \$625.4 million in 1968, or 6.4 per cent of total commodity exports. Service payments on external public debt are now as high as 24 per cent of total exports of goods and services for one African country, while the percentage is between 10 and 20 for many others. Since heavy borrowing is a relatively recent phenomenon in Africa, the growth of debt servicing is expected to be faster for the continent than for any other developing region in the Second Development Decade and the years immediately following. UNCTAD has projected that debt service as a percentage of exports will rise to 22 per cent in 1975.

18. The present low level of income and development in most African countries has important implications for aid policy. If the target of 6 per cent annual growth postulated for the first half of the Second United Nations Development Decade is applied to Africa, it has been estimated that the volume of aid will have to be doubled by 1975. To meet the need for development finance for accelerated economic growth in Africa, the following elements should form part of the strategy for the 1970s:

- (i) Within the one per cent target for financial resources transfers from developed to developing

countries, measures should be taken to ensure a more equitable distribution so that the region as a whole, and in particular the least developed among African countries, will obtain an adequate share of these transfers;

- (ii) An appropriate link should be established between the Special Drawing Rights and the provision of development finance;
- (iii) Assistance should ideally be provided as grants and/or interest-free public loans, but it should at least be tailored as realistically as possible to the needs and repayment capabilities of individual African countries;
- (iv) In keeping with the principle of self-reliance, African countries with persistent surpluses of saving should provide financial resources for profitable investment in other African countries through the African Development Bank or SIFIDA;
- (v) Efforts should be made to ensure that financial and technical co-operation contribute to a fuller mobilization of indigenous resources, through, inter alia, larger financial contributions towards local costs, technical assistance aimed at using indigenous facilities and a realistic programme for training local counterparts.

19. While an effective aid package must combine capital and technical assistance, one overriding priority can be singled out for African countries, namely, technical assistance of the kind which enables recipients to make the fullest use of their own local resources and of whatever other forms of assistance

are offered. It will be necessary also to provide for:

- (i) The speedy and efficient negotiation and disbursement of grants and loans;
- (ii) More effective execution and management of projects;
- (iii) Strengthening of research and development activities in African countries as a basis for adapting foreign, and at the same time promoting indigenous, technology.

20. A primary role of assistance to Africa should be to encourage the formation of wider markets, a rational investment policy based on sub-regional or regional co-operation and greater mobility of skills and private investment.

21. Africa, more than most regions, is in need of a multi-nationally planned and executed programme of financial and technical co-operation. The aid effort so far has in many cases reinforced the historical, geographical and political fragmentation of the region, thus aggravating the already difficult problems of co-operation and integration. A strategy for financial and technical assistance during the 1970s should therefore include:

- (i) Assistance to facilitate the building up of the necessary institutions within the framework of African multinational co-operation and integration;
- (ii) Assistance to the development of the necessary infrastructure for the expansion of intra-African trade, including adjustments to the present network of communications, transport, banking and trade institutions;
- (iii) Assistance to compensate the least developed African countries for handicaps they may have and losses they are likely to sustain in co-operative partnership

schemes with more industrialized neighbours.

22. A greater co-ordination, between different donors, on the one hand, and between donors and recipients on the other, is required. The main purpose of such co-ordination should be:

- (i) To increase the flow of aid and reduce uncertainty as to the amount of aid in the future;
- (ii) To assess more correctly the needs and priorities within the perspective of a country's long-term development plan to ensure that financial and technical co-operation will be available on a secure basis for plans as well as for individual projects;
- (iii) Prompt and co-ordinated action for rescheduling or refinancing of debts where the circumstances of an African country justify such special assistance.

Mobilization of domestic resources

23. The basic objectives of a strategy for mobilization of domestic resources during the 1970s should be to:

- (i) Increase the rate of growth of African economies;
- (ii) Provide a basis for independent economic policies and the preservation of sovereignty.

24. The share of savings in the gross national product of African countries increased from about 12 per cent during the first half of the 1960s to about 14 per cent at the end of the decade. Only East Asia of the developing regions has experienced a stronger increase. The African ratio is, however, still below the average of 16 per cent for developing countries as a whole.

25. The average tax ratio of African countries for which figures are available has increased to about 16 per cent of

national income in recent years from an average of 13 per cent during the 1950s. This is a higher ratio than in Asia, but lower than in Latin America and the Middle East.

26. African countries must in the 1970s, as they did in the 1960s, bear the main burden of financing their own development. An essential element in the strategy for the 1970s should therefore be to ensure that a rising proportion of the national income will be saved for financing investment. Specially,

African countries should aim at increasing the ratio of savings to the gross national product to at least 20 per cent by the end of the decade.

27. To evolve efficient measures for domestic resource mobilization, it is necessary to distinguish between the following four major groups of savers, each with very different motives for savings:

- (i) The Government, whose savings are represented by the excess of tax revenue over current government expenditure;
- (ii) The business sector, whether corporate or unincorporated, whose savings are represented by retained profits;
- (iii) Property owners and rentiers;
- (iv) Personal households.

28. The fiscal mechanism has been, and will probably remain, at least through the 1970s, a most important source of funds. But a well organized financial system appropriate to the level of economic development reached by individual African countries or by certain leading sectors - including such institutions as commercial banks, development banks, postal and other savings bodies, co-operative societies, insurance companies and

institutionalized capital markets - can introduce greater flexibility into the resource mobilization process. Its efficiency should be judged into the resource mobilization process. Its efficiency should be judged by its ability to attract and mobilize domestic savings and its adequacy in channelling funds towards productive uses. It can in particular play an important role in opening traditionally closed sectors to the "money economy".

29. Resource mobilization through fiscal policies is subject to various political and economic constraints. The ratio of tax revenue to gross domestic product, and the speed with which it rises, should nevertheless be a test of a country's commitment to development. The following elements should form part of the strategy for the 1970s:

- (i) An elimination of the substantial foreign budgetary support still being used by some African countries in meeting their recurrent expenditures;
- (ii) Reforms of personal and indirect taxation to ensure that the groups which have benefited most from economic development contribute to public needs on a broader and rising basis. In particular, the introduction of technological changes in the agricultural sector, combined with improved domestic terms of trade for agricultural products, have sharply improved opportunities for higher farm incomes in certain portions of the agricultural sector which, consequently, both can and should bear a larger share of the tax burden;
- (iii) Fiscal measures to encourage business savings and investments including reductions in taxes on profits from new investments and tax incentives to encourage reinvestment of profits;

- (iv) Improvements in the machinery for assessment and collection of taxes in order to reduce the gap that exists in many countries between a formal tax structure with high and progressive rates and a low revenue yield;
- (v) Measures to reduce the growth in non-development current expenditure and for earmarking a greater share of revenue increased for development objectives;
- (vi) More efficient harmonization of budgets and national development plans.

30. The reform of tax policy and tax administration should serve as an instrument for more efficient mobilization of financial resources and for bringing about a better distribution of income and wealth. However, incentives to encourage business savings may in part offset such efforts. There is already in isolated sectors an excess industrial capacity in many African countries. If, therefore, a country tries to step up its growth rate mainly through an investment effort, without regard to the main structural constraints that limit the growth of demand for its products, the reward to additional investment in terms of higher growth rates may be relatively small.

31. Savings are an essential component of successful business operations. In addition to fiscal incentives, important ingredients for a strategy for the business sector would include the development of financial systems offering to savers alternative types of investment, and providing various types of financing related to its diverse and changing needs.

32. Within the group of property owners and rentiers, owner-cultivators in general devote a high proportion of their disposable monetized income to investment purposes. The propensity to save of rentiers, such as absentee landlords, is

likely to be much lower. The strategy for the 1970s in respect of this group should aim at:

- (i) Structural changes in the ownership of wealth in favour of the producing sectors of the group;
- (ii) Raising agricultural productivity;
- (iii) Providing motives and incentives for rentiers to invest, together with an effective system of increasing the tax burden of the rentiers.

33. Personal savings out of wages and salaries depend on the rate of growth of real incomes, on the rate of growth of number of wage and salary earners and on earnings per head. The strategy for the 1970s for this group should aim at the provision of adequate financial institutions to encourage savings and appropriate monetary and related fiscal policies.

Industry

34. The critical area of action is the restructuring of the domestic economy and more specifically the integration of the traditional sector with the modern and dynamic sector. National policies must fulfil the role of transforming the structure of rural production and linking the rural and urban sectors to provide a foundation for a modern economy. The key elements of a strategy linking industry and agriculture include:

- (i) The development of small-scale industries based on innovative technology and using local raw materials;
- (ii) The development of agro-allied industries and industries providing inputs for agriculture such as fertilizers, agricultural machinery and implements;
- (iii) The development of export industries.

35. Most African countries have small local markets and the purchasing power of their population is low. These constitute a constraint on industrial development. To remove this constraint, collective action must be taken to develop physical infrastructure to facilitate the flow of trade between African States. A formula needs to be established to determine the allocation of specific industries, the sharing of benefits from multinational industries and the ownership and control of such industries and non-African participation where necessary.

36. For the promotion of small-scale industries, the immediate need is for a system which provides technical support and advice to individuals or groups, market research and marketing assistance, information on investment opportunities and assistance in locating machinery and equipment and the provision of low-cost finance. In this area Governments need to set targets indicating a percentage share of consumer and capital goods to be produced domestically by the end of the decade.

37. In the area of investment, the roles of domestic and foreign investment will need to be defined; the benefits and costs of private foreign investment will need to be assessed; and policies and incentives formulated in order to ensure that both foreign investors and host countries derive equitable benefits from industrial ventures. Host countries should effectively participate in the management and control of local enterprises through local share participation, granting of shares in lieu of local services or facilities and influence the pattern of investment in the private sector through a suitably designed system of taxation, subsidies and incentives. For the public sector to play an effective role in African industrialization, statutory bodies such as national development

corporations will need to be made efficient instruments for the direction of industrial investment.

38. In project implementation, the slow rate of progress is due to:

- (i) Failure to discover the right kind of investor, private corporation or partner for a joint venture;
- (ii) The reluctance of investors new to the region to pronounce on potential feasibility;
- (iii) Difficulties of agencies local or foreign in promoting enterprises. Governments should insist on securing assistance from UNIDO, the ECA secretariat, multilateral and bilateral agencies to enable them to surmount these obstacles through such measures as the establishment of efficient industrial promotion machinery.

39. Industries can become part of national development only when the indigenous population has acquired technical, engineering and scientific skills. It is therefore necessary to provide facilities in the national educational programmes for the training of personnel with the necessary background to acquire technical skills which should include capacity and competence in industrial planning, programming and implementation. In arrangements with non-African partners, insistence should be placed on the transfer of technology through production techniques, research in new products and materials, acquisition of technical "know-how" through licensing arrangements and basic research undertaken locally.

Agriculture

40. Agriculture is the largest industry in most African countries and therefore national rates of growth and

development are determined by it more than by any other factor.

41. The aim during the 1970s is to raise the growth rate of agriculture from the present 2 per cent or less to a minimum of 4 per cent per annum. To achieve this objective it is necessary to define and implement precise policies in relation to:

- (i) Land tenure, agricultural research and extension services, agricultural prices, and marketing;
- (ii) Allocation of funds for land reclamation and irrigation, propagation and dissemination of pure seeds, establishment of fertilizer and pesticide factories and the provision of agricultural credit.

42. The above areas of activity concern the modernization of African agricultural systems through the introduction of new techniques and processes and the commercialization of agriculture. Action in this area should be based on the five areas of concentration defined by the Director-General of FAO, namely:

Utilization of high yielding varieties of basic food crops, filling the protein gap, war on waste, mobilization of human resources for rural development and earning and conserving scarce foreign exchange.

43. The second aspect of agriculture concerns the institutions and the way of life of rural communities. Activities in this field constitute a separate programme, namely, the transformation of rural communities.

Rural transformation

44. Rural communities are characterized by highly integrated social systems: social values, attitudes, inter-personal

relations and work habits. Thus policies, machinery and action for kindling the process of transformation have at the very least to be co-ordinated. The metaphor implies a technique for releasing forces inherent in these communities because innovation which appears to be imposed from the outside will have little or no chance of survival.

45. Apart from the technical and commercial arrangements needed to expedite change in rural areas, the combined services for the promotion of rural transformation will include: vocational training and functional literacy, the provision of rural water and electricity supplies; the use of mass-media; health, nutrition and mother-and-child care services; home improvement institutes; local institutions to ensure the participation of all sectors of the population in the transformation process; and rural animation.

46. In broad terms, the strategy for rural transformation requires the establishment of intimate physical, economic and social links between rural and urban centres and the drawing of the non-monetary sector into the national economy. Social transformation amounts to a process of a mutually supportive and expanding circuit of markets, techniques, productivity, and incomes which is a necessary condition of self-sustaining growth.

Human resources development

47. More than three-quarters of the population of Africa live in the rural areas, at very low standards in a predominantly subsistence economy. A priority development goal, therefore, is to transform and modernize the rural sector through appropriate measures for improving the output of agriculture, including the establishment of agro-industries and the expansion of commercial activities. On the other hand,

the structure and rate of growth of the urban economy are at present incapable of ensuring adequate employment and higher living standards for its growing population. Another priority goal for this sector is the acceleration of industrialization. But quantitative and qualitative deficiencies in manpower are amongst the major constraints to the rapid development of both the rural and the urban economies.

48. There is generally an underutilization of human resources leading to waste, slow growth and considerable frustration. Development plans often aim at generating employment opportunities, but these are seldom realised basically because the economy as a whole does not expand fast enough to permit the direct absorption of manpower in the enterprises and sectors specified in the plan.

49. One method of lifting the economy onto a new level of growth and on which attention has not been sufficiently concentrated is the use of the savings potential which exists for the utilization of idle labour in direct social and productive development such as roads, housing, irrigation canals, conservation measures, tree planting schemes and the like. The harnessing of such labour on such schemes may involve only relatively minor expenditure and in most cases need not incur foreign exchange costs if properly planned.

50. In spite of noteworthy expansion in educational facilities and school enrolment since the 1950s, the region is far from reaching those minimum levels of manpower requirements and capability in the management of its economies. Paradoxically, this educational effort has brought with it new problems of the educated unemployed, whilst there is a grave shortage of essential skills in many fields. The inadequate supply of competent trained manpower is felt in the managerial, professional, scientific, technical and artisan categories.

51. Curricula structure and educational orientation are not geared to economic transformation, and the output of the school system does not, in respect of skills and attitudes, match the available jobs. Development implies the acquisition of skills by the people. The emphasis must be on training programmes adapted to the specific requirements of each African country, for instance by incorporating a training component in every development project.

52. A strategy for the development and utilization of human resources in the 1970s must dovetail with other policies, plans and strategies for overall economic and social development. It must, in particular, be closely related to national policies on population, employment and income distribution. Measures must be taken during the 1970s to:

- (i) Realign the educational and training system with the needs and demands of a progressively developing economy and society, bearing particularly in mind the necessity to give education and employment orientation;
- (ii) Expand training programmes in science and mathematics-based professions and skills;
- (iii) Establish efficient machinery for a systematic, planned and co-ordinated approach to the questions of manpower development and utilization;
- (iv) Eliminate waste in the utilization of currently available educational and training resources;
- (v) Develop national and multinational institutional facilities for research into human constraints in the development process, for the training of personnel in the assessment of manpower requirements, and for the formulation of appropriate policies and programmes.

PART II

54. The experience of the past twelve years has enabled ECA, in co-operation with other organizations of the United Nations family, to identify most of the constraints on African development. At the request of the Commission during its sessions, the secretariat has undertaken a general and almost complete review of the whole range of socio-economic problems facing the continent. Within the limits of its terms of reference, some of ECA's activities have been of an operational character. Examples are those which led to the establishment of ADB, IDEP, the regional and sub-regional centres for the training of middle-level statisticians and demographers; and the current involvement in studies and negotiations for the multinational utilization of hydroelectric energy in groups of countries such as Dahomey-Togo-Ghana, Ghana-Upper Volta, Nigeria-Niger, Ivory Coast-Ghana-Togo-Dahomey, Nigeria-Cameroon-Chad, Ivory Coast-Liberia, the Democratic Republic of the Congo-Rwanda-Burundi, Kenya-Uganda-Tanzania, and Morocco-Algeria-Tunisia. In co-operation with UNDP and FAO, firm decisions have been taken for the creation of a West African Rice Development Association and research centre, and negotiations are in progress for the initiation of a regional livestock improvement programme.

55. Under the auspices of ADB, a group consisting of UNDP, IBRD and ECA has been meeting regularly for about three years now to examine prospective projects in transport, telecommunications and energy. Other areas of development should be included at a later stage. The arrangement with ADB, UNDP, and IBRD brings the studies of the Commission nearer to practical considerations and possible implementation.

56. Schemes have been formulated to provide a transport network in West Africa, a route across the Sahara, a highway from

East to West Africa and a railroad link between Sudan, Chad and Nigeria. If such projects could be fully implemented in the 1970s, physical immobility as a constraint on African development will be considerably reduced. The ECA secretariat has also attempted to promote the creation of new scientific and technological centres, or the strengthening and expansion of the scope of existing ones. In this connexion, it has given its full support to the International Institute of Tropical Agriculture (IITA) in Nigeria and the resuscitation of the Institut national des études agronomiques du Congo (INEAC) in the Congo. These are examples of operational activities with which the Commission should continue to be associated.

57. It is important, however, to realize that the African situation has changed radically, since the Commission was established in 1958. In particular the number of independent developing countries has increased from 8 to 42; and for this and other reasons, there has been an upsurge of interest among multilateral and bilateral agencies as well as voluntary organizations seeking to participate in the economic development of Africa. This is exemplified by machinery set up or in the process of being created, such as secretariats of sub-regional groupings, the presence of UNDP Resident Representatives in so many countries, sub-regional structures of the specialized agencies and the World Bank, ad hoc missions sponsored by multilateral and bilateral bodies and the proposed interdisciplinary teams intended to function under the joint auspices of ECA at Headquarters and ECA.

58. In these circumstances, one may rightly ask what further effective action ECA can take. This question is particularly important in the light of ECA's limited field representation. ECA has a regular professional staff of 142 and some thirty regional advisers and, on this basis, it is expected to serve

forty-two countries. Against this, UNDP and the specialized agencies for their own country programmes sometimes command numbers larger than the entire professional staff of ECA designed to supplement individual national effort. The relatively small size of ECA's resources may make it difficult to discern an identifiable ECA impact on national development problems. At the very least, however, ECA does recognize that "the desire to seek a method is itself proof of the existence of method", and recognizes further that, in present African circumstances, the essence of method lies in the determination of priorities. Thus, in keeping with the terms of reference of the Commission, the latest work programme places special emphasis on research and planning, mobilization of domestic resources, trade, industry, agriculture, rural transformation, human resources development, manpower and training. Most of the problems in these areas could be tackled effectively by providing assistance to individual countries. As in the past, this will be done within the limits of the Commission's resources, without losing sight of the need to provide assistance within a multinational setting.

59. Indeed the need for the ECA to do more than it has done in the past has been expressed in the demand that the Commission should be more operational. In this regard, operational activity can be construed as a continuing search for a strategy for African development, together with increasing effort to induce African States to formulate and implement development programmes realistically. More specifically:

- (i) The planning advisory services of ECA, programming missions of UNDP and the proposed interdisciplinary advisory teams should help to assemble and analyse economic data and to prepare projections for the key sectors of national economies. The secretariat

should undertake periodic reviews of economic trends and development in the region and studies of major problems of importance to sub-regions and the entire region as well as of structural changes in industry, agriculture and trade flows, which have significant implications for income distribution and employment.

- (ii) ECA should help African States take the necessary steps to consolidate their inter-governmental groupings by increasing the number of multinational development enterprises and establishing further groupings where necessary.
- (iii) ECA should assist African States in restructuring their trade by continuing to follow-up possibilities of developing and expanding intra-African trade, and by continuing to participate in the endeavours to rationalize the world's trading system so as to ensure that the specific and legitimate demand of African countries in this development are fully taken into account. In particular ECA should concentrate on co-operating technical assistance in this field in accordance with established priorities.
- (iv) The strategy outlined in part I in the fields of financial and technical co-operation and mobilization of domestic resources calls for a substantial increase in technical assistance. It poses, for ECA and its sub-regional offices, a difficult but important task, namely, how to co-ordinate and concentrate such assistance on the points of potential leverage. The complex task of the revision and modernization of a country's fiscal and financial legislation and machinery will require country missions staffed with fiscal and financial experts. A Fiscal and Financial

Advisory Service should, therefore, be created within the ECA secretariat in 1971 to assist member States.

- (v) Assistance to African States in the field of agriculture should be provided under a single United Nations Programme for Africa carried out jointly by FAO and ECA. These two organizations should seek to work closely with technical, commercial and multinational bodies such as: the African Groundnut Council; Cocoa Producers' Alliance; the Inter-African Coffee Organization; the Afro-Malagasy Coffee Organization; Conseil africain et malgache du sucre; the Maghreb Esparto Bureau (COMALIFA); Communauté économique du bétail et de la viande; Comité des agrumes de la zone franc; Office équatorial du bois; Association for the Advancement of Agricultural Sciences in Africa, and the Organisation commune de lutte antiaviaire. They should also seek to co-operate with agricultural departments of universities and institutions of higher learning and with national, and intergovernmental research institutions, such as the Institut des fruits et agrumes coloniaux (IFAC); the Institute for research on oils and oil-bearing plants; Research Institute for Cotton and Exotic Textiles; Institut français du café et du cacao (IFCC); Office de la recherche scientifique et technique Outre-mer (ORSTOM); National Institute of Agricultural Research in the Democratic Republic of the Congo; International Institute of Tropical Agriculture. Through ECA and FAO and with the assistance of certain institutions and foundations, specialized information and modern technology should be channelled to countries who need and request assistance in tackling specific problems.

- (vi) To expedite rural transformation, the ECA should ensure close collaboration with UNESCO, WHO, WMO, UNICEF, UNIDO, other related United Nations agencies and a very large number of non-governmental organizations which are already running services in many African countries. The main task should be to build up the assistance required by each country in formulating and implementing combinations and systems of approach to the needs of particular communities.
- (vii) Internationnal organizations, including ECA, must co-ordinate their diverse agency manpower activities and present a single United Nations assistance programme, in support of national development programmes and training institutions. The ECA work programme should be formulated with this requirement in mind.

60. Another function which has been necessary and which should be continued is the organization of conferences, seminars and workshops. These are needed for the dissemination of ideas, the setting of standards, the co-ordination and harmonization of African views and positions and the training of key personnel. The necessity for training activities needs no emphasis, especially in a continent most of whose peoples are only now beginning to exercise independent options and to shoulder the burden of national economic and social advancement.

61. Developing Africa comprises forty-two independent countries, each of which has unique features and each one of which has individual country programmes for development. Within national frameworks domestic effort is supplemented by a wide range of bilateral and multilateral assistance, sometimes provided in a way that is particular to individual countries, sometimes conceived, at least in principle, as part of a wider,

regional programme. If, however, developing African countries have particular characteristics, the majority have much in common. Most, for example, caught in the toils of nation building, are substantially agrarian in terms of economic structure, and relatively small in terms of population and market size. All are committed to the rapid attainment of economic and social development. In these circumstances, and even when full recognition is given to the national unit as the point of effective implementation, it is of the utmost importance that policy formulation and policy execution should have a multinational, continental perspective; and it is precisely here that the raison d'être of a regional economic commission is to be found. Since its inception ECA has been (and remains) the only technical organization concerned to see (on the basis of individual country studies, group-country and continental studies) African economic and social problems as a whole. This breadth of vision and related modus operandi have meant, again within the limit of its resources, that ECA has been in a position: (a) through meetings, seminars and publications, to economize effort and enrich the developmental insight and experience of individual African countries which, because of their properly ambitious policy objectives, could greatly benefit thereby; (b) to identify and subsequently to advocate the undertaking of desirable multinational initiatives; and (c) to provide a relevant framework for the functional and agency co-ordination of developmental effort at the regional, sub-regional and even, on occasion, at the country level. These are three important tasks. If, because of the lack of resources, it is not capable of performing the tasks as comprehensively and effectively as the situation demands, the logical consequence should not be any diminution of ECA's role, but an appropriate strengthening of ECA's resources. The importance of this

thought is underlined by recognition of the fact that even large sub-regional or individual country missions may not be exerting maximum impact on economic and social development because of the absence of co-ordination.

62. UNDP, the World Bank Group, specialized agencies and bilateral donors have in the past been requested at intervals to reformulate or revise draft national development plans. This practice has involved considerable duplication of effort, wasted the time of the few qualified officials available to Governments and led to unnecessary expenditure. It has also meant that Governments have not been able fully to appreciate the tasks and financial obligations to which their development plans committed them. In the future the requirements of African States are likely to be met increasingly by interdisciplinary teams embracing the competencies of the entire United Nations family. The institution of some form of co-ordination is needed to avoid duplication in the activities of the various secretariats of inter-governmental groupings, UNDP, specialized agencies, the proposed interdisciplinary teams, and bilateral and multilateral agencies and organizations. ECA seems suited for the co-ordinating role. If ECA is to exercise this function effectively, a certain amount of decentralization of responsibility and resources from Headquarters to ECA and some decentralization of ECA activities to the sub-regions will be necessary. Sub-regional offices will need to be something more than mere administrative relay posts and should be provided with groups of experts in the essential development disciplines.

63. The West African sub-regional office, for example, could be made responsible for rendering assistance and co-operation in connexion with the activities of the Organization of Senegal River States, the Entente group, UDEAO, the Niger River and Chad Basin Commissions, the Inter-State Committee for Hydraulic

Studies, UNDP Resident Representatives and the sub-regional representatives of specialized agencies. Similar responsibilities could devolve on other sub-regional offices in North, Central and East Africa. Thus ECA could more effectively orient its activities towards co-operation and assistance to inter-governmental groupings, without abandoning the contribution it should make to individual government efforts. With the establishment of effective presence at the sub-regional level, ECA would acquire an increasingly practical grasp of the real needs of Governments, both individually and collectively, and consequently draw up increasingly relevant work programmes in order to provide assistance in meeting pressing and recognized needs.

64. In the light of the above, it seems essential that there should be clearly defined working arrangements between ECA and United Nations agencies, particularly UNDP. Without waiting for official decisions to be taken on the basis of the recommendations of the UNDP study of the capacity of the United Nations system to carry out an expanded programme for setting up a new order in the United Nations, the member States of ECA should enter into negotiations with UNDP to determine a formula which will enable ECA to command the technical and financial backing for the role African Governments expect it to play.

65. In order to prepare the ground for the execution of an African strategy for the Second United Nations Development Decade, and to assist in the execution of such a strategy, specific institutional machinery should be established within the ECA secretariat. In 1971 and subsequent years its main function should be to assist in maintaining the closest contacts with member States and inter-governmental organizations through visits to heads of State and Government, especially those exercising the functions of presidents of multinational

institutions. Close contacts should also be maintained with the OAU Administrative Secretary-General, in order to strengthen relations between African Governments and organizations, and wherever possible, to attempt to establish quasi-organic links. It should further play a major role in helping to rationalize existing international groupings and their operations wherever this appears necessary for overcoming obstacles to economic development. In this process particular attention should be paid to the non-economic hindrances to economic co-operation. The success of multinational projects, particularly those culminating directly in operational activities, depends largely on both preliminary and follow-up contacts with the secretaries-general, executive secretaries and current presidents of inter-governmental organizations.

66. It is obvious that if the prevalent confusion about the role which regional commissions should play in economic development is to be cleared up, more time has to be devoted to discussions and negotiations both with Governments and United Nations institutions. Closer contacts and relations should be established with headquarters of other organizations in the United Nations system, particularly UNDP, to foster a better climate for co-operation with ECA. It will, in particular, be necessary to ascertain the views of UNDP on the regional structures of United Nations bodies.

67. The Governments of African States recognize ECA as an agent worthy of their confidence, an agent with the necessary capacity to serve Africa. Their manifestation of such confidence and esteem is not measured merely in terms of the interest or enthusiasm displayed at Commission sessions, but even more in the reasoned adherence of Governments to the ECA work programme and commitment to take practical steps to implement ECA resolutions.