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## THE POTENTIAL IMPORTANCE OF INDUSTRIAL ESTATES FOR AFRICAN COUNTRIES

by Dr. Hans Singer

In the current stage of economic development in Africa, the establishment of industrial estates could have very special importance, by virtue of the fact that it may bear upon several strategic problems at the same time. Only the most important of these need be mentioned:

In the first place, it is not easily realized that some African countries already produce many of their own manufactures at present. In several African countries, plants will be found producing on a medium or small scale such things as tiles, flour, pots and pans, brushes, pictures, pottery, paper, matches, glass, soap, beer, shoes, brass work, leather goods, boxes, trunks, furniture, trinkets and many other consumer goods as well as simple capital goods such as spades, hoes, ploughs, harness, and hand tools. To develop something that already exists is easier than to build up something entirely new. Among the existing industries, there are already a number of successful producers who have proved their ability and who can be encouraged to expand, and a number of skilled technicians who can be encouraged and aided to set up on their own. All these existing growing points of industrialization

can be gathered and aided by being grouped together in estates where they can be supported by the provision of public utilities, common services, factory buildings and in other ways on the industrial estate.

Secondly, industrial estates can be a powerful, and perhaps the best possible instrument, of a developmental location policy. The present picture in African countries is generally that of economies which are both dualistic and distorted. The dualistic economy means that there are a few islands of economic development and modern technology, while the rest of the country is hardly touched as yet by modernity. This faces the planners with a dilemma: whether to 'deepen' the few existing islands where the pre-conditions already exist, or whether to 'widen' development and spread it into the hinterland. The first course is the cheaper, the easier and the less risky of the two, but it will perpetuate and intensify the contrast between the islands of modernity and the rest of the country, and make true national integration more difficult. The second course is dangerous, and can in any case be pursued only on a selective basis since resources are lacking to operate simultaneously all over the national territory. The industrial estate is one of the answers to this dilemma. It can be strategically located to benefit hitherto neglected areas without the risks of an undue dispersion of resources. It can be established in sufficient propinquity, and with sufficient links, to existing centres

so as to benefit from their facilities. Thus, a well located industrial estate can create new growing points, reduce the dualistic structure of the economy, shift the economy away from an excessive orientation towards external trade through the main ports and contribute to the national integration of the country.

Thirdly, industrial estates contribute to an essential and often lacking element in growth, the training of local entrepreneurs. In the past, local entrepreneurs in Africa have been at a handicap since existing financial and other institutions preferred to deal with traders, exporters, larger scale undertakings and with expatriate firms or European businesses. The industrial estate is a place where such services can be provided for the smaller or medium African industrialists. New enterprise can be nursed, watched, and aided. From this point of view it is useful to think of the estate, like a nursery, as having normally quite a reasonable degree of turnover. Unsuccessful firms should move out and on the estate this can be done without excessive losses to them. On the other hand, the very successful firms should also be moved out and be encouraged to start off on their own, so that the facilities of the estate can be made available to as many new firms as possible.

Fourthly, the industrial estate can be the answer to one of the major problems of development planning, i.e. how to combine public and private control and ownership. If too much is publicly owned and controlled,

the danger is that African governments will overload their limited resources of administrative skills and finance, and will be let to neglect essential public tasks. On the other hand, the indigenous private sector also lacks financial resources, technical skills and facilities and initiative. The industrial estate is a way of combining the provision of essential public services - power, gas, water, factory buildings, transport, technical and financial facilities, etc. - and some public resources with the encouragement and training of private people using their own resources and controlling - learning to control - their own businesses.

Fifthly, the industrial estate can make a contribution to the necessary development of a new technology suitable to African conditions and resources. What African countries need is a technology which makes it possible to produce efficiently on a moderate scale, to simplify repair and maintenance problems, to switch flexibly from the production of one type of product to that of another; a technology which uses relatively less capital and less of the most highly sophisticated types of skill, but more labour, and which at the same time provides for a maximum of learning while doing. Such a technology does not exist now and is not being developed now, because the countries which develop new technology have different problems and ask different questions. It would, of course, be idle to pretend that the industrial estate is the

answer to this baffling problem which the world has not even started to tackle. However, it may not be fantastic to picture the industrial estates as places where knowledge of the new types of technology and their respective results can be accumulated; where African enterprise can be advised of new technical developments and possibilities and can be warned of the limitations of conventional technology under African conditions; where technical advisory services based on a new technology can be developed, and even applied research done in close contact with industry itself.

To repeat, these five reasons are not the only advantages of industrial estates. But they seem to be potential advantages of great general economic importance and as such they are easily neglected by those dealing with this matter from a more technical angle. In their combined impact, they seem to be sufficient to suggest to the African development planner that no plan should be considered complete and satisfactory unless the possibility of establishing industrial estates has been carefully considered and gone into. The planner should also remember that the industrial estate can be a method of attracting technical and financial assistance from abroad for the benefit of smaller and medium-scale African enterprise, which might be much more difficult

to attract on a scattered or fragmented basis. Similarly, it can give national or regional financial institutions, such as industrial development banks, an opportunity for a more concentrated and more effective use of their resources.

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