

For the industrialization of Africa

by Usele Mawisa

Mr. Mawisa, deputy executive secretary of the Organization for African Unity (OAU) in Geneva, delivered the following speech at a conference on "St. Augustine: Father of European and African Civilization," held by the Schiller Institute in Rome Nov. 1-3. This speech was translated from the French by EIR.

First, I want to thank the organizers of the present conference for the invitation which they have extended to the Secretariat of the Organization for African Unity which I have the great honor of representing. I would like also to ask you to excuse Mr. Paul O. Etiang, deputy general secretary of the OAU, who was not able to personally accept your invitation because of his very heavy work schedule.

For the OAU secretariat, it is an honor and a pleasure to participate in these deliberations, on the occasion of St. Augustine's anniversary, and to support the organizers thereof. The OAU's secretariat gives great importance to initiatives such as this one, to the extent that they try to reflect upon possible solutions to crucial problems which confront our world, to stimulate a spirit of solidarity and cooperation, and to bring men closer to one another.

The presentation I have the honor of making here is called: "For a rapid industrialization of Africa." In this presentation, I will try to underline the relationship between a universally recognized priority of agriculture and food production, and the industrialization of Africa.

Toward economic independence

In 1963, when the Organization for African Unity came into existence, the immediate concern of its founders was first to politically liberate the continent. But, beyond this aspiration to political liberties, the broad movement of decolonization which has characterized the 1960s also had as a goal the creation of the necessary conditions for the promotion of the welfare of the African populations. For the pioneers of independence, political liberation was in fact an indispensable condition for economic development.

Thus, it is not surprising that Africa, hit by a persistent economic crisis which is worsening every day, as it was becoming politically independent, has been led to reflect upon the policies and strategies followed up to that point, and

to seek the ways and means to contain the disease before it is too late.

The Lagos Action Plan

The Monrovia symposium and the Lagos economic summit represent a decisive phase in this process of searching for a new strategy appropriate to the particular conditions of the African continent.

The Monrovia colloquium, organized Feb. 12-16, 1979, under the aegis of the Organization for African Unity, brought together about 40 prominent experts from all over the African continent to consider the economic and social development of Africa and the direction in which such development must go in order to prevent a further deterioration of the grave situation in Africa at that time. This meeting led to what is generally called the Monrovia Declaration of commitment of the heads of states and governments of the OAU to the guiding principles to be respected, and measures to be taken in favor of national and collective self-sufficiency in economic and social development, in view of the establishment of a new international economic order. Otherwise, the summit of the heads of states and governments, which was supposed to take place in the capital of Nigeria in April 1980 to examine the means to implement the Monrovia strategy for the development of Africa, gave birth to the Lagos Action Plan and Final Act, which has become today the basic document of the member countries of the OAU, especially concerning the strategy of autonomy and collective self-sufficiency.

In content, the Monrovia strategy as well as the Lagos Plan, insist particularly on:

1) The importance of the domestic market on the regional and sub-regional level, as a supply source for the goods for production, and as a consumer of the goods and services to be produced;

2) The promotion of a voluntary policy of self-sufficiency, of acceleration of a self-centered process of growth that aims at eliminating under-employment, the poverty of the masses, and at an equitable distribution of the fruits of economic growth;

3) Economic growth benefiting the African population, based upon an increased use of raw materials and natural resources of African origin, as well as upon the development

of entrepreneurial capacities.

As for the application measures, the Lagos Action Plan insists upon the following priorities:

- 1) The amelioration of the agricultural situation and the realization of the objective of self-sufficiency in food;
- 2) The industrial development of Africa as the driving factor of economic growth;
- 3) An adequate knowledge of the available natural resources to better utilize them;
- 4) The mastery of technology and the enhancement of the value of available human resources through adequate training;
- 5) Transport and communications as a driving force of economic growth, integration, and promotion of trade among African countries;
- 6) An appropriate solution to the energy problem;
- 7) The integration of women into development.

The priority tasks

Agriculture, as we can see, is the first priority in the Lagos Action Plan. This priority is based on a will both to solve the food crisis and to put an end to the drain on reserves of foreign currency, caused by food imports. The point is for Africa to get out of its paradoxical situation, that is: to produce what it does not consume and to consume what it does not produce.

Industry represents the second priority after agriculture and food. But we must stress that the food self-sufficiency objective within the context of a self-centered and self-maintained development, cannot be reached without the support, upstream, of basic industries capable of supplying inputs, such as fertilizers and pesticides, agricultural machinery and tools, transport equipment and, downstream, the processing, preservation, storage, transportation, maintenance, and repair facilities.

The priority given to industrialization is also the result of the very experience of industrialization in Africa. As we know, industrialization in Africa is characterized by two main features: a development policy based on the export of raw materials, on the one hand, and the policy of import substitution, on the other.

Of these two policies, the one which is based on the export of raw materials is particularly responsible for the miseries which are affecting the economic development of Africa today. The deterioration of the supplies, the serious shortage of food products, a growing dependency on the import of first necessity products, which we have seen in the last few years, are to a large extent the result of such an economic orientation. The export-oriented character of the African economies, their excessive vulnerability to the international crisis, more felt in Africa than anywhere else, is the reflection of the dominant role given to raw material exports, to substitution industries using imported production factors—in brief, to a strategy which stresses the acquisition of capital, and use of it to pay for imported goods.

Several factors justify the implantation in Africa of import-substitution industries. First, this type of industry answers the needs of the generally narrow African markets, and the buying power of the African population. Moreover, in terms of financing, the required investments are not too considerable, and moreover, the conditions offered the investors are generally excellent and the rentability is more than satisfying. The favorable financial conjuncture which benefits these ventures is a particular result of the proliferation of investment based on overbidding, and of a borrowing policy centered upon available credit.

However, a thorough examination demonstrates that import-substitution industries, while contributing to the fulfillment of certain needs of African countries for consumer goods and employment, have benefited even more the interests of foreign investors, rather than those of African countries. The apparent loss of a market for finished products, previously exported by developed countries, has been more

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than compensated for by the export of intermediary raw materials by these countries, or sometimes basic raw materials, as well as by the export of technology, equipment, and spare parts—this does not take into account the increase in the value of capital.

We also see that import-substitution industries are generally concentrated around large cities and are limited to the manufacture of products suited to the demands of a small, relatively rich group and have not succeeded in promoting the integration of the agricultural sector into the growth process. The added value, often used as a justification for the establishment of these types of industries, is generally weak. Furthermore, these concerns often look alike from one country to another, and often, limit their market to the national territory of each country. In effect, they do not favor industrial cooperation between African countries.

To conclude, this strategy has largely contributed to create an industrial structure which is dependent in many ways (equipment goods, intermediary goods, supply goods), and as a result of the exhaustion of financial resources, can no longer function normally.

In order to get out of this dead end, there is no other way than that of an endogenous and self-sufficient industrialization. In other words, if our countries must adopt a policy of import substitution, such policy must be based on the use of local human, physical, and material resources, because the point is not only to produce in Africa the goods formerly imported, but mostly to do that with production factors of African origin. This particular dimension is precisely what has been lacking in the traditional import-substitution policy which the Lagos Plan condemns and proposes to correct.

Viewed in this perspective, the import-substitution policy would not only make it possible to meet the needs of all of the African populations for finished products, but would also contribute to reinforce the agricultural sector, to create jobs, to increase significantly the added value, and would make the African economies less vulnerable.

Raw materials exports

Africa is known for the abundance of its natural resources. These include particularly minerals, agricultural and forest products, cattle-raising and fishing products, sea resources, and renewable and non-renewable energy. This immense potential of varied natural resources is the main reason for the permanent interest the African continent has generated since the colonial period.

The economic activity of most of the African countries remains dominated by the exploitation of raw materials and their export to Europe and America, mainly as semi-finished or unfinished products, whose processing enhances their value. This situation, as we know, is not the result of a deliberate policy of the African countries, but because the colonizers need to have access

investments mainly in this sector and seizing the foreign currency gains as debt service payment, and the sale of the finished goods, the developed countries have contributed to create in Africa a greatly dependent and excessively vulnerable development structure, given that the prices of raw materials are often subject to fluctuations, while the prices of finished goods totally escape the control of African countries.

Consequently, having failed to develop other activities, given the weakness of domestic savings and a difficult access to sources of financing, the economies of most African countries are thus dependent on a very limited number of natural resources, notably mineral resources, from the standpoint of their export, tax, and currency gains. For example, we can cite the case of Zaire and Zambia for copper, Niger for uranium, and Nigeria and Congo for oil, etc. . . .

Thus it is not surprising that, in such a situation, the Lagos Action Plan insists on the necessity to enhance the value of natural resources and process them on the spot—that is on industrialization—for this is the surest means for Africa to meet its needs to consolidate its agricultural development, to create jobs and revenues, and to gradually reduce its dependency on the outside to a reasonable level.

In conclusion, if it is undeniable that agriculture and food production are the highest of priorities, yet it remains true that no viable result can be reached in this sector without simultaneous action in the other related sectors and, mostly, without an industrial base capable of sustaining it. The second priority of the Lagos Action Plan, industry, is also an indispensable condition for food self-sufficiency and self-centered, self-maintained development. In order to stress the importance of its decisive role and of its impact on agriculture, and to reverse the export-oriented tendencies of the African economies, the industrialization of Africa has been the subject of the 1980s.

Concerning the decade of the industrial development of Africa, it is important to know that there exists a joint secretariat, made up of the ONUDI, the CEA and the OAU, which has a task to assist member countries to elaborate their programs. In the framework of the activities of this secretariat, directives were drawn up for member countries and a series of meetings was organized at the level of the different African sub-regions (Western Africa, Northern Africa, Central Africa, and Southern Africa) during the year 1983-84. Such meetings have made it possible to identify, given each region's own potential, key sectors and projects to promote in the domain of fertilizers, metallurgy, mechanical industries, production and maintenance of agricultural tools and machinery, in the domain of agro-industries, processing industries, processing of agricultural products, enhancement of the value of raw materials of African origin—all this with the aim of ensuring a self-centered and self-maintained development, and particularly, food self-sufficiency.

Since the adoption of the Lagos Action Plan and Final Act and the proclamation of the Decade of the Industrial Development of Africa, we must admit that not only has the economic situation in Africa not improved, but it has deteriorated considerably; and Africa is now faced with an extremely severe economic situation, so severe that the heads of states and governments of the OAU have judged it necessary to devote their last summit solely to an examination of this critical situation. During this important summit, where the problems of development in Africa have been reviewed, the heads of State have not merely reaffirmed their support for the objectives of the Lagos Action Plan and their commitment to finding viable solutions to the crisis, but they have also insisted on the necessity to hold a high-level meeting on the critical situation in Africa, and on convening a conference on the debt issue. The debt problem does represent today for Africa the main obstacle to its development. Despite the efforts deployed and the adoption of severe conditionalities, the African countries are not in a position to restart the process of their development and to ensure debt service. Only a policy of resource allocation that tends to orient consistent financial flows to the Third World, on the basis of a true spirit of solidarity and sharing, can make it possible for Africa to find again the path to prosperity.