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**IDDA NATIONAL SEMINARS ON INDUSTRIAL STRATEGY**

**XA/RAF/86/621**

**Evaluation workshop on the national seminars on  
industrial strategy, organized by the  
United Nations Industrial Development Organization  
at Vienna, 23-26 March 1987**

**Background document\***

**Based on a study by Kémal Abdallah-Khodja,  
consultant on industrial strategy**

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\*This document has been translated from an unedited original.

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## FOREWORD

This document has been prepared with a twofold objective:

- To inform the participants on all aspects of the aims, organization, holding and follow-up of the National Seminars on Industrial Strategy which have been held in various African countries, taking as a basis the specific experience of a number of them. The compiler has not been involved in all the Seminars, and it is probable that he will have missed some aspects of this experience. The Evaluation Workshop held at Vienna will provide the opportunity either to supplement this presentation or to correct the views expressed in it, which are the author's own;
- To propose a preliminary framework for discussions which, on the basis of the different aspects of the organization and problems of the Seminars, could lead to an improvement or modification of the aims, methods, organization and impact of the Seminars in order to enhance their actual effectiveness. On this second point, it does not seem appropriate for the compiler to anticipate the contents and results of these discussions to be held at Vienna.

That being the case, it should be stressed that an evaluation of the Seminars by the National Directors of the Seminars organized in the various countries is also under way, in addition to the present document. The replies to the questionnaire which was sent to them (see annex 1) together with its processing will make it possible to clarify or correct some of the points made here, particularly on the impact and follow-up of the Seminars. The reader will also, it is hoped, excuse certain inadequacies or gaps which he may notice.

## INTRODUCTION

### I. ORGANIZATIONAL FRAMEWORK OF THE NATIONAL SEMINARS ON INDUSTRIAL STRATEGY

The Seminars, or Workshops, <sup>1/</sup> on Industrial Strategy were for the most part organized within the framework of the activities of the Industrial Development Decade for Africa (IDDA), which was proclaimed in order to contribute to the implementation of the provisions on industry contained in the Lagos Plan of Action. The aims are to promote an autonomous and self-sufficient industrial development within the framework of an industrialization strategy which should contribute to the satisfaction of basic needs of the population, the creation of jobs and the modernization of society, the exploitation of local natural resources, the creation of the basis for the assimilation and promotion of technological progress, and the establishment of a base for the development of other sectors of the economy.

With that aim in view, the programme of IDDA, adopted by the African Ministers of Industry in 1980 and ratified by a resolution of the General Assembly of the United Nations, recommends that each country should define or strengthen its national industrial development strategy and the priority policies and action needed for its implementation both at national and at regional or international level.

To achieve this aim, the programme proposes that a two-stage approach should be adopted. The first, or preparatory, stage should in particular permit the reorientation and adaptation of national strategies in the light of the objectives of the Lagos Plan of Action. It is within this framework that most of the National Seminars have been organized.

### II. THE VALUE OF THE SEMINARS

The Seminars which have been held were organized at the request of the countries concerned, which sought the assistance of UNIDO in the preparation and holding of the National Seminars.

In all these countries, the organization of such a Seminar seemed particularly welcome, independently of the fact that such an initiative fell naturally within the scope of the activities of IDDA.

All these countries were experiencing an urgent need to re-evaluate, or even simply to define, an industrial strategy. Thus certain countries were embarking on the preparation of a long-term plan properly so-called, for the purpose of which all aspects of industrial development policy were to be determined. In other cases, industrialization was at a crossroads, and it was essential to define new guidelines for development in the light of the results and problems arising from previous experience and/or new economic or political realities. Finally, other countries, in which industrialization had been undertaken on a highly empirical basis, were becoming aware of the need for a strategic vision which could revive and/or dynamize industrial initiatives.

In all these countries it seemed necessary and worth while to undertake an exercise of overall, systematic reflection, and the Seminar was one way of mobilizing and focusing national capacities to that end.

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<sup>1/</sup> These two terms have been used in accordance with the preference of the local authorities without affecting the substance or form of the Seminars.

In addition, by bringing together all those involved directly or indirectly in industrialization, the Seminars seemed to be a good way of fostering awareness of the constraints, difficulties and requirements of industrialization. It was thus possible to help to create a climate of confidence and unanimity of views among all those concerned in industrial development. This aspect seemed all the more important at a time when many countries seemed to be hesitant or to have lost confidence in the certainty of an industrial future.

### III. GENERAL OUTLINE

The Seminars, organized with the assistance of UNIDO, took place in accordance with the following plan:

The first stage, consisting mainly of a consultant's mission on the spot, had a twofold objective:

- To collect information and documentation in order to prepare a background document for the use of the participants in the Seminar, following the outline indicated by UNIDO;
- To set up the organizational machinery for the Seminar, and for that purpose to take the necessary decisions in consultation with the local authorities on the type of Seminar, the choice of content and topics, methodology, participants, organization of work, staffing, programme and timetable, premises, backup personnel, supplies, protocol and information, organization of visits if required, etc.

This first stage was completed with the production of the background document and its despatch in sufficient quantities to the country concerned for distribution to participants.

The second stage began with the arrival of the consultant in the country, prior to the Seminar, in order to check and finalize all aspects of the preparations for the Seminar with the local authorities. The next stage was the Seminar as such, which benefited from the support of UNIDO staff from headquarters (most often two) and, in general, from the presence of the SIDFA. After the Seminar, a final report was prepared, bringing together and presenting all the decisions and conclusions of the Seminar. This was then sent to the country concerned for distribution.

The Seminars have always received the active support of the national authorities and have evoked a wide response among the various local media.

## PART ONE: THE AIM OF THE SEMINARS

In order to explain the aim of the Seminars it is worth while to recall the proposed objectives, the content as reflected in the discussion and the topics dealt with, and finally the result of the discussion.

### I. THE OBJECTIVES

The main objectives of the Seminars which have been organized have been as follows:

- To present, and draw attention to, IDDA by explaining it to senior-level national personnel involved in industry, outlining the objectives, strategy and programmes of IDDA;
- To prepare a body of recommendations on the best national strategy for industrialization and on suitable policies for incentives and backup;
- To identify the priority industrial development sectors which are best suited to the country's assets and the opportunities open to it;
- Regarding the problems of industrial development, to provide a forum for discussion and exchange of points of view among all the parties involved in industrialization: government departments, public and semi-public bodies, financial institutions, professional bodies, and public or private industrialists;
- To provide guidelines and a basic framework for industrial planning and the drawing up of industrial policies.

The aim of the Seminars was thus to encourage discussion among senior personnel at national level on the form which industrial development might take in their country and on the means or conditions which could be established in order to realize this development. All these discussions should help to identify the elements of a global industrial strategy to be implemented through planning, industrial policies, reforms and all kinds of measures to be furthered.

### II. CONTENT

The content of the Seminars was thus to be determined on the basis of an investigation concerning the terms of the industrial development problems of each country.

In general, this discussion was to take into account the following considerations:

- The fundamental guidelines of national policy as defined by the authorities of the country;
- The strategies, objectives and programmes of IDDA, which served as a frame of reference that the African countries had themselves provided;
- A correct evaluation both of the potentialities and limits which condition national industrial development and of the national economic context in which that development is to take place;
- The experience gained in earlier stages of implementing objectives and programmes of action in the industrial sphere and the deficiencies which have been observed;



- Evaluation of earlier strategies and analysis of the underlying problems which have been and continue to be encountered in the industrialization of the country in its various aspects;
- Consideration of the impact of the international and regional context on the development of industrial activities.

Once these considerations had enabled the options and requirements to be clarified, various themes were selected to provide a structure for the discussion on the country's industrial problems. For that purpose two approaches were used:

Either: selection of the main areas in which discussion was desirable in the light of industrial problems. It was thus possible to choose topical issues relating to industrial priorities or orientations (such as the choice of priority industries to be promoted), to the institutional background (such as industrial promotion), to the framework of incentives (such as financing), to support structures (such as the transfer of technology or training), to the performance of the existing industrial sector (such as the rehabilitation of enterprises), etc.;

Or: a more integrated approach which in general led to the adoption of three main topics in which industrial problems are reflected:

- (i) The question of the developmental approach, which by means of an analysis of constraints and potentialities clarified the basic choices as regards priority branches and sectors and the role of the State and of the private sector respectively;
- (ii) The question of the industrial background, which made it possible to consider the entire institutional and regulatory framework at the level of management and promotional institutions, the incentive system, regulations and all the structures for the support and encouragement of industrialization;
- (iii) The question of the enterprise, which allowed discussion of the problems of the efficiency of the production plant, the policies for restructuring and rehabilitating the existing sector, the specific role of small- and medium-scale enterprises and the encouragement of national entrepreneurs.

Each of these three aspects constituted a major topic which was subdivided into sub-topics more appropriate to the actual circumstances of each country.

Whatever the approach adopted for providing a structure for the topics to be discussed at the Seminars, a background document enabled the participants to be presented with the industrial development issues proper to each country, illuminating the proposed topics in detail.

### III. THE RESULT

On the basis of well-defined topics of discussion, the Seminars were thus intended to provide the elements of a response to the issues raised in the background document in the form of questions. Not all the answers provided by the Seminars could be either complete or immediately applicable. The aim, however, was to explore the issues in greater depth, with realism and clarity rather than a conventional approach, in so far as the participants' experience and knowledge enabled them to do so.

The intended result of the Seminars was to produce a body of conclusions consisting of proposals, suggestions and recommendations constituting a global strategy for action in the industrial field with all its implications for the objectives and policies to be pursued, for the organizational structure to be established and for the resources to be deployed. This entailed a fairly broad approach which was not limited exclusively to the industrial sector as such but touched on all the factors which affect that sector.

The conclusions of the Seminars necessarily covered fields which were both diversified and complex, and some were more elaborate than others. Some were merely guidelines or objectives for development or reforms to be followed up or expanded and subsequently translated, often after study and preparation, into concrete action. Others were directly applicable measures or initiatives to be taken by government departments or other institutions. Still others were merely recommendations to be taken into consideration in solving a particular problem in the industrial sector. All the proposals, suggestions or recommendations in fact constituted an action programme to be implemented as appropriate in the short, medium or long term.

Such being the case, the constant aim of the organizers of the Seminars was to ensure the realism, i.e. the feasibility and operational character, of the conclusions and their classification in terms of priorities.

The conclusions of each Seminar were presented in a final report which constitutes a contribution to the preparation of the decisions of the authorities on industrial development. In some countries they have been used directly in the preparation of national medium-term plans, and they have always been brought to the attention of the highest authorities in the country. (Concerning the use of the results of the Seminar, see part four on impact and follow-up.)

## PART TWO: ORGANIZATIONAL ASPECTS

A number of organizational aspects will be presented here, allowing information to be given on the method followed, the conduct of the deliberations, the background documents, the participants and the organization as such.

### I. METHODS CHOSEN AND CONDUCT OF DELIBERATIONS

The methods chosen in fact determined the way the work proceeded, and led (to simplify) to two types of seminar differing according to their approach and mode of operation.

#### I.1 "Debate" seminars

These seminars, using the traditional method, were characterized by debates held mainly in plenary session on the basis of prior communications relating to a series of specific topics. In this first type of seminar the plenary sessions sometimes took up most of the time. With this arrangement the introductory statements (presentation of IDDA and the background document) were heard first, followed by communications on specific topics, each of which gave rise to debates and exchanges. It should be noted that at some Seminars the papers were read and debates organized in specialized committees. Even when these debates took place in plenary session, committees were subsequently set up to prepare the conclusions, suggestions and recommendations arising from the deliberations, and these were submitted for adoption at the plenary session.

This method, which is probably more rewarding in terms of the presentation of the topics dealt with, has, however, proved to have some disadvantages with regard to the objectives of the Seminars:

- Sometimes the final reports and the suggestions and recommendations it contains have been more the work of a small drafting group than a faithful reflection of the discussions that took place;
- These discussions have sometimes proved too scattered or insufficiently structured to provide good material for preparing a body of proposals and recommendations;
- The preparation of the communications on the topics selected has sometimes raised difficulties;
- Finally, as is always the case in this type of seminar, a number of participants remain totally passive and on the sidelines of the debates.

On the other hand, it may be noted that the aspect of debate, even if the ideas are disordered, has been one of the most interesting contributions of this type of seminar. Moreover, the effect in increasing awareness of the problems and objectives of industrialization has been much more substantial during the debate seminars.

#### I.2 "Brainstorming" seminars

In this second type of seminar, most of the time was devoted to group work (see annex 2 for an outline of the active method followed in the groups). Only statements of an informational nature were made in plenary session at the start of the seminar: basically on IDDA and the background document, and in some countries, such as Zaire, on the diagnostic analysis relating to the major topics for discussion at the seminar.

Each group was responsible for one topic, subdivided into sub-topics, with one discussion meeting devoted to each sub-topic. The group work was led by two discussion leaders, one from the country concerned and the other from UNIDO; each group had its rapporteur, who was responsible, with the assistance of the discussion leaders, for drawing up the group's report, containing its suggestions and recommendations. A review committee consisting of the rapporteurs and discussion leaders prepared the harmonized version of the reports of the working groups to the plenary, which discussed them, improved them and adopted them at the end of their deliberations.

This method was generally new to the participants, who were somewhat unhappy about it at the outset, but it proved positive and, in general, won them over afterwards. The following may be mentioned as advantages of this approach:

- The fact that it calls for a contribution from each participant, who is obliged to join in the group work, which makes him feel that he is participating in real collective work and stimulates his effort of thought;
- As a result, the final report of the seminar is actually the product of the thinking of all the participants, merely put into shape subsequently;
- It does not require any arduous substantive preparation before the commencement of the seminar.

This method does, however, present the drawback of being more demanding on the leaders, who must be well versed in group-motivation techniques, and in terms of the quality of the participants.

In connection with the procedure followed in the seminars it will be noted that there were opening and closing meetings, generally enhanced by an address by a member of the Government and including a statement either by the Resident Representative or by a member of the UNIDO Secretariat.

## II. PARTICIPANTS

The number of participants has depended on the format and methods adopted. The expanded "debate seminar" formula brought together up to 100 participants (as in the case of Benin or Niger). In contrast, the smaller-scale "brainstorming seminar" formula involved between 24 and 30 participants, generally in three groups.

The principle underlying recruitment was the representation of all those directly or indirectly concerned in industrial development who were likely to be able to contribute to the discussion. Thus government departments, decentralized public bodies, financial institutions, public and private enterprises and professional organizations have been involved. The annexes contain a list of types of representation sought (see annex 3). On the whole, and with a few exceptions, all those who have been approached have been represented.

It was extremely important that the participants should be of high level, particularly in the smaller-scale format. However, the quality of representatives of the bodies approached has not always been as high as it should have been, despite the efforts made to limit the time devoted to the Seminar in order to enable senior officials to make themselves available. This has meant that working groups have not always been homogeneous as regards the calibre and productivity of their members.

On the whole, the local organizing committees have not controlled the designation of participants, and this has continued to be the responsibility of the bodies whose representation was sought. The approach and procedure for selecting the participants should be improved in order to increase the element of personal nomination: this implies more contact with the bodies approached and more explanation. In this connection it should be noted that these bodies do not always appreciate at first what is at stake in the Seminar, or do not pay sufficient attention to it. They have sometimes regarded it as one obligation among others to be complied with.

However, although the Seminars were initially greeted by some with scepticism, the participants were subsequently, for the most part, very enthusiastic about this effort of collective thinking. From this point of view it can be stated that the initiative of the Seminars, their objective and the spirit of co-operation and personal commitment for which they have been noteworthy have been appreciated by all those who have participated in them.

As a result, the participants have contributed seriously and to the best of their ability to the deliberations of the Seminars. On the whole, there has been practically no absenteeism.

### III. THE BACKGROUND DOCUMENT

The background document or introductory report had a twofold objective: to provide all the participants with the same basic information and to present the issues of industrial strategy in the country concerned. The main elements which it should contain were indicated by UNIDO headquarters in connection with the definition of the preliminary mission of the consultant responsible for preparing the Seminar with the local authorities.

The background documents have mostly been presented in four parts:

- The first part was devoted to a brief outline of IDDA, its background, its approach and its programmes;
- The second part was devoted to the context of industrial development, and provided an overall view of the economy in terms of the basic data and potentialities, the structure and development of the economy and a presentation of the industrial sector and its difficulties;
- The third part set forth the problems relating to industrial development, dealing at the same time with the problems of approach and priorities, with institutional matters and questions of management and the promotion of industrial development, and finally with questions relating to the state of the existing production plant from the standpoint of enterprise-related problems;
- The fourth and last part was devoted to the Seminar itself from the point of view of its usefulness, its content, its methods and its contribution and anticipated results.

It should be noted that the background document was not intended to put forward proposals, which were to come from the participants, but to prepare for the discussion by means of a series of questions which would open up the discussion and establish its terms. Its aim was thus to proceed from analysis to the search for solutions.

In this exercise, the consultants tried systematically to take into account the national policy choices and guidelines which provided the clue for the whole approach of the background document and the questions it contained.

The background document intended for the future participants was sent out at the same time as the letter of invitation to the Seminar.

#### IV. ORGANIZATION OF THE SEMINARS

The Seminars have been organized in two stages:

##### IV.1 The preparatory stage

The purpose of this stage was to take all the measures necessary for organizing the Seminar, namely:

- Taking policy decisions with the authorities;
- Deciding on all the physical arrangements required for holding the Seminar;
- Preparing the substance of the Seminar and preparing an introductory report for that purpose.

A feature of this stage was the presence in the country concerned of a UNIDO consultant responsible for helping to give all these arrangements concrete form. In all the countries, an organizing committee for the Seminar was established on the arrival of the consultant. This committee, usually under the chairmanship of a senior official either from the government department responsible for industry or from the department responsible for the plan, generally consisted of three or four members drawn from these departments, which usually agreed to act as co-sponsors of the Seminar. It was the responsibility of this committee to carry out all the organizational work in preparation for the Seminar, such as that relating to the convening of the Seminar, premises, equipment and supplies, invitations, and in some cases visits to enterprises. The consultant collaborated with the committee in deciding on the type of Seminar, methodology, topics, participants, selection of national discussion leaders, programme, date and place, the budget, etc.

During his stay in the country it was also the task of the consultant, with the support of the committee, to collect all the documentation needed for preparing the background document.

The preparatory stage concluded with the despatch by UNIDO of the basic documentation intended for the participants, including the background document in particular.

In general the preparation of the Seminar in each country has enjoyed the support of the highest policy-making authorities in the person of the minister responsible for industry and/or the minister responsible for the plan. Usually, the Government has issued a notice of the holding of the Seminar.

##### IV.2 The implementation stage

This basically covered the period of the Seminar, which usually lasted for more or less a full week. The organizing committee and the consultant were responsible for ensuring the final preparation and the smooth running of the Seminar, under the authority of a national director who was usually the co-ordinating official of the organizing committee.

In general the Seminars have had a broad response from the media in the country as well as receiving political support, which has sometimes been very considerable, as in the case of Zaire.

After the Seminar a final report was drawn up which collated and presented all the proceedings of the Seminar, i.e. the deliberations, conclusions, official statements, papers, introductory report, motions adopted, list of participants, etc.

Generally speaking the organization of the Seminars, which have always been held under good conditions, may be regarded as having proceeded without any major hitch.

### PART THREE: SUBSTANTIVE CONCLUSIONS

The holding of National Seminars on Industrial Strategy has provided many countries with an opportunity to carry out an analysis and overall assessment of the industrial development achieved, its background, and the industrial policies and conditions within which the production apparatus was operating.

On the basis of this analysis and assessment, a series of observations have been made and some substantive conclusions drawn with regard to current issues affecting the industrialization of the African countries in which the Seminars have been held. Although the analyses were carried out rapidly and were thus confined to identifying the most salient aspects, they enabled a number of broad observations to be made and various problems arising out of them to be examined. On the basis of these analyses and of their own experience, the participants were able to make recommendations, in the main fields relevant to industrialization, which, taken as a whole, provide the guidelines for a national strategy including the broad goals to be pursued and the resources and conditions required for their implementation.

#### I. THE CRISIS OF INDUSTRIALIZATION

It is clear at the present time that industrialization in the African countries is taking place under conditions which differ markedly from those that existed a decade ago. New and important factors are now determining the development policies which might be introduced in the industrial sphere. The following should be highlighted as the most significant:

- The acute indebtedness which is a feature of the external finance situation of the countries concerned and which considerably limits their scope for initiative;
- The widespread contraction in direct foreign investment and the growing scarcity of resources for financing;
- The stabilization and/or structural adjustment policies pursued by States, which have marked repercussions on demand and the structure of demand and on the allocation of resources;
- The disengagement of the State as an entrepreneur;
- The contraction of markets and investment opportunities at both national and international level;
- The deterioration, sometimes on a large scale, of local agriculture linked to industry;
- Technological developments and their impact on profitability thresholds and economies of scale.

This being the case, the Seminars held in the different countries and the preliminary investigations which have resulted from them, give rise to one basic observation: industrialization in the countries concerned is in crisis. This crisis has three major, interrelated aspects which should be stressed because they have determined the focal points of interest and the broad issues discussed.

##### I.1 The crisis of the production apparatus

In most of the countries involved in the Seminars, the existing industrial apparatus, after a period of start-up and expansion, has gradually deteriorated under the impact of a variety of factors. Some enterprises have ceased production,



while others have considerably reduced their rates of utilization of capacities and their level of profitability, and others are surviving only in extremely difficult conditions with production plant on the verge of collapse and highly erratic operation. The end of the 1970s in some cases, and the early 1980s in others, marked the beginning of this recessionary trend affecting the economic performance of industry, which has been generally in steady decline since that period.

This situation is the result both of factors outside the enterprise which affect its environment and of internal factors linked to inadequacies in all the aspects of administration and management; all these factors operate in different ways according to the country.

### I.2 The crisis of confidence

This affects the leaders and government officials who, faced with the scale of the problems and the deterioration which industry has been experiencing, tend to give less importance to industry and to slacken the efforts towards organization, initiative and action likely to encourage industrialization. The institutional framework weakens, and creative and promotional tasks give way to purely administrative tasks. Whether through disappointment or caution, policy-makers are reducing the role of industry in national strategies without always recognizing that it is often inadequate national economic policies which have exacerbated the factors leading to deterioration, either within enterprises or in the national or international context. The needs and problems of industry are rarely taken into account in national economic management and policy decisions.

This crisis of confidence also affects entrepreneurs, whether public or private, who are often discouraged to find themselves confronting a complex and burdensome bureaucratic process backed by an administrative apparatus which is usually poorly equipped to tackle the tasks entrusted to it.

The crisis of confidence thus leads on the one hand to a crisis in the management of the industrial economy and, on the other hand, to a crisis affecting the enterprise as a tool of economic advancement.

### I.3 The investment crisis

As a consequence of the economic deterioration of industrial activities, the difficulties and problems facing these activities, and the doubts to which this situation has given rise with regard to the economic impact and profitability of industrialization, investment initiatives have become scarcer since the end of the 1970s. States, in the first place, confronted by the particularly acute problems of public enterprises and difficult economic and financial situations, have become more and more cautious. In a number of countries this reticence has taken the form of opting systemically for a policy opposed to all public industrial investment. The few States which have wished to engage in such investment are virtually without the resources to do so. At the same time, private foreign investors have virtually withdrawn from the industrial investment circuit, and their reluctance has been heightened as a result both of international factors and of uncertainties as to operating conditions and the return on their investments. Finally, national private investors have maintained a low, often declining, investment flow in those sectors in which conditions appeared most advantageous to them, and particularly reduced production runs. In a number of the countries involved in the Seminars, the participation and initiative of private investors in general have been hindered by the lack of confidence in the economic capacities of the country and the - erratic or uncertain - policies pursued, and by the expansion of bureaucratic economic management systems.

In short, it is a new climate and new and especially effective incentive policies that will prove essential from now on to unfreeze investment initiatives, which are increasingly reliant on the private sector alone in most of the countries.

## II. THE MAJOR TOPICS OF DISCUSSION AT THE SEMINARS AND THE RECOMMENDATIONS

The discussion topics at the Seminars have been based on the cardinal issues of industrial development policy as perceived in the background document. These topics are presented here under six chapter headings which are intended to cover all the subjects dealt with through the organization of work specific to each Seminar.

### II.1 The choice of priorities

Most of the countries involved in the Seminars did not have an industrial strategy formulated in clear, structured terms. In some cases there was no guiding policy for industry, whereas in others some basic choices had been made without their content being made explicit or guidelines for action established. In the majority of situations, the import substitution strategy was the kingpin of the explicit or implicit policy decisions. In all the countries where Seminars have been held, there has been a real need to define or redefine strategy.

The interest shown in this discussion has been all the more pronounced in that it seemed likely to provide a way out of the crisis which affects the industrialization of these countries and a remedy to the limits and drawbacks - which were generally evident to the participants - of the strategy of substitution. This strategy has often been subjected to an analysis demonstrating the impasse into which it has led industrial development in the countries concerned at the present stage.

With their own special characteristics, these countries have in general adopted the IDDA approach of self-sufficient development, according a central role in the search for industrial opportunities and priority activities to national resources and needs. For those countries with limited natural resources and markets, this approach has meant basically favouring the agriculture-industry relationship as the primary source of investment opportunities. On the other hand, in the case of countries well endowed with resources and with an extensive economic area, the self-sufficiency approach has led to the definition of a strategy based on national integration of the production processes and the diversification of activities, while taking into account the role that key industries can play. In both cases, the importance of subregional co-operation has always been taken into account, although there have been doubts as to the real means for promoting them. Apart from this subregional dimension, only a few countries have incorporated in their strategy the export of manufactured products over and above those exports which might result directly from the processing of natural resources or large-scale agricultural production.

On the whole, the Seminars can be regarded as having drawn attention at an appropriate point in time to the problem of the validity of earlier strategies, whether formulated or not, and as having resulted in proposals for a re-orientation based mainly on deriving greater benefits from natural resources and establishing better development links with agriculture, which is now generally seen as the first priority.

Among the decisions adopted as regards priorities, stress should be laid on the importance accorded by all countries to small- and medium-scale enterprises, which are regarded as an essential component of the industrialization strategy. The Seminars generally saw great merits in this type of industrial concern, which they considered to be the most accessible, the best suited to the context and the

opportunities of the market and the most likely to satisfy the basic needs of the population. Most of the Seminars therefore devoted part of their recommendations to ways and means of stimulating initiatives in this area, particularly with regard to institutional structure and promotional policies.

## II.2 The role of the State

Directly or indirectly this question had a large impact on the work of the Seminars. In the last decade, the State has played a predominant role in the process of industrialization in all the countries concerned, both as the framework institution and as an investor and owner of enterprises. The difficulties in controlling a public sector which is too often inefficient and costly because of the burden of bureaucracy and uneconomic practices, together with the difficulties caused by the overall economic and financial situation and trends in the countries involved, have led to a more or less systematic withdrawal by the State in nearly all these countries. Usually the State has no longer wished to administer industrial units or even invest in them.

It became evident during the Seminars that this basic change had not been adequately analysed and clarified in all its ramifications and that it was leading to immobility and a wait-and-see attitude instead of the establishment of new forms of organization and action linked to different policy decisions.

Against this background, the main questions discussed concerned:

- The orientational role of the State which, in any event, still has the responsibility of defining policies and selecting objectives. The decisions of principle regarding a much smaller direct State involvement and in favour of private investment, and therefore, inevitably in favour of leaving broad scope for the free play of market forces, imply that administrative management of the economy, directives and bureaucratic instruments must give way to measures influencing the environment of industry.

In particular, the Seminars indicated the need to re-define the concept and content of planning, which is still desired in most countries as the framework for the strategic management of the economy in the medium and long term. The methods, levers and instruments commonly used in the past, especially quantitative approaches and injunctions, were seen as unsuitable, although the Seminars did not identify with sufficient clarity the modalities of a new planning approach which would be more qualitative in nature and focused more on the factors, problems and conditions of industrialization.

At the same time, the Seminars indicated that those administering industrial development were poorly prepared for this new management role and that extensive reforms should be brought about in regard to institutional organization.

- The place that the State must perhaps still have in the investment function. Should it go so far as to prepare projects and to attempt to promote them among private investors or simply set out its objectives and priorities? Should it at least take the place of the private sector in its absence or when the profitability prospects discourage private sector participation? Should it keep certain strategic activities in its own hands? Although the choices made here were quite varied, the Seminars brought out the need for a new approach to the policy of promotion which will be more important and necessarily play a broader role when the State withdraws from industrial investment. This need has generally been well perceived and promotional action has frequently not been limited to investment in small and medium-sized enterprises (see below in connection with industrial promotion).

- The importance of and the far more substantial role being assumed by the private sector in the industrialization strategies adopted gives a further dimension to the State's supervisory responsibility. It is even more important for the State to concern itself with the creation of conditions and circumstances likely to encourage industrial development (support structures, incentives, favourable industrial policies, etc.) and to try to find solutions to problems affecting industrial activities through inter-ministry co-ordination.

For these reasons it seemed necessary to define and implement a new approach to State activity, focused more on encouragement of private initiative and assistance for industrial operations.

In many countries, the action and preoccupations of the State vis-à-vis the private sector had previously been more concerned with control than with providing support. This was particularly apparent in the proliferation of authorizations required, pricing policy, commercial policy, etc. The Seminars made it possible for those concerned to become aware of the change in method and mentality that should be promoted, and many recommendations were along these lines (see below).

- All these considerations obviously have organizational implications for those responsible for the administration of industry, the strengthening and clarification of whose tasks have received attention in almost all countries. It was generally agreed that industry departments had a new role to play in stimulating and supporting the industrial sector, a role for which they must be prepared and provided with adequate facilities.

The Seminars thus devoted considerable thought to the question of State action and the agencies for promoting industrial development which must be set up, along with the necessary support structures. With this in mind, subjects such as industrial planning, the administration of industry, industrial training, the mastery of technologies, and technological policy were the subject of recommendations which all envisaged a strengthening of the structures, activities and measures designed to provide support for industrial promoters. In these different areas, two types of recommendations were often made by the Seminars:

- Improvement of the dialogue between the public authorities and the industrialists' organizations, or even the institutionalization of this dialogue; in this connection the desire was frequently expressed that the professional organizations should be strengthened and/or made "autonomous" in relation to the State, particularly as concerns the Chambers of Commerce and Industry;
- The performance of certain support tasks (industrial training, industrial information, etc.) by the industrial organizations or joint institutions bringing together the State and the industrialists.

### II.3 The promotion mechanism

Following on from the foregoing considerations on the role of the State, the mechanism for the promotion of private investment could not fail to be of fundamental importance and, quite naturally, attracted the attention of the participants in the various Seminars.

Overall, the salient features of the situation were:

- A policy decision forcefully stated to give priority to small and medium enterprises, a decision broadly reaffirmed by the strategies developed during the Seminars, in particular for satisfying the basic needs of the population (food, clothing, housing and welfare);

- An almost complete failure of the institutions set up to promote small and medium enterprises. These institutions, which were never able to fulfil the missions and serve the purposes assigned to them, frequently because of a lack of resources, skills and commitment, became reduced to bureaucratic machines functioning more or less in a vacuum, with no impact on the real situation and with no ability to discharge their missions;
- The almost universal absence of a policy and a mechanism for the promotion of large- and medium-scale projects. These might be fortunate enough to see the light of day if they evoked interest in some level of the administration, or a decentralized agency. There could thus be no continuity established between, on the one hand, the choices of priority areas or the choices of projects to be encouraged, as set out in the plans and programmes, and, on the other hand, their chances of coming to fruition.

The Seminars gave particular attention to the mechanism for the promotion of small and medium enterprises both because of the political priority given to them and because of the disappointment that large- and medium-scale projects have often led to in these countries. The recommendations concerned not only the strengthening and/or renewal of existing agencies but also the reduction of their role to a few strategic tasks, and a new approach to the promotion mechanism.

In fact, the analyses and the recommendations regarding industrial promotion showed, above all, the need for a re-orientation and a re-organization of the promotion systems in order to achieve greater effectiveness. To this end, it seemed necessary to reduce the role of the promotion agencies and to stop giving them multiple and extremely extensive functions. For this purpose it was recommended, in some countries, that the functions falling within the tasks of the public authorities should be dissociated from services which might be rendered in a commercial framework.

The former functions would be given to a promotion agency responsible for facilitating preliminary investment operations in so far as they concern the attributions of the public authorities: extensive information campaign, assistance for the various authorizations required, etc. If this action were carried out, so to speak, at a single "window", it would simplify the investors' task in respect of an understanding of the context and the steps to be taken vis-à-vis the public authorities.

The second type of function, concerning consultancy-service activities, either with a view to the preparation of pre-investment studies and bankable project dossiers or for purposes of management and operation assistance, would be performed on commercial bases, whether by a private agency, which might be given some support, or by industrial organizations, themselves receiving assistance - intermediate formulae having also been envisaged.

The wish was also frequently expressed that the promotion mechanism to be established should more closely involve the industrialists and be as autonomous as possible in relation to central administrations.

Finally, some Seminars stressed the need for the State to be coherent in its decisions, particularly regarding the allocation of adequate means to promotion institutions established.

The implementation and/or promotion of large- and medium-scale projects were, in themselves, the subject of few recommendations. The recommendations related above all to the quality of the preliminary studies and the need to improve them in order to avoid investment errors, and to the mastery of the implementation process. These recommendations were primarily concerned with investment initiatives involving the State.

#### II.4 The system of financing

The system of financing generated considerable debate, frequently with a division between the public authorities and, above all, the financial institutions on one side and the industrial operators on the other:

- In the opinion of the former, the difficulties encountered in connection with financing relate primarily to the poor preparation and lack of competence of the promoters in regard to the financing of investments and to the problems met by enterprises because of their unsound foundations, the inadequacy of management, the unfavourable economic climate and thus their low level of profitability as far as operational financing is concerned. They stress the disproportion between the particularly high risks and the return on loans which jeopardizes the very existence of the financial institutions, and they emphasize the relatively limited impact of factors such as the rates of interest in comparison with other elements affecting investment and industrial operation.
- In the opinion of the entrepreneurs, on the other hand, the financing conditions are not sufficiently favourable to investment and industrial operation in the countries concerned. They put the blame on the absence of long-term credit, interest rates and commissions that are deemed to be high, mechanisms that are detrimental to the enterprises' cash-flow situation, the excessive prudence of bankers, the lack of interest shown in small and medium enterprises and the existence of ceilings and sub-ceilings, together with a de facto priority given to commercial operators ...

In any event, this debate revealed the existence of a real problem of tailoring the system of financing to the actual conditions of investment and industrial operation in the countries concerned. This is frequently aggravated by the fact that monetary policies, based on analyses and designed to meet preoccupations of a macro-economic nature (restrictions imposed by the regional issuing agencies, stabilization policies, etc.), ignore the problems of industry itself and increase the weakness of the accumulation capability.

The Seminars also demonstrated the limits and risks of the mechanisms envisaged in the past to deal with the inadequacy of investment resources and the risks of failure of such investments, such as participation funds, investment funds and guarantee funds, which were often quickly exhausted and sometimes did not even receive the necessary initial resources. The effect of these has too often been to demobilize industrial operators. Suggestions for the establishment of new mechanisms or for some pin-pointed measures were generally made, but in general the Seminars proved insufficiently productive to go beyond the contradictions and divergencies of interest which persist where industrial financing is concerned, particularly emphasizing the need to conduct serious studies on this subject.

#### II.5 Incentive policies

All the Seminars gave an important place to incentive policies, which were thought to be indispensable to encourage industrial development. Indeed, all of the countries concerned have a body of regulations designed to enhance the appeal of industrial investment by helping to boost the efficiency and/or profitability of the industries created.

### II.5.1 Fiscal policies and instruments

Here again there was a difference of view between the public authorities and the industrial operators. In general, the latter emphasized the need for further easing, particularly in investment code texts, simplification measures and, in certain cases, abolition of the arsenal of para-fiscal charges.

In any case, it appeared that fiscal policy and regulations hardly took any account of the problems actually faced by industry. Overall, moreover, the countries have no analysis available of the costs of the factors or of their comparison with regional or international conditions to make it possible to achieve better modulation of fiscal policy for industry. In fact, this is essentially the task of the investment codes which thus ensure a posteriori adjustment of fiscal policy to the specific problems of industrial promotion.

As far as the codes are concerned, two weaknesses were frequently indicated: ignorance of the specific aspects relating to investment in small and medium enterprises and the limited guiding role of the codes, which encourage investment without sufficient distinguishing of priorities, economic effects or constraints. These findings reveal the weak link which sometimes exists between the declared objectives and the practical regulations adopted. The Seminars produced a variety of recommendations aimed at correcting these two weaknesses.

Finally, the Seminars frequently revealed both the absence of any evaluation of the real impact of the investment codes and, at the same time, the empirical nature of certain preferential provisions that they contain.

With regard to fiscal matters, the main point raised was customs protection, about which there was much recrimination on the part of industrial operators who said in some cases that it was inadequate, in others that it was incoherent, and in others that it was in fact circumvented. There has indeed frequently been no structured procedure for establishing this protection, which has resulted from fiscal or social considerations and sometimes from individual decisions arising from circumstances or even negotiated with the operators. The result is, in certain instances, over-protection generating circumstantial revenue and/or helping to undermine industry's competitiveness. With regard to the tariff provisions, the Seminars mostly produced proposals of a general type, especially for an overall evaluation of the protection system, or focusing on very specific points.

### II.5.2 Elimination of constraints

In this regard, the Seminars were mainly concerned with the elimination of the existing obstacles to the creation and smooth running of industrial activities. Several aspects attracted particular attention.

#### II.5.2.1 Pricing policy

In many countries industrial prices are or used to be subject to regulations of varying strictness, usually administered under poor conditions which hinder enterprises in adapting to their real production cost situation. The Seminars therefore generally recommended the greatest possible flexibility in policy and regulations governing pricing, through the elimination of a priori controls and/or an easing of the approval system.

In certain instances, the Seminars examined questions relating to the prices of essential services, particularly transport and energy, and recommended rates designed to make industrial products more competitive.

### II.5.2.2 Commercial structures and services

In general, the Seminars repeatedly noted the rigidities and inadequacies which mark these two areas and which are all handicaps to industrialization. In particular, industrial operators stressed the absence or the unreliable nature of commercial circuits, above all for the purpose of expanding the countries' domestic markets. The solution of transport problems was considered a prerequisite of any serious attempt at industrialization in certain countries.

Recommendations were formulated on all these questions, but they were not always of a directly operational nature. The State was sometimes invited to identify and implement support action, particularly by means of measures granting favoured status. The Seminars stressed the diversification within the country of commercial structures and services to support the circulation of industrial products and the decentralization of new installations.

It was also noted that industrial services (consultancy services, studies, assistance to management, etc.) were inadequate in practice in all the countries concerned, and the Seminars recommended that a policy to promote these industrial services should be adopted by States. Suggestions regarding the role that the industrialists' organizations could play in this area were also made.

### II.5.2.3 Administrative procedures

The industrial operators taking part in the Seminars repeatedly raised the problems of administrative procedures which, by their cumbersome nature, their complexity and the multiplicity of documentation required, place a brake on the promotion and proper functioning of industrial activities. It was thought that the elimination of such hindrances would provide a considerable stimulus and recommendations were frequently made for the easing, simplification and standardization of administrative procedures and regulations. Above all, where relevant, it was recommended that foreign trade formalities, with particular regard to imports, should be eased.

### II.5.2.4 Training and technology

The Seminars generally took up the question of industrial training as a support structure for industrialization. In this area the Seminars produced the following findings:

- In the majority of countries there are still serious problems regarding the training and adaptation of industrial personnel;
- There is virtually no strategy or policy developed with regard to industrial training: the requirements are generally poorly identified and, consequently, there is no approach or programme for fulfilling these requirements;
- The structures are often weak or only low-level - and sometimes non-existent - and the enterprises therefore bear most of the burden of industrial training.

Against this background, the Seminars generally recommended that a policy and a system of planning should be implemented to organize the identification and satisfaction of industrial training needs. It was recommended, in the countries where training charges are levied on enterprises, that the receipts should really be allocated for this purpose. Finally, the enterprises were urged to devote more efforts to the training of national specialists. The further training and re-training of staff was also recommended, either within the enterprises or in specialized institutions.



Technology was examined fairly superficially in most of the Seminars. However, it was approached at various levels:

- From the point of view of its transfer and its link with manpower training. On this point, the Seminars deplored, in certain cases, the inadequate attention paid to this problem and expressed the desire that the State should concern itself more with the problem, particularly through better organization of technological information and documentation for industry.
- From the point of view of selection and adaptation to local conditions. The Seminars which examined technology from this standpoint made three types of recommendations in the light of the difficulties encountered in the past. It was suggested that:
  - Imported technologies should be selected with greater discernment;
  - Complex technologies should be avoided and, consequently, preference should be given to small-scale production units whenever possible;
  - Efforts should be made to adapt imported technology to local conditions.
- With reference to research and the accumulation of technology. Some Seminars indicated the desire to see their countries involved in research and innovation, above all on the basis of local products and local techniques. In a general way, it was recommended that local research should be made more dynamic, whether in university institutions or in industrial branches, and that regional co-operation in this area should be promoted.

#### II.5.2.5 Infrastructures

The Seminars all underlined industry's dependence on the availability of adequate infrastructure with regard to energy, communications, telecommunications, water supply, etc. In many countries recommendations were made for the promotion of more definite policies taking greater account of the requirements of industrial development. The question of the availability of sites with proper facilities was almost always dealt with in the recommendations.

#### II.5.3 Encouragement of exports

Exports of manufactured products in the countries concerned are generally very limited and the industrial framework is often physically ill-prepared to cope with the foreign market (high production cost, inadequate quality, penalization of transport). Psychologically, industrialists tend to turn their sights more on the domestic market. Finally, existing administrative procedures and regulations are often unfavourable, above all as regards the existence of export duties and export licences.

The Seminars generally recommended that more importance should be given to seeking foreign outlets, while indicating that this presupposed the establishment of a policy of stimulation and adequate structures - in particular, with a solution found to financing problems. They also expressed the wish that, firstly, remaining administrative and regulatory barriers should be lifted and, secondly, that positive encouragement measures should be taken to enhance the competitiveness of exportable industrial products. As far as the enterprises were concerned, importance was attached to a product policy.

## II.6 Consolidation and development of enterprises

In all the countries concerned, the great majority of enterprises are in a serious or worrying situation. In some countries numerous enterprises have purely and simply disappeared, while many of the enterprises in other countries which have survived their difficulties are today weak and unlikely to recover fully. Their productive capital has deteriorated or aged because of a lack of adequate renewal or maintenance. Their financial resources have been reduced because of the failure of production to be profitable for many reasons, the main ones being: management inadequacies, poor organization of work, defective supply conditions and an increasingly difficult national and international environment marked notably by shrinking markets and the effects of policies, regulations or practices unfavourable to industry. On the manpower front, enterprises have scarcely, if at all, improved the qualification level of their employees and their supervisors often still come from abroad, with the additional costs that involves.

This situation has apparently not been a great preoccupation to the administrators, who have long regarded enterprises as centres for the distribution of income to the State and to the population, rather than centres of growth with a need to accumulate capital. The position is generally more serious in the case of public enterprises than in the case of private enterprises, because State companies have suffered more from poor management conditions and hasty investment decisions.

The Seminars frequently helped to produce an awareness that any recovery in development is industry-based and any new strategy should be concerned with providing conditions for the re-establishment of the national enterprises which constitute not only the basis but also the motive force of the non-agricultural economy.

Three aspects of the question particularly occupied the attention of the Seminars:

### II.6.1 Rehabilitation policy

The policy of rehabilitation of existing enterprises, which had sometimes already begun or, in other cases, was triggered off by the Seminars, generated a variety of recommendations dealing, in particular, with the objectives to be achieved and the methods of action to be promoted. In some countries, this policy has been concerned more specifically with the State sector and has merged with the policy of State disengagement. In other countries, it has been aimed at both the private and the public sectors and there has been an attempt to identify the best ways of guiding and assisting private enterprises in their rehabilitation.

### II.6.2 Enhancing the efficiency of enterprises

The opinion was expressed in the Seminars that enhancing the efficiency of enterprises, which should make it possible to restore their profitability and their growth prospects, involved both internal factors connected with management conditions and the role of administrators and shareholders, and external factors, some of which were dependent on the short-, medium- or long-term action of the State.

With regard to external factors, the Seminars stressed the regulatory environment and the constraining administrative practices in each country, as well as the action which could be taken to influence the cost of the factors (particularly with regard to energy and transport), their availability or their quality (particularly with regard to infrastructures and services). All the Seminars stressed the importance of the commercial structures, which had often deteriorated, and the usefulness of consultancy services and assistance for management (see above).

Within the enterprises, the various aspects of management gave rise to recommendations both for the State sector, which particularly occupied the attention of the Seminars in this connection, and for the private sector. As far as State enterprises are concerned, the balance between control preoccupations and the concern to safeguard their autonomy has not always been clearly perceived. All the Seminars emphasized the need to strengthen accounting as an instrument of information and management for enterprises, as well as to enhance the skills of the personnel, administrators, senior staff and workers, on whom any progress in efficiency finally depends. In certain countries, the question of maintaining production facilities was a focus of attention.

### II.6.3 Promotion of nationals

In several countries, the question of the promotion of nationals in industry was examined by the Seminars, both as such and as part of the search for ways and means of promoting small and medium enterprises.

The recommendations dealt with two aspects:

- Encouragements for nationals to become promoters and managers of industrial enterprises, particularly instead of the tertiary or real estate activities in which holders of capital are most frequently involved. There were few practical provisions, other than those foreseen in favour of the promotion of small and medium enterprises. Several countries recommended favouring the transfer of civil servants responsible for enterprises to private activities.
- The question of increasing the supervisory responsibilities of nationals in enterprises, particularly those with foreign capital, and the training activity that enterprises should undertake to that end.

#### PART FOUR: IMPACT AND FOLLOW-UP OF THE SEMINARS

The formal end-product of all the Seminars was a final report which constituted a reference document not only in regard to the proceedings of the Seminar and its content, but also, and above all, in regard to a way of approaching industrial development in the country concerned and the action that should be taken for this purpose.

This final report thus provided, over and above a record of the proceedings of the Seminar, a set of conclusions or recommendations constituting a dual instrument for the promotion of industrial development:

- Firstly, the exposition of a desirable strategy with guidelines, approaches and priorities;
- Secondly, a programme of action in the short, medium and sometimes long term, consisting of objectives from studies of various kinds, suggested reforms and desired organizational or regulatory measures, many of which have still to be drawn up, sometimes with an indication of responsibilities.

This is the first result of the Seminars. However, in order to assess the impact thereof, it would be desirable to consider the entire process of reflection involved in the preparation and holding of the Seminars and the follow-up. From this standpoint, the impact of the Seminars will be examined at three levels.

##### I. IMPACT ON THE PREPARATION AND FORMULATION OF INDUSTRIAL STRATEGIES

First and foremost, it is worth noting that the preparations for the Seminars provided an occasion for most of the countries concerned to make an albeit rapid evaluation of their industrialization and to take a fresh look at the essential problems of the national industrial situation. It has already been stressed (see the introduction and part three, section I) that, in many countries, if not all, the timing was particularly opportune in view of the industrialization crisis, new economic and/or political factors at the national level or the proximity of the drafting of a medium-term plan, and sometimes for all these reasons together.

It is in this context that the Seminars made it possible to develop strategies specific to each country in the light of the considerations described earlier (see part one, section II). In certain instances, the countries were engaging in this kind of overview for the first time. In other cases, it was a matter of giving a more precise or more detailed content to guidelines already formulated with reference to general development and industrialization targets. Finally, in other cases, it was a matter of re-evaluating and/or updating an existing industrialization process in the light of new facts and data and, perhaps, adopting fresh orientations.

It is clear that the results of this work were not of uniform quality and that the fruits of the thought processes varied in degree of detail, in precision and in operational value. The very conditions of the Seminars and, in general, the absence of detailed prior studies, did not permit them - except in a few instances - to do more than describe an approach, define hierarchically-arranged objectives, with varying degrees of detail, and select priority branches, all on the basis of an analysis of the assets and constraints, the lessons of the past and the participants' own experience. However, it is worth noting - and this must be given its due weight - that this process of reflecting on the formulation of a national industrial strategy was in all cases undertaken by national personnel.

With regard to the formulation of this strategy, it is worth stressing the global and coherent approach that marked the work of the Seminars, which made an effort to produce strategies accompanied by the required policies and the necessary conditions of implementation, particularly from an organizational, institutional and regulatory standpoint.

The work done on the production and formulation of an industrial strategy was primarily aimed at the political authorities and was designed to provide a contribution to global or specific decisions to be taken by those authorities. The results of the Seminars were therefore to be submitted formally to the countries' authorities.

In many countries, this strategy resulting from the thinking of the Seminars has been taken into account in the preparation of the National Plan or used as an input for work in progress on a master plan for industrialization, or has prompted the authorities to prepare a master plan for industrialization on the basis of the results of the Seminars (see below, section III).

In some countries, however, no utilization of the work of the Seminar at the level of strategy is yet apparent.

## II. IMPACT ON CREATING AN AWARENESS OF INDUSTRIALIZATION

In this regard, it may be concluded that the impact of the Seminars has generally been quite considerable. It can be assessed in various ways:

- The Seminars made it possible to establish once again the importance of industrialization for development, something which had tended, in many countries, to be overlooked because of the crisis situation already mentioned (see part three, section I). The Seminars provided an opportunity to reverse this trend and to emphasize that this crisis was not inescapable if suitable strategies and policies were implemented;
- The Seminars also demonstrated the usefulness - and even the necessity - of a strategic approach, to which most of the countries concerned were not accustomed in the management of their industrial development. Weaknesses in the work of analysis, reflection and economic studies and, in general, in the work of industrial planning had led most countries to adopt a rather empirical approach based on the haphazard and uncertain emergence of projects. The Seminars thus made it possible, in some countries, to inaugurate a new approach based on a global view, incorporating guidelines and objectives, choices of priority areas and overall conditions to be fulfilled. This encouraged some countries to extend the approach by initiating the preparation of a master plan for industrialization;
- The Seminars have also made it possible to emphasize the requirements of industrialization and show that this will not come about of its own accord, but needs consistent efforts and specific action. This has brought out not only the need to fix objectives and to establish strategies for action, but also to devise and implement a variety of policies and to establish an adequate organization without which the objectives will be merely pious hopes;
- The Seminars have permitted an assessment of the scope of the components involved in industrialization and indicated the need to promote a broad spectrum of policies, each of which may influence factors favourable to industrialization (commercial, tariff, fiscal, pricing, transport and other policies);

- The Seminars have thus demonstrated that industrialization does not really depend on a single ministry responsible for industry and that it is desirable for all levels of decision-making and numerous departments to take account of the multiplicity of components of industrialization. In this way, the Seminars have provided an awareness of the promotional role to be played by the public authorities in this field, particularly the ministry responsible for industry, and indicated the imperative need for inter-ministry co-ordination, the inadequacy of which was frequently stressed;
- The Seminars have also highlighted the organizational requirements at various levels:
  - In regard to State structures and facilities, which must be organized in the light of the objectives and tasks allocated to them;
  - In regard to the policies formulated, which often have institutional implications and sometimes require the establishment of a support structure;
  - In regard to the development partners, an adequate organizational structure being needed to allow dialogue and consultation.

The Seminars have thus provided the opportunity to emphasize the essential link between industrial development policy decisions and the organizational solutions they necessitate.

### III. IMPACT ON FOLLOW-UP

Despite the considerable awareness-creating impact of the Seminars in general, follow-up has shown varying degrees of effectiveness. In some countries, the Seminars have been the starting point for intensification of industrialization promotion activities and the occasion to assume more systematic control of industrial development. This apparently happened in countries such as Zaire or Burkina Faso. On the other hand, in a few instances, the Seminar does not seem to have been the subject of any real follow-up and its results have had no significant aftermath. This is apparently the case in Mauritania. The situation in the other countries lies between these two extremes.

In order to assess the impact of the Seminars with regard to follow-up, it must be remembered that they endeavoured to identify a programme of action likely to contribute to the implementation of the proposed industrial strategy. This programme of action dealt essentially with the following aspects:

- Studies to be carried out in the different branches to define the priorities and to give them specific content in terms of the desired investments;
- Policies to be carried out, which sometimes required reforms, substantive studies, regulatory measures and incentives for their implementation;
- Organizational structures to be established, involving management, supervisory and support structures for industrialization;
- Individual measures in specific areas.

In this context the follow-up of the Seminars has focused on the following aspects:

- Giving the results of the Seminar concrete form in the policies embodied in national development plans. Where this has taken place, the Seminar has made a considerable contribution to the choices and decisions of the leadership through the Plan;
- Continuing the process of reflection initiated in the Seminar in greater detail and in more concrete terms through the elaboration of a master plan for industrialization, regarded as the operational framework for the implementation of industrial strategy. In several countries, after the Seminar, the responsible officials felt the need to detail and prioritize the development objectives of the various branches and areas, as well as the principal aspects of the industrial development machinery (incentive system, industrial promotion, etc.), and have undertaken or are preparing to undertake a systematic and global survey with this in view;
- Utilization of the work of the Seminar as a contribution to the elaboration of a master plan for industrialization already being drawn up;
- Utilization of the work of the Seminar in the preparation and implementation of reforms and measures designed to support the objectives of the Plan, and derived from the suggestions and recommendations made by the Seminar. It is in this spirit that one country has prepared a programme of accompanying measures for the Plan to supplement its objectives by organizational and regulatory reforms and measures to facilitate the implementation process;
- Providing the inspiration for reforms triggered by analyses and recommendations made by the Seminars on a particular aspect of industrial development. Thus some countries have begun to renew their industrial promotion arrangements or to reform incentive regulations in the light of the suggestions made by the Seminars;
- Launching or consolidation of new policies in a specific area on the basis of the recommendations of the Seminar. One should particularly note here the role that the Seminars have played in regard to the importance given by several countries to the policy of rehabilitating existing enterprises;
- Reorganization undertaken or envisaged in the administration of industrial development, in line with the recommendations of the Seminar;
- Preparation of texts implementing certain suggestions and recommendations made by the Seminars, or individual decisions;
- Submission of requests for assistance to UNDP/UNIDO for the implementation of suggestions and recommendations made by the Seminar. Four aspects in particular have been the subject of these requests, which have not always been met:
  - Assistance in the preparation of a master plan for industrialization;
  - Assistance in reviving the machinery of industrial promotion, either with regard to small and medium enterprises or with regard to industry as a whole;
  - Assistance in implementing the policy for the rehabilitation of enterprises;
  - Assistance in the preparation of a programme of measures to accompany the Plan (one country essentially).

## CONCLUSION

The Seminars on Industrial Strategy have not merely made it possible to produce interesting documents, which have had varying consequences. In most cases they have allowed attention to be focused again on the need for and possibility of industrialization in countries where some people had started to have doubts in the face of the problems and difficulties. Furthermore, these Seminars have permitted a concerted approach to industrial development, both within the government departments and among the development partners, an approach which had usually been completely lacking.

Although the benefits of the Seminars seem thus to be real, they must nevertheless be properly utilized and followed up. There is a risk that inertia and routine will triumph over movement and reform, which are particularly necessary at the current stage. This clearly demonstrates the importance of follow-up and specific action either to develop the paths and solutions identified by the Seminars or to implement a particular reform or measure. In this regard, the attention and support that UNIDO and, more particularly, UNDP can give to meeting the needs for assistance expressed by the countries concerned offer these countries an additional - and in some cases decisive - chance to put into effect an industrialization strategy that they have themselves defined in the Seminars.



Annex 1

QUESTIONNAIRE FOR THE EVALUATION OF THE NATIONAL SEMINARS  
ON INDUSTRIAL STRATEGY

IDENTIFICATION

COUNTRY: .....

DATE OF NATIONAL SEMINAR: .....

NAME AND TITLE OF RESPONDENT .....

.....

.....

DATE OF RESPONSE: .....

Within the framework of the Industrial Development Decade for Africa, UNIDO has contributed to several National Seminars on Industrial Strategy in a number of countries.

UNIDO is concerned to improve the organization, content and follow-up, and hence the effectiveness, of such Seminars, and has therefore decided to hold a meeting in Vienna of the National Directors of the Seminars that have already already taken place and to carry out with them, and with the assistance of other agencies involved in industrial development in Africa, an evaluation of the work done in these Seminars.

The meeting has the twofold purpose of receiving suggestions for improvements in the way in which the Seminars are organized and run and of reaping the benefits of the industrial strategies and recommendations to which they led.

You are asked to contribute to this purpose, in advance of the meeting to be held in Vienna at the beginning of the year, by responding to this questionnaire.

I. OVERALL APPRAISAL OF THE SEMINAR

1. What is your overall opinion of the Seminar? (Please place a cross under the appropriate remark. The same applies in all cases where your value judgement is requested.)

Very good                      Good                      Unfavourable                      Very unfavourable

Please give your reasons briefly:

.....  
.....  
.....  
.....  
.....

2. Was the Seminar useful in defining, redefining or implementing national industrialization strategy?

Very useful                      Useful                      Not very useful                      Useless

If your response is negative, please state why and make any suggestions you may have for improving its usefulness:

.....  
.....  
.....  
.....  
.....

3. Do you think that the Seminar helped you or your colleagues from the professional point of view?

Definitely                      Yes                      Not much                      No

If your response is negative, please state why:

.....  
.....  
.....  
.....  
.....

4. Do you think that the Seminar motivated the participants?

Very much                      Yes                      Not much                      No

If your response is negative, please give reasons:

.....  
.....  
.....  
.....  
.....

**II. OBJECTIVES ACHIEVED**

The Seminar had the following main objectives:

1. To present and stimulate awareness of the Industrial Development Decade for Africa (objectives, strategy and programme);
2. To develop recommendations regarding the best national industrialization strategy and appropriate promotional and supporting policies;
3. To identify the priority sectors for industrial development;
4. To provide a forum for considering and comparing the views of all parties involved in industrialization - government, public and semi-public agencies, financial institutions, professional bodies and public and private industrial enterprises - on the problems of industrial development; and
5. To provide guidelines and a skeleton framework for industrial planning.

Were these objectives achieved, by and large?

YES

NO

Please indicate the extent to which each was achieved. (Please place a cross in the corresponding box)

|             | Completely | Adequately | Inadequately | Not at all |
|-------------|------------|------------|--------------|------------|
| Objective 1 |            |            |              |            |
| Objective 2 |            |            |              |            |
| Objective 3 |            |            |              |            |
| Objective 4 |            |            |              |            |
| Objective 5 |            |            |              |            |

If your response is negative, please give brief reasons for inadequacies:

- Objective 1: .....
- Objective 2: .....
- Objective 3: .....
- Objective 4: .....
- Objective 5: .....

III. CONTENT OF THE SEMINAR

In each Seminar, regardless of the working method chosen, main and subsidiary topics were selected for consideration by the participants.

The chief areas covered by the various main and subsidiary topics were:

1. Analysis and reorientation of industrial strategies;
2. Subregional co-operation;
3. The role of the State in guiding industrial development;
4. Mechanisms and methods of industrial planning;
5. Policy towards the public industrial sector;
6. Efficiency of enterprises;
7. Administrative and statutory procedures and constraints;
8. Promotional and supporting policies (training, infrastructure, etc.);
9. The system of industrial promotion;
10. The policy regarding the rehabilitation of existing industries;
11. The specific policy regarding small and medium enterprises;
12. The emergence of national personnel in industry.

Were all these areas dealt with in the Seminar in your country?

YES

NO

If your response is negative, which were not dealt with? (Indicate them by number)

.....



1. Did the method used in your case give general satisfaction?

YES

NO

2. When the "brainstorming" method was used, did it strike you as being appropriate to the object of the Seminar?

Very appropriate

Appropriate

Not very appropriate

Inappropriate

If your response is negative, would you have preferred another method and, if so, which?

.....  
.....  
.....  
.....  
.....

3. Did you find the introductory report useful for the work of the Seminar?

Very useful

Useful

Not very useful

Useless

4. Did you find the presentation of the objectives and programme of the Industrial Development Decade for Africa useful?

Very useful

Useful

Not very useful

Useless

5. Were you satisfied with the introductory papers, particularly in the discussion Seminars?

Very satisfied

Satisfied

Not very satisfied

Dissatisfied

If your response is negative, please give the reasons:

.....  
.....  
.....  
.....  
.....

6. Were you satisfied by the role played by the discussion leaders?

Very satisfied

Satisfied

Not very satisfied

Dissatisfied

V. RUNNING THE SEMINAR

1. Do you think that the way in which the Seminar was run was generally appropriate to its objective?

Very appropriate      Appropriate      Not very appropriate      Inappropriate

If your response is negative, do you have any suggestions to make?

.....  
.....  
.....  
.....  
.....

2. How did you find the material organization?

Very satisfied      Satisfied      Not very satisfied      Dissatisfied

If your response is negative, do you have any improvements to suggest?

.....  
.....  
.....  
.....  
.....

3. What is your opinion on the duration of the Seminar?

Too long      Satisfactory      Too short

Do you have any suggestions?

.....  
.....  
.....  
.....  
.....

4. How did you find the visit to a local enterprise (if one was arranged)?

Very useful      Useful      Not very useful      Useless

VI. RESULTS OF THE SEMINAR

1. Do you think that, on the whole, the Seminar effectively formulated an industrial strategy for your country?

YES      IN PART      NO



2. How did the proposals and recommendations made in the Seminar strike you?  
(Ring your answers)

|             |     |    |
|-------------|-----|----|
| Important   | YES | NO |
| Appropriate | YES | NO |
| Useful      | YES | NO |
| Clear       | YES | NO |
| Feasible    | YES | NO |
| Realistic   | YES | NO |

3. Were the conclusions of the Seminar presented to a Government authority in your country?

YES

NO

If so, which?

.....  
.....  
.....  
.....  
.....

4. Were the proposals and recommendations made in the Seminar followed up?  
(Place a cross against one or more of the following items)

- In industrial policy guidelines;
- In drawing up a Plan;
- In decisions taken by the authorities;
- In institutional organization;
- In State intervention procedures;
- In contacts with professional bodies;
- In contacts with enterprises; and
- In international co-operation.

5. What other comments and observations do you wish to make on the proposals and recommendations?

VII. IMPACT ON UNDP/UNIDO TECHNICAL ASSISTANCE

1. Have the proposals and recommendations made in the Seminar proved useful in programming UNDP/UNIDO technical assistance in the industrial sector?

YES

NO

2. Was technical assistance provided by UNDP/UNIDO for the follow-up and implementation of the recommendations made in the Seminar?

YES

NO

If so, please indicate the project title(s):

.....  
.....  
.....  
.....  
.....

3. Do you think that fresh UNDP/UNIDO inputs are desirable for implementing the recommendations made in the Seminar?

YES

NO

If yes, please indicate the object of such assistance:

- (1)
- (2)
- (3)
- (4)
- (5)
- (6)

VIII. COMMENTS AND SUGGESTIONS

What additional comments and suggestions would you like to make with regard to the points raised above?

Annex 2

NOTE ON THE METHOD USED IN THE "BRAINSTORMING" SEMINARS

The "brainstorming" seminars were held primarily in small groups using the active group method. The active group method chosen was designed to allow all participants to contribute to a process conducted under the supervision of two discussion leaders, in four stages during each meeting devoted to a sub-topic.

First stage

This is short and silent. It is intended to enable each participant in a group to write a few very brief sentences on a sheet of paper containing his ideas and suggestions with regard to the sub-topic under discussion.

Second stage

The discussion leaders collect the ideas and suggestions from each participant in turn and write them on a paper-board that can be read by everybody. At this point the ideas and suggestions are not discussed, although they may be clarified, refined or even divided up. The discussion leaders find out if other participants have had the same idea or made the same suggestion. This is the most important and generally the longest stage in the group process.

Third stage

The ideas and suggestions collected during the second stage are classified, grouped and arranged in a logical and structured series (using a numbering system).

Fourth stage

This is devoted to discussion of the merits or practicality of the ideas and suggestions, and any contradictions are eliminated. In this discussion, the group must seek a consensus or, if this is not possible, record the dominant view.

A rapporteur designated by the group and assisted by the discussion leaders has the task, outside the sessions, of giving form to the group's raw work input while attempting to respect its spirit.

It is the responsibility of the discussion leaders to conduct the process as described, but the substantive work results solely from the contributions of the participants in the groups.

Annex 3

TYPES OF REPRESENTATION IN THE NATIONAL SEMINARS  
ON INDUSTRIAL STRATEGY

The following were usually invited to participate in the work of the Seminars:

The government department responsible for industry

The planning department

The agriculture department

The mining department

The energy department

The commerce department

The finance department

The department responsible for capital development

The transport department

The department responsible for higher education and research or the university

The department or agencies responsible for technical training

Banks: central bank, development banks and, sometimes, commercial banks

Industrial promotion agencies

Chambers of Commerce and Industry

Employers' organizations

Public enterprises

Private enterprises

Notes:

(1) Some departments were generally represented under various headings - for example, the commerce department might be represented for purposes of the discussion of foreign trade and also in regard to prices and/or domestic trade. Moreover, some departments, such as those concerned with industry or planning, were always represented by several participants.

(2) In the case of a few countries, the regional administrations were asked to take part in the Seminar and industrialists from the interior of the country were invited.

(3) In one country (Niger), participants from a neighbouring country were invited.