The Problem of Industrialisation in Africa (2)

WHILE Africa lay under the heel of colonialism it was simple enough for the rulers to ensure that industrialisation did not take place. They held the state power, they controlled the economy, they laid down the laws, they decided the policies to be followed.

by Jack Woddis

But today they cannot operate in the same way. They no longer hold state power over 200 million Africans. They no longer have undivided control of the economy. They are no longer in a position to lay down laws or to decide the policies of governments. Of course, they still have influence in many states but they no longer have the direct control of affairs in their own hands.

This has compelled the imperialists to lay down a heavy propaganda barrage during the past few years 'advising' Africans against industrialisation. Thus Kenneth Bradley, in a British Government publication *Britain's Purpose in Africa* (H.M.S.O. 1959), argued that the economy of Africa 'must always be based on peasant economy'. Mr. T. R. Batten (*The Problems of African Development*) asserts that 'most parts of Africa are quite unfitted for large-scale industrial production' and that 'consequently agriculture must always be the principal source of wealth'.

The International Bank of Reconstruction and Development, which has produced economic development surveys of a number of African territories, betrays a consistent anxiety that the independent African states may take it into their heads to build up their industry. Thus in its study of Tanganyika, published in 1961, it tends to decry basic industrialisation and to place the emphasis instead on agriculture. It argues that 'The scope of the domestic market is limited, and its expansion must depend primarily on the growth of agricultural absorption of a large volume of unemployed or under-employed labour through industrial expansion' (p. 233).

INDUSTRIALISATION

Even when it comes to deal with the possible development in Tanganyika of local manufactures to replace present imports, it concentrates on such things as beer, cigarettes, sugar, textiles and cement and warns that 'Machinery and transport equipment, which comprise a fifth of total imports, must clearly be excluded'.

When it comes to consider the question of expanding manufactures for export it can only think in terms of wattle extract, cashew nuts, lime juice, desiccated coconut, starch products and so forth. After all this, it is not surprising to find that in its final section, point 1 in its List of Recommendations is put as follows:

'The task of securing widespread income increase is to a major degree one of agricultural and livestock development' (p.491).

It is sometimes quite incredible to see the extent to which the opponents of industrialising Africa push their arguments. In the report of one of the committees participating in the Convention on Social and Economic Development in the Emerging Kenya Nation, August 12 to 17, 1962, one can find it solemnly argued that to offset the decline in the prices of Kenya major exports, particularly coffee, 'the further expansion of tourism should be considered as the alternative for earning foreign exchange and that therefore *'substantial capital should be devoted to this purpose'*.' (The Kenya We Want).

After this, it is not surprising to read in the election manifesto prepared by the Kenya African Democratic Union for the May 1963 elections:

ECONOMIC EXPANSION

'Kenya's greatest potential economic expansion lies in the attraction of tourists to our country.'

That KADU should be prepared to follow the anti-industrialisation policy of the imperialists will not come as any great surprise. What is more disturbing is that some of the major national parties in Africa tend to accept the advice of Western 'economic experts'.

In general, however, it can be said that political opinion in Africa is turning increasingly towards the idea of industrialisation.

The recent report by the United Nations Economic Committee for Africa on *Industrial Growth in Africa* recognises this advance. The significant thing about this report is that it is predicated on the assumption that industrialisation is indispensable to economic growth. It points out that 'Rapid industrial expansion is ... being accepted as the major means of economic growth of the under-developed countries' (p.17).

This conclusion is based on the calculation that to bring Africa to the economic level of the industrialised countries, *the output of her agriculture would have to be doubled whereas that of her industry would have to be increased 25-fold.*

How long will this take? On the basis of a per capita annual increase in output of 1½ to 2 per cent for agriculture and 7 to 8 per cent for industry, the UN report estimates that the transformation of Africa from an industrially backward region to an economically advanced one would take about 50 years or possibly less. Another estimate, given in *The Development Decade* (a report prepared by the United Nations Economic and Social Committee), calculates that on the basis of a per capita rate growth for the whole of the economy of 5 per cent per year, Africa, to catch up the industrialised countries, would need 45 to 60 years. If Africa were to build her industry at the rate of that taken by the countries of Western Europe during their century of industrialisation, it would take 100 years for Africa to reach present European levels.

The African people are certainly not going to let themselves be tied down to such slow 'Western type' time-tables as these. But if they are to advance more rapidly, then, in addition to making a number of radical political and social changes, they will have to abandon capitalist economic theories and draw on the experience of the Soviet Union and other socialist countries which have shown in practice that it is possible for an economically underdeveloped country to industrialise very rapidly.

THE FIVE YEAR PLAN

The Soviet Union commenced its First Five Year Plan in 1928. By 1937, after fulfilling two Five Year Plans, the generation of electric power had increased between seven and eight times, the output of iron and steel by four times, of coal by three and a half times, of oil by rather less than three times and of cement by three times. The building of the engineering industry went ahead still more rapidly. Between 1928 and 1940, the output of motor vehicles in the Soviet Union increased from 840 to 145,000, and of tractors from 1,300 to 31,600. China and other socialist countries have made similar phenomenal advances.

It was only after considerable discussion that the Soviet Union finally hammered out its policy of priority for heavy industry as the way forward to expand the whole economy, and the First Five Year Plan fully embodied this new principle. Hitherto, in world economist circles, the theory of 'textiles first' (i.e. a slow path to industrialisation via light industry first and ending with heavy industry) held sway. The Soviet Union challenged this conception, first in theory and then in practice. Now all the socialist countries have demonstrated brilliantly in practice that a drive for basic industrialisation is the quickest way to advance the whole economy and to raise living standards.

Yet, as we have seen, bourgeois economists and advisers still work to persuade African leaders and governments away from industrialisation. Where they are driven to concede the necessity to industrialise, they try to limit it to a question of the simple processing of local raw materials; and, even when they have to go beyond this, they strive to encourage the idea that the building of heavy industry can only be an ultimate aim, the culmination of a long effort to build up the economy in stages—first agriculture, then light industry, and finally heavy industry.

ECONOMIC PROGRESS

A valuable exposure of these theories has been made by Maurice Dobb in his recent study on *Economic Growth and Underdeveloped Countries* (Lawrence & Wishart, London, 1963: 3s. 6d.) Dobb concentrates his argument around the key economic question facing the newly developing countries—how can they make the most rapid economic progress. He shows absolutely convincingly that the drive for basic industrialisation is the answer. The key problem is how is the economic surplus each year to be utilised so that it promotes rapid economic growth. In many new African states much of it is absorbed by various forms of excess consumption by the upper class, by hoarding at home and abroad, by flamboyant spending for personal ostentation, by the maintenance of unnecessarily large and unproductive bureaucracies which have been encouraged very often by the former colonial power in the final stages of its surrendering political control, and, sometimes by expensive military establishment. There are also many untapped resources and forms of waste.

But the main thing which needs to be emphasised is that it is the way in which a newly developing country distributes investment between industries which make capital goods and those which make consumer goods which will determine its rate of economic growth. And if sufficient investment is made in expanding capital goods, then, however small the usable surplus may be to begin with, its rate of growth (if the appropriate political and social organisation exists to mobilise and inspire human endeavour) will develop at a staggering rate.

DOBB'S EXAMPLE

Dobb's arithmetical example is useful here. He points out that if we were to start with an investible fund growing at the rate of 2 per cent a year, at the end of 20 years it will have increased by 50 per cent, and after 100 years by only seven times. But if the growth rate can be stepped up to 10 per cent, then the initial amount available for investment will have increased two and a half times in a decade and by six or seven times in 20 years. By the end of a century, it will be in the neighbourhood of several thousand times!

Thus, once an adequate rate-growth has been achieved by ploughing back the increment, there will soon be an ample margin to increase both consumption and investment at the same time.

In other words, by making strict economies and postponing non-essential consumption for a time, one very quickly reaches a position in which it is possible to start making huge strides forward in raising living standards. Capitalist theoriticians who are anxious to delay Africa's industrialisation pretend that the policy of giving priority to investment in heavy industry means one of forgoing consumer benefits until some long distant date in the future. In reality, it is industrialisation which will enable the raising of standards to be made most rapidly.

No one would argue that the new African states should divert 100 per cent of their investment funds to expand the capital goods sector. Part of the surplus, even in the earliest stages, must obviously go to expand consumer goods production in order to supply the needs of the growing army of workers. Social needs, such as housing, health facilities, better education and so on, must be met; they are essential to help the workers increase productivity, for it is obvious that lack of training and skill, and debilitating illnesses—grim legacies of colonial rule—are a barrier to higher productivity. For the same reason there needs to be provision for higher wages and a system of social security. But for quite a foreseeable time ahead it will be necessary for priority to be given to capital goods production to the extent that it enables the given country to achieve a sufficiently high rate of growth to enable a rapid expansion of the total economy.

REVOLUTIONARY CHANGES

Of course, in explaining the need for industrialisation in one short article, it has not been possible to deal with a whole number of related problems. Consideration needs to be given to the various methods of accumulating capital within the country. Technicians and skilled workers have to be trained.

Revolutionary changes need to be made in agriculture so as to enable a quick growth in that sector, too, and to enable the new scientific methods and farm machinery to be effectively utilised. The State sector of the economy should be built up and, at a certain stage, foreign monopolies nationalised. Economic planning is essential so that the concentration of funds and resources and effort can be made on the most important sectors of the economy. Control of foreign trade and a sound trade policy will make possible the best use of foreign exchange earnings. Economic relations of one-sided dependency on the imperialist powers must be ended. Rela-

continued on page 5

The Problem of Industrialisation in Africa

Continued from page 4

tions of mutual economic benefit with the socialist countries hold many advantages for African states.

In particular, on the central question of industrialisation, there is a striking difference between the policy pursued by the socialist countries and that of the imperialist powers. Whereas the latter divert most of their funds in Africa to the production and export of raw materials, the socialist countries, to the extent of their practitical possibilities, are ready to build whole factories which, when completed, belong entirely to the new African states. This is of considerable help in assisting Africa to overcome her colonial economy and to become industrialised.

There is one final point about industrialisation in Africa which needs to be emphasised. Here, in this article, we have been mainly concerned to explain the reasons for Africa's economic backwardness and the poverty of her people, and to point to the path of industrialisation as the way forward. At the moment there are 32 sovereign African states; before long there will be over 50.

ECONOMIC MADNESS

Obviously, if each of the 50 or so independent African states, some of them populated by only a few hundred thousand people, were to embark separately on its own path of industrialisation the task would be immense. Economic coordination, regional development, all-African planning—this is the surest way to a rapid advance of Africa's economy. To take Africa's water-power resources as one example, these naturally fall into several key regions which could be the basis for an electric grid system, first regional and then linked up in an all-African grid. The alternative of building simultaneously over 50 hydro-electric projects, one for each state, would be economic madness. Similarly, the concentration of minerals in certain regions (copper in the Congo and Northern Rhodesia, iron ore in Liberia, Guinea, Gabon, Mauritania and other West African states, bauxite in Guinea, Ghana, the Cameroons, etc.), the suitability for some regions for livestock development, others for growing cotton and developing a textile industry —all this underlines the importance of hastening the drive to all-African unity.

As long as different African states remain within the sphere of different imperialist economies, so long will the possibilities of all-African economic planning and development be hampered. The uprooting of imperialism in Africa is therefore essential for strengthening African unity and making possible Africa's industrialisation and speedy economic progress. And this process will be hastened if the Republic of South Africa, the continent's most industrialised state, is restored to the African people, so that it can give powerful assistance to the industrialisation of the whole continent.