Preface and acknowledgements

The woes of Sub-Saharan African manufacturing industry are well known. One basic problem is its inability to compete both at home, when exposed to direct import competition, and in export markets. Apart from niches – say, in resource-based industries or in activities serving small, localized markets – where it survives, there is little evidence of diversification or dynamism. In a world driven by rapid technical change, therefore, African industry is increasingly ‘out of the loop’, marginal to the global scene. The *World Industrial Development Report 2002* of UNIDO, in which one of the present authors is directly involved, finds that most African countries cluster at the bottom of the group of developing countries in an ‘industrial performance scoreboard’. More worrying is that their lag vis-à-vis other developing regions in most drivers of industrial development is increasing rather than decreasing.

Liberalization and adjustment have not changed African industrial prospects. On the contrary, where carried through intensely they have often made matters worse. African enterprises are being devastated in simple industries like clothing, footwear and the like by competition from other developing countries. Deprived of these entry-level activities, they are finding it impossible to move into complex industries where international competitiveness entails advanced skills, organizations and technological capabilities. Only a cumulative process of learning and upgrading can produce these capabilities; the learning process itself is being curtailed, even strangled. Yet it would be defeatist to argue that ‘Africa cannot industrialize’: industrialization remains the main engine of structural transformation. While not neglecting other productive sectors, Africa has to industrialize if it is to develop in the long term, and for this its enterprises must become competitive.

One vital element of industrialization is ‘national technology systems’ – the superstructure of institutions linked to industry that allows enterprises to access, deploy and improve imported technologies efficiently. National systems interact intimately with industrial enterprises; where both are weak, it is very difficult to promote sustained industrial growth. This is unfortunately the case in much of Africa – technologically weak enterprises coexisting with weak technology support institutions, with little interaction between the two. This aspect of development has not been adequately studied, and this book is a preliminary attempt to explore the issues.
The analysis here brings together fieldwork and desk research by the authors, funded by different agencies at different times. The work in Kenya, Tanzania, Uganda and Kenya took place in 1999 and 2000 and was financed under JITAP (Joint Integrated Technical Assistance Programme) by UNCTAD, WTO and the International Trade Centre. The Commonwealth Secretariat and the Government of Zimbabwe funded the work in Zimbabwe in 1997-98, in the context of an analysis of export competitiveness. The World Bank sponsored the paper by Lall on FDI in Africa in 1999, reproduced here in the Annex (with some amendments).

The fieldwork involved interviews with enterprises, business associations, government officials and major institutions dealing with industrial technology. Sanjaya Lall prepared the studies on Kenya, Tanzania and Zimbabwe, and Carlo Pietrobelli those on Ghana and Uganda.

We wish to thank the sponsors of the studies and all the people who gave generously of their time, effort and knowledge during the fieldwork. We cannot, for obvious reasons, thank them all individually, but this does not in any way diminish our gratitude. We also acknowledge our thanks to colleagues in Africa who organized the fieldwork and provided background information and analysis. Geoffrey Ngugi Mokabi collaborated with us in Kenya, Godwill George Wanga in Tanzania, Paul Sagala in Uganda and Joseph Oko Gogo in Ghana. The work in Zimbabwe benefited immensely from the involvement of Peter Robinson (of Zimconsult).

Our sincere thanks are due also to the UNCTAD staff who managed the JITAP project. In particular, we would like to acknowledge our debt to Khalil Hamdani, Menelea Masin, Bonapas Onguglo and Taffere Tesfachew, who provided guidance, encouragement, comments and administrative support. In the Commonwealth Secretariat, we would like to thank Rumman Faruqi and Ganeshan Wignaraja for their support of and participation in the analysis. In the World Bank, Miria Pigato commissioned the FDI paper and provided vital inputs for its preparation.

We have tried to make the analysis policy-oriented, but we believe that the book will also be useful for researchers into industry and technology in Africa. We hope that the cross-regional perspective will provide new insights into African problems, highlighting some problems that globalization poses for industrial 'latecomers'. We hope most of all that the book will encourage further work on the institutional framework for technology development. The issues it raises tend to be neglected by economists and assigned low priority by policy-makers; this bias has to be corrected.

Oxford and Rome
October 2001