

# **FLEXIBILITY AND NETWORKING: European and African Context**

**By**

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## **ABSTRACT**

### **Strategies & Industrialisation**

Discussions of Third World development and industrialisation, which have taken place since the Second World War can be summarized in a number of different strategies propagated at different times and places in the world. These are: import substitution, export orientation, basic needs industrialisation and latest agricultural-demand-led-industrialisation.

Most of these strategies perceive industrialisation as a transfer of technology from the industrialised countries. They tend to they tend directly or indirectly relate the production to the market structure and production environment in the developing countries. This is clearly the case for the export-orientation strategy propagated by (International Monetary Fund (IMF) during the 1980s in connection with the structural Adjustment Programmes. It is also the case for the import substitution strategy where the products which could have been imported from the industrialised countries are produced locally and use their technology.

It is to a large extent true for the industrialisation strategy associated with the basic needs strategy advocated during the 1970s by a number of countries e.g. Tanzania. Here the market was locally determined, but the production technology was typically a mass production technology which was rather uncritically introduced in order to produce cheap consumer goods or farm implements, but for which the local production environment and infrastructure was insufficient.

The exception is the agricultural-demand-led-industrialisation strategy which relates to the local market and focuses on labour intensive technology, to the specific local resource base. Much of the critique of the Structural Adjustment Programmes advanced since the end of the 1980s is based on that strategy (Steward, et al., 1992); the argument being that although an export production is necessary, the production for the home market is in almost all countries more important.

Until the 1980s most discussions of industrialisation were explicitly or implicitly based on the perception of industrialisation as a process leading from small scale to large scale production. The existence of small enterprises and informal activities was seen as an economic anomaly to be avoided. They were best seen to have a social function and in the long run had to disappear.

During the 1980s this perception of the small enterprises gradually changed. Researchers, donors and governments have now focused on the positive role of the small enterprises in the industrialisation process. However, the strong focus which the World Bank and many others have on the 'graduation' of the small enterprises indicates that they are still to large extent perceived as an intermediate solution.

This contrasts with most of the new theories of production systems developed during the last 10 to 15 years, for example flexible specialisation, network theories, theories of informalisation and the regulation school. These theories see the co-existence of many different production and distribution technologies as the norm, although the balance between the different technologies and organizations will change over time, partly as a result of the prevailing policy regimes.

Some writers see that process of change as a very simple stage model changing the production system from small scale production over fordism to post-fordism (flexible specialisation or informalisation). Others see it as a much more diversified process where national and local policies, resource endowments and social organisations as well as individual actors play an important role in structuring the production system, and where the different forms of industrial organisation are seen as simultaneous rather than consecutive.

Such perception of the industrialisation process is necessary in order to understand the structure and dynamics of the production system not only in Europe but also in Africa. It is the desire to develop such an understanding of the industrialisation process in the African countries which is the background for the articles in this book which were originally presented in a Conference held in Nairobi, January, 1993..