
SADRN Industrial Policy Inception Workshop Report

9 -10 September 2008

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1. Introduction

SADRN contributed to some of regional integration efforts through a particular initiative by coordinating industrial policy workshop in South Africa on September 10 – 11, 2008. The initiative was closely linked to some of SADC's regional goals encompassed in the Regional Indicative Strategic Development Programme as well as the broader vision of a "common future" as well as the on going development of regional industrial policy framework by the SADC Secretariat. The workshop provided first steps to facilitate research, discussions and debates between research community, policy makers and other relevant stakeholders in this area of industrial policy in the SADC region. The workshop engaged a number of policy makers and researchers across a range of SADC countries and was facilitated by Prof. Carlo Pietrobelli.

1. Background

SADRN held an Industrial Policy Inception workshop for Southern African countries on the 9th to the 10th of September 2008 at the Silver Lakes Country Club in Pretoria, South Africa. The focus of the workshop was to share ideas and experiences on industrial policy-making across the region and establish position and status of industrial policy activities within the region. Participants of the workshop were drawn from across the region, with representatives from government, research organisations and academic institutions. Eight of the fourteen SADC member countries were represented. These include Botswana, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland and Zimbabwe. There was also a representative from the SADC Secretariat's Industrial Policy department, several industrial policy experts from the region such as Prof Rob Davies (Former Professor of Economics at University of Zimbabwe and now with TIPS and Human Science Research Council), Prof. Mike Morris from University of Cape Town in South Africa, Zavareh Rustomjee, former Chief Director at the Department of Trade and Industry, Industrial Policy section in South Africa.

The workshop was graced with the presence of Prof Carlo Pietrobelli, a renowned economist from the University of Rome and also an expert in industrial policy in developing countries, particularly those of Latin-America. The presence of Prof Carlo Pietrobelli at the workshop was important as it brought along international experiences, in particular those from other developing countries from across the world.

2. Brief activity report

The workshop kicked off with a welcome and introduction from the Director of Trade and Industrial Policy Strategies (TIPS), Mr. Stephen Hanival. TIPS is the institute that houses the Southern African Development Regional Network (SADRN), under whose auspices the workshop was being held. SADRN is wholly funded by The International Development Research Centre (IDRC). Mmatlou Kalaba, a senior economist at TIPS and Coordinator of SADRN, gave a brief introduction of SADRN, with emphasis on broad objectives of building capacity, raising skills levels as well as contributing to policy – relevant research. SADRN aims to achieve these objectives through the increase in supply of research by producing more relevant research; through seminars and workshops targeting young researchers and policymakers so as to build capacity; through the involvement of policymakers and researchers in debating and discussing relevant issues and; identifying challenges and gaps and finding means of bridging those.

The Industrial Policy workshop was one of such SADRN activities towards reaching those goals. Emphasis was made on the fact that although SADRN works through TIPS, which provides a coordination and administrative support role, TIPS' role would be a soft-touching one nonetheless. SADRN's core activities, defined in its three thematic working groups, (industrial policy and sector development, trade in services and trade policy and linkages to pro-poor growth) will be spread across the region. One of the research themes has been allocated to the Botswana Institute of Development Policy Analysis (BIDPA) and the idea is to find a regional home for the two themes, preferably outside of South Africa.

Prof. Davies gave an interesting presentation that sought to define as well as justify the need for industrial policy. Industrial policy was defined as any policy that seeks to change the structure of the economy, which can be either selective or non-selective. The most important point made by Prof. Davies was the fact that successful industrialization anywhere in the world has been supported by state interventions, thus pointing to the need for southern Africa to take concerted and deliberate efforts towards an efficient industrial policy. Implicit in this effort should be the utilization of local knowledge as transplanted set-ups from an idealized market will not be considerate of local economies and societies as well as the nature of local institutions. Such local knowledge is important for a successful industrial policy. In response to Prof Davies' presentation, Prof Carlo Pietrobelli reiterated that industrial policy-making, design and implementation is a dynamic process that involves a lot of learning, hence it is mostly a question of transferring models. The effort should be to learn from experiences as experiences cannot be transferred and then transfer the lessons.

3. Country Presentations

After the presentation by Prof Davies, there followed country industrial policy presentations. Countries whose industrial policies were presented and debated include South Africa, Namibia, Botswana, Mauritius, Mozambique, Malawi, Zimbabwe and Swaziland. The presentations revealed some consistencies in approaches between countries, while in other areas there were clear differences between member states. For example, most countries preferred the route that attracts foreign direct investments (FDI), export processing zones (EPZs) job creation and also find ways that leads to poverty reduction through industrial policy development. There were also differences with most members not emphasizing the importance of competitiveness, as well as sectors which were targeted.

In other countries such as Malawi and Swaziland there was an indication of no clear cut industrial policies, and some, such as Mozambique, had overly ambitious plans that were not proportionate to their capacity and resources, there are a few concerns that emerged that were of relevance and were common to all countries. These are issues such as the effort to create a diversified industrial base that moves away from the industries that countries are traditionally known for. Creating competitive industries as well as infrastructural development was another objective. Another core objective of the southern African countries' industrial objectives is the generation of employment, alleviation of poverty and the improvement of people's standards of living. Countries were also keen to transform their economies from producers of primary goods to producers of secondary competitive goods as well. There is also a renewed emphasis on small and medium enterprises as engines of economic growth and diversification as well as the use of export processing zones. Identified among the key constraints was the lack of resources to implement policies, capacity difficulties, lack of coordination and cooperation mechanisms between policymakers and academia and entrenched production systems that concentrate on the production of primary goods as well as a failure sometimes, to determine the difference between trade policy and industrial policy and then the use of trade policy in promoting industry.

The presentation by SADC Secretariat representative provided a background of what the regional industrial policy initiatives entails. The Secretariat is working on the protocol on industrial policy in SADC which will serve as a semi law once it is ratified by member states. Nine sectors have been identified as key towards the development on a common industrial policy strategy. It also became apparent in the presentation that the industrial policy developments will be aligned to the trade policy. The draft documents will be distributed to the SADC public for comments before being finalised. There will also be several workshops to further discuss and debate the document and the process.

4. Main presentation

The final presentation was by Prof Pietrobelli on the second day of the workshop. He gave an impressive presentation that took into consideration the dynamics of the southern African countries as presented in their industrial policies or their industrialization drives and which also made a few recommendations on the formulation of workable industrial policies for the countries. His presentation was titled "The logic and the method of Industrial Policy: Concepts and practices". The presentation covered the theoretical foundations of industrial policy, focused on selected practices of industrial policy around the world and also drawing some implications for governments and relevance for countries in SADC and other developing world. He covered areas of different paradigms and well as showing the link between industrial policy and private sector, as well as how that link leads to growth which is a necessary condition if poverty is to be significantly reduced in this region.

5. Next steps

The workshop was closed with discussions on the subsequent steps about the Industrial Policy Training Workshop, this time with more time allocated to the workshop than two days. The SADC Secretariat was quiet keen to be an active participant in the follow up process, but so were other participants. Country representative committed to communicate and find other interested and relevant people in their respective countries so that they can be part of this process. That information was to be communicated with and forwarded to SADRN, and there will be further exchange of information in between the two Industrial Policy Training workshops. It was decided that the next Industrial Policy Training Workshop should be held in Gaborone Botswana in December 2008.

6. Appendix

a. Appendix A: Workshop Programme

Southern African Development Research Network

September 9 - 10, 2008

Silver Lakes Clubhouse, Pretoria

Day 1: Tuesday, 9th September

09.00 - 09:30	Registration
	Session 1:
09:30 - 09:40	Welcome and Introduction – Stephen Hanival
09:40 – 10:10	SADRN background – Mmatlou Kalaba
10:10 – 10:40	Industrial policy justification, - Rob Davies
10:40 - 11:00	Coffee Break
	Session 2:
11:00 – 11:30	Overview of Industrial policy initiatives – Mmatlou Kalaba
11:30 - 13:00	Industrial Policy Strategies in the SADC region: Country Presentations SACU Countries: South Africa, Namibia, Swaziland and Botswana
13:00 – 13:45	Lunch
	Session 3:
13:45 – 15:15	Industrial Policy Strategies in the SADC region: Country Presentations Franco-and Lusophone countries : Mauritius, Angola and Mozambique
15:15 – 15:30	Coffee Break

Session 4:

- 15.30 - 16:30 **Industrial Policy Strategies in the SADC region: Country Presentations**
Landlocked countries: Malawi and Zimbabwe
- 16:30 – 16:40 Wrap up of Day 1 activities
- 18:40 Leave for Dinner at Castle Baron

Day 2: Wednesday, 10th September

- 08.00 - 08:30 Arrival

Session 5:

- 08:30 - 09:00 Summary of country Industrial Policy initiatives – [Myriam Velia](#)
- 09:00 – 10:00 Discussions of Industrial Policies in SADC

- 10:00 - 10:15 Coffee Break**

Session 6

- 10:15 – 11:00 The logic and the method of industrial policy in developing countries – [Prof Carlo Pietrobelli](#)
- 11: 00 - 11:45 Discussions
- 11:45 – 12:30 **Lunch**

Session 7:

- 12:30 – 13:30 Discussions: Industrial Policy approach in SADC and concept notes
- 13:30 – 14:30 **Concluding remarks and way forward**
- 14:30 – **Closure**

b. Appendix A: Participants List

Industrial Policy Workshop Participants: 9-10 September 2008, Pretoria South Africa

	Country	Title	Name	Surname	Designation	Institution	Tel	Fax	email
1	Botswana	Ms	Khutsafalo	Sekolokwane	Researcher	BIDPA	267 3971750/ 3617724	267 3971748	sekolokwanek@bidpa.bw
2	Italy	Prof	Carlo	Pietrobelli	Director	Research Center on Economics of Institutions (CREI) University of Rome 3	39 06 5733 2476	39 06 5733 2511	c.pietrobelli@uniroma3.it
3	Malawi	Dr	Winford	Masanjala	Lecturer	University of Malawi	265 9 425 100	265 152 5021	wmasanjala@chanco.unima.m
4	Mauritius	Mr	Sawkut	Rojid	Lecturer	University of Mauritius	230 454 1041	230 266 2334	sawkutrojid@yahoo.com
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6	Mozambique	Ms	Nilsa	Miquidade	Deputy Director	Ministry of Industry and Commerce	258 82 321 5840	258 1 43 1206	nilsamik@mic.gov.mz
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			Hinaunye						
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12		Mr	Dayford	Nhema	Acting Deputy Director	Department of Enterprise Development	263 4 700571	263 4 705762	nhemadayford@yahoo.com.au
13	SADC Secretariat	Mr	William	Mbuta	Programme Officer	SADC Secretariat	267 395 1863 ext 5154	267 395 3528	wmbuta@sadc.int
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