Does Aid to Institution Development Work? Reflections on Personal Experiences

Ole David Koht Norbye

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Summary

The author has spent close to ten years as advisor to planning organisations in four developing countries: Pakistan, Kenya, the Sudan and Bangladesh. He raises the question whether the work of the advisory teams resulted in lasting improvements in the performance of these organisations. There is no doubt that the professional competence was improved while the team were there, also due to better performance by the counterpart staff. But very frequently successfully trained counterparts move to other organisations, or abroad, and this seriously weakened the impact. On the other hand an increased supply of well educated nationals has contributed to improved professional performance. But support to institution development cannot be expected to have strong short term effects as long as there is scarcity of well qualified national professional personnel.

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The issue

In recent years increasing emphasis has been put on "good governance" as an essential precondition for growth and development in poor countries. Good governance depends primarily on the political situation in each country. If the government in power follows policies which inhibit growth; and if the very legitimacy of the government is disputed with severe disorder, or even civil war as result, no amount or form of foreign development assistance can lead to economic growth and social development. However, many governments clearly demonstrate willingness to undertake actions that will foster development, but the government machinery may be weak and in any case badly adapted to initiate and implement effective measures. This weakness has been fully recognised by the aid donor countries and international organisations from the very beginning of the international efforts to assist the "underdeveloped" or later "developing countries" in their struggle to escape from stagnation and poverty. Support to "institution building" in independent developing countries started more than forty years ago, and the present emphasis on it in Norway and elsewhere is nothing new.

Personally I became involved in such efforts almost forty years ago, and in this essay I will look back on my own experiences in developing countries in Asia and Africa and try to assess whether the challenge was met in a satisfactory manner, and whether the results have justified the costs in terms of both financial and human resources, on the part of the recipient countries as well as the various donor organisation.

In the years 1959 to 1961 I worked in the Planning Commission in Pakistan, as industry adviser but, as member of a team, I also was involved in more general development issues; in 1965 to 1968 in the Ministry of Economic Planning and Development in Kenya as general economic adviser; in 1974 to 1975 in the Planning Commission in the Sudan, as leader of an international team of economic advisers; and finally in 1983 to 1985 in the Planning Commission in Bangladesh as member of a team for reform of the country's trade and industrial policies. In all four cases the donors' intention was to improve the capacity of the host organisations to analyse economic and social problems and opportunities to design policies that should lead to effective implementation and improved performance. In all these cases, on the job training of "counterparts" from the host country was meant to be the way in which these tasks should be carried out.

In all four countries there were teams of advisers from different countries and which consisting of about 6 to 8, up to 15 members. In Pakistan and Kenya a private nongovernmental organisation, the Ford Foundation in the United States, financed the operation, and in the case of Kenya the Foundation was also directly responsible for the management of the team. But in Pakistan the management and professional backstopping was by provided by Harvard University in the form of a Harvard Advisory Group. It was a pioneer effort which later led to the establishment of the present Harvard Institute for International Development (HIID). In the Sudan and Bangladesh, however, it was the international development organisations who financed and provided oversight of the operations. The team in Khartoum in the Sudan was financed by the United Nations Development Programme (UNDP), but the operation was excuted by the World Bank. In Bangladesh the source of finance was an IDA loan by the World Bank to Bangladesh, and the World Bank assigned HIID to manage the team and the programme, but followed the progress of the project closely. In this essay I will concentrate on three issues which I consider the most important: the environment in which the teams were working and the problems facing the respective countries; the way in which the teams operated; and, to the extent possible, I will assess the impact of what was done. These issues will be discussed seperately for each of the four countries, in chronological order.

Pakistan

For me, as for many others who work for the first time in a developing country in an unknown continent, being faced with the realities in Pakistan was to begin with a cultural shock. As tourist I had earlier on only paid brief visits to a few countries in the Middle East, and on arrival in Karachi I found much of the same. In the city centre there were no shops displaying luxuries, nor any luxury hotels, and public buildings were sober. But very soon I discovered that outside the centre this rapidly growing metropolis consisted of vast areas of large and comfortable one family houses surrounded by well kept gardens in sharp contrast to the desert just outside the city limits. In these large areas the residents were not only foreigners but mostly numerous well-to-do Pakistanis, while a very large part of the urban population lived in shacks in slums which have to be seen, and smelt, before someone from a wealthier country can grasp what poverty means in a developing country. I also had the opportunity to visit the very austere but nevertheless properly built dwellings of lower level civil servants. The variations in standards of living between the rich and upper middle classes, the lower middle classes, and the very poor ones were, and still are, depressing to observe for somebody from a country in which such poverty as still exists must look like a very comfortable way of living to the great majority of people in the poorest countries even today. An immediate reaction will inevitably be to ask if wealth and income could not be more equally distributed. But as an economist and statistician who in addition had been working for several years with the compilation and use of national income data, I knew only too well that the wealth of the more well-to-do people only to a limited extent in practice could be redistributed, and that the impact of such a redistribution would not make most destitute people less poor. The only basis on which poverty could be alleviated in a sustainable way, would be through greatly increased production and national income. However, when faced with such striking evidence of misery, I like so many others felt strongly that growth and development from the very beginning would have to be in a form that benefit the people at large, and not only small minorities.

My workplace in the Planning Commission was in a sober building, and the office equipment was spartan, with, at best, only ceiling fans in the offices which made it uncomfortable to work in a city where the temperature often reaches 40 degrees during the better part of the year. Such work environment undoubtedly helps to explain why the performance of most of the staff was slow and often of poor quality. The foreign advisers had the benefit of arriving much better prepared to work after a good sleep in an air-conditioned bedroom! Most of the work in the sections dealing with the different economic and social sectors, such as the industry section to which I was attached, consisted of reviewing proposals for new projects, or reports on ongoing ones. New letters and other documents were put on files which contained all previous documentation on a given subject. This meant that in some cases the official in charge could be faced with several very fat folders. Each case would normally move down to the most junior Planning Officer, and then upwards again to the Chief of the section who would forward his recommendations to the top management. The sense of hierarchy was very strong, and for a foreigner it was interesting to observe that anything that ressembled manual work was avoided by professionals at all levels: an officer would call the "peon" (messenger) to move a file folder from his own desk to that of a colleague for further review, even within the same room. The stenographer who had written what I had dictated, would send the paper by a peon, and had I followed the usual procedure, I would have had to call my peon to take the paper back to the typist with my corrections. However, as a foreigner I did not loose face by walking to the typing pool and talk to my male stenographer directly. These cumbersome work practices clearly slowed down the speed of operations.

The role of a sector adviser was to add his comments and suggestions to those of the junior and senior officials. This was an interesting and challenging task. With the exception of the Chief whom I had as "counterpart" during the last year of my work in Pakistan, the other officers would in most cases only make rather formal observations to the cases under review. Yet, for a considered advice or decision it was absolutely necessary to look into substantive issues. Take the case of project proposals which contained a number of assumptions about the suitablity of proposed location, raw material supplies, access to electricity, natural gas and transport facilities, markets for the products etc. For large projects the proposals were usually supported by beautifully presented reports by consultants, domestic and often foreign. Frequently there was reason to question many of the assumptions made, and if some of them clearly were on the optimistic side, the profitability shown for the project would become very doubtful. It was not always so easy for a foreigner to point out such doubts, as many Pakistanis would consider it as arrogant on the part of people from the industrialised North to question their ability to build competing manufacturing industries of their own.

However, it was possible to refer to other cases, to projects under implementation or which were already under operation which had suffered from severe cost overruns, or were operating well below the installed capacity.

When I arrived in Pakistan the fragile democratic system of the country had broken down and general Ayub was ruling the country with absolute power. The first years of his dictatorship turned out to be more successful than many observers had feared in advance. He gave the Planning Commission an important role. The new Chairman was given the rank of a cabinet minister, and he was a very competent administrator. The Harvard Advisory Group had already been in Pakistan for some years, and a first five year plan document had been written, but had not had a decisive impact on policies and project selection yet. But the Second Five Year Plan, covering the years 1960-65 was expected to become a far more important document which would guide policy actions and administrative decisions, and drafts on the plan were under elaboration. As a sector adviser it was not my role to write a chapter on manufacturing industries, but I tried to fulfil my role as an adviser by presenting a paper which outlined which data had to be used as basis for plans for the different sub-sectors.

In some branches of the manufacturing sector most if not all of the new capacity would be created in the public sector. The Pakistan Industrial Development Corporation (PIDC) had very dynamic leadership and had already built a number of factories in different sectors of the economy (notably jute textiles, cement, fertilisers, pulp and paper, mechanical industries, and sugar), both in West and East Pakistan. The idea behind PIDC was that it had to build factories which would have been too large for the private sector to create, because of lack of capital and experienced management, but when they were in operation, they could eventually be sold to private owners. The new plan would contain lists of projects to be implemented by PIDC. In most branches of manufacturing the new capacity would be created by private firms, but investment in new capacity was subject to government licencing. Hence the plan should contain targets that would set the limits for how many licences should be given.

During my first year in Pakistan the industry section had very weak leadership as it only had an acting chief. I kept on asking my counterparts how they had advanced on preparing draft sections on the different branches of manufacturing, and when nothing had been written three days before the time limit set by the strict Chairman of the Commission, I had only one thing to do: write the chapter myself, on the basis of statistics and other data I had assembled in the meantime. This was all wrong, of course, but it had to be done, and was so in the course of a couple of extremely hectic days at the end of which a couple of the Planning Officers and I myself assisted the clerical staff in assembling and stapling together the required number of stencilled copies early in the morning of the day of the deadline, before I drove them all to their respective quarters, and returned home at 4 AM.

My version of the draft chapter raised a very delicate political issue. West Pakistan was the main producer of raw cotton in undivided India, but when the partition took place on 15th August 1947 what became West Pakistan did not have a single large scale cotton spinning and weaving factory. Such factories were only on the Indian side of the new frontier. Similarily, most of the raw jute in India was grown in what became East Pakistan, but almost all of it was processed into jute fabrics in the area around Calcutta in the Indian state of West Bengal. In the early 1950s the government of Pakistan declared that as from the middle of the 1950s no more cotton textile import would be licenced, and the rich merchants, many of them who had come to West Pakistan from India after partition, managed to build up a large cotton textile industry from scratch in the course of a couple of years. Some cotton mills were also established in East Pakistan. However, the need for industrial expansion was even more urgent in the East and in the West, and my proposal was that the future expansion of cotton manufacturing should take place in the East. My argument was that virtually all developing countries build up their own textile industries as a first step towards industrialisation, and East Pakistan should not be deprived of that opportunity even though the cotton was grown in the West. As regards the development of the jute textile industry in the East, it had mainly been undertaken by PIDC because only a few rich businessmen had settled in the East and were able to create a large export oriented jute manufacturing sector with their own resources.

The newly created cotton textile industry had a capacity that far exceeded the domestic market, and some exports took place. The jute textile industry was from the very beginning created for export in line with the prevailing idea that poor raw material exporting countries should process their raw materials and thus create more income and employment. Both industries had larger capital costs than their competitors, notably in India, and in addition their management and workers had far less experience. In order to make these industries able to export on a profitable basis, around 1960 Pakistan introduced the so-called export voucher scheme for all manufacturing industries. The country was permanently short of foreign currency, exporters had to sell all their foreign exchange earnings to the central bank, and imports were controlled by strict licencing, and foreign goods, both consumer goods, raw materials and capital equipment were in short supply. The scheme that was introduced gave the exporters the right to keep 20 or in most cases 40 per cent of their foreign exchange earnings in the form of vouchers that gave them the automatic right to import goods that were subjected to a less stringent import control procedure. These included a number of consumer goods, raw materials, spare parts and even machinery and equipment. The exporters did not need to use the vouchers themselves, but could sell them to other importers of goods, and an organised market developed for export bonus vouchers, that initially were sold at 150 to 175 per cent of their face value. An exporter with 40 per cent export bonus entitlement therefore earned 60-75 per cent extra on the top of the sales price. This lead to a very significant expansion of exports from several manufacturing industries, and improved the profitability of the cotton and jute textile industries dramatically.

I have not found any documentation that indicates who succeeded to persuade the government to introduce this scheme that helped Pakistan to surpass the targets in the plan period 1960-65, but I was not personally involved. However, my work with the draft chapter for the various manufacturing industries had made me realise that attempts to set production and capacity targets for individual industries had to be based on far more analytical work than was done at that time. In the case of the so-called import substitution industries, targets were set on the basis of actual imports plus assumed surpressed demand because of import restrictions, to which was added projected increase in demand, and, in fact, most of these data were pure "guesstimates".

While still in Pakistan, I started to collect data that could be used to establish an input-output table which could provide more consistent projections of the demand for final and well as intermediate goods. In connection with the publication of the Second Five Year Plan, the Planning Commission also published a Perspective Plan for the period 1960-85, presenting many over-optimistic targets.

When I returned to Norway in 1961, I became member of a research team in the Chr. Michel-sen Institute, financed at that time by the Rockefeller Foundation, and I therefore had the opportunity to analyse the data further, using an input-output framework as analytical tool.[1] My study led to two important conclusions: first the high growth targets at the end of the period were probably far too optimistic, and second, it would not be possible, as the Perspective Plan had projected, to close the gap in per capita income between East and West Pakistan during that period.

On the latter point, while still in Pakistan, I had made a study of the regional incomes of the two provinces of Pakistan and produced a paper which showed that the income per capita in East Pakistan was considerably lower than in the West, and that the gap was growing. I distributed that paper within the Planning Commission, and many years later a senior official in Pakistan, who worked in the Planning Commission when the paper was distributed, told me that the Chairman had been furious when he received the paper, and had issued an order that all copies of it should be destroyed. This illustrates how difficult the relations between the two "wings" of Pakistan had become already at the beginning of the 1960s.

[1] The results were published in Ole David Koht Norbye, *Development prospects of Pakistan*, Universitetsforlaget, Oslo, 1968.

The Harvard Advisory Group in Pakistan at that period was quite large, with 7-8 advisers in Karachi and two each in the provincial capitals Lahore in the West and Dacca in the East. The team, while mostly including US nationals, also had several non-American members. Most of us were economists, but the team also had several non-economists; a sociologist had just left when I joined the team, and the housing sector was advised by an architect. It was much up to the individual adviser to plan their work, and to a large extent the work was decided by the issues that their respetive counterparts had to deal with. The relationship between the advisers and their counterparts was very friendly, and resulted in several life long friendships. The team members had regular meetings between themselves in which current issues were discussed. From the summer of 1960 the team had a very dynamic and imaginative team who held frequent meetings to discuss in depth his own ideas which were aimed at speeding up development, notably by asking for more food aid to be used for rural development programmes in particular. In so doing he acted more as a policy adviser than as an institution builder, but the role of the team members remained the strengthening of the analytical and managerial competence of the host country's own staff.

It is difficult to assess if the team members succeeded to do so in the short run. My own main counterpart was a thoughtful and hard working elderly civil servant who relied on his judgment and experience, but who appreciated my own attempts to develop analytical work. A young, bright economist from East Pakistan also joined the section, as Deputy Chief, while I was there. He had no practical experience, and he later left for further studies in England, and after a period of work in the independent Bangladesh, he eventually ended up as international civil servant in the United Nations. The other Deputy Chief, who was acting when I arrived, was engineer and had very rarely any substantive observations to make to matters that he dealt with. (He apparently later went to West Africa as UN financed industrial adviser.) I doubt if the junior staff really benefited much from my presence in the section although I had very good working relations with them.

There were other intellectually lively people in the Planning Commission at that time, notably Mahbub-ul-Haq who later had a brilliant career in the World Bank, as Minister for Finance and Planning in Pakistan, and then in the UNDP where he created the annual Human Development Report. He certainly absorbed very well the ideas and experiences of his foreign counterparts, but as he left the Planning Commission rather soon, it did not contribute to the strengthening of the institution itself. In short, when I look back on what happened, I find that too many of the "best and the brightest" left their institution for other challenges, and that many of the analytical efforts of the advisers may not have survived their departure. The quality of the work in the Planning Commission in Pakistan has certainly improved over time, notably due to the arrival of better educated younger people. I had the opportunity to visit the Planning Commission in Islamabad more than 15 years later, then installed in modern, comfortable premises in Pakistan's new capital, and the documentation published was clearly of a better quality than earlier. However, when in the 1980s I came to work with the Planning Commission in Bangladesh, I was a bit disturbed by finding that much of the work in the sector sections was conducted more or less as in Karachi 25 years earlier. There was some interesting analytical work going on, either undertaken by foreign professionals or by single individuals, but as an institution it was still characterised more by routine procedures than by analytical work.

Upon my arrival in Pakistan I was faced by an important problem: should I try to learn Urdu? For several reasons the answer was no. In a two year assignment one will hardly learn enough to be able to use the language until it was time to leave; in Pakistan the problem also was that people from East Pakistan do not generally understand Urdu; they speak Bengali; and finally English was the working language. It is, of course, agreeable to be able to speak to ordinary people, but the results of the efforts of somebody who has not a great talent for learning a foreign tongue do not justify the time unavoidably taking away from the professional pursuits. It is one thing I remember which I later learned to appreciate highly. When I arrived in Karachi, I was met by the team's administrative officer who told me that I was too well paid to use my time on practical matters, and instead I should concentrate on my professional job. Practical problems should be left to him and his office! In later assignments I learned fully to appreciate this: far too much time was then used to find housing, clear goods through custom, find workmen to repair things that were out of order etc. Another very good side of my first assignment was that I was allowed to travel frequently and exstensively in both provinces of Pakistan. In the provincial capitals we stayed with our team colleagues there and thus got a better insight in what happened at the provincial level. Most of these travels was paid by the Advisory Group itself, but there were occasions when I accompanied my counterpart of field trips as well. Such travelling is essential for a foreigner in order to better appreciate the situation in the country in which he is working. In particular I remember the fascinating experience of visits to a great variety of small industrial workshops which turned out the most incredible products under very primitive conditions. It was obviously very important to observe rural conditions more closely; particularly since at that time the great majority of people lived in purely rural areas.

Kenya

With impressions from Pakistan still in fresh memory it was a bit of a culture shock to arrive in 1965 in Kenya's capital Nairobi. It was then a middle-sized, pleasant, well built modern city with fine hotels, luxury shops, even a super market, beautiful parks and excellent streets. The slum areas were at that time not large, but underneath the almost European surface there was a social structure of the same kind as in other poor developing countries: a small, very prosperous minority who enjoyed all kinds of modern comfort; a relative small lower middle class of shopkeepers, artisans, qualified manual workers and lower level civil servants who lived in austere, but decent conditions; and the large majority of the rural people, and casual or "informal sector" workers and new migrants in the towns. Measured in terms of national income per capita Kenya was as poor as Pakistan, but it did not give the visitor the same impression of deep and hopeless poverty. But basically the problems were the same in both countries.

When I arrived in Kenya it had not yet celebrated its second anniversary of independence. Kenya had been one of the pearls of the British Empire. Its pleasant climate had led to a significant immigration of Europeans who had arranged to build an administrative and physical infrastructure that resembled that of the mother country. During the Mau Mau uprising some few years before independence in 1963 the Kikuyu leader Kenyatta had been looked upon as the devil himself by the European settlers; as President he suddenly enjoyed the confidence of almost everybody. One old Norwegian coffee farmer told me that he considered that they now had one of the best governments in the world. Once more I had the privilege of working in a country with "good governance".

Working and living conditions in Kenya were excellent. The climate is very good, no air conditioning was needed in offices that were located in well built and maintained government buildings, comfortable houses surrounded by gardens were available at reasonable prices, and shops had plenty of all kinds of goods a European from a well-to-do country needed or wanted to buy. No need for private imports, with the associated hassle to have them cleared through custom.

When I arrived in September 1965, a team from the Ford Foundation had already worked for some time in the Ministry of Economic Planning and Development (MEPD). The Foundation had a well staffed office in Nairobi, headed by a series of highly competent persons, who directly managed the team and provided such logistic support as was needed: finding houses and providing furniture, supplying the advisers with cars etc. An American professor, Ed Edwards, who had been economic adviser but had left shortly before my arrival, had had a particularly strong influence on the Minister, Tom Mboya who himself was a remarkable intelligent, competent and dynamic personality. As he belonged to the Luo tribe, which at that time represented the principal challenge to the supremacy of the Kikuyus, he had many enemies, and his competence and thorough knowledge of practically all matters discussed in the cabinet, did not make him more popular amongst his colleagues. (He was assasinated in 1969.) He and his adviser wrote in 1965 the famous "Sessional Paper no. 10 - 1965: African socialism and its application to planning in Kenya". It argued in favour of a mixed economy, clearly influenced by both United States "liberal" and European social democratic ideas. It was from the very beginning derided by radical intellectuals, both Kenyans and foreign, and became even more controversial when President Nyerere in Tanzania in the Arusha Declaration of 1967 outlined the more radical "real" road to African Socialism.

The Ministry of Economic Planning and Development was a new ministry and, with the exception of the then Statistics Devision, it was staffed only by Kenyans, mostly Africans and a few Asians (after the partition of India, Indian immigrants in East Africa were referred to as Asians). The ministry was under staffed, and the advisers, not only from Ford Foundation, but from United Kingdom and France as well, had to do their full share of the day to day work. But we all had Kenyan colleagues who also were our "counterparts". My principal counterpart during the first couple of years was the Chief Planning Officer, the late Philip Ndegwa, later one of Africa's most influential economists, who subsequently held several top positions in Kenya (Permanent Secretary; Governor of Bank of Kenya). In many of the older ministries the top management was still in the hands of British civil servants, but the process of "Africanisation" was rapid, and most Permanent Secretaries and other top officials had been replaced by Kenyans when I left the country at the end of 1968. In a few cases former British officials remained in the ministry for some time as advisers.Towards the end of my stay I was assigned to work on plan implementation, a very interesting task which requested field trips with colleagues in the implementation section, and at times also the Assistant Minister. As part of their training some Kenyan officers were sent abroad for further studies, in at least one case, leaving the adviser without a counterpart.

Kenya is a good example of the inherent rivalry between a powerful Ministry of Finance and a government body in charge of overall planning. In Kenya the MEPD was entitled to participate in the shaping of the annual **development** budget, whereas the Ministry of Finance had full control over the **recurrent** income and expenditure budget. A multiyear plan designed by the MEPD (and subsequently approved by the government) would include planned development expenditure by year, but its implementation would depend on the **size** of the annual development budgets, which initially would be decided by the Ministry of Finance. The MEPD had to fight with the Ministry of Finance to get enough funds in the development budget to implement the plan. It was a difficult task as the civil servants in the Ministry of Finance were very prudent and conservative. Even the very strong Minister of Economic Planning and Development, supported by analytic work done by his ministry, did not always succeed. Also as regards the release of money under the approved budget, the Ministry of Finance exercised a strong influence. However, in the course of the late 1960s mutual respect and cooperation between the two key ministries increased considerably.

In the first year of my stay as economic adviser it became my principal task to help put together and draft parts of the country's first Development Plan 1966-70. A key issue was the growth of the national income that could be assumed for the plan period, not only because of its impact on the wellbeing of people, but also because it would be the basis for the mobilisation of domestic resources for the development effort. Professor Edwards had proposed a relatively modest growth target, and in a short repeat visit to Kenya he insisted that this should not be set higher. However, as a national income statistician I was myself not convinced and had lengthy discussions with a very competent Kenyan officer in charge of national income estimation in the Statistics Division. From our review of the growth potential for sectors other than agriculture and manufacturing we concluded that the target could be raised. (In fact, the growth during the five year plan period exceeded also the higher target.)[2] In the MEPD the responsibility for estimating government revenues was in charge of a competent Kenyan (not supported by any foreign adviser) who produced relevant analytical work.

It was easier to formulate a consistent development plan in Kenya than it had been in Pakistan. The availability of data was better and more reliable. But agriculture represented a crucial but somewhat unpredictable factor. Modern market oriented farming had been established in Kenya by mostly European immigrants on large farms, plantation estates and ranches. Only towards the end of British rule were African smallholders permitted to grow export crops, notably coffee. The foreign settlers had taken land which seemed to them not to be used by the native population, but at independence population pressure in some areas, notably the Kikuyu districts north of Nairobi, had become very heavy, and a large area of settler farms was expropriated and allocated to African farmers. Initially, the newcomers could not farm the land as efficiently as the settlers had been able to, and the future growth of farm production was considered as uncertain. Later developments have been favourable, however. As regards manufacturing the modern industries were owned by European and Asian immigrants and some foreign firms, and its further expansion was mainly to take place in the private sector. A critical issue was the development of the transport network. The railways were the backbone of the transport network, and donors insisted that it should continue to be so and would help to improve their efficiency. The donors refused to help finance an all year motorable road between Nairobi and the port city Mombasa, but the government went ahead and financed it by its own resources, a decision which proved to be sound. It is not always wise by a developing country to be led by foreign advice and pressure.

The existing transport network mainly served areas in the "highlands" in which foreign immigrants had settled. During the last year of my assignment in Kenya I also visited areas mainly inhabited by the original population, and travels to such places were uncomfortable and dusty in dry weather and became very hazardous when it was raining! Almost ten years later I revisited some of the same areas which then were served by excellent hard surface roads, and it was remarkable to observe how the economic and social conditions had changed during such a short period.

[2] The management of the Statistics Division expressed interest in supplementing the existing national income estimates with an input-output matrix which *inter alia* would better assure that the estimates were internally consistent. Work on such an input-output matrix was started shortly after the end of my stay in Kenya, with researchers from Chr. Michelsen Institute undertaking much of the work.