In this article the translog cost function with non-neutral parameter shifts is used to study the import demand functions of agricultural commodities which African countries export in competition with other developing regions of the world. It is shown that there has been a systematic bias against the import of these commodities from Africa in favor of importing them from other developing regions. It is then argued that these results support the apprehensions of many African leaders regarding the adoption of a policy of agriculture-based, export-led growth to accelerate economic development on the continent.

I.

The purpose of this study is to examine the prospects for export-led growth in tropical Africa based on agricultural raw materials. Specifically, the article analyzes whether there is a significant non-price-induced preference in the world market for nontropical agricultural raw materials. Also examined is the extent to which there is a non-price-induced preference for non-African sources in the market for tropical agricultural raw materials.

Since 1981 there have been ongoing discussions regarding the relative merits of propositions made separately by the World Bank and the Organization for African Unity (OAU) for the acceleration of economic growth in sub-Saharan Africa. According to the World Bank’s propositions, tropical African countries should emphasize export-led growth based on their comparative advantage in the production of agricultural raw materials. In a contrary proposal, the leaders of OAU member states rejected the suggestions of the World Bank. Instead, they proposed an internally propelled self-sufficiency growth strategy.
It has been ten years since the propositions of the OAU and World Bank were made. Therefore, the analysis and discussion in this article deal with the fundamental problem of the constraints surrounding export-led growth, and especially in the narrower context of agriculture-based export-led growth. Since the OAU and World Bank propositions provide an opportunity to discuss an important problem, the following paragraphs will make considerable reference to them.

The competing propositions were made in two separate documents after extensive analysis and studies by the two institutions. The OAU made its recommendations in a document titled, *The Lagos Plan of Action for The Economic Development of Africa, 1980–2000.* The World Bank made its own recommendations in a document titled, *Accelerated Development In Sub Saharan Africa: An Agenda for Action.* Both the OAU and the World Bank studied the causes of Africa’s economic stagnation and recommended ways to accelerate development in order to end the crisis. The World Bank came to the conclusion that Africa’s problems were due, primarily, to internal mismanagement and misguided policies by the leaders of the continent. Problems such as misaligned exchange rates that discriminate against exports, distorted incentive structures for factors of production, and price subsidies were cited to support the World Bank’s claim. On the other hand, the OAU claimed that Africa’s problems were due, primarily, to external constraints beyond the control of African leaders and policy makers. In particular, the effects of colonialism, trade barriers in the advanced countries, and discriminatory trade practices by the industrial countries that buy agricultural raw materials, among others, were cited as factors that constrain the ability of African countries to participate in the international economic system.

In addition to other policy recommendations, the World Bank suggested that African countries adopt an export-led growth strategy based on the export of agricultural raw materials. Since the OAU believed that African countries face external constraints beyond the control of their leaders, it recommended that these countries adopt an internally propelled economic growth strategy. Such an approach to development would include self-sufficiency in foodstuffs production, and increased intra-African trade. It is, then, the purpose of this article to determine if there is a basis for the claim that there are external constraints against an export growth strategy, based on agricultural exports.

The balance of the article is organized as follows: The OAU-World Bank debate on development in Africa is examined in Section II. Specifically, this section will take the World Bank suggestions as given, and