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D 00217



United Nations Industrial Development Organization

Organisation for Economic Co-operation and Development -
Development Centre

Expert Group Meeting on the Role and Promotion
of Subcontracting in Industrial Development

Paris, France, 6-11 October 1969

Distr.
LIMITED

TD/WI.41/12
CD/PIE(69)17

21 November 1969

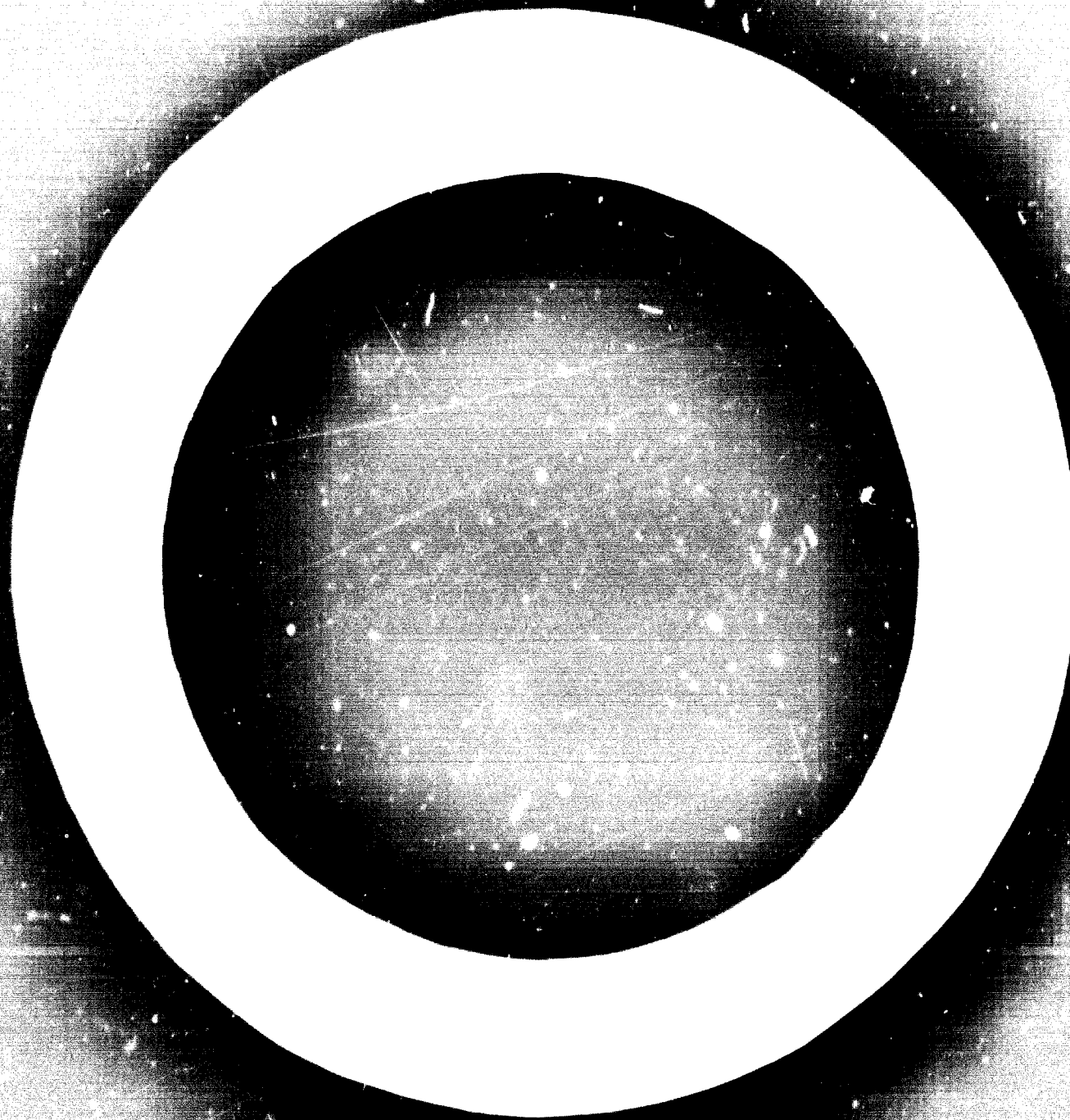
ENGLISH

THE ACTIVITIES OF THE OECD IN THE FIELD OF
"COLLECTIVE ACTIONS" AND SUB-CONTRACTING WITHIN THE
FRAMEWORK OF THE PROMOTION OF SMALL AND MEDIUM-SIZED ENTERPRISES ✓

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id.69-5983

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FACTIVITUDE OF THE ORGANISATION OF ECONOMIC CO-OPERATION
AND SUBCONTRACTING WITHIN THE FRAMEWORK OF THE POLICY OF
SMALL AND MEDIUM-SIZED ENTERPRISES

The Organisation for Economic Co-operation and Development has dealt with the problems of subcontracting, particularly in the framework of action in favour of the promotion of small and medium-sized enterprises.

Within the Organisation for European Economic Co-operation and preceding the OECD, the promotion of small and medium-sized enterprises was already one of the main preoccupations of the European Productivity Agency, thus reflecting the interest attached to this problem by the national authorities, generally as a whole, and their activities under the auspices of the various national productivity centres has examined together all the economic and policy methods by which it might be possible to convert the existing policies based on subsidies which were sometimes arbitrary into rational systems which would be an incentive to the heads of small enterprises and would help to develop their qualities of expansion and adaptation to the rapidly changing conditions of the economy.

A certain number of these methods, which were given the generic term of collective actions, proved to be of great efficiency if they alone could, while continuing to respect the individuality and freedom of action to which the small firm, in its traditional mould, gives the, or providing, they brought the necessary help, enabling them to adapt their structure to the new economic and technical conditions and to survive the necessary changes.

For this reason, the OECD, assisted by the International Association of Scientific and Small and Medium-Sized Enterprises, organised a Conference in September 1964 which was attended by delegates from all its Member countries, on "collective actions taken by small and medium-sized enterprises to adapt themselves to new market conditions."

Even then, particular attention was paid to a special form of collective actions which had come into being in some of the French provinces and whose effectiveness had made it an exportable commodity, namely, subcontracting clearing-houses which consisted of a very flexible system enabling the subcontracting relations to be rationalised in a determined region. These subcontracting clearing-houses could well be the starting point of a whole series of measures likely to favour all the industrial development of this region (and, the country, as a whole in the case of the creation of a well-balanced network of such bodies).

When the Development Centre was created in 1965 and was given the task of "transferring experience", the importance of small enterprises for the economic, social and technical

progress of the developing countries rapidly became apparent at the same time as the necessity to introduce in these same countries general policies and national systems to promote these small industries.

This was the reason why the Development Centre organised in Paris in September 1967 an Inter-Regional Symposium for the exchange of experience on the "promotion of the small and medium-sized enterprise in the developing countries." During this symposium emphasis was put on collective actions. An important place was also given to subcontracting and in particular to subcontracting clear-cut cases which had in the meantime resulted in some spectacular successes.

It is within this context that when the Development Centre was approached by the United Nations Industrial Development Organization on this subject, it gladly agreed to collaborate in the organization of an expert group on the Role and Promotion of Subcontracting in Industrial Development as this constitutes both a more profound study and, to a certain extent, an enlargement of several of the points already discussed during the 1967 Symposium. For example, during this meeting, it was found necessary to go outside the rigid framework of subcontracting leading houses in order to discuss certain essential characteristics of subcontracting as a whole such as the necessity of introducing certain ethical rules and disciplines. On the other hand, the expert group meeting will find it necessary to take up again certain considerations as to the role of subcontracting in area redevelopment and industrial estates which were studied in a more general manner in September 1967.

At the conclusion of the 1967 Symposium the Development Centre confirmed its intention to continue its general action to promote small and medium-sized enterprises in the developing countries. A certain number of international organizations: UN (Asian Productivity Organization), UNCTAD (United Nations Economic Commission for Latin America), AID (Asociación Interamericana de Productividad) and AICO (Afro-Asian Organization for Economic Co-operation) had expressed their intention to facilitate the creation of regional centres to assist the small enterprise and the Development Centre announced its willingness to support the action of these centres by relying in particular on the reports of the International Association of Crafts and Small and Medium-Sized Enterprises which has an advisory status with the UNCTAD.

Without waiting for the actual creation of these regional co-operation bodies, the Development Centre, in reply to a certain number of specific requests that it had received, has already organized the following expert missions:

a) in various Asian countries of the AIC (East Pakistan, Hong Kong, India, Iran, Japan, Philippines, Thailand, West Pakistan) the report by Mr. Drenth (of the firm Nienhuis) "Study of the

problems of modernisation of small industries in Asia," OECD, June 1969.

b) more particularly in India, following a special request from this country. See Report by Mr. Holtz, Secretary General of the International Federation of Small and Medium-Sized Industrial Enterprises, OECD, June 1969.

c) In the countries of Latin America that are to be visited by H. J. Leonard of the "Union d'Action Internationale P.M.P." (International Cooperation Union for Small and Medium-sized Enterprises) between 15th October and 20th December (more specially Brazil, Uruguay, Argentina, Chile, Peru, Colombia, Venezuela).

The object of these missions is to study the possibilities of introducing and adapting collective actions in these countries. The first results are already very encouraging and among these actions to promote small industry, subcontracting relations play a part of ever increasing importance on account of the repercussions they can have on industrial development as a whole at all levels.

It can be foreseen that the exchange of experience among the expert group organised jointly by UNIDO and the OECD will be the starting point of a further series of actions which will be undertaken by the interested organisations.





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