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for a sustainable future

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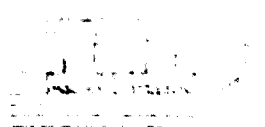
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United Nations Industrial Development Organization
 Economic and Social Commission for Asia and the Pacific
 Centre for Industrial Development

Workshop Meeting on the Role of Subcontracting in Industrial Development

Paris, France, 6-13 October 1969

AIDE-MEMOIRE

I. Background

1. Subcontracting between large and small industrial establishments is a feature of a modern industrial economy. In the industrial countries, a whole network of complementary relationships exists, in which large industrial corporations rely on smaller undertakings for the manufacture of various components and sub-assemblies, or for certain production and finishing operations, which they incorporate into their own products.

2. In the developing countries, even in those where large enterprises are established in industries lending themselves to subcontracting, there are hardly any such relationships between them and small-scale industries. As a rule, large industries in these countries are set up as self-contained units manufacturing under their own roof a variety of items which, in industrial economies, would be produced by outside firms.

3. In spite of the wide practice of subcontracting in the industrial countries, very little is to be found in the economic literature on its role, organization, methods and results. The literature on the role of subcontracting in developing economies is practically non-existent.

4. In view of this, the United Nations Industrial Development Organization (UNIDO) has included in its work programme a number of projects on subcontracting. These include the organization of meetings, both interregional and regional, and the conduct of research studies. The purpose of these projects is to gain the knowledge of this form of industrial organization, to evaluate guidelines for offering advice by governments of developing countries in this area, and to pave the way for technical co-operation projects for the promotion of subcontracting in these

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards even though the best possible copy was used for preparing the master fiche.

countries. Some of these projects will be carried out in co-operation with other international organizations, both within and outside the United Nations.

Subcontracting has also been one of the factors considered by the OECD Development Centre in the work it has undertaken in the field of industrial development. It was one of the important topics included in the programme of the Symposium organized in September 1967 on "Resistance to small and medium-sized firms through collective actions" followed up by expert missions carried out in liaison with the International Association of Crafts and Small and Medium-Sized Enterprises.

For this reason the project is jointly sponsored by UNIDO and the Development Centre of OECD.

III. Purpose of the Expert Group Meeting

9. The UNIDO/OECD project is to organize an Expert Group meeting on subcontracting between large and small industries. Its purpose is to formulate, in the light of experience gained in selected industrial and developing countries, guidelines on the role which could be played by subcontracting in the industrialisation of the developing nations, and on the measures necessary for promoting and regulating it. It is expected, in particular, that the conclusions of the meeting will provide guidance for projects under technical co-operation programmes.

10. In view of the fact that subcontracting is mainly practised in the industrial countries, the meeting will bring together participants from both developed and developing countries in the expectation that a transfer of experience from the former to the latter will be achieved through the project.

III. Time and venue

11. The Expert Group Meeting will be held at OECD Headquarters, in Paris, from 6 to 11 October, 1969.

IV. Participants

12. The participants are expected to be persons involved in subcontracting operations on behalf either of large-scale industries or of trade organizations, of small business promotion centres or of Governments. Participants will attend in their individual capacities as experts rather than as representatives of their Governments. They will be expected to attend the meeting for its entire duration.

13. The meeting will be attended also by officials and consultants of UNIDO and OECD, of specialized agencies of the United Nations and of certain other international organizations.

14. Each country participant will be expected to submit a report containing a brief description of his country's experience in the field of subcontracting. Some of the participants will be requested to discuss also specific aspects of the subject. Each country report should not exceed 10 pages. It should be submitted to the organization issuing the invitation - UNIDO or the Development Centre - by 30th August 1969 at the latest.

V. Organisation of the Meeting

12. Plenary meetings will be held once or twice daily, in accordance with the work schedule established by the Experts Group. Discussion will be of the "round-table" type.

13. Interpretation in and into English, French and Spanish will be provided. Documents will be issued in all three languages.

VI. Financial Arrangements

14. UNIDO and the Development Centre of OPEC, respectively, will provide the following for each selected participant:

- (a) Round-trip economy class air ticket between the point of departure in the home country of origin and back to the original point of departure;
- (b) Subsistence allowance for six days;
- (c) Terminal allowances.

15. The Organisations or Governments employing the participants will be required to bear the following expenses:

- (a) All the expenses in the home country incidental to travel abroad, including expenses for transport, visas, medical examinations, passport fees, and such miscellaneous charges as may be incurred in the course of departure in home country;
- (b) Salary and terminal allowances for the period of absence during the period of the meeting.

16. Neither UNIDO nor the Development Centre of OPEC will have responsibility for the following expenditures:

- (a) Travel and other costs incurred by participants who must accompany the participants;
- (b) Costs incurred by participants with respect to life insurance, accident insurance, medical liability or other protection in connection with their activities in the home country;
- (c) Compensation in the event of death or disability of participants in connection with their activities in the meeting;
- (d) Loss of and/or damage to personal property of participants while attending the meeting.

VII. Provisional Agenda

Attached.





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