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*for a sustainable future*

## OCCASION

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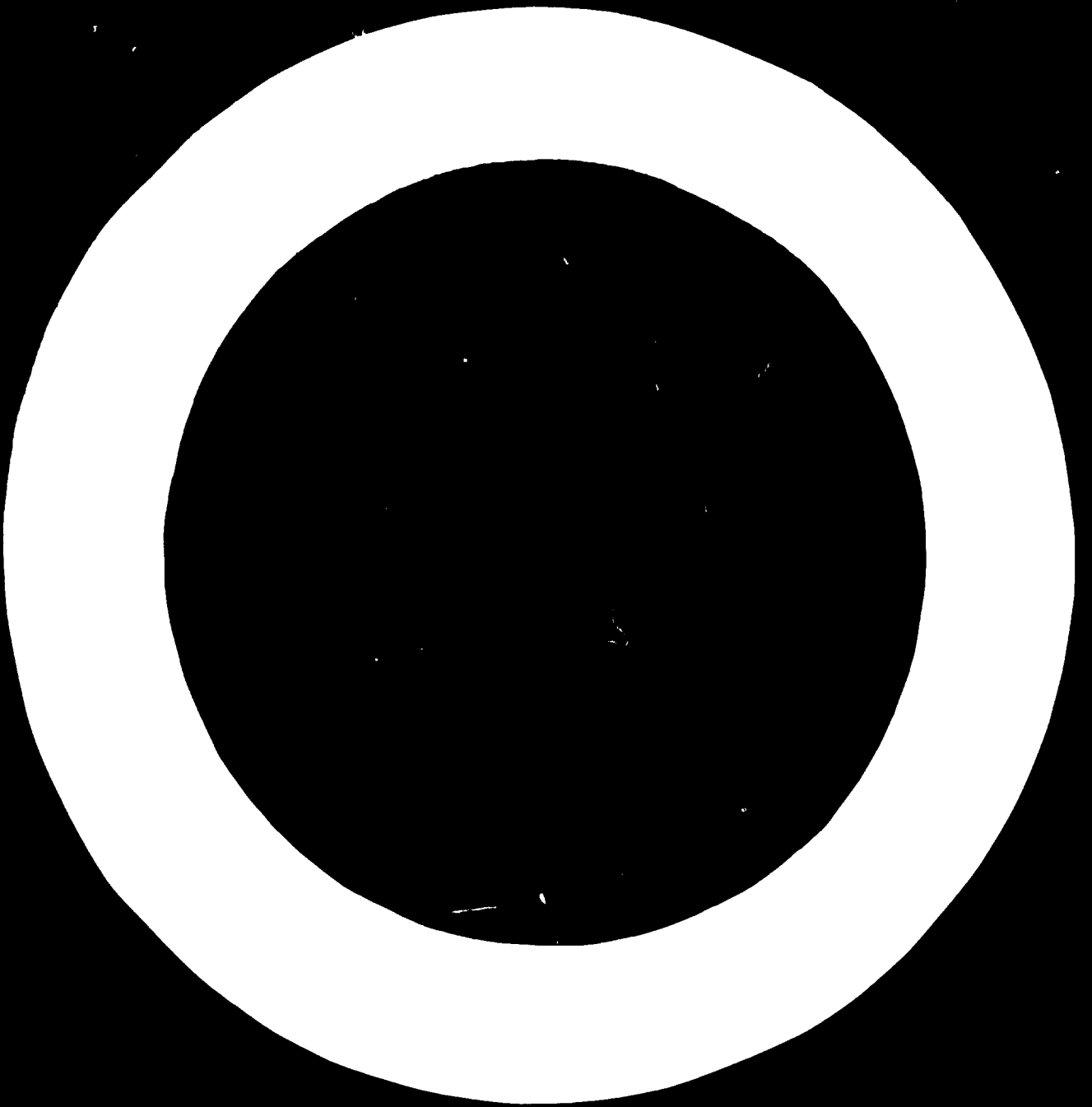


UNITED STATES  
DEPARTMENT OF COMMERCE

Report of the  
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on the  
Condition of the  
Manufacturing  
Industry in  
the United States  
for the Year 1914

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The total number of persons employed in 1963 was 2,504,000 of which 1,500,000 persons were engaged in agriculture. Of the remaining 1,004,000 employed in non-agricultural pursuits about 65% were engaged in the small enterprise sector. In the same period, that is 1963 the estimated gross output from manufacturing enterprises in Ghana was equivalent to N¢ 180 millions and out of this total output small manufacturing enterprises contributed 1/3 or about N¢ 60 millions.

## 2. DEFINITION OF SMALL-SCALE INDUSTRIES

In the past there had been no legal or generally accepted definition of small-scale as applied to industrial or other entrepreneurial establishments in Ghana. The definition of "less than 10 persons engaged" was adopted in the Area Sample Survey of small manufacturing establishments in 1963 as has already been mentioned in an earlier paragraph. In 1962, the Cabinet of the then government decided that small-scale industry be defined as a manufacturing or processing establishment employing not more than 30 workmen using motive power; having fixed capital investment not exceeding N¢ 100,000 or £50,000 and holding no monopolistic position or being otherwise dominating in its field or operation. Of late in December 1963, the then Government of Ghana in a Decree No.323 defined small-scale enterprise as any enterprise engaged in extractive, processing or manufacturing business or in any approved business, employing 30 persons or less (including working proprietors) and requiring simple production or operational techniques and or with a fixed capital investment of £ 50,000 (N¢100,000.00) One hundred thousand new cedis or less.

## 3. PRINCIPAL SMALL-SCALE INDUSTRIES AND THEIR PRODUCTS

Throughout the length and breadth of Ghana a varied number of small-scale industrial enterprises can be recognised. Ghana is divided for administrative purposes into nine regions and one would see some of the under-mentioned establishments in operation:

Weaving (kente cloths, smocks etc.); spinning, basketry and canework (shopping baskets, babycoats, trays); industries based on fibre (door and floor mats, coir fibre), tailoring and garment manufacturing, tanning, leather work including shoe-making; pottery, carpentry and

woodwork, ivory carving; fruit preservation, seed production, alcohol distilling, oil extraction and refining, salt production, laundries, plastics, blacksmithing, carpentry and fitting, etc.

#### 4. OPERATION OF SMALL-SCALE INDUSTRIES

Although in the past Government owned a number of industrial projects financed from public funds, many of these enterprises were sold to private enterprise. These small industrial projects commenced by the defunct ISSCO (an organization financed from public funds) are now being sold out to indigenous Ghanaians as Government policy at present is not to engage in direct industrial activity. Various reasons motivated the decision to dispose of these small-scale State industrial projects. Most of the projects were ill-planned; some were located far from the source and supply of raw materials and others due to lack of efficient management. Apart from these State-owned small-scale industries which have been offered for sale, a majority of the small manufacturing enterprises are privately owned. Co-operative forms of ownership of small-scale manufacturing enterprises is also evident but has not, for the most part, been encouraged in the industrial sector. The national policy is to encourage the formation and development of co-operative societies, namely, consumer producer and industrial co-operatives. To mention a few, societies have been formed for the distillation of local gin (a reteschie) of which there are over 15,000 societies, also many, many, etc.

#### 5. GOVERNMENT PLANS AND POLICY IN INDUSTRIES SINCE THE PAST FEW YEARS

In 1951, the Ghana Industrial Development Corporation was established as a public corporation to exercise the following functions:

- (a) to establish state-owned industries
- (b) to aid Ghanaian businessmen.

The GIDC in pursuance of its functions controlled 21 industrial establishments including the Salt Commission, distilleries, boatyards, furniture and joinery, paper production, hotels, car shops, bakeries etc. The GIDC also established a loan scheme aimed at granting loans to small Ghanaian entrepreneurs to administer their enterprises.

On 21st November, 1961, the GIDC was dissolved and its powers, duties and functions, assets and liabilities transferred to the then Ministry of Light and Heavy Industries. On liquidation some of the industrial enterprises were sold out to private enterprises, other smaller units such as the oil extraction plants were amalgamated into larger units and run as State Corporations. The Co-operative Society (Ghana) Ltd. (popularly known as INDUSCO), one of the subsidiaries of the Ghana Industrial Development Corporation was established in 1959 as an apex body to co-ordinate the activities of national organizations such as the Trades Union Congress, United Ghana Farmers Council Co-operatives, Labour Co-operatives, and small handicraft and mechanical enterprises. Originally it was intended that the activities of INDUSCO should be financed from INVICSCO (Co-operative Investment Trust) in the form of loans. INDUSCO received direct loans aid from Government, subsequently and proceeded to the establishment of five oil extraction enterprises, four motor repair workshops, one stone quarry, one jute bag factory, a bakery, carpentry workshop, five rice mills, six rattan, four coir fibre and three bamboo processing factories. In July, 1961, INDUSCO was re-named Ghana Rural Industries Limited and was made a subsidiary of GIDC. In 1962 GRI Ltd. was re-christened Ghana Rural Industries Corporation and shortly afterwards, the Corporation was liquidated, some of its industrial projects were sold and to private interests, others created into separate State-owned enterprises e.g. the Jute Bag factory in Kumasi. The Rattan, coir fibre and bamboo processing units which had not then been completed were retained under the jurisdiction of the Ministry of Industries with the object of bringing them to completion and profitable working before handing them over to co-operative ownership. In April, 1965, a new Ministry of Rural Industries took over responsibility for the coir fibre, rattan and bamboo projects and outlined a programme for their development together with the establishment of further enterprises for which local raw materials were available. In February, 1966 the Ministry of Rural Industries was abolished as part of the retrenchment and reconstruction programme of the new Government and responsibility for these industries passed back



to the Ministry of Industries. In 1957/58 Government decided that all these projects commenced by the National I.R.S. should be sold to private interest.

In spite of the very considerable contributions made by small-scale industries to output and to the employment of labour in the country, the Seven Year Development Plan 1957/58 - 1962/63 made no specific proposals or provisions for the development of small-scale industries. The plan made only a brief mention of them. The small-scale sector was indicated that it will enter the period of rapid growth in the coming era. With the passage of the development of the 7-Year Development Plan, the growth of the number of small-scale enterprises in China was found to be slow. In 1957, Government appointed a Select Committee to inquire into the problem which impede the progress of small scale enterprises and to recommend measures on that account should be taken to improve their conditions, strengthen their management and production and to assist them to prosper. The Committee in its report recommended the Government should initiate a national programme of assistance to small scale enterprises to encourage and assist indigenous small scale enterprises. At the close of 1957 the I.L.O./U.N. Economic Commission on the position regarding small-scale enterprises (including small and medium), their potentialities for development and the steps to be taken to that effect recommended for the first time a list of measures to be taken. The report of the I.L.O. was accepted by Government with some slight modifications. Briefly the programme is as follows: (a) the development and implementation of an integrated scheme for small scale enterprise development to selected small entrepreneurs and concerns found that enterprises are already viable or potentially viable and are directly or indirectly to the economic needs of the country. The parallel or complementary organizations are to be established so that to provide them the services which will be available to small entrepreneurs free of or at a very low nominal cost such as pre-investment survey and planning, financing and consultancy service, whilst the other will provide facilities such as industrial estates, assistance with technical help, start-up fixed capital and for turning costs, joint technical and management services, etc. (b) all of which the small scale enterprises are to be developed in the country.



information. Coupled with this is the lack of training facilities for the personnel employed by these small-scale enterprises. Another drawback to small industry promotion and development is the lack of power supply in the rural areas of the country. Finally it must be mentioned that insufficient co-ordination of efforts on the part of governmental and private bodies and organisation hinder the development of these industries and also even though the Co-operative Society system is recognised, there is the inherent resistance to co-operative activities.

7. ASSISTANCE TO AND SERVICES FOR SMALL-SCALE INDUSTRIES PROVIDED BY PUBLIC AUTHORITIES AND PRIVATE INSTITUTIONS AND ORGANISATIONS

(a) Regarding financial assistance given by public authorities, I may here mention the National Investment Bank which was established by an Act of Parliament on 22nd March, 1963 to carry on business of assisting industrial, commercial, agricultural and other enterprises by granting medium and long-term loans, and making guarantees. The Bank through its technical department known as the Development Service Institute assists local and foreign entrepreneurs in establishing and operating industrial enterprises by performing the survey of economic, market and technical feasibility studies of proposed projects as well as assisting in the presentation, establishment and operation of projects. In addition the Institute carries out continuous research into sectors of the national economy with a view to disclosing profile fields of investment opportunities and disseminating the results of such research so as to stimulate the interest of foreign and local investors to invest in such enterprise. The services in relation to feasibility and viability studies are available against payment for the services provided in compiling and studying the data. The loan or controlled credit scheme only applies to borrowers with minimum requirements for additional capital of £10,000.00.

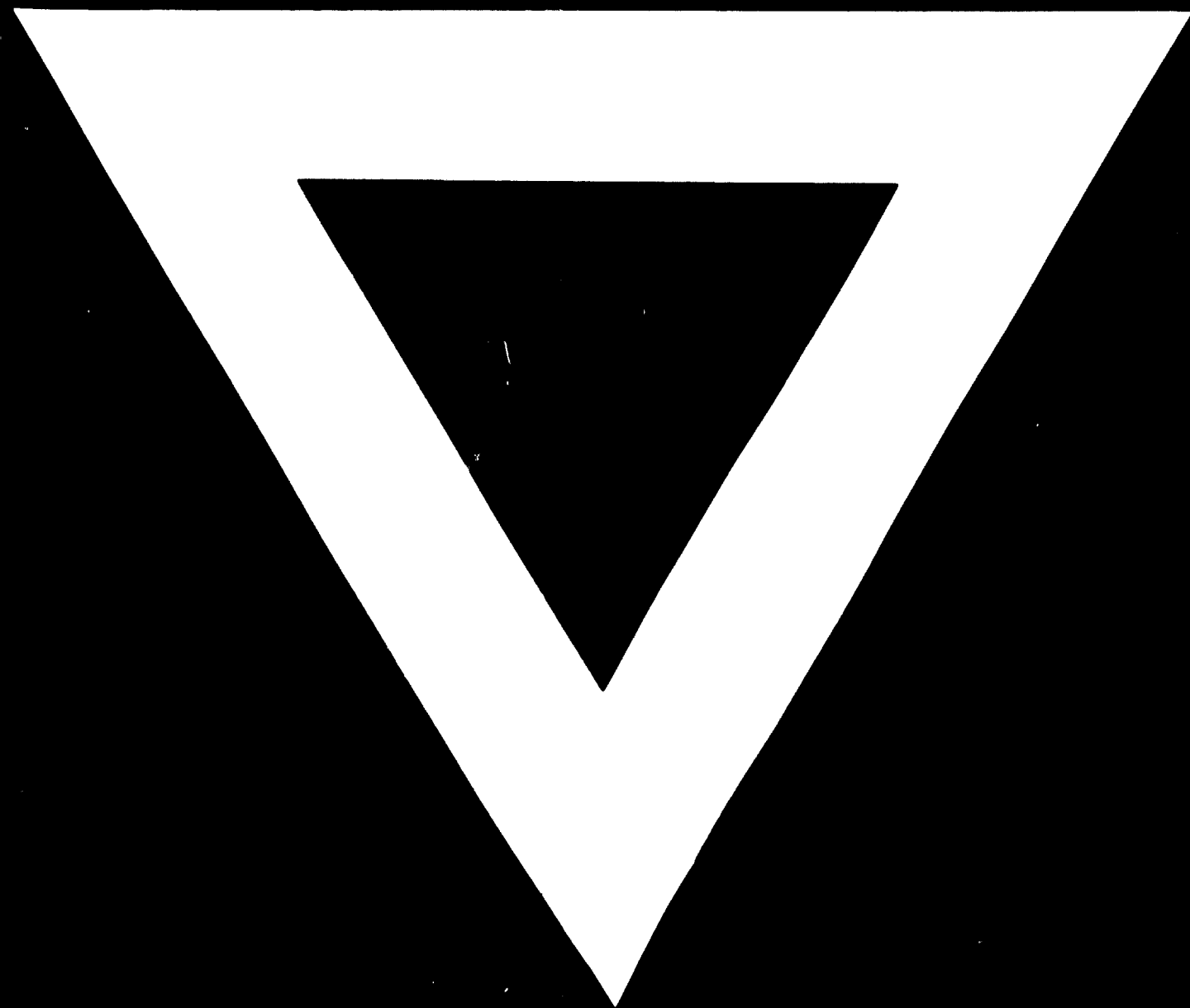
(b) Another organisation formerly known as the National Productivity Centre was established in June 1964 as a Division of the then Planning Commission and incorporated as a Statutory Corporation in 1965. In October, 1967, the Government of Ghana signed a plan of operation with the UNDP and ILO and the Management Development and

Productivity Institute was established to replace the N.P.C. The Institute has as its objectives:

- (i) the introduction of scientific practices and techniques to promote productivity growth;
- (ii) the improvement and development of the standard of management in all aspects of the industry; this goes from a direct concern with the improvement of training courses, courses for all grades and for personnel from all sections of industry, in the field of general management, production engineering, etc. to the use of modern control systems, statistics, etc. etc.;
- (iii) the provision of an advisory service to all systems of industry in the form of a national centre for the promotion of productivity in industry;
- (iv) carrying out research, development and projects in the field of productivity in order to provide information co-ordinated and disseminated to all interested parties;
- (v) the publication of reports on the results of research, development and projects in the form of books, pamphlets, etc.

(c) In connection with the above, the National Productivity Training Centre has been established to provide training in instruction in the following areas: welding, metal cutting, fitting, electrical engineering, etc. The Centre has established polytechnic courses in the above mentioned areas. Annual technical training courses are also provided for the City Childs organisations.





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