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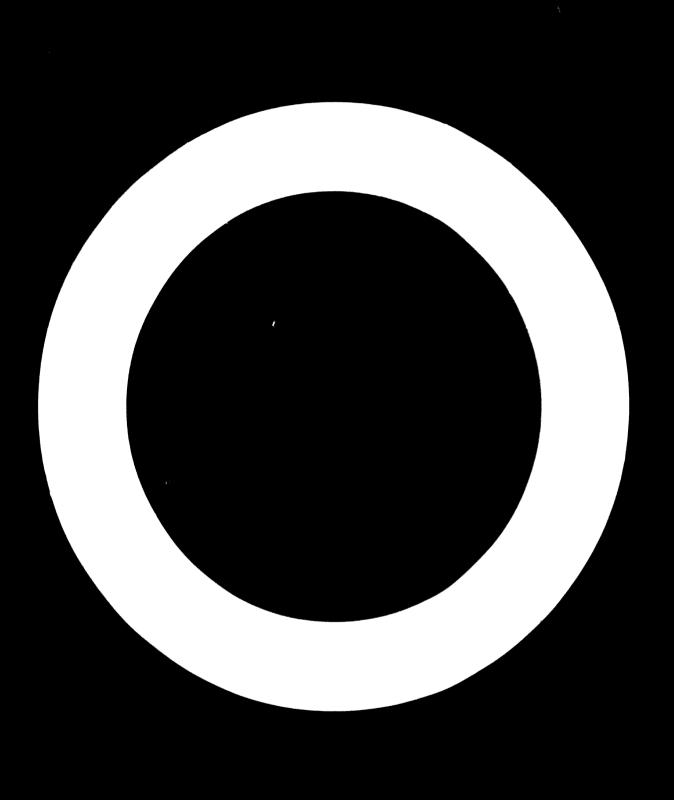
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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

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Note on consultations held in London, Brussels,

Madrid and Geneva, 20 May - 4 June 1968



Note on consultations held in Lendon, Brussels, Madrid and Geneva, 20 May - 4 June 1966

Consultations on the problem of recruitment and training of small industry experts outlined in Aide-memoire UNIDU/ISID/3 of 23 April 1968 were held in London with officials of the Tropical Products Institute, the International Recruitment Unit of the Ministry of Overseas Development, the Council for Technical Education and Training for Overseas Countries, the Ministry of Technology, the Council for Small Industries in Rural Areas (formerly the Rural Industries Bureau), the Development Commission, the Confederation of British Industry, Cadbury's, the Intermediate Technology Development Group and the Owen Organization Training Services. In Brussels, with officials of the Office de la coopération au développement, the Ministry for Foreign Affairs, the Foderation des industries belges and the Institut Coonomique et social des classes moyennes. In Madrid, with officials of the Ministry of Industry, the Ministry for Foreign Affairs, especially the Direccion General de Organismos Internacionales, the School of Industrial Organization, the Economic Development Institute (of Alcala de Henares) the Chamber of Industry of Madrid, the Organizacion Sindical Junta Central Intersindical de Pequenas y Medianas Empresas, the Conseje Economice Sindical Nacional, and Tecniberia. In Geneva, with officials of the Technical Assistance Recruitment Service, United Nations. Travel to Paris had to be cancelled because of transportation and other difficulties. As a result of these consultations, I have reached some general conclusions and recommendations on the programme of recruitement and training of small industry experts, which will be found in the following paragraphs. It will be seen that some of the conclusions tend to give a different orientation to the programme proposed in the Aide-mémoire. The main points of the discussions in each city are summarized in Annex I. Since all consultations were preliminary and were expected to be followed up by national action, no commitments were given nor sought after anywhere, and the conclusions and recommendations below are strictly my own. A list of persons met is included in Annex II.

Conclusions and recommendations

(1) The system of secondment of mid-career engineers, economists and business executives by largo-scale industries, ministries and other public agencies, private engineering and management consultant groups etc. may offer a valuable source of expertise for United Nations and other technical co-operation programmes in many fields of industrial development, including small-scale industry. In the field of small-scale industry, however, it should be a stop-gap measure, to be

- resorted to only as long as other sources of expertise, referred to in para. (2) below, are not existent or are not able to provide experts in sufficient numbers. In most cases, the secondment of industrial, mechanical, chemical, electrical and other engineers (including specialists in machine-building, fertilizer, steel, textile and other industries), of industrial economists and company executives to serve under a variety of UNIDO field operations may be made without need for any special training. These technicians may serve as technical assistance experts in their own field of specialization and the experience they would gain in the developing countries should be considered by their companies as a valuable addition to their professional qualifications. I recommend that the National Committees should make the greatest possible use of this source of expertise, both for advance rostering and, whenever possible, for established projects.
- (2) The recruitment of technicians from this source to serve, after undergoing the necessary training, as small-scale industry experts should be considered as an emergency measure and be resorted to only as long as other and better sources are not available. In my view, the best source of expertise in small-scale industry that industrial countries could offer would be a permanent corps of specialists attached to a national organization for the promotion of, and assistance to, smallscale industry in the industrial country itself. In practically all industrial countries, small enterprises account for a considerable proportion of the total number of industrial establishments, and many of them are undoubtedly in need of special measures of assistance in technique, management, marketing, finance and so on. In most industrial countries, there are relatively less developed regions (e.g., to give a few examples, Appalachia in the United States, parts of Wales, Scotland and North-East England in the United Kingdom, the Messegiorne in Italy, the South-west of France, Estremadura in Spain) in which small-scale industries could contribute to development on a decentralized basis. In many industrial countries, some assistance to national enterprises in provided by different organizations (Small Business Administration in the United States, Council for Small Industries in Rural Areas in the United Kingdom, the Ente Masionale Artigianato e Piccole Industrie and the Istituto per Sviluppo del Messogiorno in Italy. the Confédération générale des petites et moyennes entreprises in France, the Institut économique et social des classes moyennes in Belgium), but none of these, to my knowledge, applies at home, and in particular in the less developed areas, the integrated programmes of modernization and of entrepreneurship development

which prove to be so successful in the developing countries - industrial extension services, industrial estates, common service facilities, supervised credit, facilitation of subcontracting, etc. In my view, small industry agencies in the industrial countries should be strengthened, where they exist, or created (e.g. in Spain) to carry out similar programmes. It is their staff which would benefit most of all from the special training programme proposed in the Aide-mémoire UNIDO/ISID/3, and who might be seconded to serve under United Nations operations with best results both for the recipient country and, eventually, their own.

- (3) Recruitment of experts seconded by their regular employers should be made through the employers and not directly with the candidates. The files of the latter should be specially marked to that effect. UNIDO would evaluate candidates for general suitability and, in the case of candidates suitable for operations in the field of small-scale industry, would recommend them for special training. It would then recommend them for specific assignments. In order to avoid, to the extent possible, rejection by Governments of trained candidates, high priority should be given by the United Nations to the latter, when included in a panel; in some cases, only one candidates might be submitted to a Government. In recruiting seconded candidates, National Committees should be kept fully informed.
- (4) The organization of training programmes including class-room courses, on-the-job training in national promotion centres and fellowships for observation tears and study overseas, should be, in my opinion, a high priority project in all the countries visited. The trainees should come from all prospective sources: large industries, ministries, consultant groups and above all, public and semipublic agencies, trade visions and other institutions for small-scale and mediumsized industries. The participation of trainees from the developing countries, who would later on serve as United Nations experts, would be highly desirable. The granting of United Nations fellowships for this purpose would seem to be justified. Opening the courses to foreign experts from the industrial countries and therefore organizing them on a linguistic rather than on a national basis, would also be very valuable. The proposal to organise training for experts in small-scale industry stems from the fact that it is in this field that the need is the most pressing. Consideration should definitely be given to organising, later on, training for experts in other areas of industrial development - e.g. planning and programming, industrial financing, feasibility and pre-investment -tudios.

(5) Only five countries - Belgium, Denmark, the Federal Republic of Germany, the Netherlands and Sweden - have so far passed agreements with the United Nations for the provision of associate experts, and the number of associate experts from these countries has been extremely small. In my opinion, it would be useful if the Industrial Development Board, at its third session, recommended that agreements for the provision of associate experts be made with the United Nations by countries which have not done so thus far, and that the number of such experts be increased. A document on the question might be prepared for the Board.

Summary of Discussions

London

- 1. The consultations in London were organized by the Tropical Products Institute, one of whose officials had been a member of the United Kingdom delegation to the International Symposium on Industrial Development and to the Industrial Development Board at its second session. The officials of the Institute expressed great interest in the programme of recruitment and training and their willingness to co-operate in it, if some basic conditions were met.
- 2. The first condition was that, through the efforts of the Confederation of British Industry, large-scale industry in the United Kingdom should accept to second engineers, economists and management executives to serve under United Nations technical co-operation programmes. This source of expertise was considered to be of particular importance, but other sources could also be tapped: engineering and management consultant firms, the Council for Small Industries in Rural Areas and the three Industrial Estate Management Development Corporations. Small industry experts already rostered by the International Recruitment Unit of the Ministry of Overseas Development would evidently be among the candidates for training under the proposed programms; the participation of English-speaking experts from the developing countries was considered to be very desirable.
- 3. The second condition was that the Ministry of Overseas Development, which was financing the Tropical Products Institute, modify its policy regarding the latter's activities. The Institute was concerned, among other things, with research and advisory services for small-scale industries in developing countries and would be, in the view of its officials, the appropriate agency for organizing the programme of recruitment and training of experts. It had gained much experience in conducting training courses for scientists from developing countries and would be willing and able to organize a special training programme in small industry development. The present policy of the Ministry, however, was that the Institute's activities should serve directly the developing countries and a proposal that this objective be pursued indirectly through training of experts would need to be approved by the Ministry.
- 4. The representatives of the Confederation of British Industry and of Cadbury's stated that they would report to their organisations on the discussion. It was suggested that large-scale industries might make available to the United Nations personnel in various fields of industrial development, and not only for operations in small industry development. The training courses, on the other hand, would relate to small-scale injustry, at least in the beginning.
- 5. Both the officials of the Council for Small Industries in Rural Areas and the Secretary of the Development Commission which supervises the Council were of the view that the participation of the Council in the programme deserved consideration. Subject to approval by its governing bodies, the Council might second experts and might participate in the conduct of the training. Since the experts of the Council had experience mainly in ranagerial and technical assistance, they might also benefit themselves of training in such matters as industrial estates, supervised credit, promotion of entrepreneurable, feasibility surveys, and so on. The Intermediate Technology Development Group and the Owen Organization Training Services offered their assistance, should the programme materialises.
- Discussions were also held with the Group on its co-operation with UNIDO in the field of small-scale industry, especially in techno-economic studies and in the especiation of industrial exhibitions and the provision of demonstration plants.

- 6. Some concern was expressed that experts which might be seconded by private and other enterprises and which would undergo training, possibly at the expense of their own firms, might not be a feeted by the Governments. Reference was made, in this connexion, to ILO's prace of submitting only one candidate for any given operation, and to the setting, by the United Nations, of priorities regarding the suitability of different candidates included in a panel. There was general agreement that since candidates would be seconded by their organizations, all arrangements should be made by TARS and/or UNIDO through the organizations and not directly with the candidates. The files of the latter should be specially marked to that effect. The following procedure was suggested: candidates to be seconded would be first evaluated by UNIDO for general suitability, either with or without recommendation for special training; those considered suitable would then be proposed for specific assignments, priorities being attached to those who underwent the training courses and observation and study tours.
- 7. Two ideas were put forward luring the discussions: first, that it might be worth considering to establish, in the United Kingdom, an organization along the lines of the French SATEC (société d'aide technique et de coopération) which provides technical expertise for carrying out operations under bilateral and multilateral programmes; second, that it might be useful to organize meetings of officials of National Committees with officials of substantive units of UNIDO, to discuss current and prospective needs for experts in various fields of industrial development. Such meetings might be arranged in connexion with the annual TARS conference.

Brussels

- 1. The consultations in Brussels were organized by the Office de la coopération au développement (OCD), an organization created under the Ministry for Foreign Affairs and Foreign Trade to promote, mostly through training and through recruitment of experts, the development of the developing countries. The OCD was faced, in respect of recruitment of experts for both bilateral and multilateral programmes, with the same difficulties as other National Committees, and the idea of recruitment through secondment of technicians (under "reimbursable loans") had already been considered. A Symposium with Belgian universities was being organised to review recruitment problems, including those of associate experts. For this reason, there was strong support for the programme outlined in the Aide-memoire. OCD would have no difficulty in organizing a training programme for small industry experts the courses and study tours which it provided were already open both to personnel from the developing countries and to Belgians. Consideration would be given to participating in the French training programme and, conversely, to opening the Belgian programme to French and other French-speaking experts, including those from developing countries. The problem was that of recruitment and OCD expressed the hope that the Federation of Belgian Industries would be of assistance in this area. OCD officials felt that the programme should begin in a specific field of industrial development and for that reason, welcomed the choice of small-scale industry.
- 2. The representative of the Federation stated that he would report to his organization and suggested that the UNIDO official might be invited to return to Brussels to address representatives of Belgian industries.
- 3. OCD officials were of the view that the programme of associate experts should be expanded since it provided one of the best means of training experts. The above-mentioned university symposium would discuss this question, among others.

- 4. The system of secondment was considered to be valuable not only because it guaranteed the interests of both the expert and his permanent employer, but also because it offered certain forms of protection to the expert luring his mission, for instance, repatriation in case of illness without prejudice to his employment. On the other hand, there was some concern, similar to that expressed by British officials, that training might be provided to experts who might not be selected by Governments of developing countries, a situation which might cause adverse reactions on the part of employers willing to second their personnel. It was recognized that many experts could not be recommended for operations in the field of small-scale industry unless they had been trained and some priority for the selection by Governments of trained experts should be set by the United Nations.
- 5. An official of OCD expressed the view that since, in many countries, including Belgium, national salaries were appreciably lower than those paid by the United Nations, fees charged by engineering or management consultant organizations might be only slightly higher than the costs of individually appointed experts; for that reason, especially where the shortage of experts was particularly acute, the farming out of technical co-operation projects to private firms should be resorted to.

Modrid

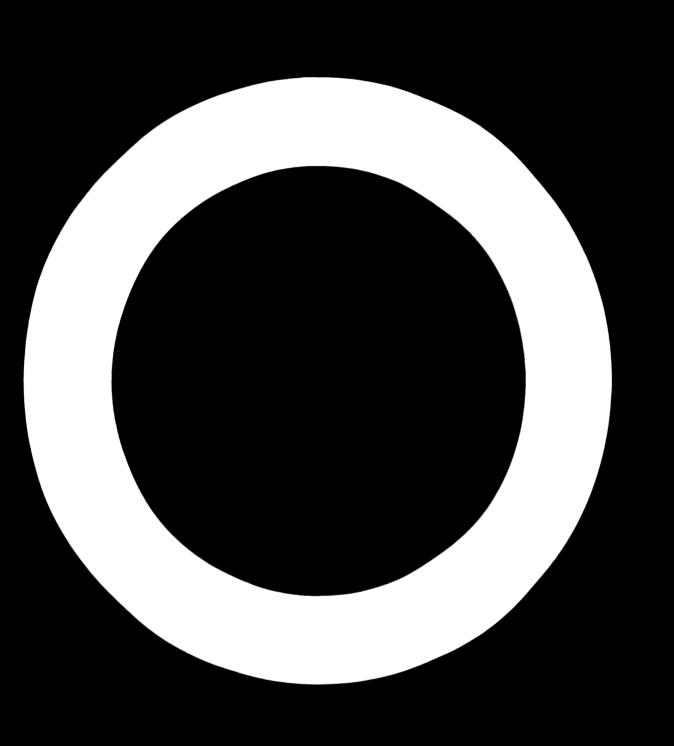
- 1. The consultations in Madrid were organized by the Ministry of Industry and the Ministry for Foreign Affairs. Officials of both Ministries recognized that the participation of Spanish experts in United Nations technical co-operation programmes, particularly in those relating to the development of small-scale industry, had been inadequate and should be substantially increased. The representative of the Spanish National Committe thought that the obstacles to the recruitment of experts were particularly great in Spain since the different Ministries (which provided a majority of the experts) as well as private enterprises were very reluctant to seconding their personnel. It was felt, however, that some of the more progressive public and private industrial groups, e.g. the Instituto Macional de Industria (I.N.I.) and Tecniberia, could be convinced that participation of some of their staff in technical assistance programmes would not only be a public service but would be in their own interest as well. Subsequent discussions with officials of these agencies did show a receptive attitude on their part. They indicated that they would inform the members of their groups of the requirements and hoped that experts could be provided not only in the field of small-scale industry but also in other areas of industrial development. Special training would be needed only for experts in small-scale industry; the groups might participate in its organization and conduct.
- 2. There was general agreement that the School of Industrial Organization would be the appropriate institution for organizing and carrying out the training programme. The Economic Development Institute of Alcala de Henares and private engineering and management consultant agencies could be expected to co-operate. As indicated in the aide-mémoire, UNIDO could participate in the organization and conduct of the training programme. Since Spain was an aid-receiving as well as an aid-giving country, a few fellowships for enabling Spanish experts to make observation tours abroad could be requested from the United Nations, as part of the Spanish country programme of technical co-operation.

- 3. The trade union organization for small-scale and medium-sized enterprises felt that it could in the course of time become an important source of expertise in this field. It had already a few technicians able to provide assistance in technique and management and hoped to be able to increase their numbers. These specialists would be cuitable candilater for training under the proposed programme. The organization was of the view that an inclitation similar to the United States Small Business Administration or the Belgian Institut Sconemique et social des classes mayennes should be set up in Spain.
- 4. The UNIDO fficial: suggested that, in view of the large number of smallscale industrial enterprit in Spain, many of which were in need of modernization. and of the fact that small-scale industry could contribute to industrialization on a decentralized pattern in ranger the relatively under-developed parts of the country, consideration might be given to the establishment of a national promotion and development matibution for small-scale industry. The institution would have a staff of experts in the various areas of small industry development (industrial extension, industrial ast test financing, stos). While these experts would work principally for Spanish and 1-s ale industries, they could also be put at the disposal of intermational and other technical co-operation programmes for assignments in the devel ging countries. The UNIDO official thought that the Productivity Service of the Ministry of Industry, whose scope of activity had recently been reduced, might perhaps take over those functions. The Service could undertake such work immediately on a modest scale -- with or without a change in its title - and expand it in the future, as increased financial and staff resources were made available to it. Recourse to the proposed programme of secondment of small industry experts by large-scale industries and other sources would still be necessary in the early at gos. Eventually, this source of expertise would be tapped only for operations in fields other than small-scale industry. Both the training programme and the assignments overseas would then benefit a permanent corps of experts in small-scale andustry, working for both Spain and the developing countries; this was an appreciable advantage over the system of secondment by large-scale industry, in which the experience , wined through training and field assignments would ultimately benefit the inraindartay only.
- 5. The representative of the Spanish National Committee thought that it would be useful if Spain talked an agreement with the United Nations for the provision of associate exports, but felt that large-tary considerations were an obstacle at this stage.

Genova

that though it represented a departure from the recruitment procedures followed thus far, it was worth trying. As far as they were concerned, the programme involved principally rostoring for unspecified operations, a type of activity in which there had been some increase both on their part and on the part of the National Committees. Expanding such rostering was useful, especially for operations under the programme of Special Industrial Services, in which experts were usually needed at short notice. Seconding of experts by public and private organizations, especially under agreements with the United Nations or UNIDO such as those considered with the Canadian Executive Services (Overseas) and the Société d'aide technique et de coopération (SATEC), necessarily reduced the role of the National Committees. It was essential that these should not be by-passed. Even though the organizations seconding their staff might deal directly with the United Nations or UNIDO, the National Committees should be kept informed.

2. The TARS officials thought that there were mental in the sale of injunizing joint TARS-UNIDO recruitment missions and of bringing together representatives of National Committees and of the substantive units of UNIDO, to his sale current and prospective needs for experts in various fields of injustrial level pment. They stated that, on the occasion of their travels, they would now to inefforts to induce certain Governments to pass agreements with the United Nations for the provision of associate experts, and to increase the number of intermes placed with UNIDO.



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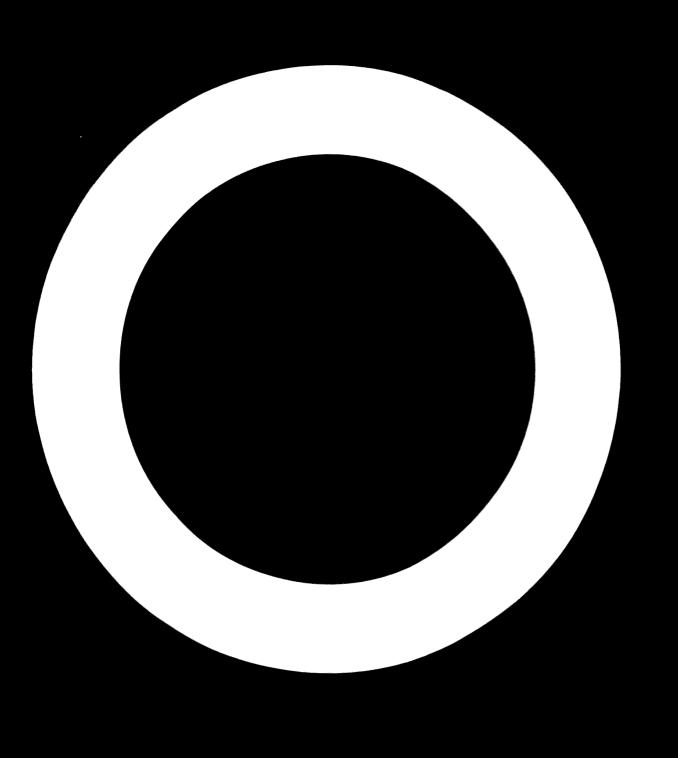
H. H. Pochut

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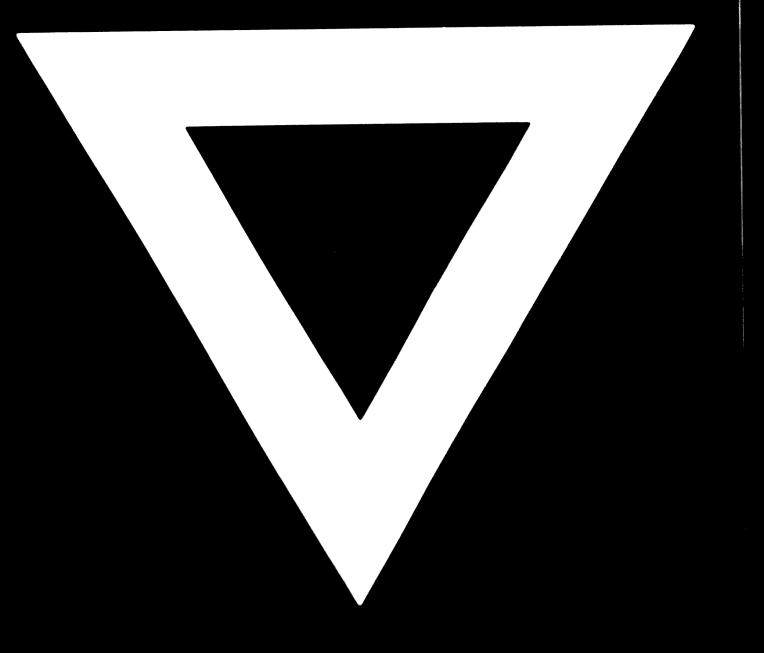
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