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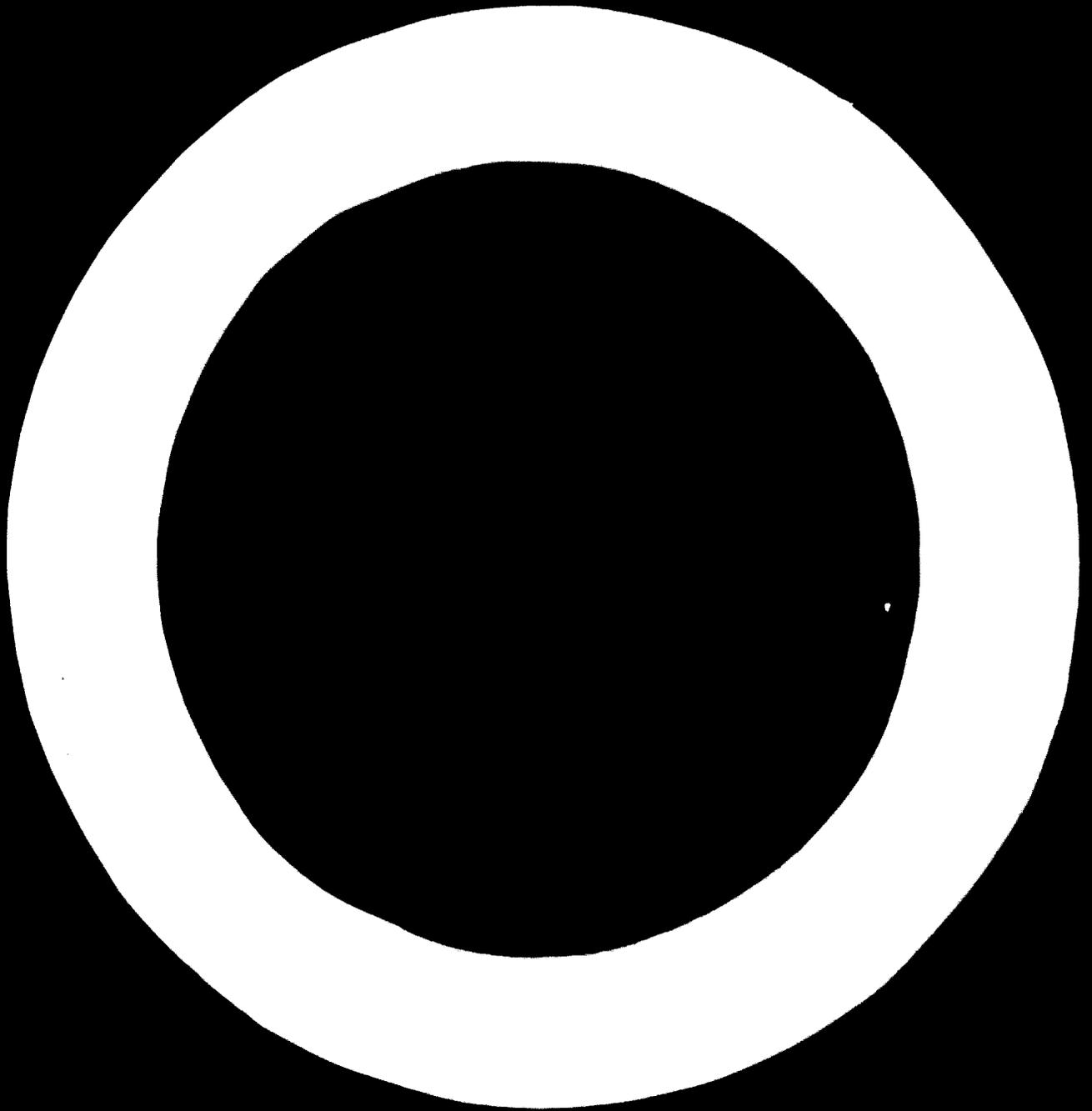
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AIDE-- MEMOIRE

RECRUITMENT AND TRAINING OF SMALL-INDUSTRY EXPERTS

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.



## RECRUITMENT AND TRAINING OF SMALL-INDUSTRY EXPERTS

### I. THE PROBLEM

1. In the period 1964 to 1967, the number of requests from Governments of developing countries for technical co-operation in the fields of small-scale industry and industrial estates has constantly increased. This increase is expected to continue in 1968 and to accelerate sharply in 1969 and subsequent years. The total number of operations in these fields may rise from 28 in 1967 to 48 in 1968 and 85 in 1969.

2. The following table shows the prospective number of operations in these fields under the various United Nations technical co-operation programmes (Special Fund and Technical Assistance sectors of the United Nations Development Programme, Regular Programme and Special Industrial Services), in 1969, by region and by main language group:

	<u>English</u>	<u>French</u>	<u>Spanish</u>	<u>Total</u>
Africa	18	25	-	43
Asia and the Far East	13	2	-	15
Latin America	2	-	15	17
Europe	5	-	-	5
Middle East	5	-	-	5
	<u>43</u>	<u>27</u>	<u>15</u>	<u>85</u>

3. In the same year, the total number of experts would exceed 100. The prospective distribution of experts by language in 1969 is estimated as follows:

English	59
French	30
Spanish	<u>23</u>
	<u>112</u>

4. In subsequent years, the requirements of experts are expected to increase further in each language group, say by 10 each year for English-speaking experts, 10 for French-speaking experts and 6 or 7 for Spanish-speaking experts. Since the turn-over of experts is relatively rapid, a substantial percentage of the total number of experts in each group will need to be replaced each year by newcomers.

5. This increase in technical co-operation projects in the field of small-scale industry and industrial estates is explained by the growing awareness of Governments of developing countries of the role played by small-scale industry in over-all programmes of development. In certain regions, especially in Africa, the development of small-scale industry is regarded not only as a positive contribution to industrialization, but also as an effective means of reaching a major political and social

objective - ensuring the participation of indigenous entrepreneurs in building a modern industrial economy. The promotion of, and participation in, technical co-operation projects in these fields have been, and will continue to be, an important activity of the United Nations Industrial Development Organization (UNIDO).

6. The more rapid the increase in requests for assistance in the field of small industry and industrial estates, the greater the difficulties of the United Nations and UNIDO in recruiting qualified experts. These difficulties, which affect technical assistance operations generally, are particularly serious in the case of small-scale industry. The reason for this is that the promotion of this sector calls for specially adapted measures in all areas of industrial development in general - planning, surveys and feasibility studies, financing, provision of sites and infrastructure, training of managers and labour, technological research, marketing and export promotion, fiscal and other incentives. It calls also for measures needed exclusively by small-scale industries - industrial estates, common service facilities, co-operatives, hire-purchase and other supervised credit schemes, government store procurement programmes, etc.; in general, technical and managerial counselling is needed mostly by small industries. Since small-scale industries need guidance and assistance in all aspects of their establishment, operation and management, most and sometimes all of these measures should be provided. Thus, technical assistance operations call either for "generalist" experts with knowledge and experience of integrated programmes of development, or for specialists in such areas as industrial estates or hire-purchase plans, or for both.<sup>1/</sup> In either case, such experts are very scarce. Recruitment difficulties are serious in regard to English-speaking experts. In respect of French-speaking and Spanish-speaking experts, they are extremely scarce.

7. Thus, there is an urgent need to increase the number of qualified experts in small-scale industry for a growing number of operations in this field. Many of those recruited until now to serve under United Nations programmes have been retired engineers, economists and civil servants, retired industrialists, and self-employed business and management consultants; specialists in such fields as industrial estates and industrial extension services have sometimes been detached by Governments, usually for short-term missions. All appointed experts had some experience - gained, in any case, in developing countries, especially in former colonies - of technical operation or business management of small-scale industries, or of such development techniques as feasibility, pre-investment and marketing studies; not all of them, however, were able to advise governments on such matters as stimulation of indigenous entrepreneurship, provision of credit on liberal conditions, or setting up of industrial estates, common service facilities and industrial extension centres. Those able to provide the latter type of advice usually came from a few developing countries where appropriate facilities exist. The majority of small industry experts, however, come from

1/ Additional information on the types of assistance in the field of small-scale industry which may be made available under the United Nations technical co-operation programmes is contained in Technical Co-operation for the Development of Small-scale Industries (Sales No.: 67. II. B. 3).

the industrial countries. As long as the developing countries - an increasing number of which will undoubtedly become eventually the main source of expertise - are unable to spare their personnel, most experts will continue to come, in the foreseeable future, from the advanced countries. It is for this reason that the programme outlined below is concerned with recruitment and training of experts from the advanced countries rather than with the training of nationals from the developing nations. Other programmes, such as the Group Training Programme on Industrial Estates and other training schemes under the United Nations Fellowship programme, are available for the latter purpose.

3. The solution of the problem is thus to be sought, in a number of industrial countries, programmes to facilitate the recruitment and improve the qualifications of small industry experts. The operations undertaken under international, multilateral and bilateral programmes, mainly because, as stated earlier, the shortage of French-speaking experts is acute, a project to provide specialized training to a number of engineers and economists was initiated in France in September 1967. This project, which provides now for on-the-job training in French production and servicing institutions, will be expanded by including classroom training and fellowships for study leave abroad. In the same year, the International Symposium on Industrial Development, Abasco, Venezuela, October 1967, recommended that similar programmes be organized, in cooperation with UNCTAD, in other industrial countries, for the benefit of Spanish-speaking and English-speaking experts. Some considerations relating to the organization of such programmes will be found in the second part of this sub-admin.

- ✓ Such programmes could also be organized for experts in other fields of industrial development, such as planning and programming, financing, export promotion, etc. This, however, is beyond the scope of the present sub-admin.
- ✓ The project was initially financed by CENID, MATIC (Institut d'Etudes Techniques de la Manufacture, Paris), a French State enterprise carrying out technical assistance operations under the French and German programmes, and UNICEF (Bureau International des Universités, Paris), and was administered by the latter two organizations. Training is provided by small number of UNCTAD experts working from 2 weeks to 2 months, in addition to the help of the participants in the project to the experts.
- ✓ Relevant reports from the project of the International Symposium are attached to this sub-admin.

## II. THE PROGRAMME

### Recruitment

9. Negotiations are currently under way between the United Nations and private non-profit consulting organizations in Canada and the United States to provide experts in all areas of industrial development, including small-scale industry, for United Nations technical co-operation programmes. There is much scope for using also, especially in European and other industrial countries where such consulting organizations do not exist, the services of a new and younger generation of technicians. A source of expertise which, until now, has not been availed of to any appreciable extent under technical co-operation programmes, may be found among middle-career engineers, economists and business executives employed either in private industry (as a rule, large-scale) or in public or semi-public agencies - ministries, technological and other research institutes, industrial banks, unions, industrial associations, etc. With proper additional training, technicians having basic knowledge of their profession and several years' practical experience gained in their own country could effectively discharge functions of experts in the developing world, especially in the field of small-scale industry.

10. The key consideration which would induce employers - public or private - to second some of their personnel to undergo specialized training and to serve for varying periods of time on missions under United Nations or other programmes, is that it would be in their own interest to do so. On their return from their mission, during which they would have been exposed to difficult problems and conditions requiring efforts of imagination, of adaptation of basic knowledge to different circumstances, and often of planning projects on a broader scale and assuming greater responsibilities than would usually be the case at home, their younger economists, engineers or managers would have not only better professional qualifications, but also a bolder and more dynamic approach to their tasks, a deeper understanding of the role of industry in a modernizing society and, not infrequently, a better ability to work with people at different social and cultural levels, and to participate in team work. Giving them the opportunity of acquiring this unique practical experience should be considered by their employers as an investment in human resources. On these grounds, the co-operation of large industrial concerns and public agencies should extend not only to the seconding of personnel to serve under technical co-operation programmes but also to financing the participation of their staff in the special training programmes for experts, described below.

11. The basic arrangement whereby the employer would retain his employee and the employee safeguard his security of tenure and advancement, is that of secondment. Under this arrangement, the employee is paid by the United Nations for the duration of his technical co-operation mission, but remains a staff member of his organization, maintains his rights to his post and to promotion, pension and other benefits, and is under contractual obligation to return to his organization at the termination of his assignment. Should the Government request an extension of the mission, this would be negotiated between it, the United Nations and the employer. Should the expert wish to submit his candidacy for another mission, he would have to obtain the authorization of his company or institution, or resign from it. In general, however, the fact that technical co-operation does not usually lend itself to uninterrupted employment and

does not offer career security and benefits (though every effort is made to find new assignments for good experts, when these are willing and authorized to continue to work under technical co-operation programmes), ensures, in the majority of cases, the return of seconded personnel to their home organization.

12. The assistance of Governments and in particular, where these exist, of National Committees helping the United Nations in recruitment for technical co-operation projects, as well as the co-operation of the organizations sponsoring the training programmes, are evidently needed for tapping these new sources of expertise. Since the first step would usually be secondment for undergoing the training courses and study tours abroad, rather than for assignment to a specific mission, the employer companies and institutions should often be approached with a view to obtaining a panel of potential candidates for as yet undetermined assignments. This would be a change from the procedure followed in most cases whereby experts are being sought for specific approved posts. In some cases, however, definite assignments may already be in view.

### Training

13. A training programme for experts from industrial countries should be sponsored and organized by one or several national institutions, public and/or private. Financing would include fees paid by the companies and institutions which second the trainees, contributions in kind or money by the organizations sponsoring the training, fellowships offered by foundations and similar institutions, and government subsidies, if necessary. The United Nations and UNIDO would not contribute to the financing of the programme - their contribution being reserved to projects in or for the developing countries - but would assist in its organization and conduct. An exception might be the offer of the United Nations fellowships for experts from developing countries. It would indeed be very desirable if the training programme were open not only to nationals of the sponsoring country, but also to technicians from other countries, advanced or developing, who would be prepared to take up missions under technical co-operation programmes. Training would thus be provided on a linguistic basis. If necessary, organizations of several industrial countries belonging to the same or related language group might co-sponsor such a programme.

14. A training programme would include the following three major components: (a) Class-room courses; (b) On-the-job training in national promotion and servicing institutions for small-scale industries, where these exist; (c) Study tours and on-the-job training in promotion and servicing institutions abroad, especially in certain developing countries.

#### (a) Class-room courses

15. Class-room training would include courses on various aspects of small industry promotion in developing countries: industrial estates, industrial extension, financing and so on. The faculty might consist of national technical assistance experts including staff members of private consulting companies, officials of industrial development agencies and associations, technicians of technological and industrial research institutes, bank officers, and guest teachers, for example, from UNIDO (the Organization might second one or two staff members for periods of two to three weeks), the International Labour Office (ILO), foreign technical assistance experts, officials of foreign promotion agencies, etc. The minimum duration of the course might be six weeks. In the foreseeable future, one course a year for 10 to

20 experts would appear to be sufficient.

(b) On-the-job training at home

16. On-the-job training might be organized in national promotion and servicing institutions for small-scale industries, where these exist. To give an example, the current French programme provides such training in unions subcontractors' exchanges, "leasing" societies, and groups of small producers for joint operations in financing, procurement, marketing and export promotion. Elsewhere, training might be given in industrial estates or areas (e.g. in the United Kingdom and Italy), specialized financial institutions, certain training centres, etc. The duration of the training would be variable. As a rule, such training involves only minimal or no expenses, since the participating institutions seldom charge fees for such service.

(c) Study tours and on-the-job training abroad.

17. As essential component of the programme should consist of study tours of industrial estates, industrial extension centres, small industry service institutes, industrial development banks, hire-purchase agencies, common service facilities and other promotion and servicing centres abroad, for instance, in India, southern Italy, the United Kingdom and Puerto Rico. The costs would involve travel and subsistence, no fees being usually required by the foreign institutions. UNIDO might assist in the organization of such programmes. The minimum duration might be two months. Study tours in different countries might be organized either on a group basis or an individual basis.

18. A very tentative estimate of the cost of a training programme is attached to this aide-mémoire. The estimate rests on a number of assumptions regarding number of participants, duration of training, size of faculty, travel requirements, etc. which might need to be modified from one case to another. It may however provide a basis for calculating the cost of a specific national programme.

Associate experts

19. The contribution of Governments from the industrial countries to the improvement of recruitment and qualifications of small industry experts might also be done through the United Nations associate expert programme. Under this programme, young people having completed their studies in engineering, economics, business administration and other disciplines, are placed, at the expense of their own Government, but through the United Nations and with the consent of the Government of the recipient country, as junior experts in a developing country where a senior United Nations expert is in position. The task of the "associate" expert is to help the senior expert and the national organizations to which the latter is attached in carrying out their work. In the process, the associate expert gains valuable experience.

20. The basic consideration, heretofore, has been that such field experience would eventually benefit the country of the associate expert. It may also be considered that such training might by priority serve the needs of developing countries, the young technician being placed, at the end of his first "associate" assignment, as a full-fledged expert in the same or another country. Such operations should evidently be financed by Governments of industrial countries rather than by private industry.

21. 21. As a rule, the initiative for placing experts in this capacity comes from Governments of industrial countries who either inquire at the United Nations to find out which opportunities exist for a particular candidate, and/or indicate the country and post he would prefer or require. Sometimes, the Secretariat of UNIDO receives candidacies from graduating or graduate students interested in a staff position or a field assignment and, in a few cases, has taken the initiative of suggesting to the candidate, to his Government and to a recipient Government that a post of associate expert might be established. Two job descriptions recently drafted by the Secretariat of UNIDO for such posts are attached to provide an illustration of the types of duties involved.

22. The programme of associate experts has so far been very modest, both as regards the number of candidates and the number of countries financing their assignments. It would be desirable if a larger number of Governments of industrial countries passed agreements with the United Nations concerning the provision of associate experts and submitted to UNIDO candidacies of young experts in industrial development, including small-scale industry, an action which has been recommended by the International Symposium on Industrial Development (see attachment). After reviewing the qualifications of the candidates UNIDO would take action for establishing suitable posts.

### Briefing

23. On its part, UNIDO is contributing to the training of experts by organizing systematic briefing, at its Headquarters in Vienna, for experts en route to join their post. This is done, however, only when additional travel expenses are not excessive. At present, briefing is arranged on an individual basis. At a later stage, resources permitting, consideration will be given to organizing group training, which might include not only newly appointed experts but also experts already in the field, along the lines of a programme which has been in effect for some time at the International Labour Office.

24. Because of shortage of financial and staff resources, briefing is now provided on a modest scale. It is given for two or three days only and includes information on the assignment - the expert's duties and the origin of the project, past operations in the country, if any, the institutions to which the expert will be assigned, related technical assistance operations, etc., and provision of substantive information on small-scale industry and, if available, industrial relations, through discussions and supply of literature.

25. Another means of clearing up expert's apprehensions, when he is travelling to join his post, is arrange for his brief stopovers in countries, situated in developing, where he can observe industrial relations, industrial extension centres and other facilities for small-scale industries. Such visits are arranged when supplementary travel costs are not excessive.

Excerpts from the Report of the International Symposium on Industrial Development

(ID/B/21 (ID/CONF.1/63), Annex I, pages 28-38)

11. Some delegates considered that the difficulty of recruiting experts for a growing number of operations in the field of small-scale industry and industrial estates was one of the most serious problems in this area. They expressed interest in the training programme organized in co-operation with UNIDO for French experts and French-speaking experts of other countries, which provided for on-the-job training to French promotion and servicing institutions, and noted with approval the plans to expand this programme by including class-room training and fellowships for study tours of industrial estates, industrial extension centres and other facilities abroad. They suggested that similar programmes might be undertaken for English-speaking and Spanish-speaking experts in other industrial countries, since these were still the main source of expertise in this field. Experts from the developing countries might be given the opportunity of participating in these programmes.

12. Some delegates expressed their conviction that the co-operation of large industrial establishments in the advanced countries could be obtained both for seconding personnel and contributing to the financing of training programmes, since these establishments would, eventually, benefit themselves from the field experience gained by their staff. One representative suggested that certain types of operations calling for short-term assistance in countries at similar levels of development or faced with the same types of problems could be effectively carried out by assigning one expert to several countries which he would visit periodically or as often as required.

13. The Committee approved the following recommendations:

(5) Industrialized countries, in co-operation with UNIDO and other international institutions as appropriate, should review possible measures to increase the supply and improve the qualifications of experts in small-scale industry. These measures might include secondment of specialists by public agencies and large industries; organization of training programmes including study tours abroad; and increase in the number of associate experts.

Training Programme for Small Industry Experts

Tentative cost estimate

The following tentative cost estimate of a training programme for small industry experts in a West European country is based on the following assumptions:

1. Fifteen economists, engineers and business executives would participate in a six-week class-room programme in the capital, a three-week tour of promotion and servicing centres for small-scale industry in the country and a two-month study tour of centres and facilities for small-scale industries abroad. (Total: about 17 weeks' training per participant).

2. Class-room training would be provided by a faculty including five national teachers (for courses spread over six weeks) three guest teachers (for one week or ten days each) and two UNIDO staff members (for two weeks each).

3. The study tour in the country would be organized on a group basis.

4. Fellowships for observation tours and study overseas would be given on an individual basis. Participants would visit industrial estates, industrial extension centres, small industry service institutes, industrial banks, etc. either in India, southern Italy, the United Kingdom or Puerto Rico.

5. On this basis, the costs might be, tentatively

	<u>U.S. Dollars</u>
(1) Travel of trainees to and from the capital	2,000
(2) Travel for study tour in the country	3,000
(3) Per diem to trainees for 9 weeks in the country (at \$1,000 per trainee)	15,000
(4) Fees to 5 national teachers	4,000
(5) Travel, fees and per diem for 3 guest teachers for one week or 10 days	3,000
(6) Travel and per diem for 15 days for two UNIDO staff members from Vienna	1,000
(7) Fifteen two-month fellowships abroad at \$2,000 per fellowship	30,000
(8) Documentation and miscellaneous	2,000
Total	<u>60,000</u>

6. No account is made in the above estimate, of contributions in kind of the sponsoring organizations (class-rooms, class-room supplies, administrative and clerical staff, etc.)

JOB DESCRIPTION NO. 1

**Post title:** Associate industrial economist (small-scale industry)

**Duration:**

**Date required:**

**Duty station:**

**Duties:** Under the guidance and supervision of the United Nations expert in industrial development in the country, the Associate Expert will undertake assignments in the field of small-scale industry and industrial estates. In particular, he will assist the Planning Board and Development Centre in:

- Carrying out feasibility and pre-investment studies for small-scale industries.
- Contributing to the planning and establishment of industrial estates.
- Contributing to the provision of industrial extension services and financial assistance.
- Conducting surveys and studies which might prove useful towards the implementation of the activities in the field of small-scale industry of the Planning Board and Development Centre and the Senior Expert in industrial development.

**Qualifications:** University degree in engineering and/or economics with good theoretical knowledge of programmes of development of small-scale industries.

**Language:**

**Background information:**

JOB DESCRIPTION NO. 2

**Post title:** Associate industrial economist (industrial estates)

**Duration:**

**Date required:**

**Duty station:**

**Duties:** The Associate Expert will be attached to the Development Centre. He will work in association with and under the guidance and supervision of the UNIDO industrial estates expert already attached to the Centre. In particular, he will be expected to:

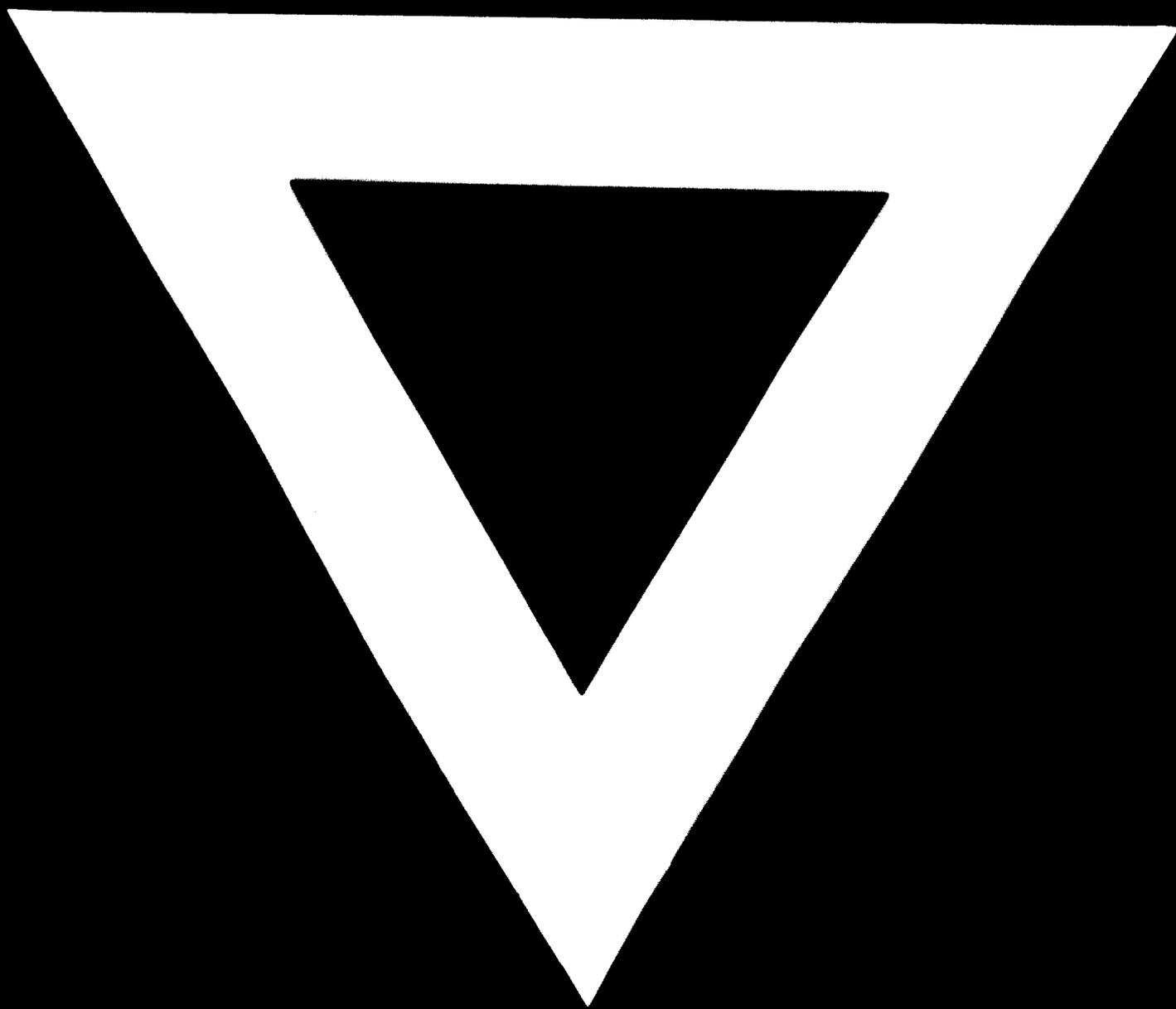
- Assist in conducting feasibility studies for industrial estates and industrial areas.
- Assist in drawing up an integrated programme for the promotion of small and medium scale industries and in co-ordinating their development with that of larger sized industries.
- Assist in conducting surveys and studies which might prove useful towards the implementation of the Senior Expert's duties.

**Qualifications:**

**Languages:**

**Background information:**





**10.7.74**