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*for a sustainable future*

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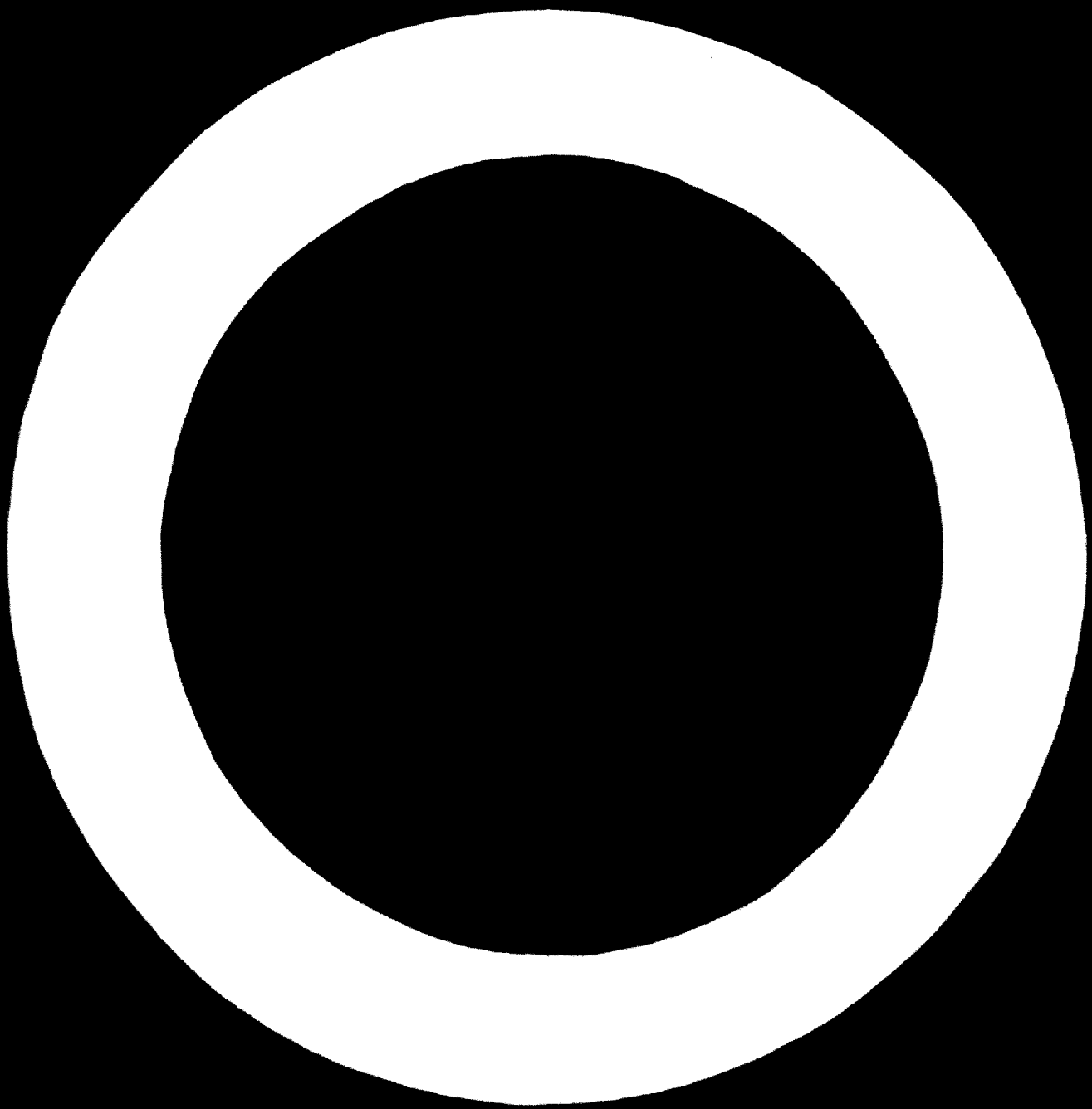
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## I NATURE AND SCOPE OF INDUSTRIAL SERVICES

A basic element in the industrialization of developing countries is the establishment of both a public and private institutional infrastructure which is capable of providing efficient services to industry.

The first item of the agenda will attempt to identify the nature and scope of certain critical industrial services. The general characteristic of these services is that they are meant to support and promote the development of the manufacturing sector.

Services to be discussed will include:

### A. Applied Industrial Research

Applied, 'product-directed' research is a key prerequisite for the successful industrialization of developing countries, regardless of the stage of their present industrial development.

Its specific objectives include the development of new or improved products and processes; adjustment of existing processes to special local production conditions, or to the particular characteristics of available local materials; reduction of production costs; development of special preservation and packing methods and of new uses for local raw materials and recovery of by-products.

The Seminar will explore various aspects pertaining to research and especially applied research, with the aim of further improving its effectiveness.

### B. Standardization and Quality Control

Standardization and quality control systems are essential for countries in the early stages of industrial and technical development. The development and proper use of standards offers innumerable advantages to producers as well as to consumers. Moreover, the current rate of industrial

development in the developing countries and the interest being shown in international trade, make the development and application of industrial standards and quality control important at both national and international levels.

Countries in Asia and the Middle East are becoming aware of the need for developing and improving quality control systems as one way of increasing productivity and the export potential of their manufactured products.

The Seminar will discuss and exchange views on problems of organizing standardization and quality control programmes.

#### C. Industrial Information

A continuous flow of industrial information is one of the main pre-requisites for preparing and implementing industrialization plans. Such information is also essential for the successful operation of individual industrial enterprises.

While the needs of the developing countries cover a very wide area, such as production techniques and industrial design, management practices, statistics on production and consumption, prices of raw materials and manufactured goods, etc., their practical requirements call for industrial information which is carefully selected and processed to answer their specific needs.

The Seminar will discuss the organization of essential industrial services in developing countries.

#### D. Industrial Promotion

Industrial Promotion Service is a broad concept of gearing an increasing proportion of UNIDO's over-all activities to mobilizing external resources of finance and technical assistance and bringing them to bear on the specific industrial needs of the developing countries.

The success of the Promotion Service depends to a certain extent on the breadth and level of representation from both the developing countries and potential supplier organizations. This Seminar will discuss the need for further efforts to close the gap between the need of the developing countries for external

resources and the volume of actual flow. Also, the discussion should underline the problems and present the ways and means for further action on promotional activities and to speed industrialization in the developing countries through action-oriented studies and operational projects.

**E. Industrial Consulting Services**

The role of industrial consulting services is to provide practical guidance to industrial managers, government officials and others faced with industrial development problems which require specialized knowledge and experience. Such services are provided by either a person or an organization, qualified to undertake an independent and unbiased study of a given problem and reach a rational solution.

The Seminar will discuss the types of industrial consulting services needed in the developing countries to solve engineering, technological and managerial problems as well as the advantages and disadvantages of providing these services locally or from abroad.

**F. Feasibility Studies**

An important activity for ensuring that industrial development programmes will in effect lead to the construction and operation of industrial enterprises in developing countries, is the prior determination of the technical and techno-economic soundness of proposed industrial projects.

The Seminar will discuss the preparation and use of feasibility studies for the purpose of promoting specific industrial projects among prospective entrepreneurs and presenting such projects to banks and other organizations for financing.

**G. Training**

Many developing countries are short of the skilled manpower needed for economic and industrial development. This shortage is aggravated by the migration of trained personnel from less developed to more developed countries - the "brain

drain" - and by the inefficient use of skilled workers within the developing countries.

The key objectives are, therefore, to generate new and specialized skills quickly and economically, and to make more efficient use of those that exist. The Seminar will discuss ways and means of achieving these objectives.

## II ORGANIZATIONAL ASPECTS OF INDUSTRIAL SERVICES

Most industrial enterprises in developing countries, because of the limited resources available, do not have the capability of providing internally, the required services discussed above. There is, moreover, a definite need for further developing and strengthening organizations entrusted with providing industrial services in developing countries.

The Seminar will discuss organizational aspects of establishing and administering industrial services.

### A. Role of Public and Private Sectors and their relationship in the provision of Industrial Services

Industrial services can be provided by the Government or by the organized private sector, or by a combination of both. The need for co-operation between the public and private sectors is readily apparent if duplication of effort is to be avoided. Establishing and maintaining adequate channels of communication between the various entities dealing with a common problem is vital to such co-operation.

The Seminar will examine the role of each sector, the channels of communication currently in use, as well as other aspects of public-private relationships in providing industrial services.

### B. Systems and Procedures

From the point of view of overall efficiency of an industrial development agency, the Seminar will examine the following organisational matters:

- (a) composition of the policy making body (e.g. individual administrator or multi-member Committee or Board)
- (b) criteria for selecting the policy making body
- (c) establishment of effective reporting system



- (d) definition of clear and feasible objectives
- (e) assignment of responsibilities and delegation of authority for implementing the activities.

C. Finance

In considering the establishment of an entity, providing industrial services, it is important to provide a firm basis of financial support for a reasonable length of time - until the organization has had an opportunity to establish itself in the national community. Proceeding from this practice, some agencies are financed by the Government, others are figuring on self-generated income, but most on both sources of income, and often get support from industry in the nature of fees for providing services or for participation in implementing general programmes.

The Seminar will spotlight these points with particular stress laid upon the system of annual budgetary appropriations and provision of long-term capital for industrial expansion.

D. Personnel

The success, reputation and acceptance of any service-providing agency depends primarily on the quality and ability of its staff. Many agencies in the developing countries are confronted with staffing problems, the most prevalent being staff shortage. It is a widely held opinion that certain industrial development agencies are unable to offer adequate salary and other incentives to attract and retain the best talent available. This and other relevant aspects relating to manpower and its administration will be discussed at the Seminar.

E. Evaluation of Performance

It is obvious that evaluation of the performance of institutions when broadly applied, has great significance. Many managers are very concerned with the solving of this problem by searching for better methods of measuring results of institutional activities. A number of numerical schemes have been described, but as yet no quantitative technique for appraisal has found wide acceptance.

Although evaluation procedures for research and development institutions are at present in an unsatisfactory state, there is reason to expect that important progress will come about in the near future. The methods of operations research, coupled with greatly improved data handling, are now being investigated. These problems are expected to occupy appropriate attention at the Seminar.

F. Co-ordination

It often happens that a number of industrial development agencies have joint or interlocking commitments in a certain field of activity. In such cases it is not unusual to find such agencies adopting divergent approaches to the same problem resulting in the dissipation of energy and resources.

The Seminar will discuss ways and means of close co-ordination between the various establishments (i.e. Ministers and institutions) in regard to providing industrial services on a joint basis.

III CASE STUDIES OF INSTITUTIONS PROVIDING INDUSTRIAL SERVICES

It is expected that the participants' Country Reports will spotlight the following, generally recognized institutions, emphasising in particular their organization and administration.

A. Industrial Research Institutes,  
so far the generally recognized instrument for providing research and industrial services, which may be government, semi-government or private organizations. The services provided usually cover : Research Information, Analysis and Testing; Feasibility studies; Trouble shooting; Quality Control, and many others.

B. National Standardisation Bodies,  
which are, in fact, a variety of the above-mentioned institutes, highly specialised in standardization and quality control problems. They occupy a unique position as the only agency in a country responsible for the establishment of state standards and control of their introduction and observation; establishment of a uniform system of measurement throughout

the country; calibration of measures and measuring instruments, and also represent national standardization activities on an international level.

C. Industrial Development Institutes and Corporations, which were established in most of the developing countries and aimed at promoting the development of industry in general, provide as a rule, a wide range of services to industry on a regional and national basis, including in several cases, finance for industrial projects.

D. Industrial Co-operative Associations, as a means of developing locally-owned industry. These associations may provide a wide range of services to industrial co-operatives such as technical advisory services, industrial information, loan facilities, purchasing of raw materials, marketing of manufactured goods etc.

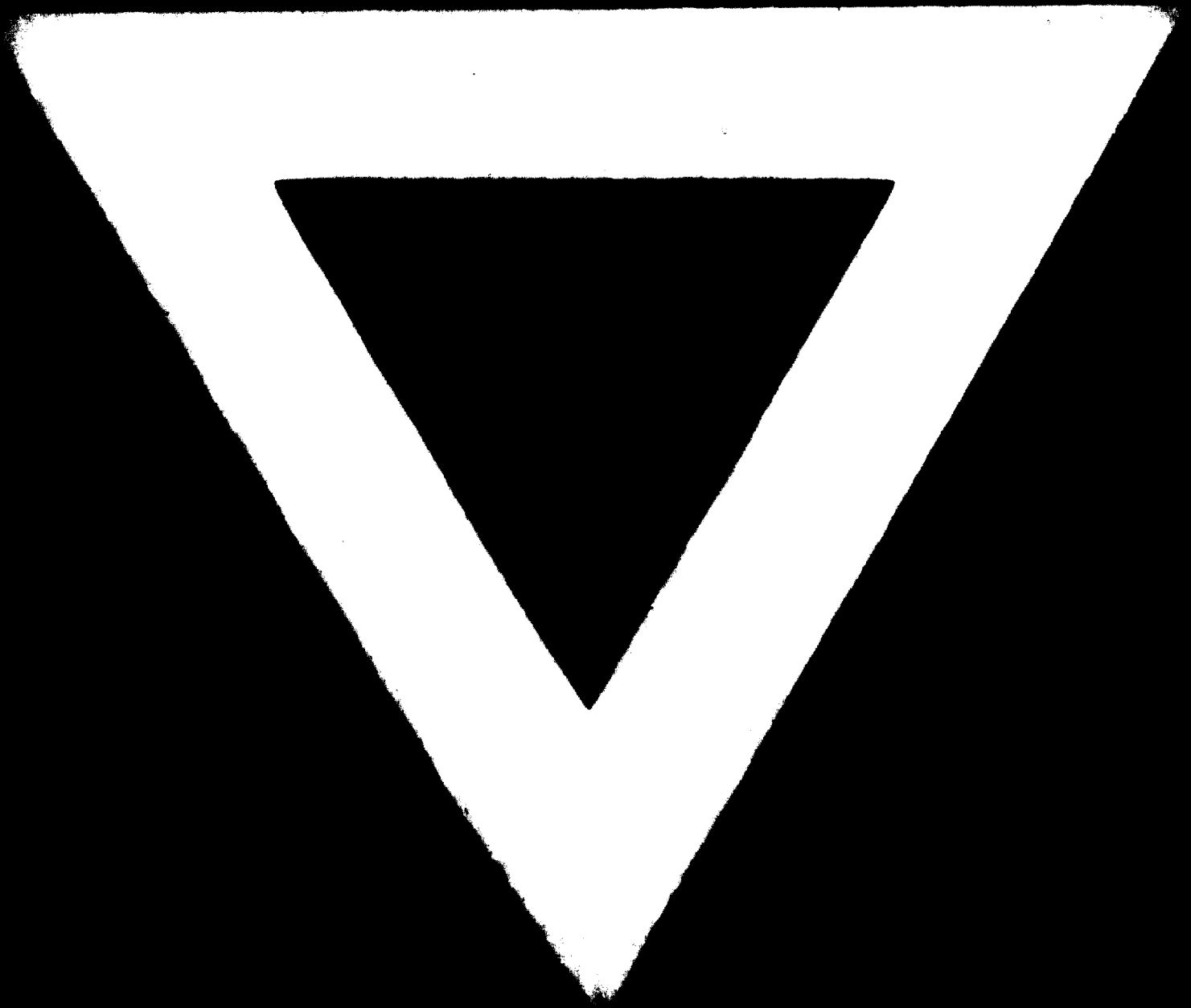
E. Chambers of Industry, whose performance in developed countries has demonstrated that they have an indispensable role to play in industrialization. It is generally recognized that the full potential of chambers of industry for promoting rapid industrialization in the developing countries, as yet, has not been developed.

#### IV BILATERAL AID AND INTERNATIONAL TECHNICAL ASSISTANCE IN THE FIELD OF INDUSTRIAL SERVICES

A number of developing countries have received and are continuing to receive technical assistance from other countries as well as from the United Nation sources, including United Nations Industrial Development Organisation (UNIDO). Specific examples of this aid will be examined at the Seminar.

#### V DISCUSSION OF REPORTS AND ADOPTION OF RECOMMENDATIONS





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