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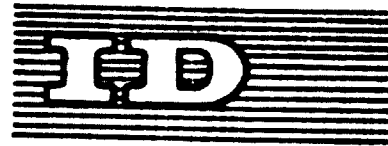
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Expert Group Meeting on Industrialization
in Countries at Early Stages of Development
with Special Reference to Small-scale Industry

Vienna, 6 - 10 December 1971

REPORT

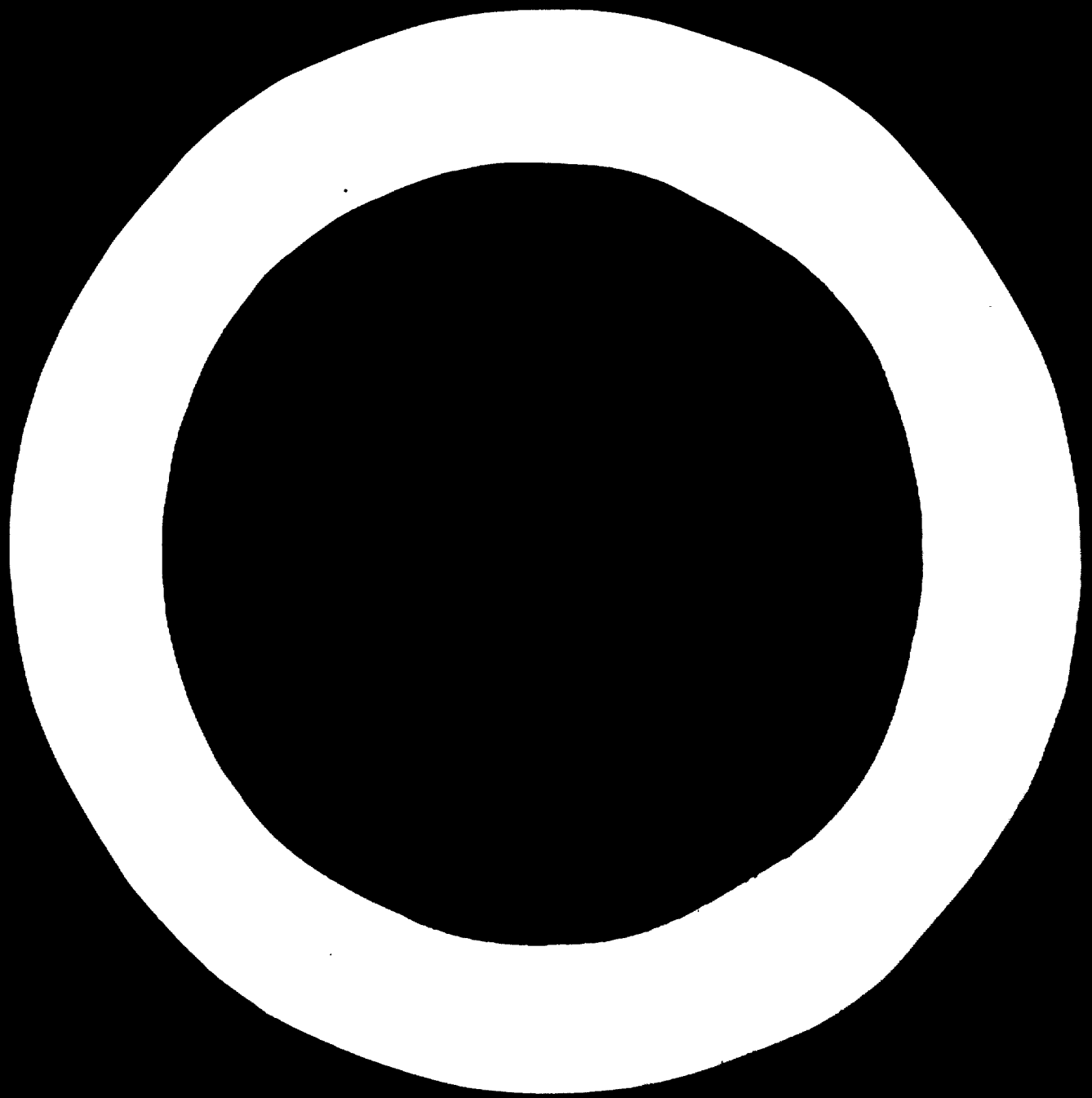
**OF THE EXPERT GROUP ON INDUSTRIALIZATION
IN COUNTRIES AT EARLY STAGES OF DEVELOPMENT,
WITH SPECIAL REFERENCE TO SMALL-SCALE INDUSTRY**

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INTRODUCTION

1. The Meeting of the Expert Group on Industrialization in Countries at Early Stages of Development, with Special Reference to Small-scale Industry, convened by the United Nations Industrial Development Organization (UNIDO), was held in Vienna from 6 to 10 December 1971.
2. The Seminar was attended by seven experts; representatives of the United Nations Department of Economic and Social Affairs, the Economic Commission for Africa (ECA), the United Nations Conference on Trade and Development (UNCTAD), the International Labour Organisation (ILO), the Food and Agriculture Organisation of the United Nations (FAO), and the International Bank for Reconstruction and Development (IBRD); observers from the Research Institute for Management Science, (RIME) Delft, the Netherlands, and the United States Agency for International Development, (USAID), Washington; and staff members and a consultant of UNIDO. The list of participants is given in Annex I.
3. Mr. I. H. Abdel-Rahman, Executive Director of UNIDO, inaugurated the Meeting on 6 December 1971. He extended a warm welcome to all the participants - experts, representatives of organizations of the United Nations family, inter-governmental organizations and observers. He stated that the problem before the meeting - the promotion of industry in the least developed countries - was important, urgent and difficult. In the context of the Second Development Decade it had been recognized by the United Nations General Assembly, the Economic and Social Council, the UNCTAD and the UNIDO Special Industrial Conference that there was need for special measures of promotion of, and assistance to, the least developed among the developing countries. Certain Member countries of the United Nations had, at the last Pledging Conference of the United Nations Development Programme (UNDP), earmarked a substantial part of their contributions for assistance to these countries. This need was also acknowledged by some international financial organizations, particularly the World Bank and its affiliate, the International Development Association.

4. While recognizing the scope for the development of industry in many of the least developed countries, Mr. Abdel-Rahman stated that the extent and rate of industrialization might vary appreciably from one country to another. He pointed out that having regard to the serious obstacles to industrialization in these countries, concentrated and sustained efforts, involving the co-operation of national governments and international and inter-governmental organizations, are called for. Such efforts should tend at building up an institutional machinery, procuring financial resources for investment, evolving promotional policies, measures and incentives, developing skills, expanding markets and assisting in setting up and managing industrial enterprises. These tasks were difficult and challenging.
5. Mr. Abdel-Rahman stated that the Expert Group Meeting had been convened with a view to providing both UNIDO and the governments of the least developed countries with guidance on means of achieving these objectives. He further stated that the agenda before the Meeting was intentionally broad and encompassed discussion of all relevant problems of industrialization in these countries. However, since small-scale industries may have a role to play in many of the least developed economies, special discussion was invited on the means of promoting them as well as promoting small craft and service industries and trade activities.
6. Finally Mr. Abdel-Rahman remarked that the Meeting would be a success if it helps, on the one hand, governments in assessing better their needs and possibilities and in drawing up constructive policies and, on the other hand, UNIDO and other organizations in providing more effective technical co-operation and financial support.
7. The Expert Group elected Mr. H. M. A. Onitiri, Director, Nigerian Institute of Social and Economic Research, University of Ibadan, Nigeria, as its Chairman. Mr. B. M. Catane, Officer-in-Charge, Small Business Loans, First National City Bank, Manila, the Philippines, was elected Vice-Chairman, and Mr. Nuno F. de Figueiredo, Professor at the University of São Paulo, Brasil, as Rapporteur.
8. Mr. I. Krestovsky, Chief, Small-scale Industry Section, UNIDO, Secretary of the Expert Group, pointed out that the list of issues contained in the annotated provisional agenda (ID/WG.109/1/Add.1) was indicative and not limitative.

9. The provisional agenda was adopted with the addition of a sub-item on financial assistance to small-scale industries. The agenda is given in Annex II. A list of conference papers and background documents is given in Annex III.
10. The report was approved on 10 December 1971.

I. PROBLEMS OF INDUSTRIAL DEVELOPMENT
IN THE LEAST DEVELOPED COUNTRIES

Characteristics of the least developed countries and
major obstacles to their industrialization

11. The Expert Group accepted the list of 25 countries drawn up by the United Nations Committee for Development Planning as a starting point for the discussions. Several participants pointed out, however, that while these countries have the common characteristics of per capita gross domestic product of \$100 or less, share of manufacturing in total gross domestic product of 10 per cent or less and literacy rate of 20 per cent or less, there are differences not only between them and relatively more advanced countries, but also among the countries in this group.

12. One characteristic which distinguishes the least developed countries from other developing countries is that the former have hardly made a beginning towards industrialization while many of the latter are already engaged in the process of industrial development. The obstacles to industrial development in the least-developed countries are not well identified, and the Group felt that it would be useful to study the obstacles confronting individual countries and to recommend appropriate measures of development by undertaking interdisciplinary surveys. Some participants pointed out that physical resources are not necessarily fixed and static, but are susceptible to changes in time - with prospecting of new resources or with technological development opening up the use of idle resources. Several participants noted from recent examples that the significance of geographical location of a country (including land-locked countries) may alter, as related developments occur in neighbouring countries or among trading partners. Resource endowments have, therefore, to be considered along with other factors, such as attitude towards change, institutional and political framework, access to markets and so on.

13. The Expert Group stressed, from the beginning of its discussions, that many of its considerations would relate to under-developed countries in general, and not merely to the least developed ones, unless otherwise specified. This

applies in particular, to the subject-matters of small industry promotion, education and training, and certain other topics taken up during the discussions.

14. The Expert Group was aware that its deliberations and report are only a preliminary step in the consideration of problems of a group of developing countries to which special attention is now being given by the international community. Many recommendations in the present report are necessarily of a general character and apply not only to the twenty-five countries identified as the least developed ones but also to a large number of other countries which are only slightly more developed - or less under-developed - than those listed. More definite considerations and recommendations will have to wait until better knowledge of the least developed countries is gained and is assimilated by international and other organizations.

The role of industrialization in the economic development
of countries at early stages of development

15. The Expert Group agreed that, in considering the role of industrialization in the economic development of the least developed countries, account should be taken of the social organization and not merely of the governmental system; of the effects, if any, of population growth and of the need to provide opportunities for employment; of existing agricultural, mineral, forestry and other resources as well as of artisan and craft activities as a starting point for industrialization; of the size of the national market and, where relevant, of the regional market; of the need to build infrastructure, in particular, a transportation system; of the problems of the commerce and service sector, and of other factors.

16. In some countries at early stages of development the governmental system is superimposed on the traditional social organization comprising the family, the ethnic group or the village as the social and economic unit. The role of industrialization and the prospects of industrial growth depend to a large extent on the social constraints, in particular the attitude to change. Foreign experts should not presume that drastic changes could be introduced rapidly and propose

rational economic models which might result in social disruption. One participant stressed, in this connexion, the need to regulate the growth of foreign enterprises - especially large multi-national companies - whose power and influence may be unduly large in relation to the governmental and social system, and which may tend to disrupt too rapidly the balance of power in the social system. The strategy of industrial development should take account of the prevailing economic organization and social attitudes. As industry grows, the need for institutional and other changes will become more apparent, and the changes in attitudes will be facilitated.

Strategies and policies for industrial development

17. The Group considered the emphasis to be placed on employment creation as contrasted with income growth in the least developed countries. Although the pressure of population growth, unemployment, under-employment and population drift to urban areas has not yet created in all these countries such serious problems as in some other countries, it is nevertheless necessary to be foresighted if these consequences of large-scale, urban-oriented industrialisation are to be avoided. Some participants pointed out that development strategies should take account not only of ways of increasing output and income but also of employment effects and repercussions on the natural and social environment. This may call for, among other things, employment-oriented projects for improvement and intensification of agriculture, irrigation and public works through labour-intensive methods, the selective establishment of small-scale industries related to agriculture and other resources, and conscious efforts to make use of industrial techniques which "stretch" capital so as to employ more labour.

18. The Expert Group felt that, when a least developed country was in a position to join an economic grouping, the regional planning of industry that would take place should be so devised as to give proper consideration to a fair participation of such countries in the benefits derived from the enlargement of the markets; special clauses and procedures should be adopted to that end. The Expert Group took note that important efforts are being devoted by certain United Nations organizations to find the proper means towards this objective.

19. The Group felt that, in general, efforts towards industrialization in the least developed countries should involve: (i) developing and improving opportunities for industries related to agriculture, forestry, mining and other natural resources, in order to provide immediate opportunities for employment and income creation and even for seasonal employment; (ii) improving existing artisan and craft activities and, where feasible, transforming some of them or linking some of them to modern manufacturing undertakings; (iii) developing industries related to tourism, especially souvenir and artistic handicraft workshops, food processing industries and certain types of services. The planning of industrialization should be closely related to that of agriculture and of service activities. As development proceeds, establishment of modern small and medium industries should get an increasingly higher priority in order to achieve a break-through in the economy. However, in some countries, on account of physical and other constraints, there would be a limit to modern industrialization.

20. The Group considered the size of the national market as a major criterion in selecting strategies of industrialization of the least developed countries. In some countries, the size of the national market is large enough to justify a programme of industrialization, using import substitution to a considerable extent as one of the tools. The existence of natural resources in some countries justifies the development of resource-based industries catering to both national and export markets. In some of the least developed countries having adequate national markets, industrialization should be planned from the outset. In countries with limited national markets, the development of the infrastructure and a vigorous programme of agricultural development might be important steps towards industrialization. In most of the least developed countries the implementation of such a policy would evidently depend to a large extent on the availability of foreign financial resources.

21. The Group considered the role of foreign investment and foreign management in the economic and industrial development of the least developed countries. Some international firms have been established in these countries to make use of natural resources and, in some cases, to undertake processing and manufacturing.

Because of the high labour costs in advanced countries, international firms appear to be increasingly willing to establish manufacturing in developing countries which have exploitable resources and lower-cost labour. The Group felt that while foreign investment and management could be of advantage to least developed countries in promoting income creation and foreign exchange earnings, many of these countries need advice on negotiations and agreements with foreign firms, so that their activities conform to the interests of economic development of the countries concerned. It was emphasized that agreements with foreign firms should provide for training of nationals in management and eventual participation of nationals in the capital and management of foreign enterprises.

22. In this connexion the Industry Co-operation Programme sponsored by FAO, the Investment Promotion Programme of UNIDO and the proposed Partnerships Programme of UNIDO were noted and welcomed. Activities by UNIDO and other international agencies related to the preparation of pre-investment studies, feasibility studies, appropriate technology and projects for financing by foreign firms and assistance to the least developed countries in negotiating reasonable terms with foreign firms were considered essential. It was recommended that international agencies should play an increasing role in these areas.

23. The Expert Group expressed the view that, in the least developed countries, there was not only less scope for a policy of industrial development based on import substitution than in relatively more advanced countries, but there might also be severe limitations since such a policy could lead to increases in costs which, even if they were temporary, could not be afforded by several of these countries. The markets of many of them are too small to justify the production of large numbers of items; at the beginning, every item would be more expensive to the individual consumer. The cost advantages would in some cases be more apparent than real since they would be mainly due to the degree of tariff protection and the apparent saving in foreign currency. In many developing countries, import substitution policies have led to disappointments because the effect on the balance of payment has been much less than had been expected and there are even cases where they have involved a greater outlay on the importation of both raw materials and equipment than has been actually saved

by local production. Nevertheless, there was a consensus that a measure of import substitution could be part of the development strategy of countries at early stages of industrialization. It should, however, preferably be carried out selectively on the basis of actual or potential comparative advantages of local manufacturing such as might be provided by the availability of certain raw materials, of an adaptable labour supply or by location on convenient transport routes. These comparative advantages should be studied carefully.

24. The Expert Group considered that one tool for promoting local industrial development should be to stimulate the manufacturing of items that could be purchased by public institutions such as government ministries, police, schools, hospitals, armed forces, public transportation etc. The demand from the public institutional sector is well known, stable and may be determined by government decision rather than by the consumer preference of thousands of individuals. The Government may decide that some preference in such purchases be given to products made by local manufacturers, both large and small, rather than to imports. Even when contracts are given out to foreign suppliers, ways should be sought, wherever possible, to ensure that some part of the order is subcontracted to a local manufacturer able to carry it out.

25. In view of the limitations of the local market in the countries under consideration, every effort should be made to develop export-oriented industries. The Expert Group recognized the difficulties of bringing local industries to the stage where they would be able to compete freely in the export market. Some members pointed out that foreign investors might be better able to develop manufactures for export since they would be more likely to have the necessary market information, brand names and contacts. The Group was of the opinion that promotion campaigns should be undertaken to attract investors from abroad for setting up industries for export.

26. The Expert Group felt that the planning of industries, whether in substitution of imports or otherwise should, wherever possible, be done in individual countries on the basis of agreements with other countries linked in regional, subregional or other multinational groupings. The products of each country would then have access to a wider market. As regards the development of export-oriented industries,

it could be facilitated if governments of developed countries modified their foreign trade policies with a view to making them less restrictive and giving special preference to the manufactured products of the least developed countries, in particular by adapting their tariff structures. As far as possible, and in the context of a properly designed strategy, the Group considered that import substitution should not be seen as an alternative to export-oriented industrialization. The two should be regarded as complementary approaches to industrial development.

27. The Expert Group discussed the influence of social and political factors on the development of an industrial strategy in the least developed countries. This is relevant, among other things, to the question whether industrial development in these countries should be mainly concentrated in the principal urban areas where the infrastructure is generally more developed and better opportunities exist or whether it should also be stimulated in the provinces and rural areas. Some participants thought that this problem was part of the broader issue whether decisions on industrialization were to be taken exclusively on the basis of market considerations or whether political and social requirements should also be taken into account. They pointed out that while each country would have to be considered separately in this connexion, it has to be acknowledged that there exist sometimes overriding political and social factors making it necessary for governments to direct economic development towards provincial and rural areas. Other members of the Group, while recognizing that such factors could not be left out of consideration, were of the view that as far as expert advice on industrial strategy was concerned, it should be given to governments primarily on the basis of market considerations. It was suggested by still others that the advice of political and social experts as well as of economists in the formulation of policies of industrialization should be sought.

28. There was agreement that the benefits of industrialisation should be spread as wide as possible within each least developed country. The priority for developing industry away from the metropolitan centres could not, however, be always very high. In nearly all countries, there are some provincial towns which can at some stage become growth centres. Some members of the Group considered

that since it is difficult in the least developed countries to develop any industries at all, the question of where to locate them is a matter of secondary importance. However, advisers should, wherever feasible, attempt to foresee and make explicit the political and social consequences of the policies they advocate, including those resulting from their advice on the location of industry.

2). It was recognized that special incentives should be given to promote those types of industries which are of highest priority to the country. One participant suggested that, since capital is scarce and employment is a major objective of industrialization, one of the incentives might be in the form of a subsidy or a tax concession based on the amount of employment created by the industry. On the subject of fiscal incentives, some participants warned that the granting of excessive tax concessions to attract foreign investors might cause unhealthy competition between some of the least developed countries and thought that this should be avoided. There was a consensus that the effectiveness of tax exemption had been exaggerated and that most foreign investors were attracted to the least developed countries for reasons other than offers of tax benefits. Tax incentives would have hardly any effect on small-scale industries, which make small profits and are often able to evade taxation. Technical assistance, loans, industrial estates and so on are more important for small industry promotion. Tax incentives have, however, a role to play in promoting larger industrial enterprises. They should, if possible, be given across the board to sectors of industry irrespective of ownership, on the basis of their contribution to the national economy. The administration of these incentives should be simple enough to enable both foreign and local industrialists to obtain these benefits without undue bureaucracy.

30. Several participants warned against the dangers of price distortions in the economy, often due to an overvalued currency. This tends to favour imported goods and to reduce the competitiveness of domestic industries in export markets. It might also have the effect of artificially lowering the cost of capital equipment and of encouraging capital-intensive rather than labour-intensive industries.

II. PROMOTION OF SMALL-SCALE ENTERPRISES IN THE LEAST DEVELOPED COUNTRIES

A. SMALL-SCALE INDUSTRY

Institutional framework

31. The Group recognized that the government has to play a key role in formulating a policy for small industry development, drawing up a promotion and assistance programme and setting up a machinery for its implementation. The policy should dignify the status of small-scale industry; the measures for development should be integrated in the promotion programme; the administrative responsibilities for implementing the programme should be clearly defined.

32. The Group appreciated the deficiencies of a public administrative and policy-making machinery in the least developed countries and stressed the need of providing technical assistance to build up and sustain the necessary institutions. In spite of the difficulties of finding suitable counterparts, some local staff should be recruited, even if its qualifications are not adequate by more advanced standards. In addition, a senior official in the Ministry of Industry (or in the Ministry responsible for economic development), should be designated to provide guidance, obtain government approvals and co-ordinate and follow-up the implementation of policies and programmes through semi-governmental or autonomous agencies set up for the purpose. The Group noted with appreciation that UNIDO is providing expert assistance to the governments of a number of these countries in policies, programmes and institutions for the development of small-scale industry and suggested that such assistance be extended to all the least developed countries as a matter of urgency.

33. There was agreement that, in the smaller countries, it would be sufficient to have one institution in charge of industrial development in general; such an institution might have a special department for small-scale industries which would provide technical and management assistance and other extension services, financing,

and information on prospective industries as well as on government regulations and requirements. The form and size of the institution would depend on the governmental system, the availability and effectiveness of staff and so on. In some countries, it might be a unit of the Ministry of Industry; elsewhere, it could be an autonomous public or semi-public organization, such as an industrial development corporation or bank, an industrial promotion and extension centre, etc. The importance of autonomy was stressed in this connexion. While the same institution could undertake promotion of, and assistance to, industries of all sizes, its functions in respect of the promotion of foreign investment and those for the encouragement of local enterprises should be distinct and administered by separate branches. Especially when an autonomous organization is set up, co-ordination, for example through the senior official mentioned above, should be maintained. Whatever its type, the organization should be created on the basis of a review of the over-all needs of the country for promotional and financing institutions catering to all sectors of the economy.

34. The promotional institution should be concerned with identifying and stimulating entrepreneurs, providing them with guidance and information on industrial opportunities, organizing extension services and training, and providing financing or assisting in obtaining it.

35. In respect of this last point, there was a consensus that, taking into account the scarcity of administrative and management resources in the least developed countries and the need to associate closely technical and financial assistance, one institution - whether a development bank or an industrial promotion centre - could well combine promotion and financing. Proper balance, specialisation of functions and economy of resources and skilled talents might be achieved by having, within the institution, separate departments for promotion and financing. After a break-through in industrialisation has taken place, it might be desirable and feasible to establish separate institutions.

Promotion of entrepreneurship

36. The Group recognized that the causes limiting the growth of indigenous entrepreneurship are more or less the same in all the least developed countries, namely, absence of industrial tradition, lack of knowledge of techniques and management, shortage of financial resources and limitations of market. In several such countries the motivation for industrial entrepreneurship is lacking because of the low social prestige attached to industrial careers as compared to others. While this problem can be solved only over a period of time with the spread of education, campaigns through communication media, closer contacts with people from industrial countries and other influences, governments should from the outset endeavour to create the machinery and to programme the measures required for the stimulation of indigenous entrepreneurship. Some participants noted that, in several developing countries, government policies and bureaucratic attitudes have been inimical to the development of local small-scale industry.

37. The Group considered the experience of different developing countries in the promotion of small-scale industry with a view to identifying the most likely sources of industrial entrepreneurship in the least developed countries. A common feature of such countries is the existence of artisans and craftsmen engaged in traditional industries. While the Group recognized the need and scope for improving the efficiency of the artisans, it felt that some of these were not capable of being transformed into modern industrial entrepreneurs. Extension and promotion agencies should carefully identify the crafts which have the potential for transformation into modern industries and devise suitable measures of assistance to facilitate such changes. In view of the general backwardness in education and the lack of opportunities for technical and other training in the least developed countries, it is difficult to identify any particular class of people as having potential for industrial entrepreneurship. In fact, no group of people can be said to have any irremediable disabilities for industrial entrepreneurship. The special advantage of small industries is that they can be started by people with little or limited background and experience in production and management, but who have some money, leadership and risk-taking abilities. The promotion agencies should, on their own initiative, try to seek out potential entrepreneurs from all groups and classes of the population. The experience of some developing countries shows that traders,

workers and foremen from existing enterprises and technically educated people have on the whole good potential to develop into successful entrepreneurs, given the necessary support and assistance.

38. The extent of support and assistance which governments should offer for the stimulation of entrepreneurship would depend on the conditions and circumstances in each country. The Group expressed the view that facilities for feasibility surveys and studies, financial assistance, industrial extension services, training and other types of assistance, if provided in an integrated or "package" form, can go a long way in stimulating local entrepreneurship.

39. The Group considered the question whether the government should go to the extent of setting up itself small industries which could be eventually transferred to private ownership. It was of the view that government officials of the least developed countries may have neither the experience nor the qualifications to start and operate small industrial ventures. With the obvious limitations of bureaucratic procedures, small industrial enterprises started and managed by government officials may not turn out to be models of efficiency. Further, the scope for actual entrepreneurial training in such enterprises is rather limited. There is therefore no advantage in having such projects started by the government.

40. On the other hand, joint ventures between public agencies and private parties may in certain circumstances prove to be helpful in developing indigenous or local entrepreneurship. However, care should be taken that rigid bureaucratic controls should not be imposed upon them. The public agencies co-operating in joint ventures should have adequate freedom and autonomy to ensure a smooth and flexible operation of the enterprise. Some participants expressed the view that public financial institutions rather than government departments would be better suited for participation in joint ventures. It was also felt that there was a case for joint ventures, provided the government participation was limited to a minority percentage in equity investment and provided the production unit was operated and managed by the small entrepreneurs themselves. One participant, however, felt that many dangers were implicit in joint ventures involving government and private investment and that the promotional value of this device was often doubtful.

41. The Group examined a UNIDO proposal for associating foreign industrialists and institutions in various types of partnerships with indigenous industrial enter-

prises in African countries, where the problem of shortage of indigenous entrepreneurship is particularly acute ("Partnerships" - ID/WG.10)/BP.2). Such co-operative arrangements might include sale of machinery at liberal conditions, with or without the provision of services of technicians, secondment of managerial personnel, training of the African personnel, subcontracting for the production of parts and components, assistance in marketing of products of the African enterprise, licensing and franchising agreements and joint ventures with equity participation and co-management on the part of the foreign industry.

42. The Group was of the view that such partnerships might be concluded with the larger of the small-scale industries and medium-sized enterprises. In some cases, groups or co-operatives of small enterprises could avail themselves of some of these facilities. The Group felt that the "partnership" programme was worth trying and, on the whole, endorsed UNIDO's proposal.

43. The Group stressed that in any arrangement for the supply of machines and know-how, the least developed countries should be given all possible information on suitable equipment. One participant suggested that some pressure might be applied on suppliers so that they would develop technologies more appropriate for the economies of the least developed countries.

44. Foreign industrial and trading enterprises established in these countries should be required to provide training and advancement for their local employees so as to create and expand the knowledge and experience needed for successful entrepreneurship.

Measures for the development of small-scale industry

45. In the developing countries, programmes of development of small-scale industry usually consist of three main components: (i) provision of extension services (promotion of new entrepreneurship, feasibility and pre-investment studies, and assistance and training to existing enterprises in technique, management and marketing); (ii) financial assistance at liberal conditions, especially supervised credit schemes linking technical assistance to financial assistance, and credit guarantees; and (iii) industrial estates offering standard factory buildings and, in many cases, common service facilities.

46. The Group considered that all these basic measures will also be needed in the least developed countries, but that their form may have to differ from that prevailing in countries at higher levels of development.

Feasibility and pro-investment studies

47. One of the first steps in any programme of industrialization is to determine the kinds of industries that should be promoted. The Expert Group agreed that this is a problem on which the least developed countries generally need and welcome expert guidance. Industrial-economic studies which sort out from all the possibilities a list of the most promising "candidate" industries will provide a good beginning. These industries should be suited to the natural and human resources of the country, existing and potential market demands (internal and external), and factors affecting costs and prices as compared with those of other countries that may be competing in the same markets.

48. There is considerable similarity in the kinds of industries that generally appear first in countries at early stages of development, but the special circumstances of each country at each point in time make it dangerous to rely on any general rule or to imitate what has been successful in some other country. Ideally, there should be continual analysis of, and search for, industrial development opportunities. To have such an analysis done by outside experts, except where possibilities for large-scale investment are involved, is likely to be too costly for the least developed countries or, over the long term, even for international agencies assisting them. The Expert Group recommended, therefore, that assistance be provided to the least developed countries in training a few of their own people in the techniques of search for promising industrial development opportunities, especially for those opportunities which are likely to be accessible to small industrial entrepreneurs.

Assistance in technique, management and marketing

49. As already noted, the Group felt that the most important institution for the development of small-scale industry in the least developed countries is the industrial extension centre.

50. It is likely that, in these countries, assistance will require closer and longer co-operation between extension officers and entrepreneurs and their employees than in relatively more advanced countries. Among the methods particularly effective to provide such assistance are: itinerant teams for factory visits; training at the extension centre and in the factory; seconding of extension officers to assist managers; seminars; common service facilities; achievement motivation techniques; and marketing assistance including marketing clinics.

Financial assistance to small-scale industry

51. The Group felt that, in the least developed countries as well as in most other developing countries, the main obstacles to the financing of small-scale industry are: the lack of suitable financial institutions; the general shortage of financial resources for credit; and the difficulty of channelling to the smaller enterprises whatever funds are available.

52. One way of solving the first problem is to request technical assistance from international financial organizations or from UNIDO for the establishment of special departments of existing banking institutions or of special agencies for credit to small-scale industry. International, regional or sub-regional financial organizations might help in alleviating the second obstacle by making available to the national credit institutions in the least developed countries funds earmarked for loans to small-scale industry. Some bilateral technical co-operation programmes might also be willing to engage in such operations. Programmes of this type have been successfully conducted in relatively more advanced developing countries (for instance by the Inter-American Development Bank in Latin American countries) and the Group suggested that UNIDO might draw the attention of international and regional financial organisations on opportunities of undertaking such operations in some of the least developed countries.

53. As regards the third obstacle - the difficulty of financing small industrial enterprises - it is due to several factors, among which the lack of demand due to lack of entrepreneurship, the lack of well-prepared "bankable" projects, and the

well-known reluctance of financial institutions to lend to the smaller enterprises. An important remedy is to associate closely financial assistance and technical help. Banks would be more willing to lend to small enterprises if the viability and bankability of the project were certified by an extension agency and if follow-up assistance to small entrepreneurs were assured. Such a system of supervised credit, where the extension agency and the lending institution cooperate closely in identifying the requirements of small enterprises and in carrying out pre-loan and post-loan operations, is essential if the flow of financing to small enterprises is to be increased.

54. Another remedy is to evolve systems of credit guarantee or insurance, which would stimulate financing by commercial banks. Another means is to relax reserve requirements by central banks, where they exist, for loans by commercial banks to small enterprises.

55. The Group was strongly of the view that collateral and security requirements should be relaxed for small enterprises. Being by definition people of small means, small entrepreneurs are usually unable to meet the normal bank lending criteria of collateral, mortgages, etc.

56. The Group felt that a simplified hire-purchase system for the supply of machinery and equipment could be introduced in some of the least developed countries. Under this system, the machinery supplied to the small entrepreneur on instalment credit usually obviates the need for other security. The system, however, should not be used for the procurement of advanced, capital-intensive machinery. Similarly, very low rates of interest should not lead to the use of credit for the procurement of such machinery. What is required is to make available funds at the right time, for the right project, and not to subsidise the use of capital.

57. The system of temporary equity participation in small-scale enterprises, operated by a semi-autonomous development institution or bank, may be advantageous to the least developed countries. The system adds to the capital resources of the small enterprise and improves its chances of obtaining medium-term or long-term credit from financial institutions. The entrepreneur commits himself to refunding the other part of the equity within a prescribed period of time.

58. Some participants thought that the institution of joint funds, in which the government and commercial banks would pool resources, might be more efficient than credit granted by government financial institutions alone; under this system, credit operations would be administered on commercial lines but the loans would be made in accordance with government policies and priorities.

Industrial estates

59. The Group took note of the fact that many industrial estate projects formulated by UNIDO experts in the developing countries, including some of the least developed countries, are stalled for lack of financial resources. The industrial estate can indeed be an expensive device, since it involves land, infrastructure, standard factory buildings and other facilities and amenities.
60. The Group felt however that, in view of the extreme difficulties of creating the first industrial enterprises, many of the least developed countries would have no choice but to resort to the industrial estate. What is needed in many cases is a first pilot estate which would be expected to have a demonstration effect and to induce entrepreneurs to go into business.
61. There is evidence that where financial resources for construction have been obtained, industrial estates have led to the emergence of local industrialists in a few less-developed African countries. This provides an encouragement for building, on a modest scale to begin with, estates in the least developed countries.
62. The Group noted that certain multilateral programmes such as the European Development Fund and certain international programmes such as that of the International Bank for Reconstruction and Development have expressed interest in the financing of industrial estates. It urged these and other financial organisations to give increasing support to industrial estate projects in the least developed countries. For this purpose, UNIDO experts should make thorough feasibility studies of such projects, on the basis of which financial decisions could be taken.
63. There was agreement that industrial estates would be effective only if such projects were part of a broader development programme for small-scale industries, including industrial extension services and financing at liberal conditions. In the absence of such measures, industrial estates might remain empty or be only slowly occupied.
64. The estate with standard factories should, whenever possible, be located in an industrial zone which might also include an industrial area offering improved plots to industries of different types and sizes. Some small-scale industries might eventually be able to put up their own buildings on such plots. The grouping together of small and large industries would enable inter-trading and

inter-servicing among them, would provide economies of scale in construction of buildings and of utilities, and would be beneficial from an urban planning standpoint. The Group suggested that UNIDO might study the problems of industrial estates involving low initial investments.

B. TRADITIONAL ARTISAN AND HANDICRAFT ACTIVITIES

65. The Group recognized that in nearly all the least developed countries the predominant manufacturing activities are carried out by artisans and other traditional entrepreneurs. In these countries the general tendency is to introduce assistance programmes for the improvement and promotion of all categories of traditional crafts irrespective of their potential for growth or their contribution to economic development.

66. In most of these countries artisan crafts are, apart from agriculture, a major source of employment and will be so for a long time to come. Without underrating the importance of the contribution of artisan undertakings to employment, the Group recommended that the least developed countries should adopt a selective approach in introducing development programmes for such crafts. For a variety of reasons, some of the traditional crafts have lost their raison d'être in a modernizing economy and it would be a waste of the scarce resources of the least developed countries to attempt to preserve and develop them. The strategy in such cases should be to help the people dependent on obsolete crafts to move on to alternative occupations as quickly as possible. At the same time, importance should be given to the development of those traditional crafts which have a positive role to play in a modernizing economy. Development programmes for such crafts should include modernization of the techniques of production and marketing, introduction of quality control and standardization and arrangements for supply of raw materials of good quality at reasonable prices.

67. The Group expressed the view that the co-operative approach would be ideally suited for this sector of industries. It recommended that those traditional crafts which have a potential for transformation into modern small-scale industries should be specially assisted to develop on co-operative lines through appropriate assistance measures.

68. The Group was of the view that no general recommendation can be made on the type and pattern of promotional institutions for artisan crafts in the least developed countries. In most countries the institution for the development of small-scale industry might be able to look after both modern and traditional industries even though extension officers with specialized knowledge and responsibilities for industries and crafts of different types might need to be trained and recruited.

69. The Group pointed out that assistance through "mini-industrial estates" or clusterings of workshops for artisan crafts should be provided only in areas where there are large concentrations of such undertakings. The conventional industrial estate is better suited to the modern small-scale industries.

70. One participant noted that UNCTAD was giving consideration to projects for the establishment of joint organisations for export marketing of artisan products from the least developed countries, and felt that further work along these lines should be carried out.

C. TRADE AND SERVICE INDUSTRIES

71. The Expert Group expressed the view that local participation in the trading and commercial activities of the least developed countries should be considerably expanded. In many of these countries commerce is in the hands of an "expatriate" or "non-indigenous" group of the population. Some participants noted that this hampers the development of a close relationship between trading and local manufacturing, since many of those in trade prefer to market imported items. The Group pointed out that the trading community represents one of the most important sources of entrepreneurship and local capital. Therefore, special efforts to increase the participation of the local population in trade would necessarily lead to the development of service and manufacturing industries. Examples were given where, in various parts of the world, trade and manufacturing went together: merchants, after a time, have started servicing, processing, semi-manufacturing an item and finally manufacturing it entirely. This is a type of development that should be encouraged in the least developed countries.

72. Several participants pointed to some of the difficulties encountered in steering indigenous entrepreneurs towards trading activities. Expatriate firms engaged in trading are usually reluctant to train local nationals. There is often a shortage of premises and other suitable facilities for local traders to begin activities. There was a consensus that expatriate and non-local firms should be induced to train local traders. Also, greater financial assistance should be given to those going into trading operations and physical facilities should be made available - perhaps in the form of mini-trading estates - for service industries. Shops, exhibition halls and other marketing facilities where traders can carry on their activities might be a part of such mini-estates.

73. Some members of the Group believed that it was worth encouraging the organization of co-operative forms of trading among the local population, since this could provide advantages such as expanded financial resources and the possibility of purchasing in bulk. There might also be savings in warehousing costs.

74. One participant observed that, in some developing countries, government legislation had been used to reserve certain trade activities in designated areas to the indigenous population and thought that this was worth encouraging.

75. As regards service industries, some members of the Group considered that far more could be done in promoting such activities which were often a mid-way stage between trade and manufacturing. Examples were given of the sort of service industries that could be promoted in the least developed countries: transportation, cold storage, warehousing, repair and maintenance, milling and packaging of certain food items and possibly the provision of tourist facilities such as hotels. The Group felt that semi-industrial activities of these types should be encouraged in the least developed countries and given the same financial, technical and managerial assistance as would be provided for small-scale manufacturing.

III. EDUCATION AND TRAINING

76. The Expert Group considered in some detail the need, in relation to industrialisation of countries at early stages of development, for building up the knowledge and skills of the people. There are two sets of problems to be tackled: (i) the long-term, fundamental problems of extending and improving general education and (ii) the problems of training for specific occupations and skills.

77. On the first, the Group noted that nearly all the countries under consideration have a rate of literacy less than 20 per cent. By definition, such countries have populations that are lacking in nearly all the types of knowledge and skills required in modern industry, including such basics as reading, writing, calculating and familiarity with at least elementary scientific ideas and their technological applications. More and better general education is needed, not just technical-vocational education. A wider spread of education among the people is an important element of industrialization. In this connexion, a warning was raised by one participant that funds available for the fundamental education of the masses should not be reduced by over-emphasising higher education, which is very expensive.

78. In most of these countries changes are needed in the content and methods of general education - that is, in the curriculum. Schooling should be made more relevant to the world of work. Experiments are going on in many countries with the aim of finding ways to link school activities with work activities. These, of course, are not entirely new ideas; yet they deserve attention. Some participants thought that, even at the lower levels of schooling, it is possible to include in everyone's general education some practical experience with work projects, some exploration of occupational opportunities and even some basic ideas on work planning and management.

79. The Expert Group agreed that, in relation to industrial development, the major aim of schools, that is, of institutions at the primary and secondary levels, should not be to produce people trained in advance to perform specific industrial tasks; it should be to produce readily trainable people. Training in specific

industrial skills can usually be better and more economically done in close proximity to actual jobs, either by the employing organizations themselves or by training centres run in close co-operation with industry. Reference was made in this connexion to certain patterns of organization for occupational training which are found, for example, in many Latin American countries (the National Service of Industrial Apprenticeship - Serviço Nacional de Aprendizagem Industrial (SENAI) - in Brazil; the National Apprenticeship Service - Servicio Nacional de Aprendizaje (SENA) - in Colombia; the National Institute of Educational Co-operation - Instituto Nacional de Cooperación Educativa (INCE) - in Venezuela; etc.). While the Expert Group recognised that the organizations mentioned are too large and complex to serve as direct models for the countries at early stages of development, certain of the basic ideas behind them can perhaps be usefully adapted.

80. The point was made by several participants that systematic attempts should be made to foresee the kinds of manpower needs that will be emerging as a consequence of development programmes and on-going economic and social changes; this can help in educational planning and particularly in the planning of occupational training efforts. However, a cautionary note was injected to the effect that such anticipations are likely to be rather unreliable. It is therefore important (i) to provide for continual "feedback" on trends in the labour market and (ii) to provide for flexibility, on the basis of a type of general education that prepares people to learn new things readily, and by adjusting training and retraining programmes to changing situations.

81. Certain kinds of skills are needed in nearly all lines of industry, particularly small industry, which countries at early stages of development are likely to enter. These include, for example, skills in management, book-keeping and marketing. An analysis of these and other skill needs in the light of a country's special circumstances should be made as a basis for the planning of training programmes. The kinds of management training which will be most helpful in countries at early stages of development will generally be considerably less specialised and make use of less sophisticated techniques than in the

relatively more industrialized countries. The skills required for successful management of a small industrial firm or of a co-operative are to a very large extent skills in human relations - getting people to work together. In upgrading production management in most small enterprises which are making the transition from "traditional" to "modern" methods, experience shows that management training is best done, not in the abstract, but in close relation to detailed improvement of the production techniques themselves. The highly specialized management training techniques of industrially advanced countries are less applicable and the role of trainers who know a particular industry (leather, wood-working, and so on) must be greater than in more developed countries.

82. Several members emphasized the desirability, in countries at the early stages of development, of exploring ways to make effective use of radio, television (when and where it becomes available) and all sorts of other audio-visual aids, both in general education and in occupational training. The advantage of such methods is particularly great in those countries where literacy rates are low.

83. Good general education (involving, for example, science laboratories and opportunities for "hands on" experience in making things) is fairly expensive, and good technical education and training is much more expensive. The Expert Group noted that, in the least developed countries, the scarce equipment available for science laboratories and training workshops is often under-utilized - three or four hours a day, perhaps - when by more ingenious and careful planning it might be utilized more steadily and serve more people. An example was given of trade training centres operating in a certain African country, where an important advantage is that the same equipment is used both for day-time courses by full-time trainees and for late-afternoon and evening courses by people who work during the day. Many of the training staff - another scarce resource - provide instruction to both groups.

IV. INTERNATIONAL CO-OPERATION FOR THE PROMOTION OF INDUSTRY
IN THE LEAST DEVELOPED COUNTRIES

International and regional co-operation

84. The Expert Group endorsed the conclusions and recommendations in regard to the least developed countries made by the United Nations Committee for Development Planning in its Report on its Seventh Session (E/4990). Although these recommendations are of broader scope, most of them can be read in the context of the promotion of industry in the least developed countries.
85. The Group supported, in particular, the conclusion that the establishment of regional groupings and of regional institutions would go a long way in improving the capacity of the least developed countries to benefit from international assistance and co-operation. This is true, among others, of international trade, investment promotion, and technical co-operation. Regional arrangements might also lead to a more rational organization and structure of industry in the least developed countries participating in these schemes.
86. As regards international trade, the Group noted with satisfaction the efforts of the United Nations Conference on Trade and Development (UNCTAD) to reduce trade barriers and to extend the system of preferences for the benefit of the least developed countries, to attain a better international division of labour in production, especially through subcontracting of certain labour-intensive productions to industries in these countries, and to facilitate the processing of raw materials near the source of supply. The Group further noted with interest the negotiations currently being held by UNCTAD to exclude handicraft and artisan products from the broader tariff nomenclature classification in order to facilitate the exports of those products from the least developed countries.
87. In connexion with the local processing of materials for export, one participant noted that, as a rule, the level of protection against imports of processed raw materials in the industrial countries is very high and increases with the degree of processing of the imported product. Another participant pointed out that the tariff structure in some developing countries discourages the local processing of raw materials. These obstacles however, should not be insurmountable.

88. The Group recommended that UNIDO co-operate with UNCTAD and the regional economic commissions in undertaking joint action for the export promotion of products from the least developed countries. It noted that one project, jointly organized by UNIDO, UNCTAD and the Trade Promotion Centre, is being started in the United Republic of Tanzania. The Group further urged UNIDO, UNCTAD and the regional commissions to facilitate the establishment of common facilities for the promotion of exports from groups of least developed countries having common trade interests.

89. Considering that a very large number of the least developed countries are land-locked, the Group strongly felt that ways and means should be devised to lower substantially transportation costs, perhaps through a regional transport policy, and by helping the neighbouring maritime countries in improving roads and other transport facilities used for carrying products to and from the land-locked country. For countries that are not land-locked, common facilities should be established for shipping in order to hold down freight costs.

90. As regards international financing, the Expert Group noted with satisfaction that the World Bank group attaches increasing importance to small-scale industry in the development process of the developing countries. Also, the IBERD and the International Development Association (IDA) are becoming less restrictive in their credit policies by giving increasing consideration to programme lending. The World Bank group is ready to channel funds to national financial institutions to finance development projects and is willing to consider the financing of industrial estates. In this connexion, the Group also noted that the Inter-American Development Bank has evolved global loan programmes implemented in close co-operation with national development banks, as well as a soft-loan programme. Both measures have proved to be beneficial to the developing countries in Latin America. The African Development Bank is also starting a similar programme. The Group strongly urged multilateral as well as bilateral aid programmes to pay increasing attention to the needs of the least developed countries, especially in regard to industrial development and the financing of industry.

91. One participant suggested that the forthcoming participation of the United Kingdom in the European Economic Community might have important implications for a number of the least developed countries, and thought that there would be

scope for United Nations agencies to assist these countries in their trade negotiations with the enlarged community.

92. The Group felt that information on the conditions and prospects of industrial development in the least developed countries remains inadequate. More comprehensive and more systematic surveys are called for. The Group took note that a number of such surveys have been undertaken, such as the restricted country reports produced by the World Bank and the reports of the inter-agency missions sponsored by the International Labour Organisation (ILO), not all of which, however, cover the least developed countries. The Group also noted that UNIDO has carried out industrial development surveys of a number of least developed countries. The number of such surveys should be increased, but care should be taken that the conduct of the surveys should not place an excessive burden on the administrative services of the least developed countries. The Group suggested that surveys might be carried out by inter-agency missions including, among others, UNIDO and the regional economic commissions.

93. Finally, the Expert Group took note of resolution 2768 (XXVI) on identification of the least developed among the developing countries, adopted by the General Assembly of the United Nations at its current session (1968th plenary meeting, 18 November 1971). In this resolution, the General Assembly, among other things, requests organs and programmes of the United Nations, including UNIDO, to initiate action-oriented programmes, within their respective fields of competence, in favour of the least developed countries. The Expert Group trusted that its present meeting was a step in this direction. The Group suggested that, among other activities, UNIDO might convene in the future a meeting bringing together technical co-operation experts and other persons serving or having served in the least developed countries.

Technical co-operation

94. The Expert Group pointed out that the capacity of the least developed countries to absorb technical help is much more severely limited than that of relatively more advanced countries. The lack of "institutional infrastructure", the extreme shortage of trained personnel, in particular of suitable counterparts for foreign experts, the shortage of financial resources to implement the recommendations of the experts, the vagueness of government policies, the difficulties of ascertaining needs raised drastic limits to the capacity of these countries to make effective use of technical co-operation in the two main forms in which it is provided today to most developing countries, i.e. advisory expert services and fellowships for training overseas.

95. Some modified or new forms of technical co-operation may thus be needed in the least developed countries. Experts are likely to work there without counterparts, without clear-cut directives from the government and may serve in fact in executive capacities. While this is not in accordance with the basic principles of technical co-operation and while it may be regretted that counterparts would not be trained to take over the expert's functions after his departure, this should sometimes be accepted as an almost inevitable state of affairs. Yet governments should be urged to provide the services, even on a part-time basis, of officials able to provide some assistance to the expert and to gain some knowledge of promotion work or of certain types of techniques.

96. The use of the services of associate experts or United Nations volunteers in the least developed countries should be encouraged. These young educated people would give support to the more experienced expert and, to some extent, might substitute for the non-existing counterparts.

97. It was pointed out that the conditions of work of experts in these countries are extremely difficult and that, for that reason, there are special difficulties in recruitment. Another problem is that the experts to be sent to these countries should have special qualities of endurance and perseverance, adjustment to difficult conditions, and capacity of adapting their knowledge and simplifying their recommendations and training to make them more effective and more accessible. Such types of people are particularly scarce. Efforts to recruit younger experts

should definitely be made, and some new sources of recruitment - such as industries or institutions willing to second young engineers, economists or business administrators - might need to be approached.

98. To the extent possible, the services of experts should be provided with a longer perspective than in the relatively more advanced countries. What is important is not so much the duration of the mission of an individual expert - though it might need to be longer than in other countries - as continuity in providing expert services over the long run. In view of the difficulties in recruitment, one expert or a pool of experts could sometimes provide services to several countries.

99. While experts would be attached to the usual national institutions - Ministry of Industry, extension service (where it exists) or development corporation - it might be useful, in some cases, to attach experts - engineers and economists - to financial institutions. One reason for this is that technical assistance in these countries, especially that of a technological character, would almost inevitably have financial repercussions and this would contribute to creating a closer link between technical and financial assistance. Another reason is that the financial institutions in these countries are usually the best organized and the most effective. Special training programmes might be organized by experts for both bank officials and extension officers.

100. Another means of strengthening the links between technical and financial assistance is to undertake joint missions by UNIDO experts and experts from the IBRD group of organisations, especially the IDA, or other international or regional financial organisations. Since banking institutions do not, as a rule, undertake the preparation of feasibility or pre-investment studies, the work of UNIDO experts in this area should be carried out in close co-operation with international as well as national financial organizations. In a general way, the Expert Group felt that the provision of multi-disciplinary teams of experts - which might frequently involve the co-operation of several organizations of the United Nations family - would be particularly beneficial to the countries under consideration.

101. Again because of the lack of counterparts and of the uncertainties of government directives and action, increasing resort of Operational Assistance (OPAS) personnel would appear to be called for. Under this system, foreign specialists work usually as government civil servants with executive functions and responsibilities. The excess of their remuneration over the salary paid by the government is covered by the United Nations. The Expert Group noted that the OPAS system, in its present form, has several drawbacks as a result of which competent people are not attracted by it. The system does not offer them all the benefits given to United Nations experts. Some modifications to the OPAS system thus appear to be desirable.

102. The Expert Group was of the view that the OPAS system should not be restricted to supplying civil servants to the developing countries. In view of the serious shortage of skilled industrial managers in these countries, especially in the least developed ones, the OPAS system should be used by UNIDO, at the request of governments, for providing managers for industrial enterprises. The Expert Group took note that the provision of managerial talent by the International Executive Service Corps (IESC) to industries and other undertakings in the developing countries had been generally effective and recommended that governments should request such assistance under a suitably modified OPAS system. It also recommended that UNIDO and UNDP should stimulate the submission of such requests by governments. It noted that executive personnel might also be needed in connexion with UNIDO's "partnerships" project and recommended co-ordinated action under the two schemes.

103. The Expert Group considered that, in addition to the efforts of extension centres and other promotional institutions in the least developed countries, there should be some possibilities of mustering the co-operation of professional and business associations - chambers of commerce and industry, industrial federations and so on - where they exist, for providing not merely protection and representation of the interests of their members, but also promotional action

for the establishment of new industries, the modernisation of existing ones, the training of entrepreneurs, the promotion of subcontracting and so on. Some special incentives might need to be given by the government to these associations to achieve this result. Another possibility is to enlist the co-operation of established expatriate industries. At some stage in the future, self-help action among indigenous enterprises should be promoted.

104. The evaluation of technical co-operation projects, which is needed in all developing countries, is of special importance for operations in the least developed countries. Indeed, the lessons acquired in some of these countries would often be of use in others. The Expert Group recommended that such evaluations be undertaken in as many of these countries as possible and that, in time, several evaluations be carried out in the same country.

ANNEX I

LIST OF PARTICIPANTS

EXPERTS

Prof. József Bognár
Member of Academy of Sciences,
Director, Research Institute for Developing Countries,
Budapest, Hungary

Mr. Benjamin M. Catane
Officer-in-Charge, Small Business Loans,
First National City Bank, Manila,
Consultant Presidential Economic Staff,
Consultant University of the Philippines,
Institute for Small-scale Industries
Manila, Philippines

Mr. Nuno Fidelino de Figueiredo
Professor at the University of São Paulo,
São Paulo, Brazil

Mr. H. M. A. Onitiri
Director, Nigerian Institute of Social
and Economic Research,
University of Ibadan,
Ibadan, Nigeria

Mr. Percy Selwyn
Fellow of the Institute of Development
Studies at the University of Sussex,
Brighton, England

Mr. Eugene A. Staley
Consultant on Occupational Education,
The Ford Foundation, India Field Office,
New Delhi, India

Mr. Frank L. Turner
Research Director, Pacific Projects Limited,
Tokyo, Japan

UNITED NATIONS

Department of Economic and
Social Affairs (UNCDPPP),
New York

Mr. Omar Halim
Economic Affairs Officer,
Centre for Development Planning,
Projections and Policies

Economic Commission for
Africa (ECA), Addis Ababa

Mr. Sebbat Hablé-Selassie
Acting Chief,
Industry and Housing Division

United Nations Conference on Trade
and Development (UNCTAD), Geneva

Mr. Syed Abbas
Chief, Export Policy,
Country and Sector Studies Section,
Manufacturers Division

United Nations Industrial Development
Organisation (UNIDO), Vienna

Mr. Ibrahim Helmi Abdel-Rahman
Executive Director

Mr. Joseph E. Stepanek
Director, Industrial Services
and Institutions Division

Mr. Igor Krestovsky
Chief, Small-scale Industry Section,
Industrial Services and
Institutions Division

Mr. Jacob Levitsky
Chief, Technical Services Group,
Small-scale Industry Section,
Industrial Services and
Institutions Division

Mr. Subrahmanjan Nanjundan
Chief, Promotion and Development Group,
Small-scale Industry Section,
Industrial Services and
Institutions Division

Mr. Abdelmalek Ben-Amor
Industrial Development Officer,
Survey Section,
Industrial Policies and
Programming Division

Mr. Leonard Matovu
Industrial Development Officer,
Industrial Policies and Financing Section,
Industrial Policies and
Programming Division

Mr. André E. Saenger
Chief, Section for Programme Co-ordination,
Technical Co-operation Division

United Nations Industrial Develop-
ment Organisation - Consultant

Mr. P.C. Alexander
UNDP/UNIDO Chief Adviser and
Project Manager (IRA-11), Teheran
UNIDO Consultant

SPECIALIZED AGENCIES

International Labour Organisation
(ILO), Geneva

Mr. Ajit S. Bhalla
Senior Economist,
Employment - Planning and Promotion
Department

Food and Agriculture Organisation
of the United Nations (FAO), Rome

Mr. E. A. M. Asselbergs
Chief, Food and Agricultural
Industries Service,
Agricultural Services Division

International Bank for Reconstruction
and Development (IBRD), Washington D.C.

Mr. Carl D. Goderes
Industrial Projects Department

OBSERVERS

**Research Institute for Management
Science (RVS), Delft,
the Netherlands**

**Mr. Hans J. B. Roozeboom
Staff Member,
Regional Industrial Development Section**

**Swedish International Development
Authority (SIDA), Stockholm,
Sweden**

**Mr. Sten Joste
Consultant**

**United States Agency for Inter-
national Development (USAID)
Washington D.C.**

**Mr. Kenneth Scott Levick
Associate Assistant Administrator,
Technical Assistance Bureau**

ANNEX II

AGENDA

1. Opening addresses
2. Election of Chairman, Vice-Chairman and Rapporteur and adoption of the agenda
3. Problems of industrial development in the least developed countries
 - 3.1 Characteristics of the least developed countries and major obstacles to their industrialization
 - 3.2 Strategies and policies
 - 3.2.1 The role of industrialisation in the economic development of countries at early stages of development
 - 3.2.2 Strategy and policies for industrial development in these countries

4. Promotion of small-scale enterprises in the least developed countries
 - 4.1 Institutional framework
 - 4.2 Promotion of entrepreneurship
 - 4.3 Measures for the development of small-scale enterprises
 - 4.3.1 Small-scale industry
 - 4.3.2 Financial assistance to small-scale industry
 - 4.3.3 Traditional artisan and handicraft activities
 - 4.3.4 Service industries and trade activities
5. International co-operation for the promotion of industry in countries at early stages of development
 - 5.1 International and regional co-operation
 - 5.2 Technical co-operation
 - 5.3 Follow-up of the Meeting
6. Adoption of the general conclusions of the Meeting
7. Concluding addresses

ANNEX III

LIST OF DOCUMENTS

Conference Papers

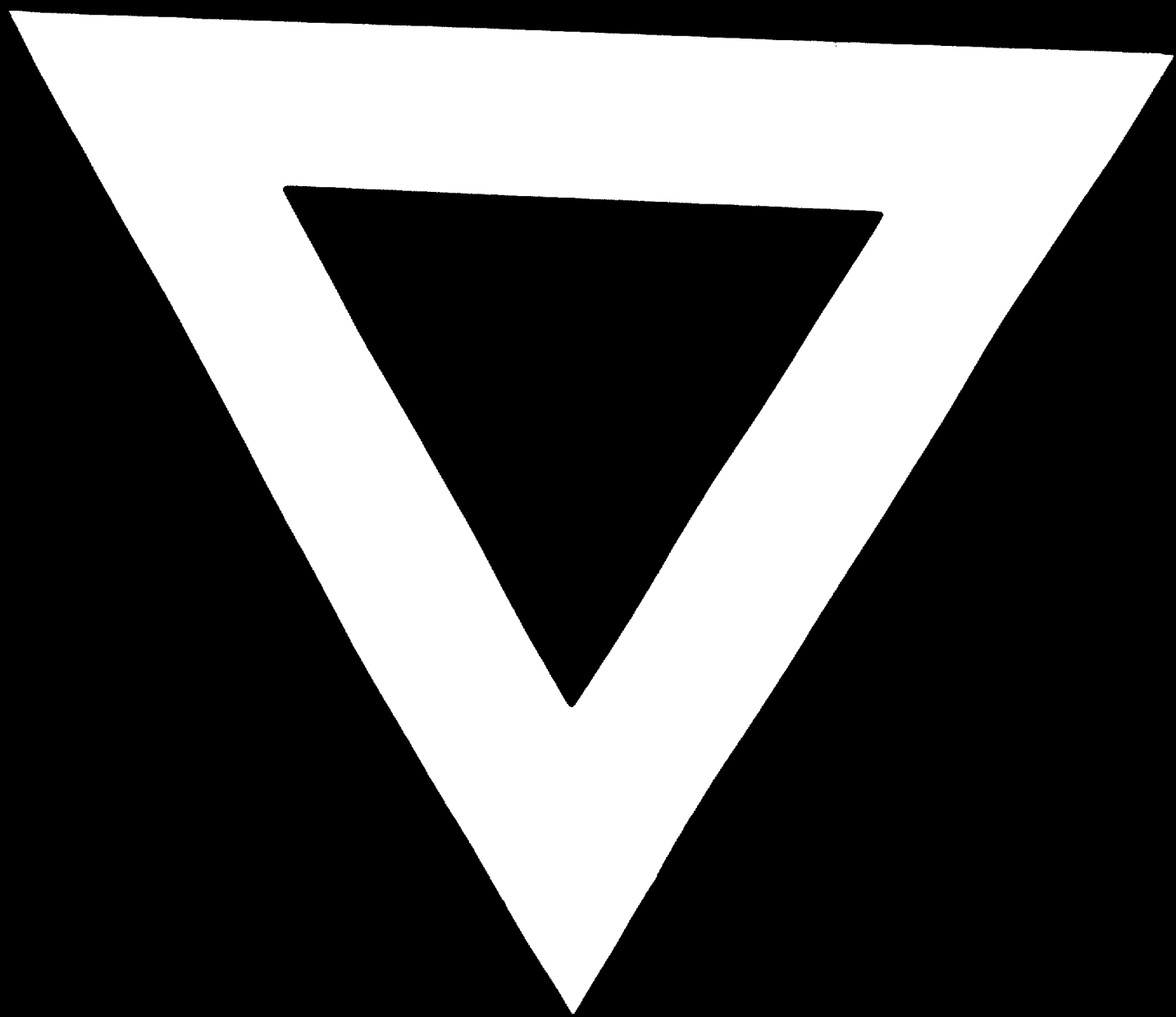
<u>Symbol:</u>	<u>Title:</u>
ID/WG.109/1	Provisional Agenda and Schedule of Meetings
ID/WG.109/1/ Add.1	Annotated Provisional Agenda and Proposed Issues for Discussion
ID/WG.109/2	Forms and Causes of Extreme Under-development, by Hans W. Singer
ID/WG.109/3	Industrialisation in Countries at Earliest Stages of Development, by Frank L. Turner
ID/WG.109/4	Development Strategy in Countries at Early Stages of Development, by Alexander Neilson
ID/WG.109/5	Problems of Industrialisation in Swasiland, by John A. E. Orloski
ID/WG.109/6	Problems of Industrialisation in Dominica, by W. G. K. Voeth

<u>Symbol:</u>	<u>Title:</u>
ID/WG.109/7	Some Problems in the Modernization of Traditional Industries in Developing Countries, by P.C. Alexander
ID/WG.109/8	Technical Assistance for the Promotion of Small Enterprises in Countries at Early Stages of Development, by Leonard W. Reed
ID/WG.109/9	Problems of Technical Co-operation in the Least Developed Countries, by UNIDO
ID/WG.109/10	Opportunities for Small Factories in Countries at Early Stages of Development, by Eugene Staley
ID/WG.109/11	Labour Intensity in Small-scale Industry, by Frank L. Turner
ID/WG.109/12	UNIDO Technical Assistance to the Least Developed Among the Developing Countries in the Field of Industrial Policies and Programming, by UNIDO
ID/WG.109/13	The Marketing of Artisan Products from the Least Developed Among the Developing Countries, by Percy Selwyn
ID/WG.109/14	Technical Co-operation Projects in the Field of Small-scale Industry in the Least Developed Among the Developing Countries, by UNIDO
ID/WG.109/15	List of Participants
ID/WG.109/16	List of Documents
ID/WG.109/17	Report of the Expert Group on Industrialisation in Countries at Early Stages of Development with Special Reference to Small-scale Industry

Background Documents

<u>Symbol:</u>	<u>Title:</u>
E/4990	<u>Official Records of the Economic and Social Council, Fifty-first Session, Supplement No. 7, Report on the Seventh Session of the Committee for Development Planning (See Chapter II, "Least Developed Among Developing Countries in the Context of the Second United Nations Development Decade: Identification and Special Measures", pages 41-83)</u>
ID/WG.109/BP.1	The Role of Small-scale Industry in a Strategy for the Development of the Least Developed Countries, by Benjamin P. Spiro, Excerpts from a paper published in the <u>Revue économique et sociale, Lausanne, No. 4, 1971</u>
ID/WG.109/BP.2	Partnerships - A Note on Co-operation between Developed and Developing Countries in the Field of Small-scale and Medium-sized Industry in African Countries, by UNIDO
ID/WG.109/BP.3	Les problèmes du développement industriel des pays en voie de développement les moins avancés, by UNIDO
ID/WG.109/BP.4	International Labour Organisation (ILO), The Handicraft Sector: Experiences and Prospects
TD/B/372 and Add. 1	United Nations Conference on Trade and Development (UNCTAD), "Special Measures in Favour of the Least Developed Among the Developing Countries", Report by the UNCTAD Secretariat
TD/B/349	United Nations Conference on Trade and Development (UNCTAD), "Special Measures in Favour of the Least Developed Among the Developing Countries", Report of the Ad Hoc Group of Experts on Special Measures in Favour of the Least Developed Among the Developing Countries
TD/B/L/267	United Nations Conference on Trade and Development (UNCTAD), Report of the Sixth ECA/OAU Joint Meeting on Trade and Development
E/CN.14/525 E/CN.14/INF/194	Economic Commission for Africa (ECA) Report of the ECA/OAU Conference of Ministers of Industry (Addis Ababa, 3-7 May 1971)
A/C.2/L.1163/ Rev.2	General Assembly, Twenty-sixth Session, Second Committee, Agenda item 46, Identification of the Least Developed Among the Developing Countries (revised draft resolution). Resolution 2768 (XXVI), adopted by the General Assembly, is contained in document A/RES/2768 (XXVI), 22 November 1971.





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