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SERVICES AND FACILITIES FOR
SMALL-SCALE INDUSTRIES

Vedbaek, Denmark
26 June to 8 July 1967

NOTES ON DISCUSSIONS BETWEEN THE CENTRE FOR INDUSTRIAL DEVELOPMENT (CID)
AND THE INTERNATIONAL LABOUR OFFICE (ILO) REGARDING AREAS IN
THE FIELD OF SMALL-SCALE INDUSTRY OF SPECIAL
INTEREST TO EACH ORGANIZATION

The following notes on discussions held at Geneva from 14 to 16 February 1966 between representatives of the Centre for Industrial Development (now the United Nations Industrial Development Organization) and of the International Labour Office are made available to the Inter-regional Symposium on Technical Services and Facilities for Small-scale Industries, for information, as a background document. They should be read in conjunction with the "Conclusions of a Meeting Between Representatives of CID and ILO held at the ILO Head Office on 29 and 30 July 1965" set out in document A/AC.126/10, which is made available to the participants of the Symposium under cover of document ID/CONF.2/BP.7.

1. During the meeting held on 14 February 1966 between representatives of CID and ILO, it was agreed that "the areas of activity in which both organizations had special interest and/or claimed competence should be defined as clearly as possible... All action within the defined areas should in the future be taken jointly". An attempt was made at a meeting held on 16 February between the representatives of CID and ILO to define areas in the field of small-scale industry of special interest to each organization; this was done under item 5 of the agenda of the CID/ILO Working Party.

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

2. Two broad areas in this field were considered: promotion of entrepreneurship and industrial extension services. These were considered having regard to the guidelines set out in the "Conclusions of a Meeting between representatives of CID and ILO held at the ILO Head Office on 29 and 30 July 1965". ^{1/}

Promotion of Entrepreneurship

3. In a broad sense, the concept of promotion of entrepreneurship covers all activities tending to induce and facilitate the establishment of new, and the expansion of existing, manufacturing enterprises. In that sense, it may include a variety of policies and programmes of industrialization relating, e.g., to establishment of industrial estates, fiscal, customs and other incentives, etc. Inasmuch as these broader aspects were already considered to be of primary interest to CID ("Conclusions", paragraph 9), it was agreed that promotion of entrepreneurship would be considered in a narrower sense. The concept was broken down into a number of categories, which were tentatively considered to be of primary interest to one or the other organization, having regard to the above guidelines. The following categories were distinguished:

- (i) surveys of prospects of industrialization on a small scale in various regions or localities of a country, in the light of the availability of raw materials, power and other utilities, manpower, markets, etc. (of special interest to CID, subject to the provisions in "Conclusions", paragraph 2);
- (ii) preparation of "model schemes" or "industry profiles" for each industry considered to be feasible and desirable (CID);
- (iii) steering of prospective entrepreneurs towards industrial activities, including training and development so as to enable them to enter industry as small entrepreneurs (proprietary managers) (CID and ILO);
- (iv) project formulation, feasibility studies, pre-investment studies, market surveys and project evaluation (CID);
- (v) assistance in drawing up credit applications; carrying out incorporation formalities, obtaining building licenses, import licenses, exchange authorizations and other prerequisites to establishing or expanding an industrial enterprise (CID);

^{1/} Document A/AC.126/10, referred to hereafter as "Conclusions" and submitted under cover of ID/CONF.2/BP.7.

- (vi) co-ordination of activities of industrial research institutes, training centres and other agencies, e.g. employers' organizations, chambers of commerce, professional associations, etc., which contribute to stimulating entrepreneurship, upgrading technical knowledge and disseminating technical information (CID and ILO).

Industrial Extension Services

4. In a broad sense, the concept of industrial extension covers all assistance tending to assist the operation and management of existing enterprises and those, peripheral to the industrial undertaking, which have a bearing on its modernization, upgrading and growth. The peripheral activities include technological research, pilot plants and other demonstration projects, and do not seem to be directly relevant to the present discussion. It was agreed that the concept would be examined in the narrower context of services extended within and for the undertaking, under the following main categories:

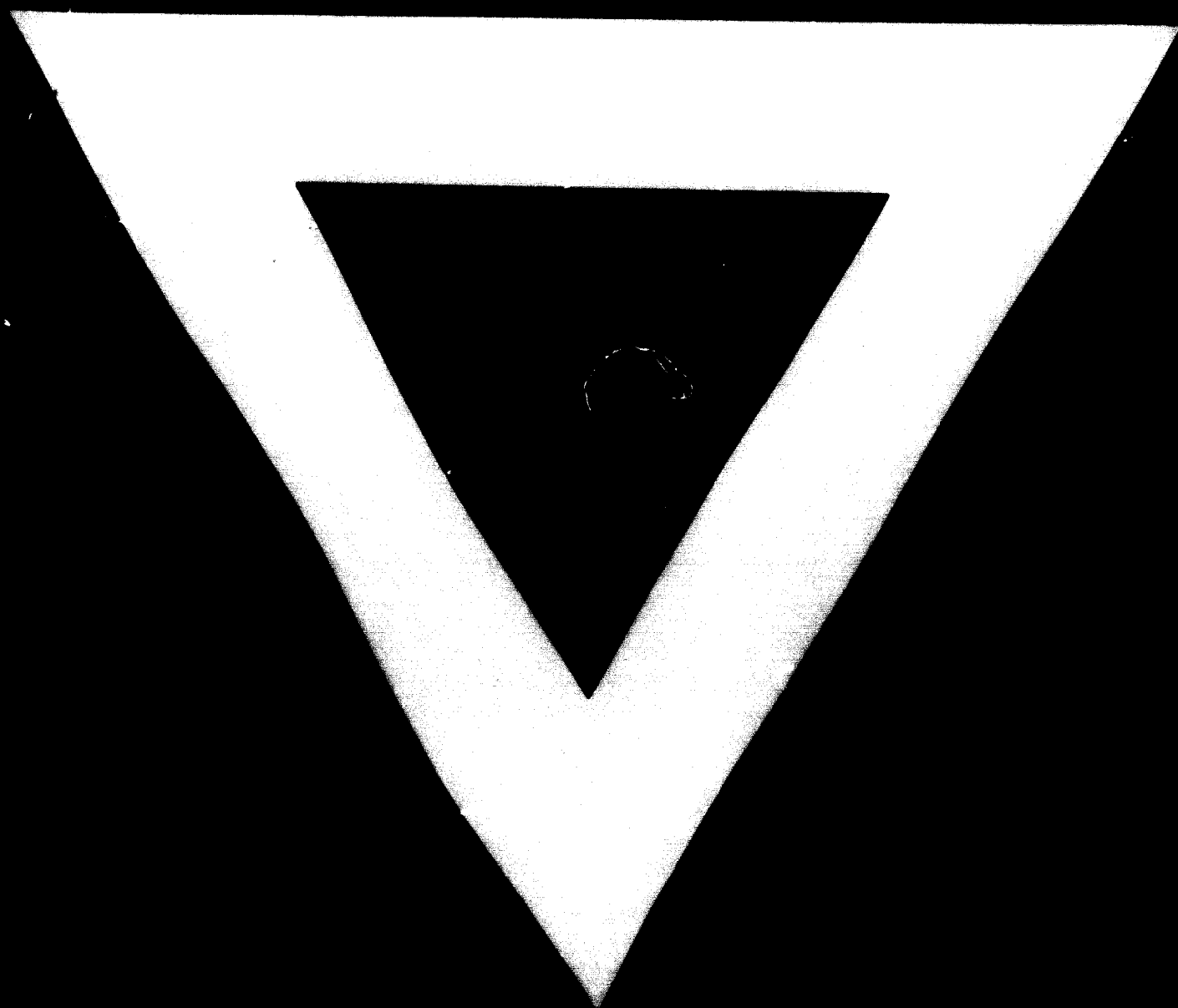
- (i) technological assistance to small industrialists and development of facilities for product development, standardization, quality control and process development (of special interest to CID in accordance with "Conclusions", paragraphs 6 and 9);
- (ii) management development and management consultancy (ILO, "Conclusions", paragraph 9);
- (iii) assistance to industrialists through the development of facilities for financing, marketing and procurement, etc. (CID, "Conclusions", paragraph 6);
- (iv) vocational training up to the level of technicians (ILO, "Conclusions", paragraph 5);
- (v) training of extension personnel (CID and ILO);
- (vi) promotion of co-operative associations including co-operative arrangements between small undertakings (ILO).

Institutions for Promotion of, and Assistance to, Small-scale Industries

5. As noted in the "Conclusions (paragraph 8), specialized industrial extension bodies will be the responsibility of either organization according to the respective fields of competence. Thus, prototype production centres, testing and quality control centres would be the responsibility of CID, while technical training and management development centres would be allocated to ILO or CID in accordance with the above criteria.
6. As noted in the "Conclusions (paragraph 9), the primary responsibility for projects involving joint operations in fields of special interest to each organization will be allocated in accordance with the relative importance of the two types of operations. This would be the case, for instance, of small industry service institutes combining research, training and extension, industrial extension centres combined with training and information services, production-cum-training centres, and similar agencies.

Concluding Remark

7. The meeting noted paragraph 10 of the "Conclusions" to the effect that mutually acceptable divisions of responsibility would require further experience in working together for the next two to three years, and to become fully cognisant of the methods, practices and procedures adopted by each organization to promote the process of small-scale industrialization at the country level.



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