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Berliner Platz 10
Small-Scale Industry and Technology Bureau
Vienna, Austria, 1011, Vienna 10

ANNEXED AGENDA
AND
NOTES FOR DISCUSSION

Note on the meeting

In most developing countries, the promotion of small-scale industry is carried out almost entirely under the responsibility of government-sponsored institutions. Non-governmental bodies hardly participate directly - except for representing to the Government and negotiating with it on policies, incentives and facilitation - in that endeavour. The few efforts made to induce such a participation by these bodies have not been very successful.

Whether - as in the case of more extensively advanced developing countries - government-sponsored cooperatives are doing much and sometimes even too much for small-scale industry, or - as in the case of the less developed countries - too little, there is clearly scope for smaller scale industries, either individually or collectively, to develop complementary programmes of promotion. In other words, to develop self-help programmes. What is not so evident is how this can be achieved.

Admittedly, the term self-help is a bit far from the purpose of the present meetings in a broad sense. It indicates not only what an individual entrepreneur can do for himself in his own factory, but also what associations of small-scale industries, chambers of commerce and industry, cooperatives, ad hoc groups of small entrepreneurs, and private business firms can do to help that sector. If the expression "self-help programme" has been chosen for the title of this meeting rather than that - which might have been entirely correct - of "governmental and non-governmental programmes for small industry"

development", which in general has the strongest emphasis on self-help, viewed both as the ultimate objective of a government programme of assistance and as the area in which could be undertaken under non-governmental responsibility. Thus, the meeting will deal with both public and private action for small industry development, the strongest emphasis being put on the latter.

- Item 1. Cooperating addressed
Item 2. Adaptation of the approach
Item 3. Help and self-help

The following themes are proposed for discussion:

3.1. Evaluation of country experience

Participants are invited to describe and evaluate the present situation of government and non-government bodies in the promotion of small-scale industry in their country. Is it felt, in particular, that the government does too much ("spoils-feeding") or not enough for this sector and that the government programme is or is not well adapted to inducing self-help on the part of the industry? Is it felt that non-governmental action, if any is taken in the country, is or is not effective?

Documents:

- Country papers by the participants

3.2. Self-help as an objective of government promotion programmes

The paper entitled "Help and Self-Help" (ID/80.210/~~20.1~~) contains some suggestions on ways whereby government programmes can be oriented towards the stimulation of self-help by the small industrial entrepreneur. Discussion is invited of these views and, in particular, of the following:

- (a) restricting assistance to enterprises finding themselves within the limits of a definition of small-scale industry; a major exception might be assistance to

indigenous industries, irrespective of their size, in the least developed countries; another exception might be special assistance to certain industries considered to be of particular priority (e.g., export or sub-contracting industries);

(b) concentrating assistance programmes on the initial stages of the establishment and operation of an industrial enterprise or on the early phases of a programme of plant modernisation ("pump-priming"); and providing only occasional "follow-up" assistance, as required;

(c) improving the quality of assistance through special training programmes for extension workers;

(d) providing comparatively less assistance to small industries located in the main metropolitan centres than to industries located in the smaller towns (it may be noted that it is the reverse that generally prevails even in countries actively engaged in programmes of industrial decentralisation): e.g., scaling down the provision of extension services, providing industrial areas rather than industrial estates, reducing tax concessions and subsidies, charging fees for services etc. to industries located in the main centres;

(e) discontinuing assistance to inefficient entrepreneurs;

(f) encouraging take-over by associations or co-operatives or other legal organisations of small industries, of facilities initially set up and operated by the government (industrial estates, common service facilities, demonstration plants);

(g) providing financing on a supervised credit basis or through temporary equity participation schemes or through credit guarantee co-operatives;

(h) adopting other measures whereby small or diminishing inputs by government agencies lead to self-help action by the small industrial entrepreneurs.

Document:

- "Help and Self-Help" (IMWG.110/EP.1)

Item 4. Self-help services offered by ILO member organizations

4.1. Trade associations

The following are examples of associations to the Meeting which offer specialized services to their members relating to their industry. At the World Chamber Organization (document ID/WS.17/2/1), the American Chamber of Commerce (ID/AG.17/2/1), the British Chamber of Commerce (ID/WS.17/2/1), and the French Chamber of Commerce, Industry and Handicraft (ID/WS.17/2/1). All the services described apply to industry in general, though many if not most would undoubtedly be relevant to small-scale industry. The financial services mentioned in those documents are summarized in the following synoptic table. While the general document, it may be representative of the services provided by other similar organizations in developing countries.

Services	Austria	Hungary	London	Spain
1. Advice to Government	x		x	x
2. Arbitration	x	x		x
3. Economic surveys				x
4. Marketing research	x	x	x	x
5. Training	x	x	x	x
6. Seminars, study groups	x	x	x	x
7. Export promotion and trade facilitation	x	x	x	x
8. Trade fairs and exhibitions	x		x	x
9. Trade missions	x	x	x	x
10. Subcontracting			x	
11. Partnerships abroad				x
12. Industrial needs				x
13. Employment exchanges	x			
14. Collective agreements	x		x	
15. Information and publications	x	x	x	

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In most countries there is no distinguising at the present time as to whether any one of the Chambers involved (Manufacturing, Industrial, or a general chamber) provides business and liaison services. In Germany, some little mention is made of specialized consulting firms providing consultancy against a fee. The scope of consulting varies considerably. Subcontracting is undertaken by a chamber in Spain (this is also done by chambers and professional organizations in France, the Federal Republic of Germany, Turkey and the Benelux countries). Industrial areas are provided directly by chambers only in Spain; in other European countries, chambers and professional organizations contribute to a varying extent to the establishment of industrial centres and zones.

In its report, which is also attached to the Meeting as a background document (SD/WG.120/6), the Regional Seminar for Management of Chambers of Commerce and Industry of Arab Countries, organized by UNIDO from 14 to 16 January 1978 in Beirut, made, among others, the following recommendation (p.6):

"a. Chambers of commerce and industry and federations of associations of industrialists (Cof) should provide a number of technical industrial services to their members, such as information on technology, equipment and raw materials most suitable for production, as well as information and advice on production, development, and new export opportunities, and advice on standardization and quality control. They should also provide advisory services and organize training programmes to increase productivity, and assist in negotiating licensing agreements for the acquisition of new technology and know-how. Cof could also be useful in providing assistance in the importation of industrial products for exports."

The message in the report (p.6) that Cof might take the initiative in promoting and initiating the development of industrial cooperatives may well also apply in this case.

... "Promotion of Small and Medium-Sized Enterprises" and Non-governmental Organizations in Small Industry Development" (TD/WG.1/70/1) is a good example of scope for action. Many organizations, associations of industrial organizations, chambers of commerce, etc., have the functions of training, advertising, research, and development.

The question is whether the type of services for small-scale industry can and should be undertaken by individual organizations in developing countries at different levels of industrial development.

4.2. Conditions for the joint action of industrial organizations in the promotion of small-scale industry

The following themes, possibilities, are proposed for discussion:

- (a) What are the reasons for the limited participation of industrial organizations, i.e. trade unions, of many developing countries in the provision of promotional services to industry, in particular, to small-scale industry; lack of autonomy, lack of financial resources; lack of qualified personnel; others?
- (b) What could be done (i) by the organizations themselves, (ii) by the government, to achieve and to expand such participation?

Documents:

- "Experiences of the Hungarian Chamber of Commerce in Providing Industrial Services to its Member Industrial Enterprises", by F. Székely (TD/WG.1/70/2)
- "Activities of the International Bureau of Chambers of Commerce and Service Activities of the London Chamber of Commerce", by W.F. Nicolson (TD/WG.1/70/3)
- "The Economic Chambers in Austria and the Foreign Trade Promotion Activities of the Austrian Economic Chamber Organization", by Bruno Koch (TD/WG.1/70/4)
- "Services of the Spanish Chambers of Commerce, Industry and Shipping to their Members", by A. Seville (TD/WG.1/70/5)
- "Report of the Regional Section for Members of Chambers of Commerce and Industries of Arab Countries" (TD/WG.1/70/6)
- "Gouvernemental Non-Governmental Action for Small Industry Development" (TD/WG.1/70/7)

Item 5. Self-help through co-operatives

5.1. Conditions for the development of industrial co-operatives

tives

(a) In her report - "Industrial Co-operatives in Developing Countries" (UN #6.410/2 and Summary) - Mrs. L. Stettner indicates that while co-operative facilities for handicrafts, processing and light industries exist in more than sixty developing countries, it is in some of the relatively advanced among these countries that industrial co-operatives have made the more rapid progress. Common facility co-operatives are more widespread, in the developing countries, than joint enterprise co-operatives.

The major influences accounting for the more rapid development of industrial co-operatives in a few countries are, according to the author of the report: better training opportunities for both members of the co-operatives and co-operative management and staff; better access to essential industrial services; and better access to finance. All three have, to some extent, been provided by co-operators themselves, but in the main it is the governments of the countries concerned which have been the major source of such technical and financial assistance. As stated in the report, "there will be no effective and lasting co-operative development in a country if the government does not will it and support it". Among the measures of state support are: government grants, loans and loan guarantees; governmental provision of co-operative institutions; tax and trading concessions; government orders for cooperative goods; training facilities for co-operators; co-operative legislation; and governmental supervision and technical advice (Ibid. p.40).

Participants are invited to discuss the above views including the question of the prospects for the promotion of industrial co-operatives of different

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* * *

types. In general, co-operatives have had to face the difficulties of developing countries.

(b) In the main report, under Question (n.40): "**governments** ... governments have encouraged co-operatives to assume responsibility beyond their capacity. In other cases, the continued weakness of co-operatives has led governments to civilian legislative measures to assist them. Intervention to the point where many co-operatives have felt that their initiative and self-reliance were threatened or their autonomy threatened". The author suggests (n.41) that governments intervening should do so **gradually** and **only to the extent**, at first, as **co-operatives** regulated; that such intervention should be discontinued rapidly **as possible** and that **co-operatives** should be **stimulated** to **take care of themselves**.

Discussions following this point are invited.

5.2. Joint enterprises co-operatives.

In the second type of joint enterprises, the joint enterprises co-operative is the main form of organisation of multi-member joint enterprises. In most developing countries, including those advocating socialist economic systems, the development of production co-operatives has until now been negligible, even in the field of handicrafts, where open co-operatives are considered to be particularly efficient.

Discussion is invited on the causes of this state of affairs. Should governments in developing countries be one of the main factors hindering assistance for the development of joint enterprises co-operatives? Below, the present and past research has been summarised.

5.3. Common Facility co-operation

In the report entitled "Governmental and Non-Governmental Action for Small Industry Development" (ID/WG.210/4) it is suggested that the scene for action by co-operatives would be mainly in the organization of common service facilities and joint procurement and marketing. There is some scope for co-operative financing and co-operative industrial estates. To these forms of common facility co-operatives, the report on "Industrial Co-operation in Developing Countries" adds (p.7) : banking ; research ; workshop layout ; design ; advice (legal, economic or financial) ; trading ; joint use of machinery, storage, transport ; specialised production operations in common workshops for preliminary processing, finishing and assembly operations or repair and maintenance.

Discussion is invited of the appropriateness of these forms of co-operation to the conditions and needs in the developing countries. The feasibility of co-operative central and co-operative industrial estates might be of special interest. A subsidiary question might be whether however, co-operatives should be encouraged to enter into the field of production.

Documentary

- "Industrial Co-operation in Developing Countries", by L. Stettner (ID/WG.210/1, 1st summary)
- "Governmental and Non-Governmental Action for Small Industry Development" (ID/WG.210/4)

Item 6.

Self-help through groupings of small-scale industries

In recent years, self-help groupings - institutional and non-institutional - of small-scale enterprises have been set up in some of the Western European countries, especially in France, for a variety of "collective actions". These have included:

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The World Bank has adopted a number of measures to promote
Competitiveness and better investment climate, and to combat some
of such challenges as corruption, inefficiency, and regulatory
not only in the private sector, but also in the public one.
In September 1997, it published the **World Bank Guidelines on the
Promotion of Free Competition through Encouraging Collective
Actions** (<http://www1.worldbank.org/rrm/rrmweb/guidelines.htm>).
The main objective of the Guidelines is to promote the promotion
of **Small Firms**, which are often the most efficient and dynamic.
the other is **Large and Medium-Sized Enterprises**.
Meeting were organized by OICCS (Office of Industrial and Economic
Policy) in December 1998 and February 1999 in the Americas, by a Centre
of OECD, August 1999, in Paris, France. It was organized "through Coopera-
tive Action", involving the World Bank, the International Monetary Fund and Non-
Governmental Organizations, such as the World Bank, IFC, and others.
(ID/93/210/4) and to promote the role of the World Bank in monitoring
countries for their implementation of principles of competitive
industries in the private sector, investment promotion,
and promotion of small business.

To summarize, in the first place, the World Bank Group
Western European (including the European Union) developments in
the field of collective actions, principles and an evaluation
of the effectiveness of.

In the light of this, the World Bank Group countries are ad-
vised to do the following:

- (a) the analysis of measures and institutions for
competitive environment, the creation, both re-
gulatory and market, the private and public; and
- (b) the role of the government in the market countries in
the private sector.

- Item 7.** Business and Public Sector Initiatives for Promoting Industrialisation
 In his report on "Promotion of Small Industries in India" (10/73, 1973), Mr. ABD HUSSAIN has said that managers -
 either business or government - should **co-operate** or
compete in the market place. "Businessmen have a significant
 contribution to make" to the growth of small-scale **industries** in India.

In India, the industrial policy of the government is tilted to such class of enterprises which are engaged in developing **small** (S.S.) units. On the other hand, management co-operation with large industries (engineering, automobile) are discouraged, because the stated justification of more or less of the **benefits** reserved for small-scale units - through the definition of small-scale industry. There is even an indication that the definition of small-scale units may be relaxed to assist the growth of small units, which will be more advantageous to about 80% of small-scale industry than to expand the existing one. On the other hand, measures aiming at small-scale industries requiring the uncoordinated by personal factors (individualism or the existing norms).

The number of firms are not likely that inter-firm action ("horizontal" mergers) among small industries such as establishment of joint venture, co-operation, and subcontracting between large and small industries offer better prospects for the growth of small industry than large units.

Conclusion of above views can be stated.

Document:

- "Mergers in Small Industries in India", by **Abd Hussain** (10/73, 1973)

- Item 8.** Scope and Application of small-scale firms in the development of small-scale industry
 It is proposed, under this item, to discuss the potential role of private firms in the development of small-scale industry in the developing countries. Private firms include, among other activities, management and marketing consultant firms, construction firms; building development; and

4.1.2. Banking
The banking sector in India has been growing rapidly in recent years. The banking system in India is characterized by a large number of small and medium-sized banks, which are primarily owned by the government. The major commercial banks in India are State Bank of India, ICICI Bank, Axis Bank, HDFC Bank, and SBI. These banks provide a wide range of banking services, including retail banking, corporate banking, and investment banking. The banking sector in India is also characterized by a high level of competition, with many new banks entering the market every year. The banking sector in India is also heavily regulated by the Reserve Bank of India, which is the central bank of the country.

The banking sector in India can be divided into two main categories: Governmental and Non-Governmental. The Governmental sector includes the State Bank of India (SBI), which is the largest bank in India, and the Nationalized Banks, such as ICICI Bank, Axis Bank, and HDFC Bank. The Non-Governmental sector includes private sector banks, such as Kotak Mahindra Bank, Yes Bank, and IndusInd Bank. The banking sector in India is also heavily regulated by the Reserve Bank of India, which is the central bank of the country.

Banking

India's banking system is one of the largest in the world, with over 20,000 branches across the country. The major commercial banks in India are State Bank of India, ICICI Bank, Axis Bank, HDFC Bank, and SBI. These banks provide a wide range of banking services, including retail banking, corporate banking, and investment banking. The banking sector in India is also characterized by a high level of competition, with many new banks entering the market every year. The banking sector in India is also heavily regulated by the Reserve Bank of India, which is the central bank of the country.

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IV. QUESTIONS

1. What is the role of the government in the promotion of the private sector?

2. What are the challenges faced by the private sector in doing business in the country?

3.

(a) What are the incentives provided to encourage foreign investors to invest in the country?

(b) What are the measures taken to provide better infrastructure and services to support the private sector?

5.1. ~~Role of the government in the promotion of the private sector~~

~~The government plays a crucial role in promoting the private sector through various mechanisms. One of the key ways is through the provision of incentives such as tax breaks, subsidies, and grants to attract foreign investors. Another way is through the development of infrastructure, such as roads, railways, and ports, which facilitate the movement of goods and services. The government also provides regulatory frameworks and policies to ensure a stable environment for business. Additionally, the government can encourage the private sector through its procurement practices, such as awarding contracts to private companies for public works projects.~~

5.2. ~~Challenges faced by the private sector~~

~~There are several challenges faced by the private sector in the country. One major challenge is the lack of infrastructure, particularly in rural areas, which hinders the movement of goods and services. Another challenge is the high cost of labor, which makes it difficult for businesses to compete with foreign companies. There is also a lack of access to finance, particularly for small and medium-sized enterprises. Additionally, there are regulatory hurdles and bureaucratic red tape that can slow down business operations. Finally, there is a lack of skilled labor force, which can limit the growth of certain industries.~~

Items 9. ~~Documented evidence of the implementation of the policy~~

~~This section requires you to provide evidence of the implementation of the policy. You may include:~~

(a) What are the specific measures taken by the government to encourage foreign investment in the country, and what are the available incentives for foreign investors?

(b) What are the measures taken by the government to support the private sector, such as providing subsidies or tax breaks, or developing infrastructure?

10. Description

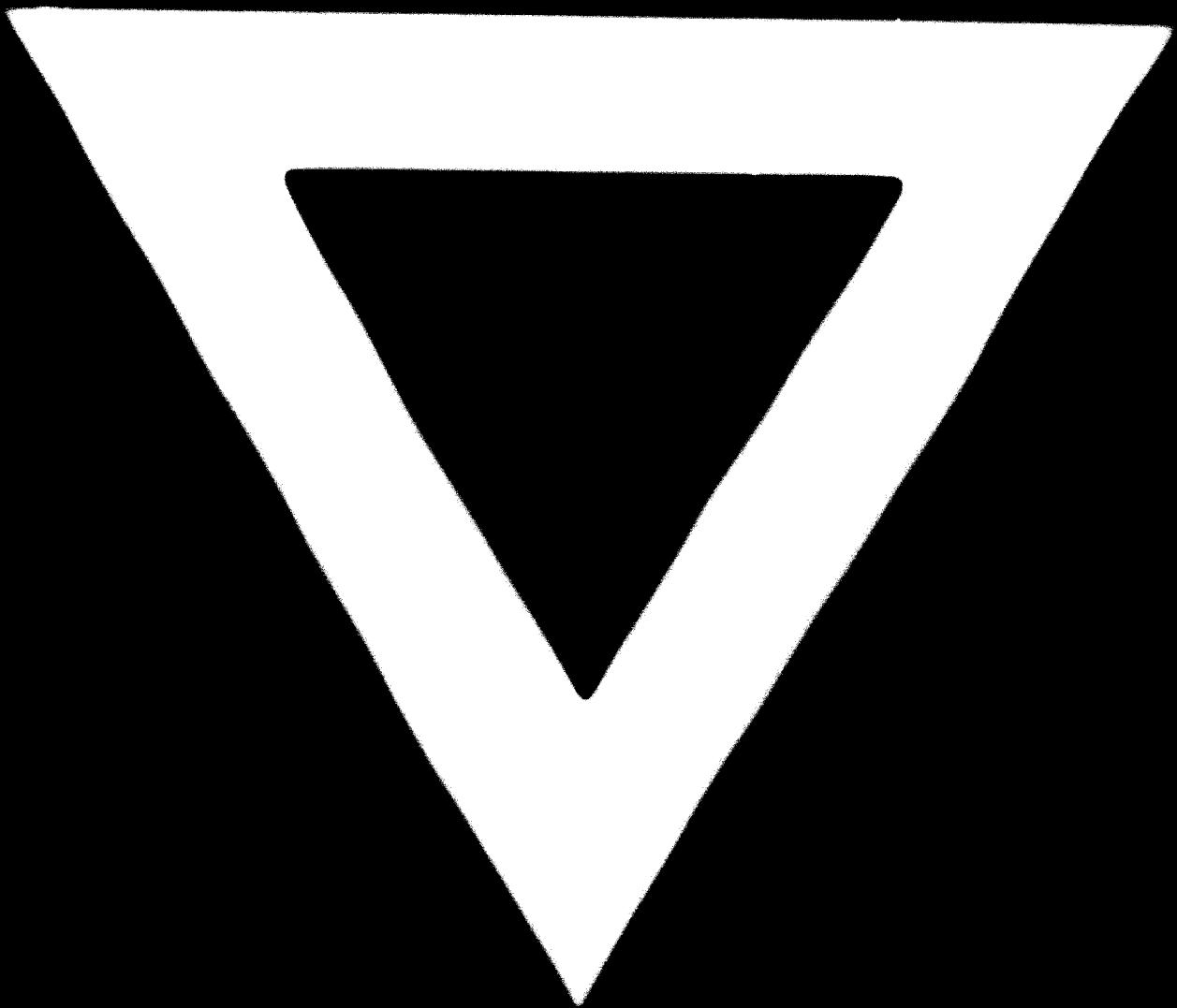
It is my opinion that the subject is carrying a handgun in the pocket of his shirt. I can see the outline of a handgun in the pocket of his shirt. I can also see the outline of a handgun in the pocket of his pants. I can see the outline of a handgun in the pocket of his pants.

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Item 1C. Action taken by the subject during the questioning:

Item 1D. Description of the subject:





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