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Expert Group Meeting on
The Role of the Public Sector in
the Industrialization of the Developing Countries
Vienna, Austria, 14 - 18 May 1979

ANNOTATED PROVISIONAL AGENDA *

OPENING SESSION

- Introductory Statements
- Election of Chairman, Vice-Chairman and Rapporteur
- Adoption of Agenda and Work Programme

SESSION I Genesis and Growth of Public Industrial Sector

The first substantive item of the agenda will focus on defining an overall framework for the rationale and role of the public sector in promoting the industrialization of developing countries. The Meeting will examine the diversity of economic and social reasons for public sector involvement in industry and define the role which the public sector may be expected to play as an instrument of national policy and as an entrepreneur or partner in the industrialization process of developing countries with different socio-economic environments and at different levels of development.

Discussion papers:

- The Role of the Public Sector in the Industrialization of the Developing Countries, An Issue Paper, by Praxy J. Fernandes (ID/WG.298/6) pages 2-5;
- Role of the Public Sector in Promoting the Economic and Industrial Development of the Developing Countries by Pavle Sicherl (ID/WG.298/9);
- The Public Sector and Industrial Development, by the UNIDO Secretariat (ID/WG.298/2) pages 1-8;
- Macro-economic Aspects of Public Enterprise in Asia, A Comparative Study by Il SaKong (Conference Room Paper No. 2), Chapters I and II.

- */ In considering the whole of the agenda, the Meeting may wish to take note of various United Nations Resolutions adopted by the General Assembly, the Economic and Social Council, the Industrial Development Board on the subject and of various UNIDO activities related to the public sector as contained in document (ID/WG.298/4) entitled "UNIDO's activities related to the public sector during 1978 and early 1979" prepared by the Secretariat of UNIDO. The Meeting may also wish to take note of the Report and Conclusions of the Industrial Development Board on the work of its Thirteenth Session in regard to agenda item 11 on the Role of the Public Sector in Industrial Development (circulated as Conference Room Paper No. 1).

SESSION II Public Sector in the Field of Industrial Development

Under this agenda item the meeting will examine the quantitative importance and qualitative aspects of growth of the public industrial sector relative to the overall manufacturing sector. The meeting will endeavour to map out a broad picture of the contribution of the public industrial sector to general economic and social development; to manufacturing output; to the mobilization of investment resources; to the creation of employment opportunities and to manufactured exports. The meeting will also examine the relative importance of the public industrial sector in different developing countries and identify the particular branches of industries where public industrial enterprises are predominant or becoming important, particularly in regard to industries processing natural resources. In this connexion the meeting will review data sources and requirements for making an effective assessment of the sectors' contribution to industrial development and will consider ways and means of generating the necessary information for making such assessments.

Discussion papers:

- The Role of the Public Sector in the Industrialization of the Developing Countries, An Issue Paper, by Praxy J. Fernandes [ID/WG. 298/6] pages 1-5
- The Public Sector and Industrial Development, by the UNIDO Secretariat [ID/WG. 298/2] pages 11-18
- The Austrian Model of its Nationalized Industrial Sector by F. Ullmann [ID/WG. 298/3]
- The Public Enterprise as an Economic Policy Instrument in Mexico, by René Villarreal and N. Rocío de Villarreal [ID/WG. 298/5]
- Public Enterprise and Industrial Development. An analysis of the Pakistani Experience, by Abid Husain [ID/WG. 298/7]
- The Public Sector and Industrial Development in Sri Lanka, by M.R. Prelis [ID/WG. 298/8].
- Macro-Economic Aspects of Public Enterprise in Asia, A Comparative Study by Il SaKong [Conference Room Paper No. 2] Chapter III

SESSION III Part A: Government Policies and Strategies of Industrial
Growth and Promotion of Public Enterprises in Industry

This agenda item will include an examination of the character of public sector intervention and a definition of alternative policy and strategy options for the long-term development of the public industrial sector in developing countries taking into account the different socio, political and economic situations prevailing in these countries. The meeting will also discuss the relationship between the establishment of a strategy for the public industrial sector and the eventual evaluation of the performance of the sector.

Discussion papers:

- The Public Sector and Industrial Development, by the UNIDO Secretariat [ID/WG. 298/2] pages 15-19
- The Austrian Model of its Nationalized Industrial Sector, by F. Ullmann, [ID/WG. 298/3]
- The Public Enterprise as an Economic Policy Instrument in Mexico, by René Villarreal and N. Rocfo de Villarreal [ID/WG. 298/5]
- Public Enterprises and Industrial Development. An Analysis of the Pakistani Experience, by Abid Husain [ID/WG. 298/7]
- The Public Sector and Industrial Development in Sri Lanka, by M R. Prelis [ID/WG. 298/8]

SESSION III Part B: Interlinkages with the Public Industrial Sector

Under this agenda item the question of interlinkages will be examined. The interlinkages involved are between the public industrial sector and overall national plans and strategies for economic and industrial development; between the public and the private sector especially in mixed economies; and between public enterprises among themselves and national institutions. In addition to these overall linkages four specific relationships affecting the role of the public industrial sector have been singled out for special attention namely the relationship between the public industrial sector and: development of natural resources; small-scale industry and rural development; transfer and

adaptation of technology; and international industrial co-operation.

Discussion papers:

- The Role of the Public Sector in the Industrialization of the Developing Countries, An Issue Paper, by Praxy J. Fernandes [ID/WG. 298/6] pages 7-10
- The Public Sector and Industrial Development, by the UNIDO Secretariat, [ID/WG. 298/2] pages 9-11

SESSION IV Management Problems and Issues

Having examined, at the macro level, the rationale and role of the public industrial sector, its contribution to industrial growth and development, the appropriate strategies and policies required for their promotion and the diversity of linkages surrounding them, the meeting will turn to a discussion of some of the major managerial issues of direct concern to the individual public industrial enterprise. These include: corporate planning; investment decisions; financial and investment resources; human resources; technology; production and productivity; marketing and product development. In this connexion the meeting will examine whether traditional tools and techniques of management are suitable for the special circumstances under which public industrial enterprises operate.

Discussion papers:

- The Role of the Public Sector in the Industrialization of the Developing Countries, An Issue Paper, by Praxy J. Fernandes, [ID/WG. 298/6] pages 10-12
- Some Issues in Organization and Management of Public Industrial Enterprises in the African Region, A Summary [ID/WG. 298/10]
- Control Structures and Management of Public Enterprises in Asia, a Staff Paper of the Industrial Development Research Centre IDRC [Conference Room Paper No. 3]

SESSION V Management Performance and Evaluation

Due to the multidimensional responsibilities entrusted upon public industrial enterprises in achieving national goals, the evaluation of their performance presents a complex task. The performance evaluation methodology of public industrial enterprises needs to take into account the diversity and complexity of their economic and social objectives. The meeting will discuss existing methodologies of socio-economic performance evaluation and examine to what extent these are applicable to the particular circumstances of public industrial enterprises. The meeting will also discuss data and other requirements for such methodologies. The meeting will in addition discuss the accountability of public industrial enterprises vis a vis public authorities.

Discussion papers:

- The Role of the Public Sector in the Industrialization of the Developing Countries, An Issue Paper, by Praxy J. Fernandes [ID/WG. 298/6] pages 12-13
- The Public Sector and Industrial Development, by the UNIDO Secretariat [ID/WG. 298/2] pages 19-20
- Control and Management of Public Sector Enterprise : Some Notes and Recommendations, by György Varga [ID/WG. 298/11] pages 16-19
- Extracts of "Decision Making in the Public Sector : A Case Study of Swaraj Tractor" by V.V. Bhatt [Conference Room Paper No. 5]
- UNIDO: Guide to Practical Project Appraisal, Social Benefit-Cost Analysis in Developing Countries. [Project Formulation Series No. 3] United Nations, New York, 1978, [ID/SER. H/3]

SESSION VI Organization and Institutional Arrangements

This item of the agenda will focus on institutional aspects related to the organization, co-ordination, supervision and control of public industrial enterprises. In examining the institutional requirements of different forms of public sector participation, in regard to ownership and management or partnership with local and/or foreign enterprises, the meeting will discuss the supervisory, advisory and regulatory roles and

functions of various institutional bodies, including ministerial authorities, advisory cum supervisory bodies and public industrial holding corporations. The meeting will also discuss the legal framework under which public industrial enterprises operate.

Discussion papers:

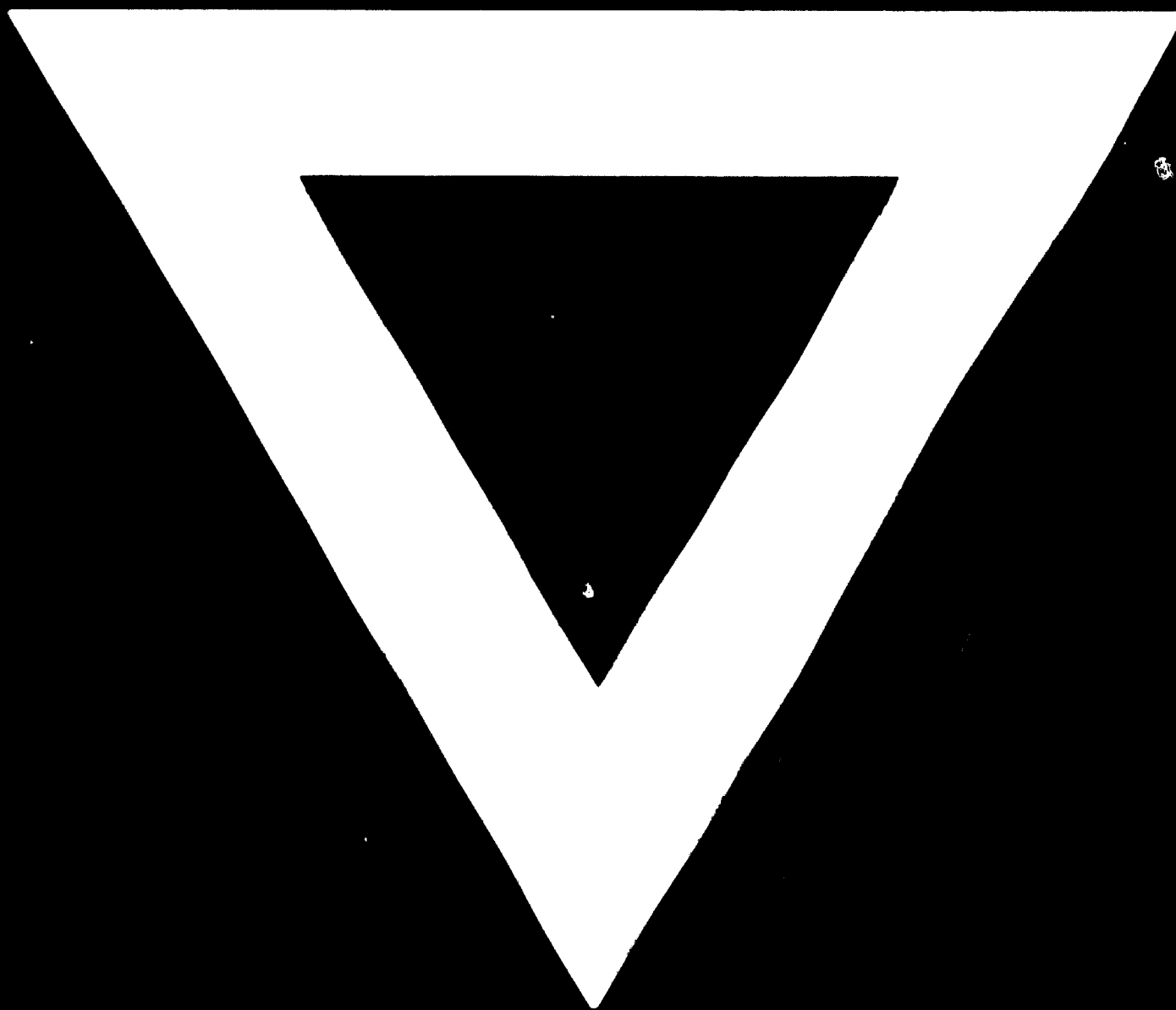
- The Role of the Public Sector in the Industrialization of the Developing Countries, An Issue Paper, by Praxy J. Fernandes [ID/WG. 298/6] pages 13-14
- The Public Sector and Industrial Development, by the UNIDO Secretariat [ID/WG. 298/2] pages 15-19
- Control and Management of Public Sector Enterprises: Some Notes and Recommendations by György Varga [ID/WG. 298/11]
- Some Issues in Organization and Management of Public Industrial Enterprises in the African Region, a Summary by E.H. Abdel-Rahman [ID/WG. 298/10].
- Macro-Economic Aspects of Public Enterprise in Asia: A Comparative Study by Il Sakong [Conference Room Paper No. 2] Chapter IV
- Control Structure and Management of Public Enterprises in Asia, A Staff Paper of The International Development Research Centre, IDRC [Conference Room Paper No. 3]
- Extracts of "Organization, Management, and Review of Public Enterprise Research Network in Asia" by A.T.R. Rahman [Conference Room Paper No. 4]

CONCLUDING SESSION

At the final session the conclusions and recommendations of the meeting will be adopted. These will include guidelines for UNIDO's studies^{1/} and operational programmes on the subject, and for its co-operation with Governments and Intergovernmental Organizations. The meeting will end with concluding statements.

^{1/} In this connexion the meeting may wish to take note of Conference Room Paper No. 4 "Extracts of Organization Management, and Review of Public Enterprise Research Network in Asia" by A.T.R. Rahman.

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