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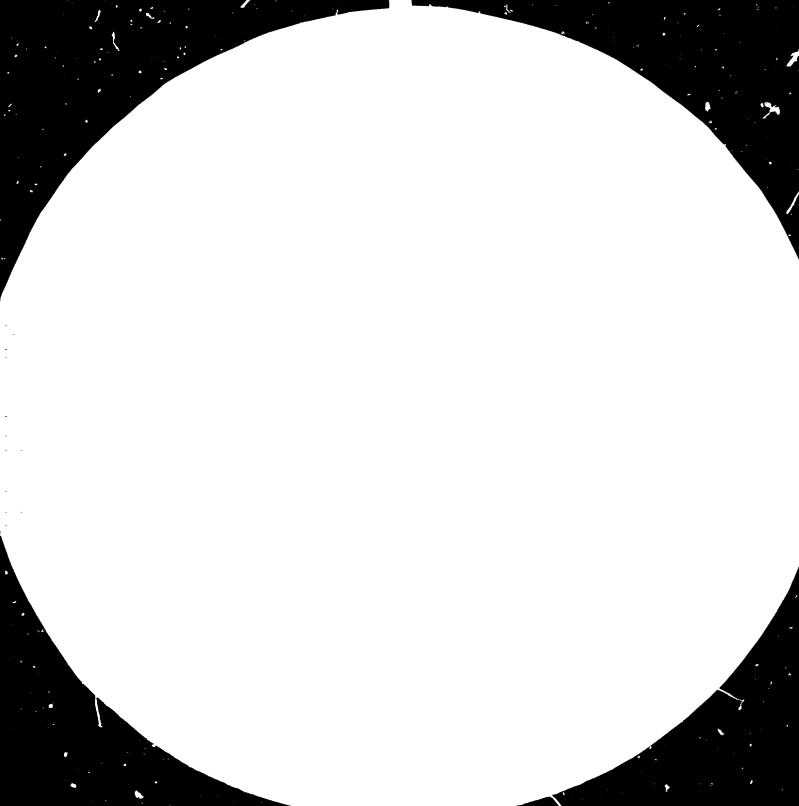
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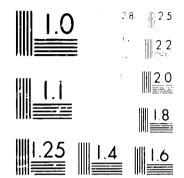
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#### United Nations Industrial Development Organization

 UNIDO/UNCTC/IDC \*\*
 "The Tenth Round Table of Developing Countries Industrial Development and Co-operation among Developing Countries from Small-Scale Industry to the Transnational Co porations"

Zagreb, Yugoslavia, 15-17 September 1982

REPORT \*

(Meeting on industrial development and co-operation among DC's).

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 \*\* IDC: Institute for Developing Countries

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#### I. RECOMMENDATIONS

The Tenth Round Table on "Industrial Co-operation Among Developing Countries: from Small-Scale Industry to Transnational Corporations", jointly organized by the United Nations Industrial Development Organization (UNIDO), United Nations Centre on Transnational Corporations (UNCTC), Institute for Developing Countries and the Zagreb International Fair, was held in Zagreb, Yugoslavia, from 15 th to 17th September 1982. The participants from 30 developing countries in personal capacity and 11 international organizations attended the meeting. The findings and recommendations of the meeting are summarized below.

(1) In the statements and the comments during this Conference, the need for greater and concentrated efforts to realize the role of technology, human resources and financial resources in the development process was stressed. It was highlighted that the developing countries would have to draw upon modern technology and, where necessary, adapt it to suit their social and cultural environment. The importance of mobilising and training the manpower was emphasized. It was mentioned that in the community of developing countries there are countries which have a net surplus and investable cash resources, while other developing countries have exportable technologies and skilled manpower which, if properly mobilised and utilized, could be used for the mutual benefit of the developing countries as a whole. Some participants expressed concern that although there is now a better

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awareness of the problems and the will to overcome the difficulties, various obstacles still hamper the progress towards industrialization. In this connection mention was made that flow of information was lacking. The level and efficiency of some of the financial institutions leave much to be desired, the private sector has not gained strength and momentum and the role of the public sector is not always realized. A necessary framework for transfer of foreign and private capital in accord with the national objectives remains unclear.

In this situation developing countries are seeking a type of co-operation that would harmonise national development objectives with international co-operation, which could lead to a more accelerated industrial development of developing countries. Such a type of co-operation (partly elaborated within the system of ECDC/TCDC) envisages active participation of developing and developed countries, as well as international organizations, and, therefore, requires the establishment of new types of linkages in international cooperation.

(2) Since such a co-operation is conceived as an open and flexible system defined by the requirements of the field in which it takes place, direct links among all economic agents should be particularly encouraged. Such links should be based on equal treatment and evaluation of the human, financial and technological inputs in the projects.

(3) The need and importance of determining priority areas was stressed. In this connection mention was made of the following:

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3.1. The procedures for achieving greater co-operation and interdependence in the field of industrial development should be reviewed, taking into account relevant experience from developing countries, major exporters or manufacturers, and economic groupings from which positive lessons should be drawn upon. In this connection governments may wish to explore the possibility of strengthening their mutual co-operation through the establishment and operation of multinational enterprises and joint ventures within the framework of regional 5. Youpings or other forms of adequate arrangements.

3.2. Creation of consultancy service centres at the national and international levels, with a view to increasing self-reliance among developing countries and their share in the world market, thereby decreasing their dependence on industrialized countries. In this respect the necessity of treating the industrial co-operation on sectorial basis was also emphasized.

3.3. Pursuing the concept of tripartite and multipurpose projects, with a view to making fuller uses of the national resources of one country, capital of the second and technical and managerial know-how of yet another country may help achieve the economy of scale, as well as mutual benefit of all the participating countries.

3.4. Identification and projection of the projects which can serve as focal points for industrial co-operation. In this respect the Centre for Economic Co-operation Among Developing Countries in Zagreb was acknowledged as a good example.

3.5. Training of technical and managerial personnel

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and sharing of manpower pool among the developing countries. In this connection encouragement and reward of experts and specialists could make a positive contribution towards giving necessary incentives in evolving the innovative technology and scientific discoveries.

3.6. A system of incentives to attract an outstanding talent to remain in the country and, thus, prevent brain drain. A concept of brain banks should be developed through which each country could utilize its national expertise, wherever they are, and if possible with the collaboration of regional and international institutions.

2.7. Development of National Centres of Excellence and their collaboration with similar centres in other countries through a network concept, each country aiming at establishing/strangthening of at least one such centre.

3.3. Restructuring and reactivating the existing institutions for greater utilization of financial, human and technological resources. In this connection UNIDO and other international organizations may take a lead in organizing programmes which could act as catalytic linkage between potential investor, technology exporting country and recipient country. This will foster interaction and syneurgic effect of individual inputs.

3.9. Concerning financial resources needed in order to finance an increasing volume of ECDC it has been recognised that concentrated efforts should also be made by all the developing countries in order to promote much greater formation of financial savings in public and private sectors of each developing country. Individual and collective self-

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reliance of DCs requires that their banking systems be strengthened. In order to achieve these goals faster development of financial infra-structure of each developing country and groups of developing countries should be promoted.

3.10. DCs should mutually support individual and collective efforts aimed at greater use of their national currencies as means of international payments, particularly for transactions among them. Greater use of national currencies of developing countries could also facilitate larger formation of financial resources in their banking systems.

3.11. It was recommended that, as a follow-up to this Conference, some industrial development projects may be set up according to these well recognised principles of co-operation.

J.12. A working group may be set up which should formulate a project, in accordance with the priorities and objectives initiated in the Caracas Programme of Action, which may be called a model project incorporating the mechanisms as envisaged above and in the ECDC/TCDC system.

3.13. This working group should consist of experts and administrators who could carry out an indepth study of the issues and programmes in achieving these and related ideas with a view to formulating concrete recommendations for UNIDO IV.

3.1". The Governments should organize collection of information of their part of TCDC activities in the field of industrial development, evaluate their performance

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and identify future activities, in the context of collaboration with other developing countries. Where appropriate, and on request, the UN system could be called upon to give assistance in this regard.

(4) The developing countries face a need to adapt more closely the existing TNC presence in industry to the objective of a balanced, integrated pattern of industrialization. Indeed, some of the more advanced developing countries have already developed a considerable experience in such transactions which would be of benefit to the less advanced countries in the developing world. The need, therefore, is for developing countries to study these alternative forms of foreign investment carefully, to secure inputs from them on terms and conditions that allow such inputs to be harnessed effectively for their own internally determined development efforts.

(5) Joint ventures among developing countries have been recognized as a very important instrument for achieving the industrialization targets of the Lima Plan of Action. In order to share that objective, policies at the national and regional levels should be adopted.

Such measures should provide adequate incentives and support for the inflow and outflow of productive resources among the national firms of developing countries. The main capital and technology exporting developing countries should co-ordinate their policies regarding joint ventures in other developing countries and in particular with a view to ensuring that the benefits of these joint ventures are also shared by the least developed developing

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countries. Developing countries should set up and increase information networks to exchange experiences, approaches and potentials for joint ventures.

(5) Tripartite forms of industrial co-operation involving countries with different economic and social system and/or at different levels of development represent a new and potentially important form of economic co-operation designed to make better use of existing complementarities. Tripartite projects, although growing in importance, are still limited both in scope and number. It would, therefore, be desirable for measures to be taken at both the national and international levels in order to increase such types of industrial co-operation. It would also be desirable to stimulate exchange of information on both existing and potential projects and to stimulate research in this field.

(7) Participants recommend that an increased use be made of relevant international organizations to assist developing countries in these enceavours.

(3) The idea that the proceedings of this Conference should be published and given wide circulation has been strongly supported by the participants. This may necessitate forming an editorial board to prepare the materials.

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#### II INTRODUCTION

#### A. Background Information

Within the framework of changes envisaged in the structure of the world production on the basis of the New International Economic Order a special place is assigned to the development of industrial production in the developing countries (DCs). This has been particularly stressed in the beclaration of the Second General Conference of UNIDO, 1975, in which the increase of the share of DCs in the world industrial production of up to at least 25 percent has been set as the general target for the year 2000. Necessary suppositions for the achievement of this goal include co-ordinated industrialization policies at national and international level, together with certain changes in the international economic mechanisms, as well as a more efficient functioning of the system of collective self-reliance adhered to by the DCs.

In the period of economic stagnation through which the world economy has been passing for four years now, presuppositions for achieving the aim of the Lima Declaration are more and more difficult to be realized. DCs are in the situation in which they alone cannot substantially contribute to the acceleration of the development of their own industries inasmuch the global conditions for it are more unfavourable. On the other side industrially developed countries which have partially by consciously restrictive policy led to global economic stagnation, are preoccupied by their problems and they consider that solution of these is a prerequisite for recovery of conjuncture at world scale. In other words they consider, and act accordingly, that without economic recovery in developed countries, there is no outlet from economic stagnation as a whole and so there is no chance to diminish the gap between them and DCs. It means that also chances are reduced for more accelerated industrial development in DCs with a view to achieving the aim of the Lima Declaration.

Although DCs are in a very difficult situation they must retain the initiative in proposing new ideas which would represent a basis for solution of these problems. This means that, though confronted with the fact that the aims of the Lima Declaration will be very difficult to realize, they should continue to propose concrete measures for their realization. With this aim in view it is significant to identify practical measures and actions for functioning of mechanisms of mutual co-operation of DCs from small-scale industry to transmational companies. It is a question, in fact, about implementation of the Programme of Action from Caracas adopted at the Ministerial Conference of Group of 77 in May 1981.

The aim of the Tenth Round Table was just to emphasize the need of such initiatives of DCs and to concretely identify mechanisms for their implementation. For this purpose the Tenth Round Table has rendered an assessment of the present stage of industrial co-operation among DCs in the light of the concrete proposals set out in the Caracas Programme of Action, and in order to contribute to the implementation of the Lima Declaration. It has identified concrete measures of

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co-operation in building new industrial facilities and modernising the existing ones, including project selection, technology transfer, as well as financial issues in the priority areas mentioned in the Caracas Programme of Action. The session has on this basis analysed the main prerequisites for the establishment of this co-operation. Following the presentation of the introductory papers and the subsequent debate, particularly that part concerning financial co-operation, and co-operation in technology transfer and in human resouces development, the session has defined the role of UNIDO IV in the implementation of the Lime Declaration.

The loth Round Table has also analysed the impact of transmational corporations (TNCs) on the process of industrialization in DCs. The session has analysed various models of co-operation between TNCs and DCs implemented for the purpose of fostering DCs' industrialization, such as tripartite arrangements, joint ventures, regional integration programmes, issues of organization, information and financing, and public policies at the national, regional and international levels. The modalities of this co-operation have been examined from the standpoint of DCs' and TNCs' reciprocal obligations, as well as of the activities effectuated in keeping with the targets of the Lima Declaration.

The session also outlined joint experience of industrial co-operation between Yugoslavia and DCs, examining it from the standpoint of the targets of DCs' joint co-operation in this field, set out in the Caracas Programme of Action. Within this framework, the session has discussed the concept of a long-term profile of the Centre for Economic Co-operation

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Among Developing Countries at the Zagreb Fair, whose main task would be to assist and stimulate the implementation of the business co-operation among various economic agents in the DCs, laying particular emphasis on the co-operation between public and private enterprises.

Conclusions and recommendations of the Tenth Round Table propose a series of concrete measures of mutual cooperation of DCs in industrial development, but at the same time the obstacles are identified which in modern international economic relations prevent a more rapid industrialization in DCs. Concrete ideas and assessments in this sense were considered in function of the preparations for UNIDO IV.

All discussions and presentations were taped and they represented material for these Proceedings. Because of the lack of space all materials could not be presented integrally, so some necessary abridgements were made as well as a redaction of texts with the intention to retain the essence of presentations and physiognomy of the Round Table. For the same purpose summaries of all presentations were made.

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#### B. Objectives

The aim of the Tenth Round Table was to define, with respect to the current notions and possibilities resulting from the reality of the present international economic relations, those areas where practical measures and actions concerning industrial development and co-operation among DCs could be undertaken. This would contribute to the operationalization of measures of DCs mutual co-operation in the field of industrialization, from small-scale industry to transnational corporations (TNCs), as it was proposed both in the Caracas Programme of Action, May 1981, and at the consultative meeting of forty-four DCs held in New Delhi in Febr ary 1982. This way, the results of the Tenth Round Table should be viewed as useful in the preparations for the UNIDO IV, 1984.

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#### C. Organization

The Tenth Round Table of Developing Countries on "Industrial Co-operation among Developing Countries: from Small-Scale Industry to the Transnational Corporations" was held in Zagreb, from 15<sup>th</sup> to 17<sup>th</sup> September 1982. The organization of the meeting was provided by The Institute for Developing Countries - Zagreb, UNIDO - Vienna, UN Centre on Transnational Corporations- New York, and Zagreb International Fair - Zagreb. Notwithstanding the fact that the organizers have approached governments in order to ensure the attendance of the most qualified representatives, the gathering was informal in character. The participants from 30 developing countries and 11 international organizations attented the meeting.

The Conference was held in plenum through seven sessions - the opening session, five working sessions and closing session through a detailed work-out of the following topics:

1. "Practical Measures of Industrial Co-operation among Developing Countries in the Implementation of the Caracas Programme of Action and Realization of the Lima Declaration",

2. "Activities of the Transnational Corporations in the Light of the Targets set out in the Lima Declaration and the Action Plan",

3. "Yugoslav Industrial Co-operation with Develoring Countries".

The Conference Languages were Croato-Serbian and English.

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Also, at the same time, the participants of the Tenth Round Table visited Autumn Exhibition at the Zagreb International Fair, and participated in the promotion of the Center for Economic Co-operation among Developing Countries.

The Tenth Round Table was opened by Dr. Slavko Komar, Director of the Institute for Developing Countries and Member of the Council of the Federation, Yugoslavia. In his inaugural speech he mentioned some specific facts and topics on the organization of the Meeting. According to the proposed Programme of the Round Table, with respect to the Lima Declaration from 1975 and Caracas Programme of Action, May 1981, and other relevant conferences, he stressed the possible contribution of the Tenth Round Table in the field of practical measures and actions concerning industrial development and co-operation among developing countries, and/or the operationalization of developing countries' mutual cooperation in the field of industrialization, from smallscale industry to the transnational corporations. Also, he pointed out that the results of the Tenth Round Table 1d. be viewed as useful in the preparations for the UNI ÷984.

The next spokesman in the opening session was Ing. Rade Pavlović, Minister of Energy and Industry, on behalf of the Federal Government of Yugoslavia. He pointed out the significance of the previous Round Tables and the importance of such informal non-governmental meetings, which were only a part of the whole chain of Yugoslavia's activities concerning the development of long-term and stable conditions of economic and other ways of co-operation among developing countries. He expressed a wish that the Fenth Round Table would be also on

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the level of the previous meetings. According to the aims of the Conference, he made an overview on a current and further Yugoslavia's participance in the industrial co-operation among developing countries.

In his opening speech, Dr. G.S. Gouri, Director of the UNIDO Division for Industrial Studies, on the behalf of the UNIDO as one of the co-organizers of the Tenth Round Table, pointed out some basic facts about the existing international economic order, the possibilities/advantages of the South-South co-operation, and the need to ensure the spirit of equity and mutual benefit in the international relations and exchange. Also, he stressed the importance of scientific institutions and their role in the development process of industrialization and, especially industrial cooperation among developing countries.

Dr. Boris Velić, THC Affairs Officer, UN Centre on Transnational Corporations, on behalf of the UNOTO, as one of the co-organizers welcomed the participants of the Tenth Round Table. In his opening speech, he made some introductory remarks on the one of the topics of the Meeting - the activities of transnational corporations in the light of the targets set out in the Lima Declaration.

Dr. Khalil Othman, Resident Representative of the UNDP in Yugoslavia, on behalf of the UNDP, welcomed the participants of the Tenth Round Table. He pointed out the significance of such meetings in the present conditions of international economic relations and overall development process.

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In the opening ceremony also participated:

- Mr. Marijan Cuculić, Minister of the Foreign Affairs of S.R.

Croatia, on behalf of the Republic Government of S.R. Croatia

- Mr. Mario Zmajević, Vice-Director of Zagreb International Fair, on behalf of the Zagreb International Fair, one of the co-organizers of the Tenth Round Table, and

- Mr. Drago Flego, Vice-President of the Executive Council of the City of Zagreb, on behalf of the City of Zagreb.

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III SUMMARY OF PARTICIPANTS' PAPERS

1. PROF. Y. HAYUDAMMA JAWAHARLAL UNIVERSITY, INDIA

## MUTUAL CO-OPERATION OF DEVELOPING COUNTRIES IN TECHNOLOGY AND HUMAN RESOURCES DEVELOPMENT FOR INDUSTRIAL DEVELOPMENT

#### IN DEVELOPING COUNTRIES

#### SUMMARY

The greater the capacity to generate and utilize science and technology (S/T), the faster the progress of a country. However, it should be made clear that S/T are not a magic wand of development process.

Almost all advanced technology originates with industrialized countries, but this technology is not suited to tackle developing countries' specific problems. The indiscriminate import and utilizing it without adaptation has created distortions in the socio-economic fabric of developing countries (DCs).

There is, therefore, no choice for DCs except to develop local competence and self-reliance in S/T - i.e. the ability to collect information, analyse, choose and implement. Self-reliance in S/T would mean building up structures, institutions and competence in total S/T spectrum. This concept demands national commitment and political will. Technology is generated and used by human resources, hence strengthening technological competence should be viewed within the overall context of human resources development.

Developing countries' collective self-reliance is to complement and supplement a country's efforts on national level. Its real basis is the identification of complementarities among DCs. 2. AUGUSTIN PAPIĆ DELEGATE OF THE SR OF BOSNIA AND HERZEGOVINA TO THE FEDERAL ASSEMBLY, YUGOSLAVIA

## FINANCIAL CO-OPERATION FOR INDUSTRIAL DEVELOPMENT OF DEVELOPING COUNTRIES SUMMARY

The industrialization of developing countries has been becoming increasingly dependent on foreign sources of finance. Due to growing difficulties in this field, developing countries are faced with stronger orientation towards more self-reliance in the financing of their industrial development.

Two main sources of this kind of financing are identified: the productive use of surpluses of oil exporting countries, on one hand, and the extension of credits on part of exports and/or joint ventures by more industrialized developing countries, on the other. As to the forms of financing, the emphasis should be laid upon its non-concessional form. It is because of the fact that only in such a way additional resources could be mobilized.

A special impulse to mutual financial co-operation of developing countries, particularly in the field of joint ventures, is expected from the Bank for Developing Countries.

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3. ANTE ČIČIN-ŠAIN

NATIONAL BANK OF CROATIN,

YUGOSLAVIA

## MOBILIZING ADDITIONAL FINANCIAL RESOURCES THROUGH GREATER USE OF NATIONAL CURRENCIES OF DEVELOPING COUNTRIES SUMMARY

Apart from financial co-operation among developing countries, another possibility for mobilizing a greater volume of funds inside developing countries suffering from severe balance-of-payments difficulties is examined.

Widely used methods of "regulating" imports and "stimulating" exports, which lead towards a system of multiple exchange rates, is criticized for their consequences and the establishment of convertible accounts denominated in domestic currency and managed by authorized domestic banks is proposed, instead. Such a technique would facilitate the formation of a substantially larger volume of domestic resources and their more efficient allocation, create a rational system of export promotion, could help financing the increase in trade among developing countries, would enable the development of domestic financial infrastructure, and all this without the distortions akin to the multiple exchange rate practices. As a matter of fact, the proposed system would also provide support for a substantial reduction of these practices.

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4. DR. IVAN MENENDEZ CENTRE OF SOCIAL AND ECONOMIC STUDIES OF THE THIRD WORLD, MEXICO

# NATIONAL STATE, INDUSTRIALIZATION AND CO-OPERATION AMONG DEVELOPING COUNTRIES: THE MEXICAN CASE

#### SUMMARY

The Mexican case, with its industrialization tied to external capital, a large foreign debt, import of technology, unemployment, marginalisation of large social groups, regional unbalances, income concentration and profound social contrasts, may be representative for many Third World economies.

Two groups of factors have contributed to these developments: the external ones, due to the international division of labour and the world order created by the Western powers after the Second World War, and internal ones, such as the inability to distribute the wealth, which has limited the internal market expansion of Mexico. Therefore, restoration of the Mexican economy has to be redefined within a new model of development. To do it, a strong but democratic state is needed, in order to submit the foreign capital to the national priorities and to avoid the external intervention in the sovereignty of nations.

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5.BOGDAN CRNOBRNJA

THE COUNCIL FOR

PROMOTING CO-OPERATION WITH

DEVELOPING COUNTRIES, YUGOSLAVIA

## VARIOUS ROADS TO PROGRESS SUMMARY

The struggle to speed up the economic development of developing countries has been waged for almost four decades now. Although certain results have been achieved, they are not enough. The main reason for these unsatisfactory results lies in the nature of present world relations. This being the case, the question is what changes could and should be made in order to achieve better results?

By far the most important factor in the rapid economic development of a country is that the country itself becomes more active in achieving its development. Developing countries' mutual, as well as their co-operation with developed countries should be seen as supplements to developmental efforts of individual countries.

Economic co-operation among developing countries (ECDC) should be widened and diversified mainly through the establishment of stronger direct links among developing countries' business organizations whose role in ECDC has been underestimated so far. 6. M.I.K. KHALIL

MINISTRY OF PRODUCTION, PAKISTAN

## INDUSTRIAL DEVELOPMENT AND CO-OPERATION AMONG DEVELOPING COUNTRIES SUMMARY

The international pressures under which developing countries have to achieve their goal of industrialization have hardly eased out. The world in term of economic activity is expected to divide even more sharply between the haves and have-nots. These problems highlight an urgent need for adjustment to be made both at national and international levels.

Measures and actions to be taken by a developing country are spread over a wide field of economic activity and affect the whole spectrum of the country's industrial development. A special role is, however, to be attached to financial institutions, such as banks and specialized credit agencies, in financing industrialization.

It is in the interest of both developed and developing countries to make more energetic efforts towards the betterment of the existing international economic order. The former should not be reluctant to assure the flow of additional resources to developing countries, while the latter should strengthen their mutual co-operation whose possibilities are far from being fully used up. 7. DR. ZVONIMIR RADIĆ SENTOR CONSULTANT, "RIZ", YUGOSLAVIA

## TECHNOLOGICAL BASIS OF INDUSTRIAL CO-OPERATION

#### SUMMARY

The main reasons for the promotion of co-operation among developing countries are development of technology, sharing of natural resources and productivity growth, development of technology being the first and the most important one. There is much to be done in this field, though. The question is how to realize multinational technological co-operation and, at the same time, to avoid the trap of business contracts, division of labour, concentration of labour force, etc?

The answer to this question is briefly outlined in the paper.

8. DR. SANTHAD ROJANASOCNTHON MINISTRY OF SCIENCE AND

TECHNOLOGY, THAILAND

### THE CO-OPERATION AMONG DEVELOFING COUNTRIES IN THE FIELD OF TECHNOLOGY

#### SUMMARY

The co-operation in the field of technology among developing countries (DCs) is of critical importance as it constitutes the essential factor in the promotion and development of a sound program of action in the other fields of economic co-operation among these countries.

In dealing with this, attention is paid to identification of preconditions, new mechanisms and use of research and development potentials for the co-operation. Among these issues, the question of identification of preconditions appears to be the most important factor which can help to generate proper mechanisms and/or identified potentials for the co-operation among DCs.

Developing countries with vastly varying conditions in resources, socio-economic status, as well as political stability, usually answer to the development of technology differently.

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#### 9. DR. ALOIS HOLUB, ESCAP

## CHANGES IN INDUSTRIAL TRENDS AND INDUSTRIAL POLICIES IN DEVELOPING ESCAP COUNTRIES AT THE

OUTSET OF THE 1980s

#### SUMMARY

During last 20 years the traditional picture of the developing economies of Asia and the Pacific has changed into a modern one, with services as the major contributor to GDP, followed by industry and agriculture.

However, the outcome is not only positive. The production effect of industrialization has been much stronger than its employment effect. It means that, under the present conditions, industry alone can hardly provide enough employment possibilities. Thus, the all sector approach to the solution of employment problem is necessary.

Simultaneously, a similar transformation happened inside the manufacturing subsector. Some 11 fast growing (i.e. by an annual rate of more than %) modern industries have been identified during the period. On the other hand, seven out of ten industries stated as developmental priorities in national development plans or similar documents happen to be the very fast growing industries, already identified on the basis of past trends. Thus, the industrial structure of the countries of the region is likely to become similar if not the same, which would not make a good base for more fruitful co-operation. It is at this very stage that the intervention of various international organizations is necessary. 10.SERGIO LUIZ GARGIONI COORDINATOR OF INDUSTRIAL DEVELC.PMENT, BRAZIL

## THE ISSUES OF COORDINATION AND MANAGEMENT IN INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES

#### SUMMARY

Since it has been widely accepted that co-operation among developing countries is not only convenient and possible but necessary, in order to reach the expected level of economic and social development of the countries involved, the question that arises is how to improve it effectively. The proposal presented in the paper concentrates on coordination and management.

Although bilateral and specific projects of cooperation should be stimulated, it is necessary to work on the basis of an international programme. To accomplish the objectives of the programme the same methodology has to be used in every country. This is a precondition to act in a cooperative way. The responsibility to apply this methodology should be assigned to a national organization like a Council for Science and Technology. 11.DR. HECTOR E. LUISI

SENIOR ECONOMIST, IDB

## THE INTER-AMERICAN DEVELOPMENT BANK AND ITS ACTIVITIES IN LATIN AMERICA'S INDUSTRIAL SECTOR

#### SUMMARY

The Inter-American Development Bank (IDB) has been a major source of external public financing, as well as a catalyst for mobilizing external private capital, for most of the countries of Latin America and the Caribbean.

The Bank relies on several sources of funds to finance its lending and technical co-operation activities, i.e.: the subscriptions of the regional and non-regional member countries, the world's capital markets, trust funds the IDB administers on behalf of several countries and the flow of repayments.

The IDB mobilizes resources additional to its own by means of the so called co-financing arrangements, which include joint, parallel and complementary financings and export credits.

The Bank's action in Latin America's industrial sector has developed along the following lines: direct loans, global loans, technical co-operation for preinvestment and institutional support, support to technology research and loans for exports of manufactured goods.

The IDB has a longstanding tradition of helping to finance industrial projects ranging from large to small ones, including even craftsmanship.

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12. MOJMIR MRAK

RESEARCH FELLOW

RESEARCH CENTRE FOR DEVELOPING

COUNTRIES, YUGOSLAVIA

## INSTITUTIONS FOR THE DEVELOPMENT OF CO-OPERATION AMONG DEVELOP-ING COUNTRIES IN THE SPHERE OF FINANCING ECONOMIC DEVELOP-MENT AND IMPLEMENTATION OF THE CARACAS PROGRAMME IN THIS SPHERE

#### SUMMARY

Although there exist many problems which have to be settled when seeking new institutional forms for promoting financial co-operation among developing countries (DCs), it seems that two of them, mutually linked, deserve special attention.

On one hand, it is necessary to devise such an institutional mechanism in which all DCs will be economically interested.

On the other hand, in order to find suitable forms of financial co-operation which by their principles would satisfy all DCs, it is indispensable to include, in the expert groups which are to work out these principles, those subjects in these countries whose business policy makes them interested in the development of financial co-operation among DCs. 13.DR. MURAD R. GRACE SENIOR OFFICER (FOOD INDUSTRIES), FAO

## THE ROLE OF FAO IN THE DEVELOPMENT OF FOOD AND AGRICULTURAL PRODUCTS PROCESSING INDUSTRIES

#### SUMMARY

The development of food and agricultural products processing industries can substantially contribute to raising the share of developing countries (DCs) from the present 7-9% to 25% by the year 2000 in world industrial output.

The FAO policy in assisting DCs consists of an integrated, multidisciplinary approach to production, conservation, processing, distribution and marketing of crops, livestock, fish and forest products. In this, special attention is paid to rural development and particularly to the small farmers.

A summary of the main FAO activities in the field of raw material development, institution building and the creation of infrastructure for agroindustrial development, processing industries, production of local cereals and natural fibres, and energy related to agriculture and agro-industries development during the last few years, is also presented.

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14. DR. DJURO DESPOT

RESEARCH FELLOW INSTITUTE FOR DEVELOPING COUNTRIES, YUGOSLAVIA

## CONCEPTS AND INSTITUTIONS OF MUTUAL INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES AND THE NEW INTERNATIONAL

#### ECONOMIC ORDER

#### SUMMARY

The building of new relations is likely to be a long and complicated process and, regardless of the degree of outside help, the main burden of the establishment of economic emancipation and development must be borne by developing countries (DCs) themselves.

A more intensive and systematic co-operation among DCs is an important component in the establishment of elements of the new international economic order.

Industrial co-operation among DCs is a very complex phenomenon. Because of this, and in order not to bring only temporary results, it is difficult that it be considered in isolation, outside the framework of general political, economic and cultural co-operation.

Also, experience has shown that the basis for industrial co-operation is the most successfully formed through intergovernmental agreements. Systematic, coordinated and lasting co-operation can only be achieved by the establishment of programmes and institutions which ensure lasting economic linkage. 15. DR. BISERKA CVJETIČANIN RESEARCH FELLOW INSTITUTE FOR DEVELOPING COUNTRIES, YUGOSLAVIA

# CO-OPERATION AMONG DEVELOPING COUNTRIES IN THE FIELD OF INDUSTRIAL MANPOWER TRAINING

#### SUMMARY

In spite of great efforts developing countries (DCs) have put into the development of their educational systems, since the time they have gained independence, the situation is still worrying and calls for a radical change.

In order to solve the problems, it is necessary that education be treated properly- not as an item of social consumption, but as an essential factor of development. Also, there is need for coordinated action on the global level within the framework to establish the new international economic order, and for co-operation which would lead to the strengthening of DCs' collective self-reliance in the field of education.

The training of industrial personnel, which includes vocational secondary school education, higher education and various forms of non-formal education, should be considered in this context.

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16. ALFONSO CORDIDO, COINCIT, VENEZUELA

## SOME CONSIDERATIONS AND SUGGESTIONS ABOUT THE MEASURES THAT COULD BE PROPOSED AS A SUPPORT AND WAY OF IMPLEMENTATION OF THE CARACAS PROGRAMME OF ACTION

#### SUMMARY

One of the most important aspects considered at the High Level Caracas Conference that concerns technology and the possibilities to establish an effective co-operation among developing countries (DCs) in this field, is the setting up of a modern inventory of the technological and engineering capacities existing in DCs at national, sub-regional or regional level.

Listing of technological needs that suit the plans of national development will facilitate the linkage of the offer of technology or technical assistance to countries' demands. This double input of data would have to be centralized in a specialized organization like UNIDO.

A useful suggestion could be also to establish similar inventories of research and development projects, the centralization of the specifications concerning the financing of industrial projects and of the conditions of the negotiations of technology.

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17. DR. VLADIMIR GREČIĆ SENIOR CONSULTANT INSTITUTE FOR INTERNATIONAL POLITICS AND ECONOMICS, YUGOSLAVIA

## THE UNEMPLOYMENT EFFECT OF THE PROCESS OF INDUSTRIALIZATION IN DEVELOPING COUNTRIES

#### SUMMARY

The hopes put into the growth of industry, and its manufacturing subsector in particular, as a possible solution to the problems of unemployment in developing countries (DCs) have not come true.

However, parallelly with overall unemplyment, there exists a lack of skilled workers and experts. In this context, the problem of brain-drain has become most important.

Apart from this South-North migration, there have been man-power fluctuations within the Third World. Here dominate the unskilled workers, although, undoubtedly, the skilled ones are also included.

In spite of the fact that migrant workers' remittance form an important item in balance-of-payments of many DCs, there is almost no doubt that they cannot compensate the capital invested in the education and training of workers now employed abroad. These remittances are usually given for personal, and not for investment consumption. The governments of the migrants-giving countries should, therefore, stimulate the return of their migrants and encourage them to establish small-scale industry, thus using their abilities, experience and earned capital for the improvement of the production and services in the countries of origin. 18. ABRAHAM T. PALLANGYO DIRECTOR OF INDUSTRIAL PLANNING MINISTRY OF INDUSTRIES, TANZANIA

# SOME CONSIDERATIONS ABOUT THE POSITION OF LEAST DEVELOPED COUNTRIES IN CO-OPERATING WITH DEVELOPING COUNTRIES

#### SUMMARY

It seems that all the developing countries (DCs), when co-operating, are not in relations of equal patterns. Since the level of development is very important, they are in relations of less developed with more developed countries within the same group. Consequently, if DCs are to have more relations among themselves, as opposed to the relations with developed countries, they should bear in mind to involve a relationship which is better, which gives more advantage to each one of the partners.

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#### 19. NIRMAL SINGH, INDIA

## INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: CHAIN APPROACH AND SOME STRATEGIES FROM INDIAN EXPERIENCE

#### SUMMARY

The variables related to industrial development and growth of the various developing countries (DCs) are so many that no concretised model with defined boundaries would fit universally. However, some lead on strategies at international and national levels emerging from an analysis of contemporary developments and on the basis of Indian experience are discussed.

Such an approach seems justifiable in view of the fact that, while co-operation on the basis of regional and/or trans-national complimentarity can and should be sought to aid growth, the bulk of results will accrue by internal efforts. On the other hand, the process of internal growth, with all its limitations, can be less cumbersome and frustrating if there is an awareness of contemporary growth as well as its problems and pitfals experienced elsewhere in DCs. 20 BRYAN LOCKE

SENIOR PROGRAMME OFFICER SPECIAL UNIT FOR TCDC

## THE SPECIAL UNIT FOR TCDC OF UNDP AND THE POTENTIAL OF PROMOTING INDUSTRIAL DEVELOPMENT (INFORMATION PAPER) SUMMARY

In this information paper a mention is made of various, and the promotional activities in industrial development in particular, of the Special Unit for TCDC of UNDP.

For its work programme, the Unit established lo goals which include actions such as: undertaking TCDC programmes and activities; serving as secretariat for the High-level Committee on the Review of TCDC; supporting governments in strengthening their institutional and procedural arrangements for undertaking TCDC; mobilizing financial resources for TCDC projects; preparing and implementing training programmes on TCDC; expanding, strengthening and promoting the use of the Information Referral System; and lending support to public information programmes on TCDC.

These activities concern diverse sectors, and among them industry as well. In the activities concerning industrial development and TCDC, the Unit's close co-operation with UNIDO 'has to be underlined.

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#### 21. NORMAN P. GIRVAN

CONSULTANT TO THE UNCTC, JAMAICA

## TRANSNATIONAL CORPORATIONS AND THIRD WORLD INDUSTRIALIZATION; AN OVERVIEW

#### SUMMARY

In general, TNCs are guided by the objectives of global profit maximization and growth. They respond to existing international structures of prices, costs, incomes and levels of development, as these are translated into marketing and investment opportunities. Furthermore, the usual tendencies of TNC's expansion, especially through the process of foreign direct investment, falls considerably short of industrialization envisaged in the Lima Plan.

Within those countries in which TNC's expansion is concentrated, and mainly presented in the form of foreign direct investment, the type of industrialization is not necessarily consistent to the objectives of the Lima Plan. In this context. various domestic development efforts of DCs often brings them into transactions with different kinds of TNCs which are, usually, the main suppliers in the market for technology, capital goods, and various kinds of engineering and consultancy services.

Therefore, there is a special need for DCs to study various forms of TNC' transactions (FDI and others), to develop themselves through understanding of the market for technology in the activities they wish to establish, and through that to progressively develop their capabilities to transact with TNCs and to secure inputs from them on terms and conditions that allow such inputs to be harnessed effectively for their own internally-determined development effort.

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22. EDUARDO WHITE

CONSULTANT TO THE UNCTC,

ARGENTINA

## JOINT VENTURES AMONG DEVELOPING COUNTRIES AND INDUSTRIAL DEVELOPMENT

#### SUMMARY

Joint ventures among developing countries have been fastly gaining attention and prestige in the debate about forms and instruments of South-South economic co-operation. The normative, prescriptive concept of South-South joint ventures assumes that, first, they ought to be different, in their structure and behaviour, from the experience of TNCs of developed countries, with regard to which they are viewed as an alternative offering better terms and conditions; and second, that in order to exist and present such distinctive features, they need a special framework, to be set up by the governments and/or international organizations, promoting their creation and guiding their conduct.

In the last five years, several studies have reported on the existence of a significant flow of productive resources (foreign direct investments, technology agreements, exports of industrial projects and services, etc.) being exchanged by firms of DCs, mostly as a result of spontaneous demands and offers of co-operation emerging from enterprises already existing and obeying to market conditions.

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#### 23. JEAN-MICHEL COLLETTE

CHIEF, JOINT UNTNC/ECE UNIT, UNITED NATIONS, GENEVA

## TRIPARTITE FORMS OF INDUSTRIAL CO-OPERATION

#### SUMMARY

Tripartite industrial co-operation is a form of trade oreation for enterprises with different economic and social systems and at different levels of development. Such projects are accordingly to be found in countries in three distinct regions: the socialist countries of Eastern Europe, the industrialized countries of Western Europe and North America, and developing countries (DCs).

Tripartite industrial co-operation is a new form of international economic relations which started durign 1960's, evolving from various types of bilateral arrangements. Such a co-operation takes a variety of forms and is found in different economic sectors, but mainly in a few basic industries, particularly energy, and is limited to the execution of projects on the territory of one of the partners - usually a DC. The pattern of business organization chosen is extremely varied, and ranges from sub-contracting-type arrangements to the sharing of risks and profits agreements. Despite the increase in the number and size of tripartite projects, especially during the last ten years, they still account for only a small share of current trade between countries with different economic and social systems and at different levels of development. 24. MARIJAN SVETLIČIČ

RESEARCH FELLOW, RESEARCH CENTRE FOR CO-OPERATION AMONG DEVELOPING COUNTRIES, YUGOSLAVIA

## INDUSTRIALIZATION OF INTERNATIONAL ECONOMIC RELATIONS, DEVELOP-MENT AND ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES SUMMARY

It can be seen that the problem of the internationalization, i.e. the strenghtening of intra-firms transactions is strongly connected with the everyday international economic relations, and particularly with the co-operation among DCs. It is considered that nearly a hald of the total world's exchange pertains to the exchange within the functional system of the TNCs, with, of course, considerable differences in certain branches, production groupings, or countries. Therefore, apart from the necessity of seeking new mechanisms and instruments for the control and regulation of TNC's activities, it is necessary to search for proper ways to actively utilize the advantages which the real, symmetrical processes of internationalization can offer, especially these which are in the position to intensify DC's participation in the international division of labour. 25 MLADEN ANDRIIĆ

RESEARCH FELLOW, INSTITUTE FOR DEVELOPING COUNTRIES, YUGOSLAVIA

## SOME ASPECTS OF THE FUNCTIONING OF MULTINATIONAL ECONOMIC UNITS OF DEVELOPING COUNTRIES

#### SUMMARY

Multinational companies of DCs, as opposed to the TNCs of developed countries, in addition to satisfy the criteria of economic and profitable business transactions, represent the joint efforts of the DCs to establish indigenous, but diversified, economic development, in keeping with their policy of collective self-reliance and the implementation of the positive qualities of the existing transnationalization process at the global level. The functioning of such enterprises is based on integrating the DC's capacities and potentials, such as natural human and/or financial resources. Of course, the implementation of microeconomic solutions is not enough, so there is a need of overall macroeconomic changes, as in South-South, so in South-North relations. 26. MILAN VOJNOVIĆ SENIOR CONSULTANT, INSTITUTE OF INTERNATIONAL POLITICS AND ECONOMICS, YUGOSLAVIA

## PROBLEMS OF CONTROL OF TRANSNATIONAL CORPORATIONS SUMMARY

TNCs have considerable potentials and advantages which, with adequate control and under certain conditions and forms of co-operation, can be used positively for development goals, especially in DCs. At the present time, there is almost no international organization, regional grouping, syndicate, etc. which is not undertaking measures or formulating policies in connection with the methods and practices of TNCs. Of greatest importance has been the activity under the auspices of the United Nations towards bringing about an international code of conduct with respect to TNCs. 27. MAJA KOŠAK

RESEARCH FELLOW, RESEARCH CENTER FOR CO-OPERATION AMONG DEVELOPING COUNTRIES, YUGOSLAVIA

## TRANSNATIONAL CORPORATIONS AND THE ROLE OF WOMEN IN DEVELOPMENT SUMMARY

In the course of the industrialization of DCs the traditional role of women is undergoing fundamental changes. In many countries the female labour force has emerged as the major manpower resource for industrial development. The use of this resource has been discovered and utilized primarily by the TNCs in search of new and cheaper locations for their labour-intensive production lines. According to the present situation, the role of women in overall development requires profound structural changes in the economy and in the social life of each country and at the global level. Furthermore, the participation of women as equal partners in the economic, social and political development of DCs is one of the essential conditions for the successful development. 28. NADA ŠVOB-DJOKIĆ RESEARCH FELLOW, INSTITUTE FOR DEVELOPING COUNTRIES, YUGOSLAVIA

## TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (TCDC) AND NEW FORMS OF INDUSTRIAL CO-OPERATION

#### SUMMARY

Technical co-operation among developing countries (TCDC), as a flexible system of co-operation, depends on the actual possibilities of DCs to come forward as active participants in international economic co-operation. In this context, one of the main goals becomes the question of mechanisms, or of finding a proper answer to the question how to put co-operation in practice, i.e. how to realize a development project on the principles of TCDC. 29. MITRE KOLIŠEVSKI

RESEARCH FELLOW, RESEARCH CENTRE FOR CO-OPERATION WITH DEVELOPING COUNTRIES, YUGOSLAVIA

## THE SCOPE FOR CO-OPERATION BETWEEN THE NEWLY INDUSTRIALIZED AND OTHER DEVELOPING COUNTRIES

#### SUMMARY

The so called Newl Industrialized Countries (NICs) can play an important role in strengthening economic cooperation among developing countries (DCs) due to their relatively high level of industrialization and high degree of professionally skilled and specialized manpower. It may be expected that the co-operation between NICs and other DCs will grow faster than in the past. A number of factors is presented to support this conclusion.

However, no significant results should be expected in a short time span, since both groups of DCs will continue to depend largely on developed countries due to their financial and credit potentials, the availability of production and technological capacities and their communication and information infrastructure.

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30. ISSAM S. KHALIL

COUNSELLOR, EMBASSY OF

IRAQ IN BELGRADE

#### DISCUSSION - SUMMARY

The gap between developed and developing countries (DCs) is constantly increasing, so there is a necessity to strengthen the bilateral relations among DCs, seen as one of the instruments of the promotion of overall development in DCs. To this effect, the element of time is extremely important. 31. FERNANDO SALAZAR - PAREDES INTERNATIONAL DIRECTOR, BOLIVIA-PERU PROJECT PROMOTION ENTERPRISE, BOLIVIA

## INDUSTRIAL CO-OPERATION AMONG ANDEAN COUNTRIES ON THE BASIS OF JOINT VENTURE SUMMARY

The governmental policies have a significant potential role in industrial co-operation among developing countries, precisely in the cases of consolidation of joint ventures, because this type of co-operation can offer ample possibilities in general economic complementation between countries with different resource basis. In Latin America, specifically in the member-countries of the Andean Group, this is a basic motivation for so called subregional integration process. To that effect, Peru and Bolivia formed a Project Promotion Enterprise for the development of the border zone between those countries. 32. FUAD HASSAN

HEAD OF THE AGENCY FOR RESEARCH AND DEVELOPMENT, MINISTRY OF FOREIGN AFFAIRS, INDONESIA

## INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: THE ASEAN CASE

#### SUMMARY

One of the most important issues pertaining to the particular national strategies in developing countries (DCs), as a factor of the implementation of mutual co-operation, is the establishment of adequate circulation-flows of the various relevant informations about specific capacities and possibilities in DCs. Such approvements in mutual exchange of informations about the respective reasons, resources, restraints, manpower, etc. are partially implemented, for example in the praxis of industrial co-operation among DCs in ASEAN region. 33. RAVI DEO SHARMA

JOINT SECRETARY, MINISTRY

OF INDUSTRY, NEPAL

# INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: THE NEPAL CASE

#### SUMMARY

The approach to the various problems of specific issues related to the economic co-operation among developing countries (DCs), particularly in the field of industrial development should be more practical and pragmatic in the future. According to the concrete situations in various DCs, there is a wide variety of specific problems. In this context, it seems that the main problem in the majority of DCs, especially in the less developed ones is the identifying of the concrete needs.

In the field of industrial co-operation, the case of Nepal shows that there is no significant co-operation, either with transnational corporations (TNCs), or on the basis of various modalities and forms of joint venture cooperation. Furthermore, it seems that further collaboration with foreign investors on various bases, such as government to government, government to TNC or the private sector, etc, would be very beneficial to the country like Nepal. 34. PERCY THENUWARA

DIRECTOR OF MARKETING, COCONUT DEVELOPMENT AUTHORITY, SRI LANKA

## INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: THE CASE OF THE COCONUT INDUSTRY

#### SUMMARY

Particularly, the case of the coconut industry presents the views of Sri Lanka regarding to the co-operation among developing countries, in such a case the coconut producing countries. India and Sri Lanka are the main coconut producers in the world. In the present conditions of permanent decline in coconut world prices, in the world market dominated by the large-scale buyers, there is a need for producercountries to reach some mutual understanding in production and supply arrangements. 35. CARLOS MATUTE IRIAS CHIEF, UNCTAD/ECDC PROGRAMME ON MULTINATIONAL ENTERPRISES

## UNCTAD/ECDC PROGRAMME ON MULTINATIONAL ENTERPRISES, 1982-84 SUMMARY

There is a long-term programme that UNCTAD has prepared and is implementing in the matters of support measures for the establishment of joint ventures or multinational enterprises among/in developing countries (DCs). This is a very comprehensive programme, involving not only UNCTAD, but also a close collaboration with the UNIDO, FAO, UNCTC, as well as the regional commissions.

In the 1982-34 period, the basic areas already selected for research are the following: the identification of multinational investment projects in DCs, the up-dating of regional studies that UNCTAD already prepared about five years ago, the close examination of the trade flows in the last ten years between developed and DCs, as well as among the DCs themselves, the preparations of global sectoral studies in certain specific areas (fertilizers, pulp and paper and rubber products, etc), the examination of the activities on the direct investment flows from the technologyexporting DCs to other DCs the examination of the recent modalities of co-financing in the international economy, etc. 36. VIŠNJA SAMARDŽIJA RESEARCH FELLOW, INSTITUTE FOR DEVELOPING COUNTRIES, YUGOSLAVIA

## YUGOSLAV CO-OPERATION WITH DEVELOPING COUNTRIES IN THE FIELD OF THE TRANSFER OF TECHNOLOGY

#### SUMMARY

The Institute for Developing Countries carried out a pilot-study in the transfer of technology from Yugoslavia to other developing countries (DCs), with the aims of establishing the modalities in which co-operation with DCs in particular areas had taken place and of setting up a system for evaluating the advantages Yugoslav technology might have in these countries.

Information about the transfer was gathered by means of a survey. Since the survey was restricted ... Croatia, and the sample being small and not random, the obtained results are only indicative. The survey showed that only certain forms of co-operation are well developed - mostly in the field of engineering, less in the fields of technical co-operation and consulting, and the least in the fields of the transfer of industrial property rights and productive co-operation.

In order to ensure long-term co-operation, it is necessary to relieve it of its main constraints, i.e. to organize a joint approach by the Yugoslav enterprises participating in the transfer, to establish stronger direct links with various partners in DCs, to set up appropriate information systems and to pass regulations concerning the transfer that will ensure, at least in part, its financing.

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37. MITA JOVANOVIĆ DIRECTOR, JOINT UNIDO-YUGOSLAVIA CENTRE

## CO-OPERATION OF THE YUGOSLAV AGRO-INDUSTRY WITH DEVELOPING COUNTRIES TRHROUGH THE UNIDO

#### SUMMARY

The multilateral programme of co-operation of the Yugoslav agro-industry with developing countries (DCs) is based on the agreement of the Government of Yugoslavia and the UNIDO. The co-operation, which started in 1976, involves all the pre-investment and investment activities, as well as the technical co-operation, i.e. it involves all UNIDC's activities. The Programme is carried out by the Joint UNIDO-Yugoslavia Centre in Novi Sad, which co-operates with a number of Yugoslav agro-industrial firms, scientific and research organizations and eminent experts in this field. It should be particularly stressed that the activity of the Centre is exclusively action-oriented. The projects that are included in the Programme must be initiated by DCs and presented either to UNIDO or to Yugoslav institutions. 38. IVO MUČIĆ

ASSISTANT DIRECTOR OF SALE "RADE KONČAR", YUGOSLAVIA

### CO-OPERATION OF "RADE KONČAR" WITH DEVELOPING COUNTRIES

#### SUMMARY

Messrs. "Rade Končar" has been co-operating with developing countries (DCs), the most frequently together with other Yugoslav firms, for more than twenty years now. During this period, it has supplied about 170 various plants in many DCs of Asia, Africa and Latin America.

A certain number of the plants were manufactured in co-operation with local producers which supplied components and participated in erection and putting the plants into operation. The local personnel were trained either in "Rade Končar" factories or at site to be able to carry out maintenance, overhaul and minor repairs.

Most of the plants were supplied and constructed on the turn-key basis. Here, there are many possibilities to include local manufacturers of equipment, civil engineering contractors, erection contractors, etc.

The next stage of co-operation is a long-term joint manufacture and industrial co-operation. It may be expected that DCs would fully support such co-operation, because this is the way to develop local industry, to employ people, to achieve self-reliance. 39 DUŠAN STANOJLOVIĆ

"HEMIJSKA INDUSTRIJA PANČEVO" YUGOSLAVIA

SOME EXPERIENCE OF CO-OPERATION BETWEEN A YUGOSLAV ENGINEERING ORGANIZATION AND ECONOMIC SUBJECTS FROM DEVELOPING COUNTRIES

#### SUMMARY

The experience, so far gained, of Messrs. "Chemical Industries Pančevo" in its co-operation with partners from developing countries (DCs) is put forward.

It has been noticed that the principle of equality of the co-operating partners and joint work are prerequisites for the successful realization of the job; that the efforts to render, to the foreign partner, the vital knowledges are appraised as positive ones; that the principle of mutual agreeing upon all relevant activities is very well accepted; that the decision to engage local performers is always welcomed; and that joint, i.e. with other Yugoslav firms, appearance with strictly defined tasks and division of work and competence, makes more favourable impression than separate and partial one, no matter how correct the latter may be.

The major constraints of the co-operation, as seen from this experience, seem to be: the incomplete information the foreign partners provide, and these pieces of information being supplied too late; the troubles with the transfer of licence with in a technology transfer; finance, by nature, is the problem for itself; and domestic problems, such as the defining of the way of appearance with other domestic partners, of the so called leader of job, the problem of regulations, etc.

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40. DRAGAN MATIĆ

"ŽELJEZARA SISAK", YUGOSLAVIA

# DEVELOPMENTAL EXPERIENCES OF "ŽELJEZARA SISAK" AND ITS PRESENT POSSIBILITIES FOR PROMOTING THE CO-OPERATION WITH

#### DEVELOPING COUNTRIES

#### SUMMARY

The problems developing countries (DCr), as well as their respective companies are facing now, are, in a way, experienced by and, thus, familiar to Yugoslavia and its firms. In this way, it seems that the experience Messrs. "Željezara Sisak", a bearer of iron metallurgy development in Croatia, has went through might be of interest for DCs. 41. JANEZ STRAŽIŠAR

DEPUTY DIRECTOR GENERAL, "RUDIS", YUGOSLAVIA

## CONSTRUCTION OF SHOE FACTORIES IN ALGERIA SUMMARY

The concrete example of the building of two shoe factories in Algeria by the Yugoslav business association "RUDIS" is presented. The contract concluded between "RUDIS" and Algerian shoe producer "SONIPEC" is not, only a contract about factory construction, but also a contract which includes wider co-operation. Namely, it also includes a transfer of technology with simultaneous education of Algerian partner's personnel and a transfer of experience in production. This means that, rather than simply agreeeing upon delivery of equipment and building of a factory, "RUDIS" committed itself to give "SONIPEC" all its knowledge.

The way in which the partners on the Yugoslav side organized themselves to carry out the job, is also put forward.

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#### <u>ANNEX</u> I

#### LIST OF PARTICIPANTS AND OBSERVERS

(A) COUNTRIES

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	Studies	

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## <u>ANNEX</u> II

#### WORK PROGRAMME

# September 15, 1982

- 1. Opening session
  - Inaugural Speeches
  - Election of the Chairman and Rapporteur
  - Consultation and acceptance of the Agenda
- 2. First working session "Practical Measures of Industrial Co-operation among Developing Countries in the Implementation of the Caracas Programme of Action and Realization of the Lima Declaration"
  - Introductory papers
  - Discussion
- 3. Second working session
  - Discussion on the topics presented on the First Session

# September 15, 1982

- <u>Third working session "Activities of the Transnational</u> <u>Corporations in the Light of the Targets Set Out in the</u> <u>Lima Declaration and Action Plan"</u>
  - Introductory Papers

- Discussion

## 2. Fourth working session

- Discussion on the topics presented on the Third Session

# September 17, 1982

- 1. Expert discussion in the Centre for Economic Co-operation Among Developing Countries at the Zagreb International Fair
- 2. Fifth working session "Yugoslav Industrial Co-operation with Developing Countries"
  - Papers and Reports
  - Discussion
- 3. Final session
  - Consultations and Acceptance of the Draft Conclusions and Reccomendations on the Tenth Round Table

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LIST OF PAPERS PRESENTED AT THE TENTH ROUND TABLE

1. PROF. Y. NAYUDAMMA: "MUTUAL CO-OPERATION OF DEVELOPING COUNTRIES IN TECHNOLOGY AND HUMAN RESOURCES DEVELOPMENT FOR INDUSTRIAL DEVELOPMENT IN DEVELOPING COUNTRIES"

2. AUGUSTIN PAPIĆ: "FINANCIAL CO-OPERATION FOR INDUSTRIAL DEVELOPMENT OF DEVELOPING COUNTRIES"

3. ANTE ČIČIN-ŠAIN: "MOBILIZING ADDITIONAL FINANCIAL RESOURCES THROUGH GREATER USE OF NATIONAL CURRENCIES OF DEVELOPING COUNTRIES"

4. DR. IVAN MENENDEZ: "NATIONAL STATE, INDUSTRIALIZATION AND CO-OPERATION AMONG DEVELOPING COUNTRIES: THE MEXICAN CASE"

5. BOGDAN CRNOBRNJA: "VARIOUS ROADS TO PROGRESS"

5. M.I.K. KHALIL: "INDUSTRIAL DEVELOPMENT AND CO-OPERATION AMONG DEVELOPING COUNTRIES"

7. DR. ZVONIMIR RADIĆ: "TECHNOLOGICAL BASIS OF INDUSTRIAL CO-OPERATION"

8. DR. SANTHAD ROJANASOONTHON: "THE CO-OPERATION AMONG DEVELOP-ING COUNTRIES IN THE FIELD OF

9. DR. ALOIS HOLUB: "CHANGES IN INDUSTRIAL TRENDS AND INDUSTRIAL POLICIES IN DEVELOPING ESCAP COUNTRIES AT THE OUTSET OF THE 1980s"

TECHNOLOGY"

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# 10. SERGIO LUIS GARGIONI: "THE ISSUES OF COORDINATION AND MANAGEMENT IN INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES"

11. DR. HECTOR E. LUISI: "THE INTER-AMERICAN DEVELOPMENT BANK AND ITS ACTIVITIES IN LATIN AMERICA'S INDUSTRIAL SECTOR"

12. MOJMIR MRAK: "INSTITUTIONS FOR THE DEVELOPMENT OF CO-OPERATION AMONG DEVELOPING COUNTRIES IN THE SPHERE OF FINANCING ECONOMIC DEVELOPMENT AND IMPLEMENTATION OF THE CARACAS PROGRAMME IN THIS SPHERE"

13. DR. MURAD R. GRACE: "THE ROLE OF FAO IN THE DEVELOPMENT OF FOOD AND AGRICULTURAL PRODUCTS PROCESSING INDUSTRIES"

14. DR. DJURO DESPOT: "CONCEPTS AND INSTITUTIONS OF MUTUAL INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES AND THE NEW INTERNATIONAL ECO-NOMIC ORDER"

15. DR. BISERKA CVJETIČANIN: "CO-OPERATION AMONG DEVELOPING COUNTRIES IN THE FIELD OF INDUSTRIAL MANPOWER TRAINING"

16. ALFONSO CORDIDO: "SOME CONSIDERATIONS AND SUGGESTIONS ABOUT THE MEASURES THAT COULD BE PROPOSED AS A SUPPORT AND WAY OF IMPLEMENTATION OF THE CARACAS PROGRAMME OF ACTION"

17. DR. VLADIMIR GREČIĆ: "THE UNEMPLOYMENT EFFECT OF THE PROCESS OF INDUSTRIALIZATION IN DEVELOPING COUNTRIES" 18. ABRAHAM T. PALLANGYO: "SOME CONSIDERATIONS ABOUT THE POSITION OF LEAST DEVELOPED COUNTRIES IN CO-OPERATING WITH DEVELOPING COUNTRIES"

19. NIRMAL SINGH: "INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: CHAIN APPROACH AND SOME STRATEGIES FROM INDIAN EXPERIENCE"

20. BRYAN LOCKE: "THE SPECIAL UNIT FOR TCDC OF UNDP AND THE POTENTIAL OF PROMOTING INDUSTRIAL DEVELOPMENT (INFORMATION PAPER)"

21. NORMAN P. GIRVAN: "TRANSNATIONAL CORPORATIONS AND THIRD WORLD INDUSTRIALIZATION AN OVERVIEW"

22. EDUARDO WHITE: "JOINT VENTURES AMONG DEVELOPING COUNTRIES AND INDUSTRIAL DEVELOPMENT"

23. JEAN-MICHEL COLLETTE: "TRIPARTITE FORMS OF INDUSTRIAL CO-OPERATION"

24. MARIJAN SVETLIČIČ: "INDUSTRIALIZATION OF INTERNATIONAL ECONOMIC RELATIONS, DEVELOPMENT AND ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES"

25. MLADEN ANDRLIĆ: "SOME ASPECTS OF THE FUNCTIONING OF MULTINATIONAL ECONOMIC UNITS OF DEVELOPING COUNTRIES"

26. MILAN VOJNOVIĆ: "PROBLEMS OF CONTROL OF TRANSNATIONAL CORPORATIONS"

27. MAJA KOŠAK: "TRANSNATIONAL CORPORATIONS AND THE ROLE OF WOMEN IN DEVELOPMENT"

# 23. NADA ŠVOB-DJOKIĆ: "TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (TCDC) AND NEW FORMS OF INDUSTRIAL CO-OPERATION"

29. MITRE KOLIŠEVSKI: "THE SCOPE FOR CO-OPERATION BETWEEN THE NEWLY INDUSTRIALIZED AND OTHER DEVELOPING COUNTRIES"

30. ISSAM S. KHALIL: "DISCUSSION"

31. FERNANDO SALAZAR - PAREDES: "INDUSTRIAL CO-OPERATION AMONG ANDEAN COUNTRIES ON THE BASIS

OF JOINT VENTURE"

# 32. FUAD HASSAN: "INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: THE ASEAN CASE"

33. RAVI DEO SHARMA: "INDUSTRIAL CO-OPERAFION AMONG DEVELOPING COUNTRIES: THE NEPAL CASE"

34. PERCY THENUWARA: "INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES: THE CASE OF THE COCONUT INDUSTRY"

35. CARLOS MATUTE IRIAS: "UNCTAD/ECDC PROGRAMME ON MULTINATIONAL ENTERPRISES, 1982-84"

35. VIŠNJA SAMARDŽIJA: "YUGOSLAV CC-OPERATION WITH DEVELOPING COUNTRIES IN THE FIELD OF THE TRANSFER OF TECHNOLOGY"

37. MITA JOVANOVIĆ: "CO-OPERATION OF THE YUGOSLAV AGRO-INDUSTRY WITH DEVELOPING COUNTRIES THROUGH THE UNIDO"

38. IVO MUČIĆ: "CO-OPERATION OF "RADE KONĆAR" WITH DEVELOPING COUNTRIES" 39. DUŠAN STANOJLOVIĆ: "SOME EXPERIENCE OF CO-OPERATION BETWEEN A YUGOSLAV ENGINEERING ORGANIZATIONS AND

ECONOMIC SUBJECTS FROM DEVELOPING COUNTRIES"

40. DRAGAN MATIĆ: "DEVELOPMENTAL EXPERIENCES OF "ŽELJEZARA SISAK" AND ITS PRESENT POSSIBILITIES FOR PROMOTING

THE CO-OPERATION WITH DEVELOPING COUNTRIES"

41. JANEZ STRAŽIŠAR: "CONSTRUCTION OF SOME FACTORIES IN ALGERIA"

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### ANNEX IV

ZAGREB INTERNATIONAL FAIR INSTITUTE FOR DEVELOPING COUNTRIES, YUGOSLAVIA

CENTRE FOR ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

### Introductory Remarks

On the whole, the international community has invested substantial funds in the development of less developed countries. However, international investment processes, the development of technology, the transfer of know-how, marketing and other fields require that certain basic prerequisites be met to ensure efficient action on the part of developing countries (DCs) and their inclusion in the international division of labour.

The programme of economic co-operation has been adopted and worked out by Non-aligned countries at the UNIDO II in Lima in 1975 and a strategy was proposed for strengthening the unity and solidarity of non-aligned countries and for the establishment of the New International Economic Order (NIEO). Through international organizations the Group of 77 proposed a programme of further action.

The Group of 77 also convened a high level meeting on "Economic co-operation among developing countries" held in Caracas in 1981. Further action in implementing the targets set out in the conclusion drawn up in Caracas was discussed Non-aligned and other developing countries should initiate action and work out within UNIDO a comprehensive programme of aid to DCs; at the same time, they should set up their own consulting CENTRES.

Within the framework of UNDP, developing countries should strive to consistently adhere to the decision on engaging at least 50% of experts from DCs in UNDP projects being carried out in DCs.

Jther recommendations were that international information systems should be used in the exchange of technological information among DCs and that this should be done through the developing countries' own CENTRES.

In keeping with the above recommendations, the Zagreb International Fair has undertaken to set up a Centre for economic co-operation among DCs.

It should be borne in mind, however, at this point, that a number of institutions have been founded allegedly serving the interests of DCs, yet, their activities have frequently contributed to market research for developed countries and multinational companies. For developing countries to be able to counteract various refined systems of exploitation and the activities of those organizations in the service of such systems, it is necessary to organize and set up developing countries' own centres to promote and co-ordinate the development of these countries and help bring about a change in the character of certain international organizations. The recommendations put forth in this paper are supposed to draw attention to certain initiatives and changes aiming at organizing the joint placement of goods from DCs on the international market, provided such centres are managed exclusively by experts from the interested countries and their organizations.

# Some Fundamental Notions on the Centre

The Centre is an association of consulting organizations and institutions, bringing together specialized organizations with highly trained personnel, closely involved in problems of production, and capable of offering services in planning and business co-operation.

Consulting activities in industrial and other forms of co-operation among DCs have not as yet been studied in detail, and it is obvious that such activities have not as yet been fully developed in these countries. Consulting activities play a very important role in the vertical and horizontal transfer of technology and represent a lever (1) between scientific activities and their practical implementation in the transfer and application of the results of research in production and trade, and (2) in the international transfer of technology, in the selection, acquisition and modification of foreign technology, as well as its application on a national level and adaptation to domestic requirements.

Therefore, the idea underlying the founding of a Centre within the framework of the Zagreb International Fair is to pool knowledge and organize team work in order to ensure a high degree of expertise and further promote co-

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operation among DCs, especially by drawing up studies, investment programmes, technical documentation, social impact studies and detailed engineering and construction programmes. The Centre would represent the whole of the Yugoslav economy. It would also serve to co-ordinate the development of developing countries' markets with a view to overcoming these countries' inferiority and the technological predominance of developed countries.

Since there is no single definition of consulting services, these services being linked up with the broad complex of transfer of technology, business and technical co-operation, the Centre would make use of the UN materials on consulting services.<sup>\*</sup> The UNIDO Form <sup>\*\*</sup> would also be very useful as a code of business and professional ethics for the marketing of products in Yugoslavia and in other DCs; other materials, such as those of the IBRD, FAO, FIDO, etc., would also prove useful for this purpose.

In addition, the Centre would open up new possibilities for institutions from DCs to promote co-operation with a particular region and create conditions for longterm business co-operation; in other words, it could serve as a link between these countries' economies and that of Yugoslavia.

# Initiatives and Activities Proposed To Be Undertaken by the Centre

The Centre will set up a work group to study the

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Information Referal System - Guidelines for selecting organizations, DP/TCDC/RLA, 1975

<sup>\*\* &</sup>quot;UNIDO ROSTER of Industrial Consultants" Form, AD/8/Rev. 1-7-70.

results of various activities and present them in the most appropriate form, setting out other suitable proposals and recommendations which will logically stem from the Centre's activities. It will seek out logical solutions to current problems giving equal weight to the interests of the economies of DCs and those of Yugoslavia.

It is believed that, in order to fulfil the Centre's main intentions, activities should be organized along three main lines:

international gatherings on subjects of current interest;
exhibitions on specific, mutually approved subjects;
seminars on planning and programming development activities.

The preparatory work group, set up by the Centre, as a joint organizational and coordinating body, will provide a detailed account and assessment of all the initiatives. It is believed that such initiatives undertaken by the Centre would:

- speed up the implementation of the NIEO, namely develop the economic potentials in the countries taking part, with all the accompanying phenomena contributing to the emancipation and general progress of these countries,
- provide assistance to DCs regardless of their size or resources,
- rationalize the development policy through the co-ordination in the development of potentials and of the market.

It should be pointed out that only the initial stage has been discussed and that considerable results in co-operation can be expected in other fields which have not been mentioned here. It is therefore important to set up a system within the Centre, the main objective of which would be to further promote mutual assistance and co-operation.

## The Centre's Tasks

In the first stage the main task of the Centre would be to set up links between industrial firms in DCs and those in Yugoslavia and also between different DCs; furthermore, the Centre proposes to:

- promote existing business co-operation,

- provide new business contacts,
- initiate and spread business co-operation to new areas.

In the next stage the Centre would be expected to establish links with other centres throughout the world. It is particularly important for this Centre to establish links with the Centre for the promotion of co-operation with developing countries at UNIDO.\* This centre is eighth of the world centres for co-operation with developing countries set up by UNIDO (the other seven being in Zurich, New York, Cologne, Paris, Brussels, Vienna, Tokyo). It is equally important for the Centre to establish links with UNISIST's \*\* information and documentation system and others.

<sup>•</sup> UNIDO, Investment Promotion Service - IPS, Wien, 1980.

<sup>44</sup> The world information system, programme of which was launched under the auspices of UNESCO at its 7th session of the General Conference.

