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THE ROLE OF NON-GOVERNMENTAL/PRIVATE VOLUNTARY ORGANIZATIONS
IN AFRICAN COUNTRIES IN THE RESTRUCTURING OF SMALL- AND MEDIUM-SCALE
ENTERPRISES WITH SPECIAL FOCUS ON AFRICAN/ASIAN CO-OPERATION*

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* The views expressed in this paper are those of the author and do not necessarily reflect the views of the Secretariat of UNIDO. This document has not been edited.

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INTRODUCTION

Small- and medium-sized enterprises have an inescapable role in the steady and sustained social and economic growth and in generating better employment opportunities in all economies. Political leadership in all countries as well as agencies in the United Nations system, organizations of independent businesses, academics and intellectual elite fully recognize the necessity to cultivate, recover, strengthen and increase the vitality of this sector as an integral part of the growth strategy of each nation. Small- and medium-scale enterprises in all countries, developed and developing, have common interests and problems, although the challenges in developing countries, and more so in the least developed countries (LDCs), are far more complex. The real problem now is not of recognition of the need and importance of the small- and medium-scale enterprise sector but the political will to act in defence and development of small- and medium-scale enterprises through the strengthening of the private sector and non-governmental organizations (NGOs) and the non-bureaucratic functioning of small business administration.

The developing countries are concerned with three critical sectors of their economies:

(a) The industrial sector which modestly generates and can further generate added values, contributes significantly to the multiplication of capital for further growth, irrespective of the size of enterprise, large and medium, small or micro:

(b) The large break-even sector of the self-employed who meet the expenses of living and social expenses without having enough investable resources for growth; and

(c) The formidable poverty sector and the weak productivity capability of the poor.

The conceptual frame and management strategies would necessarily have to be designed for upgrading the poverty sector into the break-even levels; the self-employed and the break-even sector upgraded to reach capital generation levels; and the industrial sector to high priority and innovation levels for continued capital generation.

This is the overall nature of challenges with which the developing countries are confronted.

Any strategy for international or regional co-operation towards the promotion of small- and medium-sized enterprises in developing countries - their health, vitality and sustained growth - need to address itself to basic socio-cultural traits and ethos of each developing country. This is particularly true of African countries. The strategy for international and regional co-operation for the accelerated transfer of technology and greater access to international finance needs to identify certain basic fundamental challenges of the developing countries, more particularly of LDCs, of which Africa has the largest share.

Some components of this strategy are:

(a) How to restructure the conceptual frame, conservatism and traditional approaches in operation of various systems, patronizing

attitudes of promotional and financing agencies and the bureaucracy in the government for meeting the challenges to make the poor productive:

(b) How to restructure the relationship between financing agencies, governments and NGOs; and

(c) How to contend with the administration at the micro-level, and sometimes even at the macro-level, whose response to the hardships and privation of the poor, unemployed, self-employed and small-scale enterprise sector is usually slow.

Apparently the developing countries with their three-sector economies cannot reach the poverty sector until NGOs and private voluntary organizations (PVOs) are fully motivated, inspired and encouraged to contribute in the implementation of the aforesaid strategies. No governmental agency, however resourceful it may be, can have easy access to the poor, unemployed and less privileged without active involvement of NGOs who work with a sense of mission and dedication. "People-friendly" administration, dedication and determination of NGOs and PVOs and an effective, alert and vigilant small business community, guided and assisted by academics and specialists having deep faith in small firms can achieve inclusion of these groups in the development process through appropriate types of support.

Until recently, the majority of African countries had been assigning high priority to the promotion of large enterprises rather than small- and medium-sized units. Most of the large industries have been oriented towards import substitution and involve foreign collaboration with multinationals which were granted special fiscal and financial incentives by most countries. These enterprises are dependent mainly on imported technologies, equipment and services which involve unabated commitments for the purchase of foreign spare parts and raw materials besides repatriation of royalties and profits. These undertakings are mainly managed by foreigners and expatriates and do not provide either large-scale employment opportunities or training facilities for local people to enable them to secure responsible positions in executive, managerial or technical cadre. In contrast, fiscal or financial incentives provided by many African countries to encourage and assist in the promotion of informal and small enterprises appear to be inadequate. Some countries have established industrial estates and made arrangements for training of entrepreneurs or providing guidance to them for setting up viable ventures. However, inadequacy of these endeavours has manifested itself in various forms. It is, of course, encouraging to note that African countries have recognized that the establishment of informal and small- and medium-sized enterprise sectors constitute the first vital step in the process of industrialization of their economies.

In an absorbing paper on the challenge and response of the small- and medium-scale enterprises in the 1990s, prepared by Ram K. Vepa, it is stated that the decade of the 1990s is witnessing profound changes in the political and industrial scene round the world: value systems that have been followed for more than seven decades are giving way to new ideas which give the market place a position of primacy. Small- and medium-scale enterprises have been recognized as playing an important - in the case of developing countries an almost dominant - role in the national economies. Undoubtedly, the new industrial scenario provides a challenge to these enterprises to which they need to respond in a dynamic manner if they are to survive: in doing so.

however, their role and strategy will necessarily need to change. This properly outlines the major dimensions of that challenge and the kind of response that is likely to prove successful.

According to Vepa, "it is incorrect to say that the policies and programmes pursued in the past were either wrong or unsuccessful: as times change, policies need to change to tune themselves to the new compulsions; support has to be provided in a different manner to be effective. In fact, it might be even said that it was precisely because the policies of the past have been successful that today we are able to speak of the small- and medium-scale enterprise sector becoming competitive - if such support policies had not been pursued, there would hardly have been any small- and medium-scale enterprise sector to compete."

Developing countries in general lack an appropriate policy framework for effective growth of small- and medium-scale enterprises. Policies tailored to the specific requirements of the sector are a necessary condition to produce the desired impact. Often the macro-economic policy framework and its measures have a built-in bias towards large-scale industries and the use of capital-intensive technologies. Subsequently, these measures are often detrimental to the needs of small- and medium-scale enterprises and signal the need for deregulation and structural reforms at the macro-policy level. Economic measures should be of a long-term nature and should consider the overall linkage between large-, medium- and small-scale industries and in totality of economic development plans, since small- and medium-scale enterprises are an integral part of the overall economy.

I. THE ENTERPRISING SPIRIT: AN INNATE QUALITY

Africa abounds in innate enterprising spirit and entrepreneurial capabilities. However, these qualities have to be developed and induced into people's mind in order that they are prepared to take risks, to nurture high ambitions and achievement motivation through special programmes designed for women, men and youth.

The United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD) was adopted by the United Nations General Assembly in order that Africa's socio-economic problems would receive commensurate attention from the international community. Under the programme, the international community was expected to provide increased financial resources and technical assistance to African countries to support sustained economic development, human resource development, trade diversification and expansion. Before the adoption of the Programme of Action, African Governments had committed themselves irrevocably to the pursuit of policies and programmes that would ensure that the economic situation of the region improved.

Unfortunately, in the lifespan of the programme, African economies did not witness any significant change for the better. In contrast, the world economy during these years experienced relatively strong and sustained recovery, particularly in the industrial sector in countries of South-East Asia. From all economic indicators, the African continent appeared to have been bypassed by these positive developments in the world system.

Bade Onimode, Professor of Economics, University of Ibadan, Nigeria, has said that the development of Africa in the 1990s is centred on the creation of

an environment of accelerated recovery and transformation. The Organization of African Unity (OAU) has adopted the African Charter for Popular Participation in Development. The empowerment of people at the grass-root level can also be ensured through increased financial support for education, women's development, employment generation through massive investment, promotion of small- to medium-scale enterprises, the encouragement of favourable economic policies and people's active participation in the implementation of these policies through their own organizations, i.e. NGOs.

Dakar Declaration on Industrialization and Economic Integration in Africa

The Dakar Declaration recognized the role that the private sector can and should play in the development of the industrial sector. African nations expressed their determination to contribute to the creation of an economic environment to facilitate the more active participation of private entrepreneurs in the process of industrialization, especially with respect to small- and medium-scale industries. It said that an environment that brought about full private sector participation would also lead to greater economic integration through increased mobility of factors of production, goods and services and economic agents among countries.

The priority activities identified for implementation of the second revised integrated industrial programme included the involvement of African Chambers of Commerce and Industry or manufacturers and their associations, as well as competent local consulting firms from the outset of the project, increasing their participation/involvement as the project develops.

In this context, the second Industrial Development Decade for Africa (IDDA) recognized that industrialization is not necessarily equated solely with huge investments and the creation of giant industries. In many advanced industrialized countries, small- and medium-scale industries play a very significant role, complementary to or even in competition with the large-scale industry. If by the year 2000 a well-organized and efficient base of small- and medium-scale industries springs up in Africa, it will provide the real take-off point for African industrialization in the twenty-first century.

NGOs and PVOs have contributed significantly to the process of economic recovery of Africa and revitalization of entrepreneurial environment. It is heartening to see the emergence of a vibrant NGO sector led by men and women who wish to serve the nations with a deep sense of dedication and commitment. Unfortunately, in most African countries the existing political and social environment does not provide enough stimulation for the enhancement of their contribution to the economic recovery process. Given the right approach and attitude and supporting environment, NGOs and PVOs can contribute much more significantly to building a strong entrepreneurial base and to forging close co-operation with developing countries on other continents.

In the following pages an attempt has been made to indicate the contribution of some of the NGOs and PVOs. Unfortunately, there are not enough data and information available for a comprehensive study on the role of NGOs and PVOs. To this respect, this study suffers from limitations. The opinions, conclusions and critical comments on the performance of certain agencies are those of institutions/persons who have undertaken field studies and do not necessarily reflect the views of the author.

II. NON-GOVERNMENTAL ORGANIZATIONS AND ASSOCIATIONS

Private enterprises are playing an increasingly important role in the economic development of many African countries. Many African countries are in the process of developing policies to encourage and develop private enterprises by creating a more conducive environment and by steadily limiting public sector involvement in the economy. There does exist in Africa a remarkably vibrant base of informal craft and micro-enterprises on which the structure of modern small-scale enterprises could be built.

The First Consultation on Small- and Medium-Scale Enterprises including Co-operatives, organized by the United Nations Industrial Development Organization (UNIDO) at Bari, Italy, from 9 to 13 October 1989, emphasized the importance of enterprise-to-enterprise co-operation in the form of technology transfer and joint ventures which have become important means of expansion of international co-operation. It also emphasized that technology exchange development programmes for the small- and medium-scale industry sector were important, particularly at the grass-root level of intermediate technology. The Consultation stressed the need for modernizing the small- and medium-scale enterprise sector with a view to increasing productivity and quality as well as making fuller use of capacities through product adaptation and better design etc. The Consultation pointed out that the government-run small industry development organizations often tended to become unwieldy and bureaucratic. Associations of small- and medium-scale enterprises and chambers of commerce had a vital role to play in the development of the small- and medium-scale enterprise sector. It was felt, therefore, that the catalytic role played by the Government at the initial stage in the development of small- and medium-scale enterprises should gradually give way to non-governmental and private sector initiatives.

The Consultation also stated that as development proceeded, greater need for specialized services could arise, depending upon the degree of development in specific countries. In that context, the question of networking institutions, associations and private sector consultancy organizations with a view to optimizing the delivery of inputs to the small- and medium-scale enterprise sector on as wide a basis as possible had to be adequately answered. The aforesaid conclusions and recommendations of the Consultation highlight the need for close co-operation between governmental organizations and NGOs, non-governmental agencies and PVOs of Africa.

The roles of private sector organizations are mainly advisory, promotional, linkage and lobbying.

(a) Advisory role

The advisory role includes the provision of expertise and knowledge to individual units of the target group. In practice, this is mostly done for specific sections of requirement such as market outlets, raw material supply, cost accountancy etc. The services required do, however, cover the entire spectrum of needs.

(b) Promotional role

The promotional role of private sector business organizations include the collection and dissemination of information, conducting research and surveys in economic matters, publications, organization of seminars, workshops, training etc.

(c) Linkage role

The linkage role includes setting up bilateral business councils to promote trade and investment between two councils and to co-operate in the work for achieving better results on a joint basis.

(d) Lobbying role

The lobbying role includes extending pressure on a government to formulate necessary policies and regulations and to oppose enactments of policies by the government which may adversely affect the growth and development of private and small-scale commercial ventures. The role of the private sector business organizations becomes specially important in the perspective that business enterprises can flourish only when the economic environment is conducive to growth.

Support for small- and medium-scale enterprises by private sector organizations

In searching for a private sector model of a support system for small- and medium-scale enterprises, it is worth looking at the situation in industrialized countries. The approach in these countries is that a large variety of support services can be offered by NGOs - an umbrella term that usually means non-profit-making private sector organizations.

Among non-profit-making NGOs that become actively engaged in delivering support services to small- and medium-scale enterprises are:

(a) Foundations: These are usually NGOs set up by larger business organizations, or by the business community, or by richer individuals or social organizations, the aim of which is to help smaller or weaker business units; and

(b) Membership organizations: Associations, federations, enterprises, trade or business organizations, chambers of commerce; sometimes this group or organization is referred to as "self-help" or representative bodies.

In addition to the above, a number of private consulting organizations, private commercial research and development institutions and training firms offer services at a fee at a level to provide a profit to the providers.

Private sector representative non-governmental organizations in developing countries

Private sector representative organizations exist in developing countries. In practically every developing country in Asia and Latin America, chambers of commerce and industry and/or associations of small-scale enterprise businesses are active in promoting the interests of the business sector in general and the small-scale enterprise in particular. In most cases, they regard "advocacy" for the small-scale enterprise section and trying to influence government policies as their principal role.

Membership of such organizations is usually voluntary. Not surprisingly, most of them are able to recruit as members only a small percentage of the actual number of businesses that could be eligible. The low level of membership means in turn that the revenue from membership fees is low and the organizations are, therefore, unable to offer services or assistance

programmes. This, in turn, means that many enterprises are reluctant to join since they see little advantage in becoming members.

Most countries, also in Africa, have active chambers of commerce and associations of small-scale enterprises, but generally they have very low membership, and quite a few of them have political linkages and are able to function properly only with outside help or intervention.

In the last five years, there has been a significant increase in the activities and interest in associations of small-scale industries/enterprises in Africa. Although weak in resources and capacity relative to the tasks, active organizations of small-scale enterprises operate in countries such as Nigeria, Ghana, Kenya, Uganda, Zimbabwe, Zaire and Senegal.

The following are practical examples of such industries/enterprises:

Korean Chamber of Commerce and Industry

During the period following the end of the war, the Chamber of Commerce and Industry in the Republic of Korea made efforts to accelerate the construction of infrastructure such as power supply, roads, transportation and communications and facilitate corporate financing and efficient utilization of foreign economic aids. It also devoted efforts to increasing production of industries while making policy recommendations to the Government aimed at stabilizing the economy.

Despite enormous foreign aid during the 1950s, the economic development of the Republic of Korea failed to take a firm orientation due to a combination of factors. The Korean Chamber of Commerce and Industry, therefore, began to emphasize the need to introduce a long-term economic development plan around the mid-1950s.

Throughout the 1960s, the main focus of the Chamber's activities was on fostering the private sector as a way of facilitating economic development, conveying opinions collected from the business community to the Government and ensuring their reflection in government policies.

Another area where the Chamber made a great contribution was in the improvement of institutions by recommending measures concerning banking, taxation, trade, finance and administrative procedures. It has also attempted to encourage businesses in self-regulation and in rationalizing their operations. It concentrated its efforts on the following activities:

- (a) Dissemination of working knowledge on rationalizing management;
- (b) Holding training courses;
- (c) Offering consultation and guidance on taxation, law, labour and investment to help companies overcome difficulties;
- (d) Dissemination of various working skills, certifying skills and holding tests for technicians; and
- (e) Establishment of co-operation between industry, academia and the Government.

The Chamber has also been at the centre of efforts to improve international balance of trade and to gain access to foreign markets. It also involved itself actively in upgrading productivity by strengthening labour management co-operation. It also brought better opportunities to Korean businesses by stimulating multilateral as well as bilateral co-operation.

The Korean Chamber of Commerce and Industry and its work are an ideal model for chambers of commerce in other developing countries.

Small- and medium-scale industry associations

The Workshop on the Development of Small- and Medium-Scale Industries in the countries of the Preferential Trade Area for Eastern and Southern African States (PTA), organized by PTA, Kampala, Uganda, October 1989, recognized the need for the creation of small- and medium-scale industry entrepreneur associations to exert pressure on policy-makers as well as to gradually extend some technical services to member enterprises. These associations should be helped to run on democratic lines. The Workshop also recommended that PTA countries should support the development of the small- and medium-scale industry sector by training of small- and medium-scale industry development staff and entrepreneurs. These entrepreneurs should get themselves fully involved in the affairs of their national chambers of commerce and industry together with manufacturers' associations through the PTA national small- and medium-scale industry associations' network.

Non-governmental organizations in the rural sector

NGOs have a definite and probably expanding role to play in rural small industrial enterprise support, but it is doubtful whether they can take on the whole task. A primary need is for the public sector institutions themselves to become more decentralized and flexible in their operations. However, private NGOs and public institutions each have their specific role to play.

NGOs can provide assistance, but have so far done so on a relatively limited scale. This can, almost certainly, be beneficially extended, and the technical content of NGO services strengthened. However, attempts to expand NGO operations too rapidly and radically - even if the expansion were politically acceptable to governments - would probably erode their present strength which is field work, high motivation and a non-bureaucratic approach. Using NGOs as channels for external assistance seems to offer good possibilities for expanding their operations, as the Inter-American Development Bank's experiences in Colombia, the Dominican Republic and Peru indicate.

Institutional (supply-side) assistance to small-scale industry development began in Zambia in 1980 and, according to one study, is as yet unco-ordinated and lacks a uniform policy or strategy. The Small Industries Development Organization (SIDO) in Zambia has, legally, a more pivotal role, but in practice, it has concentrated on the preparation of feasibility studies and the conduct of managerial training programmes. Zambia, however, has a number of other institutions for assisting small-scale and rural industry development. The Village Industry Service - an NGO - provides advice to rural industries. Financing is provided by the Development Bank of Zambia (DBZ) and the Small-Scale Enterprise Promotion Ltd. (SEP). At the level of the provinces (i.e. the rural level), bilateral donors have started projects in co-operation with the Village Industry Service and district councils.

Bilateral projects seek to establish and operate small-scale enterprises by combining technical assistance with the funding of investments.

The example of Zambia indicates that there is room for many institutions to assist small-scale and rural industries. However, in order to be effective, a co-ordinating mechanism or policy is required to channel the activities of the different bodies in the right direction and to obtain co-operation rather than competition between the different actors.

Macro-policies govern the growth of income and its distribution and the allocation and use of resources within the economy. Industrial and trade policies and related monetary and exchange rate policies influence the structure and efficiency of industrialization. In many countries, licensing, foreign exchange allocation, trade and tariff policies favour the growth of large-scale capital-intensive manufacturing enterprises. The development of small-scale enterprises requires equitable treatment of this sector in access to and pricing of inputs of capital, credit, raw materials and imported intermediates. Structural adjustment programmes supported by the World Bank and the International Monetary Fund (IMF) have tended to remove the discrimination against small-scale enterprises by reducing controls, improving competitiveness and pricing the factors of production, including foreign exchange at market rates. The right policies alone are not sufficient to stimulate the development of small-scale and rural enterprises. Supply-side measures should supplement and complement the appropriate industrial and trade policies.

Comprehensive government-run programmes, e.g. small industry development organizations, are said not to be cost-effective or to provide viable delivery mechanisms to target groups.

Experience points to the greater effectiveness of local versus central institutions: associations or NGOs versus governmental institutions. In Zambia, it is claimed that the decentralized programme of the Integrated Rural Development Programme (IRDP) in the north-western province seems to be fairly effective. In the United Republic of Tanzania, experience is mixed, but there is evidence that the decentralized programme in Arusha, linking an agricultural engineering institute and an agricultural implements factory with rural producers and assemblers has been more cost-effective than the Tanzania-Sweden "sister industries" programmes or the Tanzania-India turnkey enterprise programme.

It is Malawi - a late starter in small-scale industry development - which is reported to have adopted a specific approach by tackling problems separately. The Small Enterprise Development Organization (SEDO), the financing-cum-extension service agency for small-scale enterprises, has been relatively successful. Skill development is tackled through trade schools, entrepreneur development through the Malawian Entrepreneurs Development Institute's (MEDI), business and trade development through the Development of Malawian Traders' Trust (DEMATT), and rural industrialization through rural growth centres and the Malawian Union of Savings and Credit Co-operatives (MUSCCO). While this approach ensures more effective use of limited resources, there lacks provision to the enterprise of a combination of inputs. The gap is particularly felt in technological and technical extension services and in the financing of small, unsecured investment in rural areas.

III. NON-GOVERNMENTAL ORGANIZATIONS IN AFRICA

Donor support for private sector organizations

In the last few years, as part of the general move towards greater recognition by all donor agencies of the role of the private sector in economic development, more aid has been directed by external donors towards setting up and strengthening the representative bodies and "self-help" organizations of the private sector. This is in keeping with a parallel trend of donors to channel more of their assistance through NGOs.

Jacob Levitsky has made a sample study of contribution of donor agencies to the formation of NGOs. According to Levitsky, the German foundations have been most active in supporting small- and medium-scale enterprise associations in Africa. The Konrad Adenauer Foundation has assisted the Association of Small-Scale Industries (ASSI) in Ghana. Another German aid foundation has provided an adviser and equipment for the Ugandan Small-Scale Industries Association (USSIA), while the Friedrich Naumann Foundation has for the past four years been engaged in helping private sector organizations in Kenya and Nigeria. In Kenya, the Foundation has financed five local Kenyan professional workers for the Small-Scale Traders and Entrepreneurs Society which claims to have over 5,000 members. The Foundation has also entered into long-term agreements with private sector organizations. It covers a considerable part of the operating budget for a specified period if the recipient organization works towards building up its income from other sources over a number of years.

The case of the Nigerian Association of Small-Scale Industrialists is indicative of the type of aid that can be given to these African "self-help" associations. Levitsky reported that this Association now has a staff of 6 persons including 3 professionals in its head office and 40 persons throughout its branches in 21 states and in the federal capital Abuja. It claims that 40 per cent of its budget is covered by government support in addition to funds received from external donors, mainly the German Friedrich Naumann Foundation. The Nigerian Association, while still restricted in its activities because of limited resources, runs an active programme of short courses and offers an advisory service on financial management, legal matters and exports. Membership fees cover only 25 per cent of its budget.

The Zambian Small-Scale Industries Association was established in 1982. It has failed to obtain any sustained support from either the Government or external donors. Its membership had dropped from 300 to around 100 in 1991. Only recently has it managed to open a small office and membership has considerably improved.

ASSI in Ghana, assisted by the Konrad Adenauer Foundation, received 40 per cent of its budget in 1990 from the Foundation. Then it had a staff of 5 professionals and 2,100 members.

Donor aid should be tailored to the needs and capacity of the recipient institutions. Some equipment can be useful and help raise efficiency, but supply of some items such as vehicles, computers or costly office furnishings could be counter-productive as could be a blanket grant to cover operating expenses. Subsidies may be in place as long as they are matched by the organization's own efforts to raise the revenue and based on a programme to eliminate the subsidies over a number of years and to make the organization self-financing from domestic sources, mainly from income earned directly by the organization.

The most important help that donors can give is in improvement of administration and management and help in initiating the delivery of high quality services to members. During the transition phase of transferring the provision of support services for the small-scale industry to private sector organizations, help from donor agencies could play an important role. The assistance could best be given by NGOs, particularly by persons with experience in chambers and associations and in operating support programmes for the small-scale industry. In most cases, building up local "self-help" organizations will be a slow process and projects may have to go on for 5 to 10 years, but it would be better to maintain foreign inputs at the minimal level and to build up local competence gradually.

Recommendations for donor assistance

During the past 20 years, the donor community has been very active in the promotion of small-scale enterprises in Africa. Their continued assistance is essential for implementing a small-scale enterprise development strategy.

The following recommendations have been made by Levitsky based on the experience acquired in the implementation of these and other projects.

(a) Generate projects using new methodologies to channel more resources directly to private sector institutions involved in development;

(b) Private associations such as chambers of commerce and other trade bodies are appropriate agencies which have potential for providing a wide range of practical services to their members. At the district level, there are registered associations which have extensive contacts with large numbers of small-scale enterprise entrepreneurs. Such groups could be effective lobbyists to present their ideas on how government resources could be utilized most effectively to assist their membership; and

(c) NGOs have and will continue to have a major role in the promotion of rural and micro-enterprises. These institutions, however, should be encouraged to look at enterprise development from a more cost-effective point of view and to prepare more of their client entrepreneurs to interact with mainstream financial institutions rather than permanently relying on donor agencies.

The activities of the Norwegian Agency for International Development (NORAD) should be taken as an example. Norwegian assistance through NGOs is an important factor in Norwegian development co-operation. While such assistance is primarily a desirable supplement to Norwegian assistance, it is also utilized as a channel for official assistance. Co-operation between NORAD, an official agency for development assistance, and NGOs is based on confidence in the ability of the organizations to maintain their independence, integrity and special characteristics, and understanding the need to do so.

NORAD provides assistance through NGOs in the following way:

(a) Investment assistance: NORAD may grant up to 80 per cent of investment costs;

(b) Operational assistance: NORAD may cover up to 80 per cent of operational costs; operational assistance may be provided for maintenance of official buildings/equipment, labour, equipment and supplies for implementing projects;

(c) NORAD normally covers up to 80 per cent of the costs of feasibility studies, preliminary planning and project reviews;

(d) NORAD may provide up to 100 per cent of costs of assistance for the training of professional staff; and

(e) It may also meet 80 per cent of the costs of staff from Norway or third countries; assistance is also provided for administration, information about projects etc.

Norwegian aid to Africa is at present concentrated in a few countries in Southern and East Africa, the main recipients being the United Republic of Tanzania, Zambia and Mozambique.

In Botswana, NGOs were supported primarily in rehabilitation measures for the physically disabled, programmes of women's organizations, brigade activities (largely vocational training and village-based production units), as well as environmental programmes. Such support is mainly channelled through a number of local organizations. Among Norwegian organizations which support projects in Botswana are the Norwegian Union of Teachers, the Norwegian Red Cross and the Women's Wing Organisation of the Norwegian conservative party. Norway has also provided support to the small-scale industry sector through a twinning arrangement programme.

In Mozambique, assistance is provided by NORAD as food production co-operatives and improving the conditions of women, children and the environment, in addition to other sectors of development co-operation.

In Namibia, assistance was given to Namibian NGOs in promoting education. In the United Republic of Tanzania, NGOs have been assisted in intensifying activities in education sector projects for the physically handicapped, income generating activities and agriculture.

In Zambia, NORAD support went to rural development through Zambian organizations like the Village Industry Service in its Kasama project in addition to health and education sectors. In Zimbabwe, a large number of NGOs have been assisted in the area of training, education, co-operatives and women. It is NORAD's intention to increase direct support to local NGOs. Direct support to NGOs in Madagascar has been concentrated on farmers' organizations in the Antsirabe area and to health activities. In Uganda, Norwegian assistance was given to forestry, the environment and health sectors. Support has also gone to Angola through NGOs for emergency relief work, rural development and health measures.

IV. AFRICAN/ASIAN CO-OPERATION

The process of restructuring of small- and medium-sized enterprises was initiated in the Asian region many years ago, beginning with countries which are now known as newly industrialized countries (NICs). These include the Republic of Korea, Taiwan Province of China, Singapore etc. spreading slowly to South-East Asia and now a few South-Asian countries (India, Pakistan and Sri Lanka). These countries have introduced several innovative policies and carried out programmes for structural readjustment in phases with differing perceptions and political will to restructure industrial development, both in the corporate and small- and medium-sized enterprise sectors. LDCs have not been able to do much because of inherent constraints. As compared to the

situation in Asia, only a few African countries could carry out restructuring of small- and medium-scale enterprises due to several factors. Even this process has begun only recently. The involvement of NGOs and PVOs has been minimal unlike in NICs where NGOs are active agents of structural change.

With a view to exposing African governmental agencies and enterprises to the steps taken by selected Asian countries, particularly India and Pakistan, for strengthening the competitiveness of the small- and medium-scale enterprise sector in an area of global harmonization, UNIDO convened an Afro-Asian industrial co-operation meeting within the framework of the Industrial Development Decade for Africa and of economic and technical co-operation among developing countries at New Delhi, India, in 1986.

A document by the World Assembly of Small and Medium Enterprises (WASME) presented at the meeting stated that though the Governments in both of the continents had established national level executive machinery and institutions for planning, formulation and implementation of development programmes and schemes, varying achievements were discernible in science and technology, research and development, training for upgrading skills, development of entrepreneurship and management capabilities, industrial extension services, liaison and co-ordination with international governmental organizations and NGOs, linkages of small firms with large enterprises, collection and dissemination of industrial, technological and trade information etc. These were some of the basic elements for successfully carrying out the programme for restructuring of small- and medium-scale enterprises. The document also stated that the Asian and African countries need to work together to complement and supplement efforts being undertaken by them in the aforesaid areas. In most African countries there is an acute shortage of trained entrepreneurs, managers and technicians and foreign exchange resources and have weak and inefficient institutional infrastructure.

These countries have not laid enough emphasis on the liberalization of trade, expansion of manufactures, debureaucratization of administration, deregulation and developing the capacity to acquire and assimilate new technologies and upgrading of related skills. It would be wrong to blame African countries for this regrettable status. The international community has failed to meet its obligations even after pledging and committing support at various international fora. Technology flows have slowed down, commodity prices have touched new low levels and scarce financial resources have dried up.

Many Asian countries have developed appropriate policies and institutions with back-up support in the area of productivity, quality upgrading, product and design development, technological enrichment, marketing, investments, entrepreneurship development, training and modernization of skills. They are expanding both industrial production and international trade base. These experiences are vital for the growth and revitalization of the African economy.

Areas of co-operation

A number of important areas of small- and medium-scale enterprise development are listed below in which Asian organizations operate who could act as partners for similar organizations of Africa.

(a) Entrepreneurship development

In the area of entrepreneurship development, the Entrepreneurship Development Institute (EDI) at Ahmedabad, the National Institute of Entrepreneurship and Small Business Development at New Delhi, and the National Institute of Small Industries Extension and Training at Hyderabad, all in India, are three national level organizations engaged in entrepreneurship development and training. TECHNUNET Asia also promotes entrepreneurship development. The Ministry of Rural Development of Sri Lanka has also conducted several entrepreneurship development programmes. Unfortunately, except in India and partly in Indonesia and the Philippines, where groups of entrepreneurs are very active, most of the entrepreneurship development programmes have been sponsored and conducted by governmental agencies. EDI has conducted a number of programmes in Africa. Similarly, under the Indian Technology and Economic Co-operation Fund programme of the Ministry of External Affairs of the Government of India, a large number of Africans are now being trained in the Institute at Hyderabad. The Tolaram Group of Industries has entered into an agreement with WASME to set up an Institute for Entrepreneurship and Small Business Management Development in Nigeria. Appropriate agencies in Africa and focal points for entrepreneurship development programmes in various Asian countries need to be brought together for supplementing their activities. One of the major weaknesses of entrepreneurship development programme support activities in Asia has been the inaccessibility of French-speaking countries of Africa to these training programmes. It is important that entrepreneurship development programme institutions in Asia develop facilities for the benefit of French-speaking trainees.

Both Asian and African countries have a large number of professional consultants on policy issues, financing of small- and medium-scale enterprises and management. A pool of such consultants could perhaps be created for regular exchange of consultants amongst countries of Asia and Africa.

(b) Small-scale industry development and co-operatives

Both in China and the Republic of Korea, industrial co-operatives have been actively engaged in joint production and marketing on a co-operative basis. They are also engaged in centralized purchases. In Japan, among small- and medium-sized industries associations, the most widespread type is the co-operative association engaged in the widest variety of activities. They assist in cost reduction measures which is almost 46 per cent of their activities. Joint production and processing activities account for about 10 per cent. Joint sales and joint acceptance orders also rank very high with 27 per cent. Joint advertising and joint sponsorship of product exhibits are also given high priority. In many Asian countries, small industry development promotion organizations have been set up. The Economic Development Board of Singapore, the Small and Medium Industries Corporation of the Republic of Korea, the Small and Medium Industries Development Organization of India, the Industrial Development Board of Sri Lanka, the Cottage and Small Industries Promotion Board of Nepal, and the Small Business Promotion Project of Nepal are some of the institutions actively engaged in assisting the governments in adopting right policies in the creation of a congenial environment. Most of these institutions are also engaged in conducting specialized training programmes. Small industry development organizations have been set up in many African countries, i.e. the United Republic of Tanzania, Zambia, Lesotho, Malawi, Zimbabwe, Côte d'Ivoire and Zaire. Some of these organizations have

had interaction with small- and medium-scale industry promotional agencies in Asia. It is high time that a forum be created to promote exchange of experience and expertise amongst small- and medium-scale industry development organizations of Africa and their counterparts in Asia. One of the most successful experiments in India has been the setting-up of industrial estates. There are about 700 industrial estates in India, many of which are located in large clusters of small industries. While some of them are uni-product estates, i.e. all units in the estate manufacturing only diesel engines or electronic components etc., there are other industrial estates where a wide range of products is being manufactured. The experience of industrial estates in India and township enterprises in China is very relevant to the needs and requirements of African countries.

(c) Transfer of technology

The Asian and Pacific Centre for Transfer of Technologies (APCTT) of the Economic and Social Commission for Asia and the Pacific (ESCAP) has been playing a significant role in strengthening technology development, transfer and utilization capabilities of the developing countries of the ESCAP region for nearly 15 years.

Currently based at Bangalore in India, APCTT generated a wide range of programmes of relevance to the developing countries of the region. Those programmes covered a wide spectrum of activities like management, information and utilization aspects of technology, and focussed on enhancing technological awareness and propagating a technological culture in the region.

The Centre has developed appropriate methodologies and a framework to integrate technological considerations in the national socio-economic development planning process. It brought out country studies on technology policies and regularly published "Tech-monitor". Other activities included the organization of workshops and seminars on technology transfer and allied topics at the national and regional levels; conducted hands-on training in the area of technology information, technology assessment, technology utilization and technology management. It provided assistance to small- and medium-scale enterprises in technology transfer and adaptation, and organized technology expositions and technology missions to facilitate technology transactions at the national and regional levels. It has more than 300 clients. There is scope for closer interaction between the African Regional Centre for Technology and APCTT.

The Korean Institute of Industrial and Technical Information (KINITI) serves as a repository for technology developed or acquired and adapted in the Republic of Korea. It facilitates exposure of entrepreneurs of Asia/Africa to Korean technology, organizes international seminars on technology transfer, and offers assistance to foreign small- and medium-scale enterprises in getting access to technologies offered by Korean firms.

The Institute of Scientific and Technical Information of China has built an inventory of technologies developed in China and has set up a large network of scientific and technical information centres throughout the country which act as conduits of information on offers and requirement of technologies, many of which are relevant to developing countries. Two other organizations in China, the China Science Resources Trading Corporation (KeHUA) and the China Science and Technology Exchange Centre of the Science and Technology Commission of China offer a wide variety of technologies developed in the country, many of which are relevant to small- and medium-scale enterprises.

The China International Co-operation Association of Small- and Medium-Scale Enterprises is actively engaged in facilitating the induction of technologies relevant to small- and medium-scale enterprises of China from abroad and assisting small- and medium-scale enterprises abroad to acquire technologies available in China.

In India, the Consultancy Development Centre, supported by the Department of Scientific and Industrial Research of the Government of India, has developed a roster of Indian technological consultants who offer consultancy in specified production areas. It has 350 members. The Federation of Indian Small and Medium Enterprises (NAYE) has published a directory of 750 Indian firms offering technologies, equipment and services for export.

In Indonesia, the Directorate General of Small-Scale Industries at the Ministry of Industry has developed a programme for technical guidance to small-scale industries. The office also maintains more than 150 technical service units which have been established in 7 major categories of industries, i.e. food, clothing, leather, chemicals, construction materials, handicrafts and metal products.

The Taiwan Province of China offers a wide range of technologies developed in the province.

The Investment Advisory Centre of Pakistan has a large inventory of project profiles prepared at considerable cost. It offers wide-ranging consultancy services to small- and medium-scale enterprises of Pakistan.

TECHNONET Asia is an NGO based in Singapore established in 1972 by the International Development Research Centre (IDRC) of Canada. Its primary aim is to contribute to the socio-economic improvement of the peoples in the Asia and Pacific region through the promotion of industrial co-operation, and small- and medium-scale industry development within the framework of a self-reliant network. It has four core programmes covering technical information, industrial extension, technology sharing/transfer and entrepreneurship development. As a co-operative networking effort, TECHNONET implements its programmes through 16 participating organizations from 11 countries of the Asia and Pacific region. The 12 years of its existence is an example of a North-South collaborative project which has successfully initiated training programmes for industrial extension officers, consultancy projects, sponsored study visits and technical training for the transfer of appropriate technologies for various industries such as rattan, shell craft, wood, metal, ceramics, etc. It has published several books and reference manuals for officers and trainers on entrepreneurship development.

African institutions, particularly associations of small- and medium-scale enterprise manufacturers' organizations, chambers of commerce and development banks, should establish a memorandum of understanding with appropriate agencies to acquire expertise, information, documentation etc. Such an understanding will help establish enterprise-to-enterprise co-operation and secure the services of specialists and experts.

(d) Agricultural machinery

The Regional Network for Agricultural Machinery (RNAM), located at ESCAP headquarters in Bangkok, has been actively engaged in the formulation of appropriate national policies and strategies for agricultural mechanization, designing appropriate agricultural machines and promoting the local

manufacturers of these machines and their popularization amongst farmers. To date, 423 engineers and individuals including manufacturers from the private sector have been trained under the project. There is heightened awareness of agricultural mechanization as an important input into crop production as well as subsequent processing, and it is widely considered an essential element for improving working conditions and income of farmers. The project has promoted the sharing of technologies in the form of information, engineering drawings and hardware among the participating countries. With the assistance of the project, national institutes in 11 participating countries of Asia have introduced 85 designs of machines. RNAM is now enlisting manufacturers of agricultural machinery as dues-paying members.

The integration of women into agricultural modernization activities is an important addition to the project activities, the aim being to alleviate any adverse effect on women's employment caused by the mechanization of the crop production process.

Similarly, in the agricultural sector there are pesticides manufacturers' associations, fertilizer associations etc. which undertake continuous research and studies. In India, there are three associations of pesticides manufacturers for the large- and small-scale industries sector. The fertilizer manufacturers have a strong organization called Fertilizer Association of India. Similarly, in the area of drugs and pharmaceuticals, there are three major NGOs promoting and protecting manufacturers of bulk and formulated drugs. There are 2,500 small-scale industries in India manufacturing pharmaceuticals. The pharmaceutical industry in the Republic of Korea and China is also very rich in experience. Herbal medicines are popular in China and a great deal of research work is continually undertaken from which the African pharmaceutical industry could take advantage.

African economy, being predominantly agricultural, is largely dependent on agricultural machines with low productivity, needing large numbers in manpower and low returns. The manufacturers of such machines are by and large artisans or small entrepreneurs. Tractors and some modern machines are being produced by large- and medium-scale enterprises. However, all these enterprises need modernization to raise the productivity and profitability of the agricultural sector as well as of the enterprises themselves. Interaction with RNAM by African small- and medium-sized agricultural machinery manufacturers would be highly beneficial and productive.

(e) Training

Member countries of the Association of South-East Asian Nations (ASEAN), with the exception of Brunei, have existing structures and organizations which are actively engaged in the development of each country's small- and medium-scale industry sector. There are 15 governmental organizations and NGOs which devote a considerable amount of time and resources to training addressed to the small-scale industry sector. Prominent among these are the Applied Research Co-operation and National Productivity Board of Singapore, the Institute of Management Education and Development, the Institute of Economics and Social Research, Education and Information of Indonesia, the Majlis Ananah Rakyat (MARA), the Malaysian Entrepreneurship Development Centre, the National Productivity Centre of Malaysia, the Thailand Management Development and Productivity Centre, the Industrial Development Centre of Thailand, the Development Academy of the Philippines, the National Manpower Youth Council, and the Institute for Small-Scale Industries at the University of the Philippines (UP-ISSI).

Of these, UP-ISSI has also emerged as a regional training institute for small-scale industry development in the Asia and Pacific region.

(f) Finance

Of particular relevance will be the experience and expertise gained by financial institutions in providing export credits. The Export-Import Bank of Korea, Export-Import Bank of India etc. have rich knowledge of export financing. The development finance institutions in Asia provide a wide range of financial and non-financial services; the latter includes entrepreneurship development training, management counselling, planning and design of projects and technical consultancy. In several countries in Asia, commercial banks also provide a wide range of counselling and consultancy services. The system for inviting applications, appraisal of projects, dispensation of credit and monitoring of credit-rating has been fairly well developed in both development finance institutions and commercial banks.

The Association of Development Finance Institutions of Asia and the Pacific, based at Manila, Philippines, undertakes research and studies, organizes training programmes and brings out research publications. In Africa, the Association of African Development Finance Institutions also runs training programmes, seminars and workshops, besides bringing out publications. Both these institutions, which are non-governmental in character, have close linkages and there is scope for further co-operation.

(g) Marketing

One of the major problems of small-scale industries of developing countries is their inability to find markets for their products. This is particularly true of African countries, even though Asian countries cannot claim highly developed marketing systems. In the last few years, Governments of ASEAN have paid increased attention to this problem of small- and medium-scale industries. The marketing infrastructure is fairly well advanced in the Republic of Korea and some of the ASEAN countries. Regrettably, marketing infrastructure for small- and medium-scale enterprises in South Asian countries is weak. The Khadi and Village Industries Commission has set up in India a well-knit marketing outlet for the products of village industries.

In Indonesia, a centre has been established to promote the products of small industries (Unit Promosi Industri Kecil) under a programme for small-scale industries (Programme Pengendalian Industri Kecil). The research programmes on small-scale industries provide supporting activity through research on the products of small-scale industries, particularly those with export potential. A "foster father" scheme has been sponsored by the Small Industries Guidance and Development Programme. Under this scheme, a more prominent subcontracting relationship is developed between small-scale industries and their foster fathers (large firms).

In the Philippines, the Bureau of Small and Medium Business Development runs a market encounter programme to provide marketing assistance to small- and medium-scale enterprises. This programme is run in co-ordination with other agencies of the Department of Trade and Industry like the Centre for International Trading Co-operation.

"Market weeks" have been launched under the theme of the Manila Furnishing and Apparel Manufacturers Exchange. Similarly, a travelling exhibition is set up which displays a fine selection of Philippine-manufactured goods featuring garments, fashion accessories, footwear, leather products etc. The subcontractors' exchange facilitates matching of exporters and contractors with specialized subcontractors. In Singapore, the Trade Development Board has introduced several schemes such as the double taxation deduction scheme, the market development assistance scheme, the design venture scheme, the international bidding scheme and marketing consultation etc. In Singapore, under local industry upgrading programmes, local suppliers of parts and services are pooled through the help of multinational corporations. This scheme also seeks to strengthen the competitiveness of local suppliers for the mutual benefit of local suppliers and multinationals in Singapore.

However, to date, there is no regional marketing programme or co-operation in the ASEAN region as a whole, even though some initiatives have recently been taken. In the Republic of Korea, the Korea Federation of Small Business groups together 136 industrial co-operatives which are also responsible for joint marketing of the products of small businesses. African NGOs and promotional agencies could benefit largely by acquiring experience and expertise of the aforesaid institutions. They could also establish market linkages for the import of capital goods, semi-processed raw materials, designs, moulds etc. Many of these establishments could also help them establish business contacts with the importing firms in their respective countries.

(h) Productivity

In the area of productivity, the Asian Productivity Organization based in Tokyo, Japan, which is an intra-governmental organization, has been active in promoting productivity, particularly in the small- and medium-scale enterprise sector. The National Productivity Centre of Singapore and the Korea Productivity Centre are ideal institutions for sustained growth of productivity consciousness amongst entrepreneurs in these countries. Unfortunately, in Africa, productivity consciousness has yet to take roots. This is one area in which there could be very purposeful interaction between appropriate African institutions and productivity centres in Asia. In India, productivity councils which are NGOs have been very active in the conduct of special training programmes and providing guidance and advice on energy conservation, waste management etc.

(i) Standardization

In the area of quality upgrading, there are institutions at the national level to enforce approved quality standards. For example, in India, the Bureau of Indian Standards has established and enforced standards in several products. The products conforming to these standards are marketed under the ISI brand name. In many cases, penal action is taken if certain products do not conform to ISI standards. Similarly, in Japan, the Republic of Korea, Singapore etc., quality standards are rigidly enforced. There has been conspicuous absence of quality enforcement agencies in most countries in Africa. Closer interaction of African agencies responsible for the production of goods and exports with these institutions in Asia would be extremely beneficial.

(j) Design development

The National Small Industries Corporation of India has set up a prototype Design and Development Centre for the production of energy-efficient and high quality-oriented capital goods. Facilities have also been provided for the training of workmen on this equipment. The Industrial Development Bank of India has also provided funds to NGOs to set up product development and testing centres. Many of these industry associations have established research institutions for continuous research and development of new products such as the Silk and Art Silk Mills Research Associations (SASMIRA), the Indian Jute Mills Association, and the Electronic Component Manufacturers' Association. The Korea Institute of Economics and Technology and the Korea Technology Development Corporation are also engaged in the promotion of new technologies.

Restructuring of associations

All economies are moving towards harmonization with the global economy and the new world order appears to be dawning. NGOs, particularly industry and trade associations, will have to restructure. They cannot afford to function as advocacy groups to protect and promote the interests of dominant sections of membership. All such institutions will have to be democratized and their functioning made transparent. They should recruit professional staff and train those already on board if they are non-professionals. Management personnel as well as functionaries will also have to be trained in the art and science of management of modern public organizations. They will have to equip themselves to service members in the area of marketing, technology access, raw material procurement, quality assurance, productivity, industrial management, joint ventures, legal advice, training etc. They should engage the services of economists and subject matter specialists either on a part-time or full-time basis.

In Asia, industry and trade associations are fast restructuring themselves. Amongst those associations and trade bodies which are responding well to the changing environment are the Korea Federation of Small Business, the Association of Small and Medium Enterprises of Singapore, the Singapore Manufacturers' Association, the Federation of Indian Small and Medium Enterprises, the Confederation of Indian Industries, the P.H.D. Chamber of Commerce and Industry, New Delhi, India, the Iran Chamber of Commerce, Industry and Mines, and the Indonesian Chamber of Commerce and Industry (Kadin).

Promotion of self-employment and entrepreneurship amongst women

Asian experience in the promotion of self-employment and entrepreneurship amongst women is very wide. Professional associations of women entrepreneurs and the self-employed exist in many Asian countries; the Women's Wing of the National Alliance of Young Entrepreneurs and its state level affiliates like AWAKE and WIMA, the Indonesian Women Entrepreneurs Organization, the Women in Finance and Enterprise (WIFE) of the Philippines, the Women Entrepreneurs Organization in Sri Lanka, and the Pakistan Women Entrepreneurs' Association are amongst many national-level NGOs promoting self-employment and entrepreneurship amongst women.

Women entrepreneurial groups exist in several African countries, more particularly in Nigeria, Zambia, Kenya, Sudan and Ghana. The Economic Commission for Africa (ECA) has taken the initiative of bringing them together

under the umbrella of the African Federation of Women Entrepreneurs. WASME has actively assisted in the preparation of its constitution and work programme. It would be useful if some facilities could be provided to leaders of women entrepreneurial groups in Africa to expose them to the working of such organizations in some Asian countries. They could also exchange notes on the incentives and facilities provided by the respective governments to encourage entrepreneurship amongst women.

V. CONCLUSIONS

It is apparent from the aforesaid paragraphs that the private sector is assuming greater significance and importance in the strategies for the revitalization of economies of Asian and African countries. A greater role is being assigned to this sector for the restructuring of industrial and trade development policies and strategies. The earlier concept of public sector enterprises occupying a higher position in national economies has been greatly modified. Various international agencies and donors support developing countries in enhancing the effectiveness and contribution of the private sector. The induction of upgraded technologies, training of personnel, research and development and greater interaction with the world community of private enterprises could contribute significantly to the strengthening of the role of the private sector in national economies.

Chambers of commerce, trade and industry bodies and associations of small- and medium-scale enterprises will have to restructure themselves in harmony with the emerging needs of national economies. Their policies, strategies and work programmes must be fully harmonized with macro-, socio-economic objectives and priorities of their respective nations. They will have to professionalize themselves, induct trained personnel in the structure of their organizations, and provide a multitude of services to their member constituents for building their technological capabilities and strengthening their ability to face international competition. NGOs should establish a minimum necessary storage and retrieval system for industrial, technological and trade information with appropriate linkages at subregional, regional and international levels. Trade and industry associations should cease to function only as lobbyists for serving the vested interests of the dominant sections of their membership. The functioning of such associations will have to be democratized and made more transparent.

It is also important that NGOs meet periodically to exchange experiences. This should ultimately lead to the emergence of subregional and regional confederations of NGOs. Initially, co-ordinating committees should be set up at appropriate levels. Donor agencies should finance the training of officials and staff of trade and industry bodies and small- and medium-scale enterprise associations in order to develop their professional capabilities and to strengthen their negotiating skills with their respective governments. The governments should also increasingly entrust responsibility for projects and programmes for strengthening small- and medium-scale enterprises to small- and medium-scale enterprise associations.

While financial assistance by donor agencies would be needed at the initial stage, it is important that NGOs do not become too dependent on external aid. They should develop self-reliance through income generation activities. Too much dependence either on government or donor agencies for the functioning of an organization would prove to be counterproductive. NGOs should not allow themselves to be used for political purposes by any agency.

The need for the restructuring of small- and medium-scale enterprises to withstand the emerging challenges of international competitiveness and harmonization of national economies with the global economy has to be fully realized, and small- and medium-scale enterprise associations and governmental agencies should work together to bring about such restructuring in the desired direction. Effective mutually beneficial linkages need to be established between large- and small-scale enterprises. Such relationship must be non-exploitative and large enterprises need to ensure prompt payment to small firms for the goods and services supplied to them.

The necessity for strengthening African/Asian co-operation cannot be over-emphasized. Asia is emerging as a powerful industrialized region. Many important institutions relevant to small- and medium-sized enterprises have been created and are being managed efficiently and professionally. African institutions and NGOs could do well to establish a rapport with such institutions and organizations. Technology flows between the two regions, utilization of natural endowments including rich human resources for strengthening of economies of the two regions in an environment of mutual trust and benefit would help build the economic strength of the regions. Economic and technical co-operation amongst countries in Asia and Africa need to be nurtured and fully supported by international organizations and agencies in the United Nations system. Enterprise-to-enterprise co-operation could manifest itself by deepening the mutually advantageous relationship amongst enterprises in the area of technology transfer and joint ventures, trading, training, industrial, technological and trade information and research and development as incorporated in the Cologne and Seoul Declarations adopted at the International Seminar and Conference organized by WASME in collaboration with EUROPMI/BDS at Cologne, Germany, in September 1991, and by the Korea Committee of WASME in Seoul, Republic of Korea, in April 1992 respectively.

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