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ENTREPRENEURIAL SMALL AND MEDIUM-SIZED INDUSTRIES
IN URBAN AND RURAL AREAS

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Technical report: on the technical workshop and symposium
Rome, Italy, 13-19 April 1988*

Prepared for the Governments of the countries participating in
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Backstopping officers: C. Antonio and V. Gregor,
Institutional Infrastructure Branch

United Nations Industrial Development Organization
Vienna

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INTRODUCTION

1. A Technical Workshop and Symposium marked an important event during the first phase of the project "Development of entrepreneurial small and medium industries in urban and rural areas", which is funded by the United Nations Development Programme (UNDP) and implemented by the United Nations Industrial Development Organization (UNIDO) in association with the Food and Agricultural Organization of the United Nations (FAO). The Technical Workshop, held at the Congress Centre Hotel Villa Pamphili in Rome from 13 to 16 April 1988, was sponsored by the Italian Confederation of Small and Medium Industries (CONFAPI) and Centro di Formazione e Studi per il Mezzogiorno (FORMEZ). The Symposium, held at FAO from 18 to 19 April 1988, was attended by about 50 participants from 21 countries and representatives of international organizations who were expected to facilitate the achievement of the project's objectives.

2. Countries represented included Austria, Bulgaria, Cyprus, Czechoslovakia, Finland, Germany, Federal Republic of, Hungary, Ireland, Italy, Malta, Poland, Portugal, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland and Yugoslavia. Also participating from outside the European region were observers from Argentina, China, Costa Rica and Honduras.

3. Both events constituted the first meeting on the subject of innovative approaches to stimulating entrepreneurship for specialists and policy-makers interested in the development of small- and medium-scale industry (SMIs) in both centrally planned economy and developed market economy countries in Europe. The project aims at building up entrepreneurial industries and at establishing a network for mutual gain and support at both the institutional and entrepreneurial levels. In that process it will also seek ways of improving policy aspects. The meeting adopted conclusions and recommendations for a programme of action. A task force consisting of representatives from Bulgaria, Cyprus, Italy, Poland and Turkey was formed to initiate action and follow up activities during the second phase of the UNDP-funded project.

PROJECT OBJECTIVES

4. The subject project is one of 29 new regional projects approved under the United Nations Development Programme for Europe during the 4th cycle. It was based on a UNIDO proposal that the United Nations Development Programme Task Force Meeting on Management, held at Ankara in June 1986, recommended for inclusion among four projects in the regional European programme to be executed by UNIDO. At the same Meeting, it was agreed to incorporate a proposal from FAO on pluri-active management in rural areas; accordingly, FAO became Associated Agency to the regional project. The project is divided into two phases: preparatory and operational. The technical workshop and symposium were preparatory activities. The participating countries intend to provide further encouragement through policy measures and infrastructure support to SMIs, with a view to

increasing productivity, exports and employment, giving particular attention to specific target groups. They intend between them to sustain a permanent network of co-operating institutions for the purposes of (a) encouraging an entrepreneurial, market-led, innovative orientation among the smaller enterprises; and (b) sustaining their policy, legislative and infrastructural support in ways and at levels most conducive to sustaining the entrepreneurial orientation and activities.

ORGANIZATION OF THE TECHNICAL WORKSHOP AND SYMPOSIUM

5. The Symposium was a promotional exercise that brought together various groups and individuals expected to facilitate the achievement of the project's outputs because of their current involvement at policy and/or financial levels that influence the culture of entrepreneurship in Europe. The Workshop provided a substantive and technical basis for the Symposium by enabling representatives of the participating countries to decide on a Programme of Action and Work Plan for the next two years and to identify the resources needed. The substantive orientation of the project was divided into three thematic areas. Accordingly, the participants were divided into three working groups to examine how various policy measures and institutional mechanisms are being applied and the implications they have for enhancing entrepreneurship, modernization and the structural strengthening of SMIs at the plant level.

Thematic area I: Public policy and the socio-economic environment (of incentives/disincentives):

(a) Policy (the expression of the political will) and Government commitment as the starting-point of any support programme;

(b) Strategies for translating policy into operational measures;

(c) Tax incentives, credit-guarantee schemes, concessionary finance, the role of development/commercial banks;

(d) Alternatives to the mobilization of finance, e.g. protectionist measures, reserve items, machinery procurement on a hire-purchase basis, public/institutional purchasing supplies of raw materials;

(e) Global support.

Thematic area II: Institutional infrastructures: the provision of technical assistance and other support services:

(a) Consultancy and extension services: bringing technical know-how where/when it is most needed;

(b) Research and development: enabling access to results of technology/product adaptation and prototype development;

(c) Quality assurance and control: not only a problem of standardization;

(d) Marketing strategies: the problem of creating demand;

(e) Information and networking: the role of entrepreneurial associations and non-public entities.

Thematic area III: Fostering industrial entrepreneurship or the business of manufacturing manufacturers/job-creators

(a) Entrepreneurship development programmes (EDP) as a means of:

- i) Ensuring a continuous supply of healthy (innovative/competitive/export-oriented) SMIs;
- ii) Job creation;

(b) EDP approaches and techniques for various target groups:

- i) First-generation entrepreneurship among youth and women;
- ii) Village- or rural-based entrepreneurship;
- iii) Technically qualified/university graduates;
- iv) Returning migrants;

(c) Entrepreneurship cum technology/business incubation schemes;

(d) intrapreneuring;

(e) Foster-parenting.

5. Home-grown entrepreneurship and family enterprises (unaided by outside help).

PART ONEI. ORGANIZATION OF THE TECHNICAL WORKSHOPOpening of the Technical Workshop

The Technical Workshop was opened by Enrico Gotti, on behalf of CONFAPI. In his welcoming remarks, Mr. Gotti, said that as an organization of 90 associations representing 31,000 industrialists, CONFAPI was well aware of the additional role it could play in offering services and opportunities to small- and medium-scale enterprises. Vincenzo Lanzi-Mazzocchini, speaking on behalf of FORMEZ, pointed out that FORMEZ offered many programmes to SMIs in southern Italy, in particular training for managers and programme planners.

Speaking on behalf of UNIDO, the Project Co-ordinator said that the interest of UNIDO in SMIs had acquired a new orientation, which included focusing on the needs of developed countries as well as those of developing countries. Within the context of the project in hand, entrepreneurship was associated not just with the owner or head of an enterprise but with every member of it who shared the responsibility of giving it an entrepreneurial orientation. He expressed the hope that participants in the Workshop would take advantage of the occasion to decide on action for the following two years that would reflect the entrepreneurial goals of the project and meet the needs of participating countries.

Bernard Biet, speaking on behalf of FAO as Associate Project Co-ordinator, pointed out that the aims of the project underlined the common interest of FAO and UNIDO in rural areas and that the project presented an ideal opportunity for collaboration between the two organizations.

Speaking on behalf of the Regional Director for Arab States and European Programmes, UNDP, the European Programme Management Officer joined the two previous speakers in expressing appreciation to CONFAPI and FORMEZ for sponsoring the Workshop and Symposium. She said that UNDP was providing assistance to 10 developing countries in Europe; for the period 1987-1991, a total of \$US 10 million had been allocated to the European region covering about 30 projects. Special attention was being given to the private sector and to encouraging consultations between different groups at the national level as well as mobilizing assistance from various sources.

II. REPORT OF THE PLENARY SESSIONS

A. Thematic area I: Public policy and the socio-economic environment for entrepreneurship (incentives/disincentives)

The resource person who made a presentation for thematic area I was Sue Birley, Philip and Pauline Harris Professor of Entrepreneurship at the Cranfield School of Management, United Kingdom.

Prof. Birley said that the first question to be considered when creating policies for the small and medium-sized sector was what were the aims - the goals and objectives. Why were policies being specifically designed for this sector at all? In the United Kingdom, confusion had arisen because more small firms were seen as a solution to the unemployment problem. The unemployed were being encouraged to start their own businesses. Unfortunately, this was quite the wrong time - the unemployed were likely to be de-motivated, to lack energy, and to have low morale, which was quite the opposite of what was needed for successful entrepreneurial activity. Moreover, those new and small firms that did create employment tended to employ the wrong people (often women), in the wrong places (the economically active areas), and create the wrong jobs (different skills). Finally, although most government policies and education programmes focused on new firms, new and small firms often did not create jobs on the scale needed. In the short term, putting together the problem of unemployment and the solution of small firms didn't work. Beyond that, there were a number of important issues to bear in mind when creating policies that had an impact on the sector.

First, the unit of analysis was often wrong. Whilst the individual enterprise could not solve the unemployment problem, the re-birth of industries might. For example, in the textile sector of northern Italy, 700 firms provided 21,000 jobs in 1950; in 1980, 12,000 firms created 60,000 jobs. The firms had contracted, but the industry had expanded.

Second, there was often confusion in the minds of those individuals charged with creating enterprise at the local level, the social entrepreneurs. If their sole concern was to reduce unemployment, then their aim would be to create as much work as possible by obtaining as much aid as possible, they would be using social-work skills; if the aim was to create viable businesses, then they would be using commercial skills. The two skills were incompatible.

Third, there was too much concentration upon "high technology". Not only did high technology tend to replace hands by machines, thus reducing jobs, but it also soon became low technology. Moreover, the concentration of technology skills within science parks would only create jobs indirectly, and in the long term.

Fourth, evaluating the performance of both policies and firms within an appropriate time-scale was important. Small and

new enterprises took a long time to gain momentum, and too often investors were looking for short-term results. For example, venture capitalists often sought an exit route within five years of their initial investment.

Fifth, was the issue of growth. Whilst it was important to create an environment in which people wanted to develop their enterprises, it was also important to recognize that the majority of owner-managers were simply interested in life-style firms. Nevertheless, by not growing, entrepreneurs were making choices in the way in which they responded to their environment, to policies regarding, for example, taxation, legislation and the availability of markets.

Sixth, attitudes in all types and sizes of organization were changing. Large commercial organizations were discovering the positive effect of stimulating creativity. Indeed, a number had re-evaluated their strategies and were moving "back to basics". As a consequence, they were seeking to implement policies that encouraged and assisted their employees to start their own businesses. Moreover, those firms were also taking an active part in providing resources to assist local small firms, with whom they might have no commercial linkages, through organizations such as the Enterprise Agencies.

Seventh, the most critical factor for the success of any new business was the nature of the entrepreneur's formal and informal networks, and the way in which he or she used them to develop the management of the business. As a corollary, therefore, the most successful enterprise policies were those that encouraged and supported local networks. In the United States of America, experience had shown that it was not enough to have a favourable external environment, there must be some innate skill and drive on the part of the entrepreneur. The question was who should be identifying and encouraging such people. Since most firms started small, supplying local markets, entrepreneurial instincts could often be found in a person who had a commitment to make the community successful. Prof. Birley concluded by giving two examples from northern Ireland of successful entrepreneurship in an unfavourable environment.

2. Country experience

After the presentation, participants who had experience or observations relevant to thematic area I discussed them briefly.

The Director of the Bulgarian Industrial Association pointed out that the concept of SMIs in Bulgaria was very recent and included (a) small units of larger enterprises with some autonomy; (b) small units established to prove the viability of a particular invention; and (c) encouraging graduates to set up SMIs. A broad legislative basis for assisting SMIs had recently been established.

The Deputy Director of the Co-operative Research Institute, Hungary, presented his case-study on the development of rural small-scale industries through agricultural co-operatives in Hungary. He raised the question of how such co-operatives could be upgraded, since most agricultural workers were outworkers and

too poor to have any influence, but said that the co-operatives often had a strong focus on marketing and entrepreneurship.

A representative of IRI-ITALSTAT discussed how the authorities of two areas in southern Italy had responded to the need to develop an area that had been damaged by earthquake, and to offset migration from the mountainous inland areas to the coastal areas. The operation was based on the establishment of industrial zones in the badly affected mountainous districts and of the necessary infrastructure. During the first phase, grants of up to 65 per cent had been available for enterprises that had built their plants within a certain time. The emphasis, he said, had shifted from traditional activities to service or tertiary activities: maintenance, marketing, consultancy and financial services.

A representative of the Federal Ministry of Food, Agriculture and Forestry, the Federal Republic of Germany, discussed aspects of his case-study. He said that even in countries of the European Economic Community (EEC), there were areas that were less developed. In the south-western region of the Federal Republic of Germany, about 97 per cent of all industrial entities were small or medium-sized. Under a regional economic development programme the State had given incentives to over 2,000 private enterprises between 1982 and 1985. Other programmes had focused on the development of small workshops, infrastructure (housing and education) villages and towns. He emphasized the need to turn to the hidden reserves of potential and skill in rural areas, where there were usually a considerable number of industrial activities. Experience had shown that it was not enough to rely on theoretical planning from above; what really counted was a base of individually successful enterprises on which future development could be built.

A research officer from the Institute for Economic Research, Ljubljana, Yugoslavia, described the development of the small business sector in Yugoslavia, and in particular the commune of Trebnje. She said that, in Yugoslavia, big industrial units were favoured. Only 8 per cent of the labour force were employed in small industry. The commune of Trebnje had been selected with the idea of imparting special skills to women, including those of decision-making, and using local resources of land and labour. There were plans to develop a training and business development centre at Trebnje to serve the needs of the entire province of Slovenia.

A representative of the Federal Ministry of Agriculture and Forestry, Austria, who had worked as a trainer in Trebnje, commented on the project in general and in particular on the introduction of the Methode Systematischer Entscheidungsfindung (MSE) in 1985 in Trebnje. MSE had enabled farmers and small industries in rural areas to avail themselves of extension services. In the general discussion that ensued, it was pointed out that training similar to MSE would soon be started in the German Democratic Republic and Hungary.

An example was given of the establishment of a marketing company in Oman, to which local farmers could sell their food products as long as they were of high quality and thus not be

adversely affected by the fact that similar products were being imported and sold in Oman. The marketing company also trained the farmers in quality aspects of production.

In Trebnje a marketing organization for over 2,500 handmade articles allows makers a time span of three months to produce articles of high quality.

B. Thematic area II: Institutional infrastructure and other support systems to SMIs

The resource person for thematic area II was Rainer Holzer, Programme Director, European Foundation for Management Development. In his presentation, Mr. Holzer discussed ways of improving the efficiency of SMIs by support schemes. He also dealt with entrepreneurial education for young people and the role of management schools in facilitating start-ups and growth-oriented small businesses.

Institutional sources of support were lead institutions connected with EEC, and chambers of commerce and handicraft, the importance of which depended on the country concerned. A tendency common to all Western European countries was that the number of newly developed institutions was decreasing, giving way to an increase in networking and analysis of the common problems across national borders. Therefore, the role of the educational sector was being appraised. If the existing managers of SMIs were exposed to training, they might be more willing to train their employees.

Most business schools offered courses on SMIs. Although, in general, courses were directed at the potential managers of large-scale firms, research showed that after 10 years, a remarkably high percentage of former students of the Harvard Business School and the European Institute of Business Administration, Fontainebleau, France (INSEAD) had become entrepreneurs; for instance between 1965 and 1967, 36 per cent were owners of SMIs. There were problems, however, of "educating" entrepreneurs: most students were not favourably disposed towards becoming small entrepreneurs themselves. It was difficult for teachers to teach a subject of which they were unlikely to have first-hand experience. Only co-operation between schools, by the dissemination of success stories and the development of appropriate teaching staff would bring about change. Another aspect was that the true entrepreneur had no time to attend courses, which was why there was often a gap between the programmes and the people or groups to whom they were directed. Furthermore, academics were not respected by entrepreneurs and could not provide direct solutions to specific problems. Moreover, distance learning by satellite programmes was constrained by the problem of language. Networking had more benefits.

As for programmes to encourage start-up SMIs, Europe was very differentiated. In the Federal Republic of Germany, for example, such programmes were not necessary because there was a good vocational system and money could be obtained from the bank by persons possessing a Meister qualification. The need for technical qualifications was increasing in all fields.

In France and the United Kingdom, some specific efforts were proving successful: the ANPCE networking approach in France, which involved entrepreneurs exchanging experience between themselves at the local level and the Manpower Services Commission in the United Kingdom, which had benefited from the availability of funds for SMIs.

In the ensuing discussion, the representative of CONFAPI stressed the importance of technically valid programmes that met local needs, and of training. Some discussion centred on the correlation between credentials and success in an entrepreneur. In one study entrepreneurs had been found to have better qualifications than managers of large companies.

2. Country experience

The Section Head of International Relations, Small Industry Development Organization (SIDO), Turkey, said that the case-study that had been submitted by SIDO described the support SIDO was able to give to over 2,000 SMIs in the foundry sector. SIDO screened public tenders for entrepreneurs and took entrepreneurs to international fairs at its cost. Many orders were received from developed countries for foundry products they themselves had ceased to manufacture. The capacity problem was solved by bringing different entrepreneurs together to manufacture the same product to the same specifications. The quality was then checked by SIDO.

The Senior Adviser, Central Union of Work Co-operatives, Poland, described the concessions that the state accorded to SMIs in Poland in the form of deductions in tax and social security payments. He said, however, that artists who were not members of co-operatives, and who worked on the land, had problems regarding premises. The development of tourism would boost the sale of craftwork.

The Head of Department of Technical Development in the Hungarian Institute for Industrial Economics said that the degree to which a Government would support SMIs depended on how highly it valued them and the benefits they brought the economy. For the initial three periods of their existence, however, SMI needed different kinds of support. The lack of publications and of consulting, banking and marketing services, government guarantees etc. also were problems that needed attention.

The Chief Adviser, Ministry of Industry in Hungary underlined the point made earlier that, unlike large-scale industries, SMIs could solve problems, such as that of shortage, owing to their high degree of specialization. Domestic legal entities were allowed to form joint stock companies. The small-business sector was, despite the number of ventures that had stopped working between 1985 and 1986, one of the most dynamic in the Hungarian economy.

A representative of the Ministry of Industry and Energy, Portugal, referred to the case-study his delegation had submitted to the Workshop. The study described attempts to develop the remote mountainous region of Alto Minho, where there were few

incentives for industrial or entrepreneurial activity. Work concentrated on awareness-building among local entrepreneurs, and the provision of financial support for crafts and vocational training for young people. There were plans to set up a network to promote enterprises and a data base linked to other data bases.

The Vice-President of Comunita Montana del Triangolo Lariano described activities to develop the Triangolo Lariano in the province of Lombardy in Italy. Activities focused on providing employment for women and young people and training courses, and improving the regional infrastructure. Although there was a low level of technical competence in the area, there was a high level of entrepreneurial activity.

A representative of the Ministry of Commerce and Industry, Cyprus, introduced his case-study of an industrial estate in Cyprus. The Government had allocated \$US 14 million for the establishment of industrial estates. The success of the estates was based on the fact that they contributed to the liquidity of firms, especially near Larnaca where the price of land was high, and they encouraged firms to start production near ready sources of raw materials and labour. A research and development infrastructure was located near the industrial estate, the services of which were available to the SMIs for a fee.

In the discussion that followed, the Section Head of International Relations, SIDO, Turkey offered to share the experience of SIDO in the maintenance of a data-base and networking with SMEs and suggested the possibility of co-operating with the Trebnje commune in Yugoslavia.

C. Thematic area III: Systematic approaches and methodologies in developing entrepreneurship

The resource person for thematic area III: Systematic approaches and methodologies in developing entrepreneurship was Jose Santiago of McBer and Co, United States of America.

Mr. Santiago said that over the last 30 years, an enormous amount of research had been undertaken on the entrepreneur. While structural aspects were easier to deal with, it was important not to forget the people involved. The trouble was that most projects overlooked the factor of people. Research had shown that not every aspirant would be a successful entrepreneur. That person would be someone with a certain emotional drive and the psychological need to produce an entrepreneurial kind of behaviour. The drive was called achievement motivation, which was found in people with a need to do something that had not been done before. They wouldn't, however, necessarily make good managers.

Managers had an "influence need", the need to have an influence or impact on people to make the world a better place. Both achievement and influence needs could be identified early in a person's life. While certain characteristics of people were easy to identify, such as skills and knowledge which could be tested, there are characteristics hidden below the surface were those that determined success in a person.

High achievers had an inner mechanism geared to maximizing performance while turning challenges into "moderate risk". Some people, however, had high affiliation needs or the need to please others. High achievers had a different influence in different cultures and so, in its work, his company looked for successful entrepreneurs in a culture so that they could use those people as a guide in identifying the hidden motives, or ingredients for success, in others.

Behaviour was the producer of motives and the situation: $B = M \times S$. Even if the environment was right, it was a question of people having the necessary drive. Techniques had been developed to identify potential candidates and then to enhance their qualities.

In the ensuing discussion, in answer to the question of whether an entrepreneur had to be a social innovator, Mr. Santiago said that any kind of innovation was a revolution. His firm had compared the behaviour of 35 successful entrepreneurs, and that of 35 less successful ones, in Ecuador, India and Malawi, and in all three countries, the successful entrepreneurs shared five or six behavioural characteristics.

These characteristics had formed the basis for a model, which enabled the results of a questioning process, to systematically identify potential entrepreneurs. These characteristics were: (a) information-seeking: taking the initiative to obtain the information needed to become successful; (b) initiative-taking: spotting opportunities and acting on them; (c) persistence: taking more action over a longer period of time

according to defined goals: (d) quality orientation: maintaining a high personal standard of output, measured against internal goals; (e) commitment: ensuring that goals and commitments were adhered to; and (f) efficiency-orientation: minimizing costs and waste, maximizing benefits and, generally, intuitively measuring costs versus benefits. In some cultures, entrepreneurs would also have some of the characteristics (skills of persuasion) of the people who needed to influence others.

In a short presentation by another resource person, Brian Dabson, Managing Director, Centre for Employment Initiatives, Liverpool, United Kingdom, stressed the importance of the overall social policy context for entrepreneurial development. In the United Kingdom, it was believed that new and small businesses were the key to economic prosperity. One of the vehicles for promoting this policy was a network of public enterprise agents, of which there were 350. According to one estimate, up to 90,000 jobs a year were being created in the United Kingdom. Unemployed people were being given the money to set up their own businesses, although, as said before, demoralized people were not necessarily good entrepreneurs any more than highly qualified ones were. The challenge was how to reach people where enterprise was not the rule of the day and where people could not read or write or communicate articulately. A broader definition of entrepreneurship was needed and in recognition of this, his company in collaboration with the Cranfield Institute of Management, had set up a company called ENTRAIN to develop a new form of enterprise training targeted at young people. The approach centred round six entrepreneurial skills: (a) thinking; (b) planning; (c) communicating, negotiating; (d) organizing; (e) problem-solving; and (f) comparing progress with objectives. In the United Kingdom, new ways were being sought of encouraging bureaucracy and officials to become more enterprising and to motivate the teachers of young people.

A representative of Italy, discussed aspects of networking. He said that there was a dangerous temptation to find substitutes for networking that didn't work such as the establishment of structures to provide services everywhere and the concentration on information and on passive desk work, waiting for people to express their needs. Networking was about a person rather than an agency, knowing to whom to turn for information on, for instance, a locally available service. There was a problem nevertheless of training local development agents and local networks about such services.

The Project Co-ordinator of the Management of Science and Technology project of UNIDO in Costa Rica wanted to know how SMIs would survive in a high-tech world and thought that technological innovation should not only be considered in connection with the creation of new enterprises, but also in connection with the renewal of existing ones. The session ended with a presentation by the delegation from Portugal of the case-study of a remote and extremely poor mountainous area in Portugal where there was a preponderance of women and it was proving hard to find extra-agricultural activities that provided income.

The Administrative Secretary, Federation of Industries, Malta, described the situation regarding SMIs in Malta. He said

that there were almost no large firms in the country and that the bulk of the firms employed fewer than ten persons. Malta hoped to become a financial and offshore commercial centre and over 200 foreign manufacturing firms had established bases there. Various incentives, such as tax holidays, investment allowances, soft loans, ready-built factories and duty-free imports, were available to encourage export-oriented SMIs.

The CONFAPI representative said that his organization offered a number of training programmes and start-up services. The representative of FORMEZ told participants about the work of FORMEZ in southern Italy. The main focus was on training entrepreneurs, managers and teachers and disseminating technical information. FORMEZ had allocated a budget of \$US 700 million for training activities.

A representative of the National Training and Development Authority (FAS) in Dublin, Ireland, in presenting his case-study, described the activities of four state agencies in Ireland. Currently, 23.7 per cent of the population was working in small firms (those employing fewer than 50 persons). Small firms were being encouraged because of their positive effect on employment, economic growth, rural areas and regional policy. According to a survey conducted by FAS, most firms had problems with marketing and finance; 20 to 25 per cent of those who had attended FAS programmes, however were in business within one or two years.

D. Final Plenary

In this session, the conclusions and recommendations of the three working groups were introduced and presented for adoption by all the participants.

1. Presentation of the report of Working Group I

After the presentation of the findings of the Group, some discussion centred on the usefulness of collecting information on, and evaluating the policies of, countries that had been successful in promoting urban and rural SMIs, and analysing the constraints that had hindered other countries from achieving similar results. It was suggested that some of those policy measures could be adopted in other countries, some of which might even volunteer to try out such measures on an experimental basis and monitor the results.

The Associate Project Co-ordinator, FAO, pointed out that UNDP would be interested in the policy implications of the activities of the project for participating Governments and that, consequently, policy evaluation should have a broader context than that of networking. A model for such an evaluation process might be the work carried out by the Organization for Economic Co-operation and Development (OECD). The criteria used was, simply, the quantity and quality of the output which was a result of the policy measures of the Government.

One participant said that only selected items of information should be evaluated, otherwise too much information would be accumulated, which would be worthless if it were not shared and

disseminated immediately. He suggested that a service should be established, for instance in UNIDO, that could carry out the task of evaluating and commenting on national policy measures for SMAs.

The participants from Yugoslavia declared that they would be willing to make the results of an evaluation of the promotion of private small business in rural and urban areas available to other participating countries. The model they had developed might also have applications in other countries.

Another participant stressed the importance of pre-evaluated information and thought that each country could carry out its own evaluation at the national level and use independent research workers at the international level.

Much discussion centred on what the next step should be. It was generally agreed that, as regards the data base, the exchange of information would be carried out at the country level on the basis of specific activities and projects. The information would be evaluated by the countries themselves and by an international consultant. Participants from Hungary and Yugoslavia said they would be prepared to offer examples or models, against which certain policies could be evaluated. The Section Head of International Relations, SIDO, Turkey said they would also be prepared to share experience, but pointed out that certain policy measures were lacking.

It was decided that the participants from Hungary, Turkey and Yugoslavia should decide on the system to be employed, which would include monitoring, and how the experience and information should be fed back to their activities and to other countries as well. It was agreed that the report of Working Group I should include a reference to the impact of policies on rural development, and the report was adopted accordingly.

2. Presentation of the report of Working Group II

The report of Working Group II was adopted by consensus.

The rapporteur stressed that, although specific countries had been identified in the recommendations of Working Group II to take the lead in sharing their experience in the areas of export promotion, transfer of technology and the promotion of industrial co-operation, it was envisaged that all countries should participate so that the project would be truly regional. A clarification regarding export promotion activities was made: that they would include the provision of such information as market surveys, prices of products, competitors, etc. Such information, it was suggested by a participant, could be collected and distributed by the UNIDO data base.

The chairman of Working Group II said that she hoped that it would be possible to access, through the data base, information from the United Nations Conference on Trade and Development (UNCTAD), through the International Trade Centre (UNCTAD/GATT), regarding market information of any kind and that there would be links to all the existing networks. The rapporteur of Working

Group II said he doubted whether the information from the International Trade Centre (UNCTAD/GATT) would be sufficient, and said that it would be enough if SMIs were to take part in an industrial fair and to organize trade missions within the two-year period. It was agreed that the degree to which the exchange of market information was successful, would depend on the entrepreneurial spirit of participating focal points.

The inclusion of EFMD in the project would imply that information emanating from its subsidiary, the Entrepreneurial Research Foundation for Europe, could be made available to the network. The participants noted with appreciation the offer of a director of the Latin American Association for the Management of Technology (ALTEC) to provide assistance in the field of managing technological innovation.

The Associate Project Co-ordinator, FAO, reminded participants that the frequency of the meetings and the intensity of the activities related to the project were a function related to the source of the funds; since one of the objectives of UNDP for Europe was to create structures that would be networks, which ultimately should be self-sustaining, it would be up to the participants to take the initiative in convening meetings without calling on FAO or UNIDO. The funds of the United Nations would be better used for activities other than meetings, such as facilitating expertise, consultancy and advisory services, training, etc.

3. Presentation of the report of Working Group III

After the presentation of the findings of the Group, it was pointed out, in clarifying the role of Italy as regards technical consultancy and extension work, that in addition to Comunita Montana, there were a number of other areas in which Italy and IRI-ITALSTAT in particular were interested, for instance Naples and the Mezzogiorno, which should be reviewed in conjunction with IRI-ITALSTAT. IRI-ITALSTAT would also be willing to host some activities. The Programme Director of EFMD assured participants that, apart from the information available from EFMD, information from a private venture set up to investigate the identification and development of entrepreneurs would be available to the project through him.

With regard to improving and upgrading research and development services, the Programme Director of EFMD pointed out that, in his opinion, some sophisticated research was needed on the gap that existed between the services offered and those that were required. He said that such a research project, covering some 18 countries, was being carried out by the Centre for Vocational Education, Berlin, a sub-organization of EEC to which the participants might like to have access. The project should be completed in autumn 1988.

It was pointed out that in order to develop potential entrepreneurs, each participating country should exchange information on how they educated entrepreneurs at school, and the curriculum they followed even at the primary-school level. This was a point that had been raised by two other participants.

The Associate Project Co-ordinator, FAO, pointed out that, as far as he could see, Working Group III had listed no expected inputs to the project, and he considered that some would be particularly important. He suggested that the activities listed in the report of Working Group III should be developed within the framework of pilot projects; and that participants should agree that, subject to the approval of their Governments, the inputs for the establishment of such pilot activities would be provided by the Governments concerned. He was concerned that the countries in which various activities would be carried out had not been determined.

The Deputy Director of the Co-operative Research Institute, Hungary, suggested that the case-studies that had been prepared for the Workshop and Symposium should be made available and used by a consultant, who should be hired for the establishment of a data base. Furthermore, that consultant should travel to the participating countries to collect additional information for the data base and to finalize the details for designing and formulating the project document for phase II.

The Associate Project Co-ordinator, FAO, however, expressed his agreement with the view of the Section Head of International Relations, SIDO, Turkey, and said that, it was his understanding that, a project document consisted of 10-12 pages of main text, with a series of annexes. He considered that detailed planning would come after the approval by UNDP, and by the participating countries, and it was at that stage that experts/consultants would be needed. The experts/consultants would constitute the first stage of the project activities, as indicated in the report of Working Group II. Later in the discussion, he also said that the project was a regional one, covering about 15 countries. However, in his view, the budget should be directed to the needs of Indicative Planning Figure (IPF) recipient countries, of which there were seven participating in the project. The total budget was \$US 250,000 and the essential objective was networking, which would mean that the number of outputs would be very limited. He was concerned that proposals were being made for activities that would evidently require a larger budget, unless the non-IPF countries were willing to contribute, in which case they would have to specify their inputs. He would agree to a consultant being engaged for a period of three weeks to one month. He doubted, however, whether the travel that the work necessitated could be completed in that time.

The Project Co-ordinator, UNIDO secretariat, pointed out that under the new guidelines that had come into force on 1 April 1988, he doubted whether it would be possible to present a document for consideration by UNDP on the basis of the information available. He stressed the importance of not losing momentum but warned that the document would have to go through project appraisal committees in New York and the data that were requested required verifiers for success, specified inputs such as counterpart contributions for each level of activity and, risk factors which required very detailed information. It was for that reason that he had accepted the suggestion of the Deputy Director of the Co-operative Research Institute, Hungary, to engage a consultant. He also proposed that the expected inputs

to the project that were given in the report of Working Group II should form a concluding paragraph for all three reports. Logistical facilities and premises would be expected as in-kind contributions from participating organizations and countries.

The Programme Director, EMFD, proposed that the reports should be adopted as they stood, and that a small committee should be appointed to look into the matter again.

The Deputy Director of the Co-operative Research Institute, Hungary, said it was a matter of whether, for the group, it would be better to have a draft project document ready and get it through and then specify the details, or whether it would be better to specify the details, and then prepare the project document in order to achieve success. The question was whether United Nations staff felt in a position to prepare the draft project proposal or not. He said that all the participants agreed that sooner or later a consultant would be needed; it was a question of whether he or she would be needed before or after the project had been drafted for approval by UNDP.

Regarding the recommendation that a consultant should be hired, several points of view were expressed. One, expressed by the UNIDO secretariat, was that the consultant should consider the inputs to the project's extension in the light of the offers made by focal points and other sponsoring bodies or organizations to supplement the funds available from UNDP. Another, expressed by the Associate Project Co-ordinator, FAO, and the Section Head of International Relations, SIDO, Turkey, said that all the reports of the three Working Groups would be amalgamated by UNIDO after the meeting, because there were links and overlapping areas between the reports and that the project document would be prepared on the basis of the information and case-studies available at and from the Workshop. Subsequently, consultants should be hired to examine the different areas; i.e. a legal consultant to examine the legal areas; a technical consultant to examine the technical areas etc.

Mr. Santiago, McBer & Co., United States, summed up the situation by saying that as there were disagreements on the details required and criteria for drafting a project document, the group could not possibly be clear about the level of specificity that had to be developed. He suggested that one or two people should be empowered to take the necessary decisions for the group, and that if those decisions included the hiring of a consultant, they should be very specific about his or her terms of reference. He suggested that the project Secretariat should be delegated the authority to make that decision for the group. Mr. Santiago's suggestion was accepted and the report of Working Group III was adopted. The Workshop was concluded with an appreciation of thanks to all concerned.

In view of the scarce funds available to the project, various countries offered to contribute to reducing the expenses of the operational meetings and other activities for which travel would be required. The participant from SIDO, Turkey said that SIDO would be willing to shoulder the burden of air travel expenses, if the project provided the daily subsistence allowance (DSA). The airfares thus saved could be channelled to the

substantive or technical aspects of the activities. The participant from the Central Union of Work Cooperatives, Poland, said that, as he understood the situation, export promotion activities should be organized on the basis of mutual co-operation, and not paid for out of UNDP funds. The participant from the Bulgarian Industrial Association said that if other participants would accept the principle of rotation for hosting meetings, his organization would be prepared to host one meeting in Sofia, bearing the expenses that would be incurred in the country. An additional advantage would be that a good country study of the host country would emerge from the site inspection of its enterprises by other participating countries.

The UNIDO secretariat expressed its appreciation to the participants from Bulgaria, Poland and Turkey who had made generous and bold statements with the objective of making networking a reality, namely, that the requirements for holding meetings would be partially met on a co-operative basis, by facilities provided by the host countries. Some participants from Malta, Poland, Turkey and Yugoslavia said they would be prepared to cover the cost of their own travel to meetings.

III. RECOMMENDATIONS OF THE WORKING GROUPS

WORKING GROUP I

Chairperson: Brian Keane
Rapporteur: Annamaria Inzelt

The central objective under the theme is the adaptation of national and regional policies which reflect the special need of the participating state. These policies must recognize the importance of the small/medium sized unit of output in the industrial sector - be it a public or private firm, or co-operative - in the attainment of national economic and social goals and hence seek to promote their development and remove barriers and disincentives.

To translate this objective into practical operational measures requires directives at government and ministerial levels aimed at promoting the sector in both rural and urban areas and encouraging a climate of enterprise. The measures can include special laws, decrees, specially in areas of financial concern, e.g. taxation, duties, tariffs, levies, and institutions such as chambers of commerce or their equivalent.

In summary, what is sought is an environment which is conducive to small/medium enterprise development and which nurture successful enterprises in urban as well as rural areas by linking government and monetary policy with effective management practices.

However, individual countries cannot develop policy in isolation, if the SMI sector is to realize its full potential. There is a clear need for a comprehensive exchange of information and sharing of experiences, through documentation and exchange of case-studies.

Country policies should address the incentives to small/medium industrial development, such as:

(a) Availability of business information covering products, markets, appropriate technology, materials and processes, manufacturing methods, quality assurance, controls including costing and accounting, banking resources including leasing and hire purchase, insurance (especially for export credit guarantee;

(b) Availability of finance including venture capital for bankable projects;

(c) Availability of advisory services/consultancy services especially in relation to the appraisal of proposals and the preparation of bankable projects.

Country policies should also strive to lessen the disincentives to small/medium industry development, which are seen to be:

- (a) Red tape and bureaucratic procedure;
- (b) Rigidity of the banking system;
- (c) Penal taxation;
- (d) Low personal reward.

Policy measures should further address specific activities which can encourage and promote small/medium industrial development including

- (a) The availability of limited personal liability through incorporation;
- (b) Protectionism - but only applied as an interim measure for the infant industry;
- (c) Reserve items whilst recognizing the shortcomings of the system.

The exchange of information on policy measures through networking, document exchange, data banks is seen as a critical factor in the development of the sector.

Hungary, Yugoslavia and Turkey will provide specific examples of projects against which the country policy can be evaluated, on an interim basis within 12 months and with a final review coinciding with the termination of the project in two years. The information thus collected should be documented and analysed by a consultant and transmitted to all participating countries under the framework of overall information exchange.

The small/medium industry sector will flourish and produce resilient surviving companies where individual levels of motivation are high and an atmosphere of competition prevails. This requires a partnership of government, entrepreneur and support services.

WORKING GROUP II

Chairperson: Nilgun Tas
Rapporteur: Thomas Benedek

I. Global objective of the project

The participating countries intend to provide further encouragement and infrastructure support to smaller enterprises, with a view to increasing productivity, exports, employment, especially the employment of disadvantaged groups. They intend between them to sustain a permanent network of co-operating institutions for the purposes of: (a) encouraging an entrepreneurial, market-led, innovative orientation among smaller enterprises; and (b) sustaining the policy/legislative support and infrastructure support, in terms of investment, material inputs, training, research and information exchange in ways and at levels most conducive to sustaining the entrepreneurial, market-led, innovative orientation of the enterprises.

The immediate objective of the project is to increase the competitiveness of entrepreneurial small- and medium-scale industries in urban and rural areas. The participants of Working Group II emphasize the importance of strengthening the existing institutional infrastructure of, and collaboration between, participating countries.

It is considered that while direct support to institutions assisting entrepreneurial small- and medium-scale industries will be of prime importance, that should not exclude direct assistance to the enterprises themselves.

This support and collaboration could concentrate on the following areas:

- (a) Information;
- (b) Export promotion;
- (c) Transfer of technology and innovation;
- (d) Development of human resources.

II. Expected outputs of the project

(a) A consolidation and development of the computerized data-base and information network that has been started at UNIDO;

(b) Export promotion activities, which facilitate the participation of small- and medium-scale enterprises, including trade fairs and trade missions;

(c) The exchange of information on the transfer of technology and innovation (which would cover patents, licenses, proposals for technical co-operation, legislative incentives, contractual schemes) through existing technological information exchange services;

(d) The training of trainers in the focal points by upgrading their skills and qualifications on a continuous basis, as well as fostering a basis for mutual co-operation.

III. Expected activities of the project

1. Information

(a) The collection and analysis by UNIDO of basic information from focal points and institutions related to SMIs;

(b) The preparation, selection and acquisition of software and, if necessary, hardware.

2. Export promotion

(a) The organization and, to the extent possible, the financing through focal points of the participation of SMIs in selected fairs and exhibitions;

(b) The facilitation of the preliminary contacts and travel necessary for preparing trade missions between collaborating countries.

3. Transfer of technology and innovation

(a) The collection and analysis of information from focal points and other specialized institutions on available technologies suitable for small- and medium-scale industries covering patents, licences, legislative incentives and contractual schemes;

(b) The collection and dissemination by UNIDO of this information to the participating countries;

(c) The establishment of consultancy services by participating countries and other international institutions and countries.

4. Development of human resources

The training of the staff of focal points in:

(a) The use of the information system;

(b) Marketing, with special reference to exports;

(c) Technology transfer and brokerage;

(d) Project evaluation and feasibility studies;

(e) Joint ventures.

IV. Expected inputs to the project

The inputs for this project will be provided by UNIDO, other international organizations, focal points and related institutions of the participating countries and other sponsors. In this connection, the following countries offer to share their experience and to act as focal points in:

- (a) Export promotion (Hungary, Malta and Turkey);
- (b) Transfer of technology (Bulgaria and Poland);
- (c) The promotion of industrial co-operation (Cyprus, Italy, Portugal and Yugoslavia).

The participants appreciate the offer made by Argentina to share its experience on joint ventures between small- and medium-scale enterprises, the offer made by the European Foundation for Management Development (EFMD) regarding guidance on the information system, and the offer made by one of the directors of the Latin American Association for the Management of Technology (ALTEC) regarding the management of technology.

V. Monitoring and feedback of the project

The outputs will be monitored through operational meetings to be held in one of the participating countries, with the co-sponsorship of the other countries, at least twice a year or more frequently, if and when necessary.

WORKING GROUP III

Chairperson: Maria Nejez
Rapporteur: Jose Santiago

The objective is to develop and/or adapt systems, procedures, and guidance and training materials for the development of entrepreneurship and management skills at the level of the enterprise.

This report does not enter into an explanation of the needs for the above objective, as these have already been expressed in the initial project report.

A needs assessment process was carried out in the group, in which each participating country representative expressed in as much detail as possible the needs that they were interested in having FAO and UNIDO address. These can be summarized in the following general areas: financial support; the identification and development of entrepreneurs; technical development in the sense of business techniques, and production and manufacturing techniques; and finally, networking: sharing contacts and information on similar ventures and past experiences with them.

These needs were subsequently expressed in greater detail. In addition, the country representatives prioritized them for themselves. It was also agreed that the objectives/activities would apply directly to off-farm situations, with regard to small industry. The following list provides information on these needs, and indicates in each case the level of priority for each of the countries:

I. Networking

This objective refers to activities that involve sharing expertise and information on applied technologies, including factual information at the level of statistical data. It also includes educational activities for the promotion and maintenance of entrepreneurial culture.

Levels of priority: Austria (2), Bulgaria (2), Comunita Montana del Triangolo Lariano (2), Hungary (1), Poland (2), Portugal (2), Turkey(1), Yugoslavia (2)

II. Technology

1. Identification and development of potential entrepreneurs

This objective refers to activities that involve a review of the existing information on entrepreneurial behaviour in the area, as well as:

(a) Research and identification of the characteristics of behaviour of superior performing entrepreneurs;

(b) The development of a model of superior performing entrepreneurial behaviour for the area;

(c) The creation of a selection process to apply to the pool of available potential entrepreneurs, as well as the creation of appropriate development (motivation training, business training, on-the-job training, etc.) for the individual entrepreneur;

(d) The identification and development of facilitators in the technology that has been developed;

(e) Monitoring, follow-up, and evaluation steps.

Levels of priority: Austria (1), Bulgaria (4), Federal Republic of Germany (3), Hungary (3), Poland (1), Portugal (1), Turke. (3), Yugoslavia (3).

2. Technical consultancy and extension work

This objective refers to activities in the areas of management; technical development; information, marketing and organization.

Levels of priority: Bulgaria (1), Comunita Montana (1), Federal Republic of Germany (2), Hungary (4), Turkey (2), Yugoslavia (1).

3. Specialized research and development

This objective refers to activities in the areas of:

(a) An inventory of institutions and the co-ordination of resources;

(b) The identification, by the entrepreneurs, of "efficient" delivery institutions that help to create self-sustaining systems;

(c) Incentive mechanisms, including funding;

(d) Linkage institutions (such as technical colleges);

(e) Improving and upgrading services;

(f) Outreach and mobile programmes.

Levels of priority: Bulgaria (3), Federal Republic of Germany (1), Hungary (2), Turkey (4), Yugoslavia (4).

It is also suggested that the concept of leverage be considered in employing new technologies and indeed in any phase of this project, so that by sharing costs and ensuring that interventions are strategic, that the most appropriate, efficient, and state-of-the-art technologies be employed.

Finally, for each of the four objective/activity areas, a specific country was identified as the focal point for that area, as follows:

I. Networking:	Hungary Turkey
II. Technology	
1. Identification and development of entrepreneurs	Portugal
2. Technical consultancy and extension work	Yugoslavia Italy
3. Specialized research and development	Federal Republic of Germany

The inputs for this project will be provided by UNDP, UNIDO, FAO and other international organizations, focal points and related institutions of the participating countries and other sponsors.

A fundamental objective that was identified was that of hiring an expert to build on the information gathered at the Technical Workshop. The terms of reference for this position would include examining and expanding information from the various countries. This consultant would also have the responsibility of designing and formulating material for the project document and phase two.

PART TWO

I. ORGANIZATION OF THE SYMPOSIUM

A. Opening of the Symposium

The Symposium on Entrepreneurial Small and Medium-sized Industries in Urban and Rural Areas, held at FAO from 18 to 19 1988, was opened by the Assistant Director-General, Development Department, FAO.

The Assistant Director-General drew attention to the difficulties of the agricultural sector, which were particularly serious in developed countries in Europe. He discussed such issues as biotechnology, which could enable farmers to play a leading role in the post-oil economy. Fifty per cent of rural farmers in Europe were involved in pluri-activity and many were involved in all three groups of primary, secondary and tertiary activities.

The representative of UNDP referred to the international context of the project. He said that a recent thematic evaluation had stressed the importance of policies rather than of assistance. UNDP also considered that the exchange of information and experience between interested partners was essential. The area of SMIs was an ideal one in which to pursue innovative and optimum ways of providing assistance.

The representative of UNIDO, the Chief of the Europe and Mediterranean Programme, Department for Programmes and Project Development, referred to the international context of the project. She said that a recent thematic evaluation had stressed the importance of policies rather than of assistance. UNDP also considered that the exchange of information and experience between interested partners was essential. The area of SMIs was an ideal one in which to pursue innovative and optimum ways of providing assistance. She said that the project (DP/RER/87/033) under review was one of approximately 30 projects in the regional programme for Europe, which covered a five-year period from 1987 to 1991. She said that UNIDO deeply appreciated the generous offers of several countries such as Bulgaria, Poland and

Yugoslavia to shoulder some of the financial burden through contributions in kind. She pointed out that the Technical Workshop had been attended by several observers from projects in Latin America and Asia, thus showing that SMIs had a global dimension. She concluded by expressing her appreciation to CONFAPI and FORMEZ for having hosted the Workshop.

B. Keynote Address

A representative of the Business Co-operation Centre, Brussels, gave the keynote address on what measures the European Economic Community (EEC) had taken to promote SMIs. He said that since the adoption of the single European Act in February 1986, EEC had introduced a reform that would affect all enterprises, with the objective of creating (a) a large market without internal frontiers; (b) economic and social cohesion, (c) a common policy for scientific and technological development; (d) the strengthening of the European monetary system; (e) the emergence of a European Social dimension and (f) co-ordinated action related to the environment. The policy of EEC towards enterprises was closely enmeshed with the development of the internal market, which would radically alter the business environment, presenting opportunities and challenges alike. The progressive reduction of controls and customs formalities were particularly important for SMIs, for whom such controls had represented various hidden costs.

One of the most important aspects of creating the internal market was the opening up of public procurement in 1987. EEC was taking measures to ensure that small as well as large enterprises benefited from the new opportunities.

One of the projects to promote co-operation between businesses, particularly SMIs, was the creation of the European Economic Interest Grouping, which was to be in operation in 1989.

At a meeting of the European Council in 1985, the priority areas for action regarding an EEC policy for enterprise were outlined and adopted in November 1986. A broad distinction was made between EEC action to improve the business environment in general and specific measures or services to promote the creation and development of SMIs in particular. He said that the time was right to review EEC policies regarding enterprises. Enterprise policy could be said to have three broad objectives: (a) to safeguard and improve the environment for business during the completion of the internal market and beyond; (b) to develop active policies to help new/growing enterprises benefit from the opportunities offered by the internal market; (c) to ensure a consistent approach with regard to the methods and principles of major EEC policies affecting the enterprise sector, such as the policy for scientific and technological development and the achievement of economic and social cohesion.

He then outlined the guiding principles that provided a framework for EEC policy as a whole:

(a) Action should stimulate enterprises by reinforcing the functioning of market forces; therefore direct subsidies that did not improve market efficiency were not part of that policy;

(b) Financial support could only be justified if it compensated for some deficiency; for instance, if it improved the flow of information on the internal market to businesses; if it maintained the momentum of technical progress or compensated for regional or social disadvantages;

(c) Action at EEC level should have an EEC dimension and should not duplicate national or regional measures;

(d) EEC regulations should allow as much freedom as possible regarding their local application;

(e) Wherever possible, partnerships should be encouraged between different sets of economic agents, e.g. private sector, universities etc, and between different regions of the EEC in order to reinforce the process of integration;

(f) Wherever possible, existing structures should be used to implement EEC policies; the creation of new bodies should be avoided;

(g) Action should recognize the wide range of institutional and cultural structures in the EEC and the potential they represented for the European economy;

(h) Action should impose on business a minimum of constraints consistent with the objectives of the measure in question;

(i) Because of the proportionately greater cost to SMIs of complying with legal or administrative requirements, some policy areas, special exemptions or conditions should be provided for such enterprises.

He then discussed the activities of the SMI Task Force in relation to the objectives of the EEC.

1. Improving the business environment

One of the principle objectives of EEC policy for enterprises was strengthening the market structure of the European economy by improving the responsiveness of supply to changing conditions in demand and technical progress. He said that the ability of the supply side to adapt to changing circumstances depended on legal and fiscal provisions; the availability of finance, and on cultural attitudes, which, in turn, determined the business environment of a given area.

(a) The area in which EEC was active was the simplification of company law and fiscal provisions. The harmonization of the legal and fiscal framework for SMIs in the EEC was an important condition for the consolidation of the internal market and for equalizing conditions of competition. With regard to accounting

requirements for companies, the EEC was currently finalizing proposals for increasing the exemptions for SMIs under the fourth and seventh directives on annual accounts of limited liability companies.

(b) Another element of the business environment was finance. The integration of the financial market in member States was an essential part of creating the internal market and would improve the conditions under which enterprises could obtain capital. But more measures were needed. Within the framework of integrated development operations, in particular, the integrated Mediterranean Programme, experimental actions such as the establishment of regional venture capital operations and mutual guarantee funds were being undertaken to improve the access of SMIs to finance. The provision of venture capital through the European Regional Fund to assist SMIs in the development of endogenous potential as also being actively pursued.

Other possible initiatives under consideration to improve the availability of venture capital and financing for SMIs were the promotion of junior stock markets and ways of improving the access of co-operatives to capital markets. The basic approach was that EEC support mechanisms should reflect as accurately as possible market forces so that they could be catalysts in the market process.

(c) Spirit of enterprise - another important determinant of the business environment was the willingness to take entrepreneurial risks. EEC was investigating different cultural perceptions of entrepreneurship and examining various schemes to foster enterprise, in particular in the educational process and to encourage the creation of partnerships between private enterprises and other economic agents.

He then described two services for SMIs that had been launched by EEC.

1. Information. An active information policy was an indispensable part of the parcel of policies needed to establish an integrated internal market. Freedom of movement of persons and goods only made sense if individuals and enterprises were aware of the opportunities that freedom represented. Businesses needed up-to-date information to enable them to adapt quickly to continuing changes in their economic, technical and social environment. EEC was establishing a structure for disseminating such information and in 1987 the Euro Info Centre Project had begun, with a network of 39 centres throughout the EEC. It was based in a host organization, which had close connections with the business community and experience of providing such information to firms. When fully operational, it should include 200 centres throughout the entire EEC region. The objective of the Centre were: (a) to provide information on all EEC issues of interest to enterprises; (b) to assist and advise businesses on participation in EEC activities; (c) to create a network of partners who could provide each other with information about national and regional regulations.

2. Promotion of co-operation and partnership in business. He said that co-operation between smaller enterprises could help them to compete against larger ones, if the arrangements were based on complementarity. It could also help to promote efficiency by generating economies of scale in marketing and production, by allowing access to new technologies and by avoiding the legal and administrative costs of setting up in another country. It also allowed businesses to work together without losing their identity and individuality.

The Business Co-operation Centre (BCC) was set up in 1973 and was growing in importance. The EEC recognized the importance of agreements between SMIs, which could lead to increased competition if they were thus able to operate in a wider market. In order to help small businesses to overcome problems in trans-border operations, EEC had developed a number of initiatives to develop business co-operation. BCC had developed BusiNet, which for the pilot phase was a network of about 350 business advisers throughout the EEC linked up by computer. The network permitted the rapid identification of partner firms in other countries or regions. BusiNet also made it easier to promote participation in the R and D programmes of the European Economic Community; to obtain a better understanding of the obstacles to co-operation between different member States and to extend co-operation programmes to include third world countries and developing countries. The SMI Task Force of the European Economic Community was already in contact with UNIDO, and he hoped that further proposals for co-operation would emanate from the Technical Workshop and Symposium. BCC was also undertaking other pilot projects in order to identify suitable models of business co-operation, which could later be used on a larger scale. For instance, EUROPARTNERIA 88 would take place in Ireland later in 1988 and would consist of meetings of business people with potential partners from other member States, representing the first time that business co-operation had been used as an instrument to foster the development of a certain region within the EEC. A European Subcontracting Centre would be established in late 1988 or 1989 to promote transnational subcontracting relations.

Three priority objectives of the EEC were of interest to SMIs: (a) promoting the development and structural adjustment of less developed regions; (b) assisting conversion in declining industrial regions; and (c) assisting the adjustment of agricultural structures and the development of rural areas.

C. Other Statements

The President of CONFAPI, which had co-sponsored the Technical Workshop, then addressed the Symposium and described the work of CONFAPI. He said that CONFAPI has established a special office in conjunction with the largest bank of Italy to provide backstopping services to SMIs. An agreement had been signed between Argentina and Italy to promote joint ventures between entrepreneurs in both countries.

The General Manager of FORMEZ said that FORMEZ was the government agency for technical and managerial training for southern Italy. He thanked the officials of UNIDO for having organized such an important undertaking as the Workshop. FORMEZ had agreed to sponsor the workshop because they had been conducting training programmes for SMIs in southern Italy for 30 years and were interested in any pilot projects that might emerge from the Workshop. The purpose of their activities was to upgrade the technical and scientific expertise of the trainees. FORMEZ had set aside a training budget for three years of more than 1,000 billion lire, and hoped that the Workshop and Symposium would provide further opportunities for international co-operation.

In his address, the Director of the Investment Promotion Service (IPS) of UNIDO in Milan told participants about the industrial investment promotion service of UNIDO in general, and about IPS in Milan in particular. He said that IPS offices responded to the preoccupations of the Workshop, in particular those enumerated in the report of Working Group II. Since UNIDO had become a specialized agency, it had become possible to co-operate with the private sector, both in developing and in industrialized countries.

Since the Milan office had opened in October 1987, more than 300 project proposals had been received; operational contacts had been established with about 500 Italian firms, and others were being made through organizations like CONFAPI. Since its establishment 15 years ago, the investment promotion programme of UNIDO had resulted in joint ventures worth about \$US 4 billion.

II. PLENARY SESSIONS WITH RESOURCE PERSONS

A. First plenary session

The Head of Department, Institute for Planning Economy, Hungary, discussed the role of entrepreneurs and enterprises in Hungary. Between 1950 and 1962, three types of industry could be found in Hungary: the state-owned industrial enterprise, the industrial co-operative and the not very significant private industry. Since 1982, the number of the two former types were decreasing. The period between 1950 and 1982 was characterized by centralization in the form of industrial mergers: the number of companies with several thousand workers increased.

In 1982 regulations came into force that made it possible to found small- and medium-sized state-owned industries and their subsidiaries. The regulations also revived private and family production. Despite their increasing number, she said that these units still belonged to the insignificant sector of Hungary's economy because their activities were not determined by their size or form but by their environment, which had not changed. The operations of most of the units depended on working ability and skill rather than on capital.

The small enterprises were very important in relation to individual freedom and choice of economic activity. The new personal income tax, introduced in January 1988, had caused a break in the development process of small enterprises. It was difficult to judge, she said, whether that break was a temporary one, or one that jeopardized the whole process. During the last three months, small entrepreneurs had created an independent business federation.

In Hungary, as in other European socialist countries, the question was whether large industries were capable of carrying out the functions that were indispensable for their operation, that is to say, were they willing to take risks, and should ventures be a key element of their existence?

According to the general definition of the term, an enterprise was an autonomous economic organization that had a right to take decisions independently about its economic activity: it could decide independently what and how it could produce and the manner of its production. Autonomy implied that it could dispose of its resources according to its needs. Autonomy also meant that it was responsible for its decisions, therefore it took the risks involved.

She then discussed whether Hungary, during its socialist development, had created the conditions for industrial units to meet that criteria of autonomy. Since the introduction of the new economic management policy in 1968, the economic management system had changed to a large extent but the competitiveness of Hungarian industry had not improved. The conditions for independent management were still missing. Direct or hidden controls still existed; for instance, the approval of one or more organizations were needed for development programmes and prices were not linked to demand and supply. Competitiveness was therefore restricted: there was no convertability of currency or capital market. Profitability was still not the most important criteria for a company and its management. The existence of several market phenomena had broadened the possibility for independent management but, at the same time, the lack of market mechanisms had narrowed it.

She went on to discuss what the independence of market-oriented enterprises meant in practice. Under the decentralized management system, many enterprises felt that they were independent as regards operating decisions until the short and long-term profit were equivalent, namely, as long as the workers' wage interests didn't clash with the companies capital interests, there was no problem. That was also true as long as the risks of the development programme didn't significantly decrease the good results of the years to follow and operations could continue successfully for a long period.

She also said that the fact that between 1982 and 1987, small enterprises had increased indicated that ventures had a chance in the socialist economy. The most important condition for enterprises to be capable of long-term innovative operation was for them to be able to find the most effective ways of being

market-oriented and to have the autonomy needed for effective profitable operation.

Autonomy, or being in command of its own operations, was only one of the conditions an enterprise needed for its successful development. The other condition was that it could increase its property. According to new rules introduced in 1986, many of the property and ownership rights were returned to the companies.

In her opinion, in order to prevent the Hungarian economy from being forced to the periphery of the work economy, the dominant type of industrial organization should be one that had an independent management, that was separated from the hierarchy and that was only profit-oriented. The creation of such enterprises should not only be made possible but should be forced. Innovative organizations shouldn't be held back and forced to vegetate by the unsuccessful loss-making companies.

The Programme Director of EFMD amplified the remarks he had made at the Technical Workshop about EFMD, which was a non-governmental organization, with about 600 members in 40 countries, most of whom were interested in management development. They therefore represented on the one hand, business schools, universities or other educational institutions where managers were trained, and on the other hand large companies, which had their own management development departments. Management development was of interest for the following reasons:

(a) First, managers needed to be trained as an integral part of their career development. EFMD had a network of 300 trainers through Western Europe oriented to small industries.

(b) Second, there was a correlation between management development and the development of a small business. After the initial five or six years of operation, an enterprise had to take on new staff, which meant it was on its way to becoming a medium-sized company. That meant that all the functions that small entrepreneurs had carried out themselves had to be delegated to new staff and that was where problems arose. (One third of all newly founded companies in the Federal Republic of Germany were founded by women.) Nixdorf was an example; a company that had begun in a cellar and that had expanded, but all the while it had recognized that training was essential. The difficulty for big companies was that of adapting to change and training people to cope with new changing and technological requirements.

(c) Third, the entrepreneur was never alone, but always embedded in a network consisting of the partner, the bank manager, the lawyer and then perhaps the service network providing support to small industries. That structure varied. EFMD tried to make the entrepreneur aware of the fact that he or she should enlarge that network and make use of all the services available. He said that an additional network was needed that kept entrepreneurs informed of the services that were available.

EFMD tried to provide such a network by bringing people together, for instance, in a seminar for small businesses. On behalf of EFMD, he offered to co-operate with the network that UNIDO was establishing, and said that he would send participants the questionnaire that he had recently sent to Western European institutions, and that, when he had received them back, he would send them to UNIDO for its data base.

The Secretary-General of the 15th International Small Business Congress, to be held in Finland in August 1988, spoke. He said that the study he had distributed had been prepared on an entrepreneurial basis. He then gave participants information about the Congress.

B. Second plenary session

Mr. Louis R. Faoro, who had been responsible for starting the UNIDO entrepreneurship programme in the mid-1970s, and who was Manager of the Center of Privatization, Bureau of Private Enterprises, United States Agency for International Development, gave a talk on the privatization programme of the Center. He said that he would like to present one neglected and direct approach to involve entrepreneurs in SMI that required:

- (a) No new technologies;
- (b) No training;
- (c) No financing; rather, it was something that had been unused for a while, known as privatization.

Mr. Faoro said that privatization was called a number of names but it meant simply the divestiture of government-owned assets or enterprises to the private sector, the transferring of ownership and authority to private entrepreneurs. When government gave up control of an enterprise and the private sector took over that control, overnight, an opportunity had been created for an entrepreneur, and the development process had been advanced, without a special programme having to be created for the purpose.

That concept of creating opportunities for entrepreneurship and of reducing the debts of developing countries had led to the creation of the Center for Privatization two years before. Two years earlier, it was just an idea, then the Center was active in 32 countries with a budget of \$US 25 million. The Center saw itself as the most experienced institution in the world in the field of privatization.

It was surprising how privatization had burst on the development scene. Two years ago, in most developing countries, privatization was not spoken of publicly. Then nearly all developing countries were discussing it. Apart from France, Italy and the United Kingdom, privatization was also happening in Bolivia, Honduras, the Philippines, Tunisia, Zaire, and dozens of other countries.

In the beginning there was the opinion that privatization could not take place in poor countries, where there was no capital market and no capital. That had subsequently proved to be not true.

It was true that state-owned enterprises (SOEs) only represented a small percentage (0.5 per cent) of the United States economy, but they were just as inefficient as similar SOEs in other countries. Mr. Faoro then gave some examples:

(a) AMTRAK had received \$US 2 million "one-time" subsidy 12 years previously. In 1988, the subsidy would amount to \$US 64 million;

(b) The postal services had increased the cost of first-class mail by 14 per cent and yet decreased services by 18 per cent - No private enterprise could get away with those practices.

SOEs in the United States, however, were not worse than those in some other countries.

In other places privatization was growing impressively; in countries like China, Hungary, Poland and Soviet Union, where countries were allowed to do their own marketing for sound economic reasons. There were a lot of reasons why this had happened, but one simple main reason was that Governments could no longer afford to use scarce resources to subsidize SOEs. Many developing countries Governments had, literally, hundreds of SOEs.

A logical and obvious alternative therefore seemed to be to privatize, which:

(a) Stopped the drain on the Government treasury (subsidy due every year);

(b) Freed capital frozen in inefficient SOEs (governments got something back; and

(c) Extricated the Government from businesses that they were not suited to run.

The lessons learned were:

(a) That when Governments ran businesses, they were doing the wrong thing; bureaucrats didn't make good business people (and vice versa);

(b) That Governments should focus on policy, not on operations;

(c) That Governments should get the right people doing the right things;

(d) That privatization could also broaden the ownership of the economy, which was a worthy social goal, as enterprises could be sold to entrepreneurs or workers;

(e) That it was a fallacy that Governments created jobs through SOEs. Governments don't create jobs; rather, they took money from a large group of people (taxpayers) and gave it to a small group (SOE employees) and called it jobs.

Mr. Faoro said that efficiency, innovation, quality control, improved services were not produced by Governments and referred to a remark that had been attributed to a head of State: "The absence of competition is a narcotic".

Privatization could also be used to reduce debt through debt-equity swaps. That was just a beginning, but would be a powerful tool as soon as more Governments understood its potential.

Other lessons learned were that the privatization process was not an event but a process. It took longer than expected. It was a political process first and foremost, and happened to have economic consequences. Governments had to deal with the political risks, for ignoring them was perilous. The process was not ideological: socialist States were involved, as were developed market economy States. Some of the same Governments that nationalized 30 years ago were privatizing now.

Governments should clearly support and advocate privatization. The Center would not work in a country where there was no commitment.

Governments could not privatize on an ad-hoc basis: the process had to be planned like any other development programme and was not simple. There were legal issues, first of all; then a public awareness campaign; objective evaluations (Governments did not want to appear to be losing past investments); unemployment issues; marketing; and financing (e.g. debt-equity swaps).

A responsible individual had to be identified to lead the effort. A public awareness programme was needed, which would address all constituencies such as: Governments, labour, bureaucrats, employees, and the general public.

Broadening of ownership had to be ensured: Employ Stock Ownership Programmes had to be considered, as had the capital market (private placement versus share issuance/stock market).

A private monopoly should not be substituted for a public monopoly: Governments might have to regulate.

Time should not be wasted on restructuring a SOE for it did not pay.

In answer to questions from participants, Mr. Faoro said that the mail service was a prime example of a service where the Government could not compete with the efficiency of private services. The provision of rail services in remote areas, where there was not enough traffic to justify their continuance, was a different case, one of subsidizing a social programme. It was a matter of deciding what the goal was: the achievement of

efficiency or the provision of a social service. The Government should, however, ask a private company to provide those rail services and subsidize that company if necessary, if it intended to make the services a social programme, because the subsidy was likely to be less and the programme more efficient in the long run. As for trying to make bureaucracies more entrepreneurial, he said that that was difficult to achieve, but in the United States they had brought in people from the outside with business backgrounds, knowing that they would not stay very long in a bureaucracy.

In answer to a question as to why state-owned enterprises were not as profitable as privately owned ones, Mr. Faoro said that while there were some state-owned enterprises that made a profit, the concerns of business were always secondary to those of the Government, and so they could never make as much profit as they would if they were privately owned. He then gave some examples from the United Kingdom. In 1983, the state-owned firm Jaguar registered a profit of 50 million pounds sterling; in 1984. After privatization, it registered a profit of 91.5 million pounds sterling. In 1984, British Telecom registered a profit of 0.99 billion pounds sterling; the first full year after privatization, however, it registered a profit of 1.48 billion. He stressed though that that did not mean that state-owned enterprises were not able to make a profit. He agreed that while it was often necessary for Governments to support industry after war or in times of crisis, a distinction should be drawn between an abnormal situation and one that prevailed in the late 1980s. He said that between 1986 and the end of 1989 the Center for Privatization would have spent about \$US 25 million on privatization programmes in developing countries, which included funds provided by their foreign missions.

He said that it was better if large industries or even medium-sized ones were broken down into smaller units. Furthermore, at a certain point, more efficiency could be achieved if the entrepreneur who had started the business was replaced by a manager, leaving the entrepreneur free to start another business somewhere else. In answer as to how state-owned monopolies that had been privatized could be prevented from becoming private monopolies, he said that it was the job of Government to regulate the industry in question and to ensure that it was responding to market forces and that it was exposed to competition. Otherwise nothing would have been accomplished by privatization.

In answer to the question of whether resistance to privatization on the part of unions was ever encountered, Mr. Faoro said that resistance was common. For that reason, the privatization process of his Government included a public awareness programme of going to all the constituents that were likely to oppose privatization. As regards the unions fear or unemployment, for instance, data showed that privatization led to a net increase in employment. If the new buyer wanted to get rid of superfluous staff, however, one way of meeting the unions' demands would be for the Government to ensure that the price the buyer paid for the firm made it possible for him or her to retain those staff for a certain length of time. Alternatively, the Government might decide to take the staff concerned and retain

them or to give them a year's salary. Whichever method was chosen of dealing with unemployment issues, it was important that the matter was discussed before the sale was made.

C. THIRD PLENARY SESSION

Tuesday 19 April

The final session of the Symposium began with an address given by Mr. F. Aloisi, Deputy Director-General, Department of Economic Affairs, Ministry of Foreign Affairs, Italy. Mr. Aloisi said that since 1981, the Italian Government had invested \$US 15 billion abroad, which had allowed it to promote SMIs in developing countries. Since a new law had been passed in 1987, a financial provision existed to encourage private investment so as to transfer managerial resources. Soft loans were provided to Italian investors so that they would have an incentive to invest in developing countries. The loans formed 70 per cent of the risk capital that a joint venture partner might put in a developing country and they were given for a period of 12 years; the interest rate was 4 per cent. While the loan financed only a small part of what was needed to set up a business, it meant that the investor had a better chance of obtaining other loans because his or her application for the first one had been accepted. Agreements providing for protection against double taxation were also being negotiated. He said that entrepreneurs needed information about the possibilities available to them and because the Government felt that such consultancy and advice was better provided by private organizations, it was encouraging banks, chambers of commerce, private consultancy firms and international organizations such as UNIDO that were working in the field. He said he would be happy to see Italian SMIs work with co-operatives; an agreement had been signed with Yugoslavia at the end of 1987, which provided for the setting up of joint ventures and the Government was awaiting the initiatives of Italian and Yugoslav entrepreneurs.

The next speaker was Ms. Gannon, Head of Socio-economic Services, Working Party on Women in Agriculture and Rural Development, an institution of the European Commission on Agriculture. In 1982, the Party reviewed its work and decided to turn its attention to women in agriculture all over Europe with the aim of improving their status as managers and co-partners in farming, helping them to cope with their social and economic needs by strengthening employment and income-generating activities, and of improving rural development.

Recognizing that farming was changing, the Party also looked at pluri-activity, under the guidance of FAO, and the Trebnje project was a result of the Technical Consultation on Women in Pluri-Activity, held at Ljubljana, Yugoslavia in 1983. In Yugoslavia came the Trebnje project. The Party trained the trainers of farmers, in a global management approach, to help them to see what could be done off the farm and for the community. The Party had developed guidelines for the global management approach for trainers, which would be printed and circulated by FAO at a later date. The Party hoped to extend the training programme to Eastern European as well as Western European countries.

Mr. Dennis Murphy, Entrepreneurship and High Technology Programme Manager of the Innovation Centre in Ireland described the work of the Centre which was established in 1980 as a joint venture between the state-owned Shannon Development Company and the National Institute for Higher Education, Limerick. Since its creation, the Centre had been able to establish indigenous, technologically driven small enterprises in the mid-west region of Ireland. The industrial estate that had been established around Shannon Free Airport was the biggest in Ireland, employing 10,000 people.

The Innovation Centre at Limerick, which was the largest established centre of its kind in Europe, provided the high technology base for a programme that was begun in 1983 to stimulate technologically based Irish industry. Training was a strong component of the policy of the Shannon Development Company, and even extended to training children in schools. Mr. Murphy said that it took two or three years to establish a high technology company, and at every stage of the process the Shannon Development Company was at hand with support. The finance that was available for promotion seminars and workshops was amongst the most generous in Europe. The activities also provided a springboard to United States companies looking for a springboard into Europe. The main thrust, however, was finding people capable of founding companies by providing them with training, promotion and support. If talent, management skills and support were present, a company could be started by persons who didn't have a product idea themselves, as long as they had a strong commitment to starting a company, often the trainers were successful, or even failed, entrepreneurs themselves.

The reasons for failure were several: one was the inability to raise finance, or to compete in the marketplace.

The company was packaging its experience for dissemination to other areas in the EEC. Fifty per cent of the cost of the training programme was spent on the remuneration of the programme leader. A comparison of cost per job created compared favourably with that spent by the Irish Government on creating jobs.

An observer for the United Nations Centre on Transnational Corporations said that the Centre thought of large-scale firms not in terms of competitors but in terms of partners in the development of SMIs, which was why it had a programme for entrepreneurship. The involvement with projects for SMIs was quite recent: the first pilot project located in Argentina would be inaugurated in May 1988. The programme consisted of various stages, namely, the selection and training of participants, followed by support to the companies that had been established up to the time when products were sold in the market. For the second year, the establishment of a business incubator was foreseen. The special feature of the programme consisted of trying to use the expertise of transnational corporations in helping to develop SMIs. The Centre was interested in finding out possible ways of co-operating with SMI programmes. She considered that the most urgent priority of the FAO/UNIDO project was co-ordinating efforts and eliminating duplication. The Centre could provide, as an input to the FAO/UNIDO project,

information on transnational corporations and contractual arrangements. She said she would let the organizers know what the involvement of the Centre would be.

Mr. Borisov of the Bulgarian delegation then spoke. He said that his Government endorsed in principle the goals of the project and was ready to participate actively in its activities. Bulgaria was also ready to serve as a co-ordinating country or lead country and as a focal point for some of the activities, specifically the transfer of technology. Following the experience of Bulgaria in other projects funded by UNDP, and executed by UNIDO and FAO, he said it would be beneficial to establish a steering committee for the project, which would meet on a regular basis to monitor the implementation of the project and to co-ordinate activities. It also seemed to be a good idea to establish a system for establishing, direct links between participating countries and institutions. The Bulgarian Industrial Association (BIA) would be the focal point for co-ordinating activities in Bulgaria.

ANNEX I

LIST OF PERSONS ATTENDING THE
TECHNICAL WORKSHOP/SYMPOSIUM ON ENTREPRENEURIAL
SMALL AND MEDIUM INDUSTRIES IN URBAN AND RURAL AREAS

AUSTRIA

Maria NEJEZ
Federal Ministry of Agriculture and Forestry
Stubenring
A-1010 Vienna

BULGARIA

Kalin BORISSOV
Leader of Delegation
Ministry of Foreign Affairs
Sofia

Petar DIMOV
Director, Bulgarian Industrial Association
Rakovski Street 134
Sofia

Venko KRASSTEV
Director, Economic Bank
Sofia

Plamen PATCHEV
Director, Bulgarian Industrial Association
Rakovski Street 134
Sofia

CYPRUS

Charalambos CHARALAMBOUS
Industrial Officer
Ministry of Commerce and Industry
6 Andreas Araouzus Street
Nicosia

George MICHAEL
Industrial Officer
Ministry of Commerce and Industry
6 Andreas Araouzus Street
Nicosia

GERMANY, FEDERAL REPUBLIC OF

Helmut VOGEL
Federal Ministry of Food, Agriculture and Forestry
University of Hohenheim
7000 Stuttgart 70

HUNGARY

Thomas BENEDEK
Head of Department, Technical Development
Institute of Economy
Viranyos ut. 2/B
1125 Budapest

Janos JUHASZ
Deputy Director
Cooperative Research Institute
P.O.B. 398
1371 Budapest

Paal NAGY
Chief Advisor
Ministry of Industry
Martirok u. 85
Budapest

IRELAND

Ms. GANNON
Head of Socio-Economic Services
Working Party on Women in Agriculture and Rural Development
European Commission on Agriculture
c/o ACOT
Dublin

Brian KEANE
National Training and Employment Authority
P.O. Box 456
27, Upper Baggot Street
Dublin 4

ITALY

F. ALOISI
Deputy Director-General
Department of Economic Affairs
Ministry of Foreign Affairs
Rome

Nicola BELLINI
NOMISMA
44 Strada Maggiore
Bologna

Rosario CORTINA
Vice-President
Comunita Montana del Triangolo Lariano
Via Veneto 16
22035 Canzo (CO)

Asmedeo GELPI
Head of Agriculture Development
Comunita Montana del Triangolo Lariano
Via Veneto 16
22035 Canzo (CO)

G. VACCARA
President
CONFAPI
Via Della Colonna Antonina 52
Rome

Enrico GOTTI
CESPIM-CONFAPI
Piazza di Pietra 31
Rome

Vincenzo LANZI-MAZZOCCHINI
Projects Manager
FORMEZ
Via Salaria 229
00199 Rome

Giorgio TOSCANI
Direttore Centrale
IRI-ITALSTAT
Via Arno 11/D
Rome

MALTA

Mario GALEA
Administrative Officer
Malta Development Corporation
House of Catalunya
Valletta

John SCICLUNA
Administrative Secretary
Federation of Industries
Development House, St. Anne Street
Floriana

POLAND

Wojciech RATYNSKI
 Director of Department
 Ministry of Agriculture, Forestry and Food Economy
 Ul. Wspolna 30
 00-930 Warsaw

Czeslaw STEFANIAK
 Senior Advisor
 Central Union of Work Co-operatives
 Ul. Zurawia 47
 00-000 Warsaw

PORTUGAL

Antonio CEBOLA
 Ministry of Industry and Energy and IAPMEI
 Rua da Republica 42
 7000 Evora

Maria Natalia OLIVEIRA
 Directrice du Cabinet de Planification
 Ministere de l'Agriculture
 Rua Goncalo Cristovao 128
 Porto

Jose ROQUETTE
 Technician
 Ministry of Planning
 Pca Duque de Jaldanha 31/40
 1000 Lisbon

TURKEY

Bahaettin GULGOR
 Planning Expert
 State Planning Organization
 Necatibey Cad. 110
 Ankara

Nilgun TAS
 Section Head of International Relations
 Small Industry Development Organization
 P.K. 82
 06572 Ankara

YUGOSLAVIA

Martina DJOKIC
Deputy President
Republican Committee of Small Business
Kidriceva ul. 5
61000 Ljubljana

Olga DROFENIK
Researcher
Institute for Regional Economics and Social Development
Ilirska 31
61000 Ljubljana

Stanka KUKAR
Research Officer
Institute for Economic Research
Kardeljeva ploscad 17
61000 Ljubljana

RESOURCE PERSONS**Sue BIRLEY**

**Philip and Pauline Harris Professor of Entrepreneurship
Cranfield Entrepreneurship Research Centre
Cranfield School of Management
Cranfield Institute of Technology
Cranfield, Bedfordshire MK430AL
United Kingdom**

Brian DABSON

**Managing Director
Centre for Employment Initiatives
361 Royal Liner Building
Pier Head
Liverpool
United Kingdom**

Louis FAORO

**Manager
Centre for Privatization, Bureau of Private Enterprises
United States Agency for International Development
2000 Pennsylvania Avenue, N.W.
Washington D.C. 20006
U.S.A.**

Rainer HOLZER

**Programme Director
European Foundation for Management Development
Rue Washington 40
B-1050 Brussels
Belgium**

Annamaria INZELT

**Head of Department
Institute for Planning Economy
Roosevelt ter 7-8
H-1370 Budapest
Hungary**

Jarl LUNDSTROM

**Central Association of Finnish Entrepreneurs
Helsinki
Finland**

Emilio MASTRACCHIO

**Head, Business Co-operation Centre
European Economic Community
80 Rue d'Arlon
Brussels
Belgium**

Dennis MURPHY
Entrepreneurship and High Technology Programme Manager
The Innovation Centre
Enterprise House
Plassey Technological Park
Limerick
Ireland

Jose SANTIAGO
McBer & Co.
137 Newbury Street
Boston, Ma. 02116
U.S.A.

ORGANIZATIONS OF THE UNITED NATIONS SYSTEM**UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS**

Angela CAPATI
Associate Expert
United Nations Centre on Transnational Corporations
United Nations DC2-1284
New York, N.Y. 10017
U.S.A.

UNITED NATIONS DEVELOPMENT PROGRAMME

Senior Technical Adviser
Bureau for Programme Policy and Evaluation
Technical Advisory Division
United Nations Development Programme
1, UN Plaza
New York, N.Y. 10017
U.S.A.

European Programmes Management Officer
Bureau for Arab States and European Programmes
United Nations Development Programme
Room 2254
1, UN Plaza
New York, N.Y. 10017
U.S.A.

INTERNATIONAL CATHOLIC RURAL ASSOCIATION

Filippo CORTESI
General Secretary
International Catholic Rural Association
Piazza S. Calisto 16
Rome, Italy

Franz Karl PRUELLER
Special Assistant to Secretary General
International Catholic Rural Association
Piazza S. Calisto 16
Rome, Italy

OBSERVERS

Bruno CAPRA
Confederation General de la Industria
Rivadavia 1115-2oP
Buenos Aires 1033
Argentina

Rafael KOHANOFF
President
Confederation General de la Industria
Rivadavia 1115-2oP
Buenos Aires 1033
Argentina

Fernando MACHADO
Project Manager
CTA - COS/87/010
Popscurridabat
300 Sur 100 Oeste
San Jose
Costa Rica

Jorge PORRAS
Deputy Director
International Technical Cooperation
Ministry of Planning
San Jose
Costa Rica

Hugo VILLAMIL
International Co-ordinator
CTA - HON/86/003
c/o UNDP
P.O.B. 976
Tegucigalpa
Honduras

Jia Xiang XU
First Secretary
Permanent Mission of China to UNIDO
Untere Donau Strasse 41
A-1020 Vienna
Austria

Ilja HULINSKY
Permanent Representative of the CSSR to FAO

Anatoli VDOVENKO
Deputy Representative of the
Union of Soviet Socialist Republics to FAO
Via Clitunno, 46
00298 Rome
Italy

ORGANIZERS**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION****Co-ordinator****Programme for the Development of Entrepreneurship and
Privatization Strategies****Associate Expert under project DP/RER/87/033****Associate Project Co-ordinator****Editorial Control Officer****Chief****Europe and Mediterranean Programme****FOOD AND AGRICULTURAL ORGANIZATION OF THE UNITED NATIONS****Regional Officer****Regional Office for Europe****Assistant Director-General**

LIST OF COUNTRY PRESENTATIONS AND CASE-STUDIES

- Bulgaria** Characteristics, mechanisms of establishment and promotion of small- and medium-sized enterprises in Bulgaria by Plamen Patchev
- Small-scale enterprises established by the Academic Association for Scientific Instrumentation under the auspices of the Bulgarian Academy of Sciences by Konstantin Popov
- Cyprus** Case-study of Ergates industrial estate by P. Koutourousis
- Finland** Measures for the promotion of small and medium firms in Finland by Olavi Anko
- Germany, Federal Republic of** Initial steps to a more efficient industrial development of backward rural areas: A report on theoretical and practical experiences in south West Germany by Helmut Vogel
- Hungary** The development of rural small-scale industries through agricultural co-operatives: the case of Hungary by Janos Juhasz
- Evaluation of factors concerning enterprises: Findings of opinion polls among Hungarian and Western European enterprises on adaptation to changes in world economy by Anna Maria Inzelt
- A short introduction of the small business sector in Hungary by Pal Nagy
- The role and importance of small- and medium-sized companies in the Hungarian economy by Tamas Benedek
- Ventures in socialism: The Hungarian experience by Annamaria Inzelt
- Ireland** The activities of state agencies in Ireland by Brian Keane
- Italy** Development of small and medium industries in rural areas by Rosario Cortina

A new pole of industrial development in
southern Italy
by Giorgio Toscani

Training actions for the development of the local
enterprise systems
by Colavitti and Amodeo

Training programs in southern Italy
by Colavitti and Amodeo

Malta Economic development in Malta and the role of
small and medium industries
by Mario Galea

Poland Development of small and medium-scale
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Poland, including a case-study of the
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by Czeslaw Stefaniak and Wojciech Ratynski

Portugal Les interventions integrees de developpement
regional
by Jose Roquette

La participation de l'institut d' appui aux
petites et moyennes entreprises industrielles
dans le cadre de l' operation integree de
developpement regional du Nord Alentejo
by Antonio Cebola

Turkey The role of development centres in the
management of technology in small-and
medium-sized enterprises in Turkey
by the General Directorate of the Small
Industry Development Organization

Yugoslavia Small business development as part of the
integral development of a rural area: a
case-study of the commune of Trebnje,
Slovenia, Yugoslavia
by Martina Djokic and Stanka Kukar