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**TRAVEL FELLOWSHIP REPORT
ON SMALL BUSINESS DEVELOPMENT AND TRAINING**

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November 1978

by

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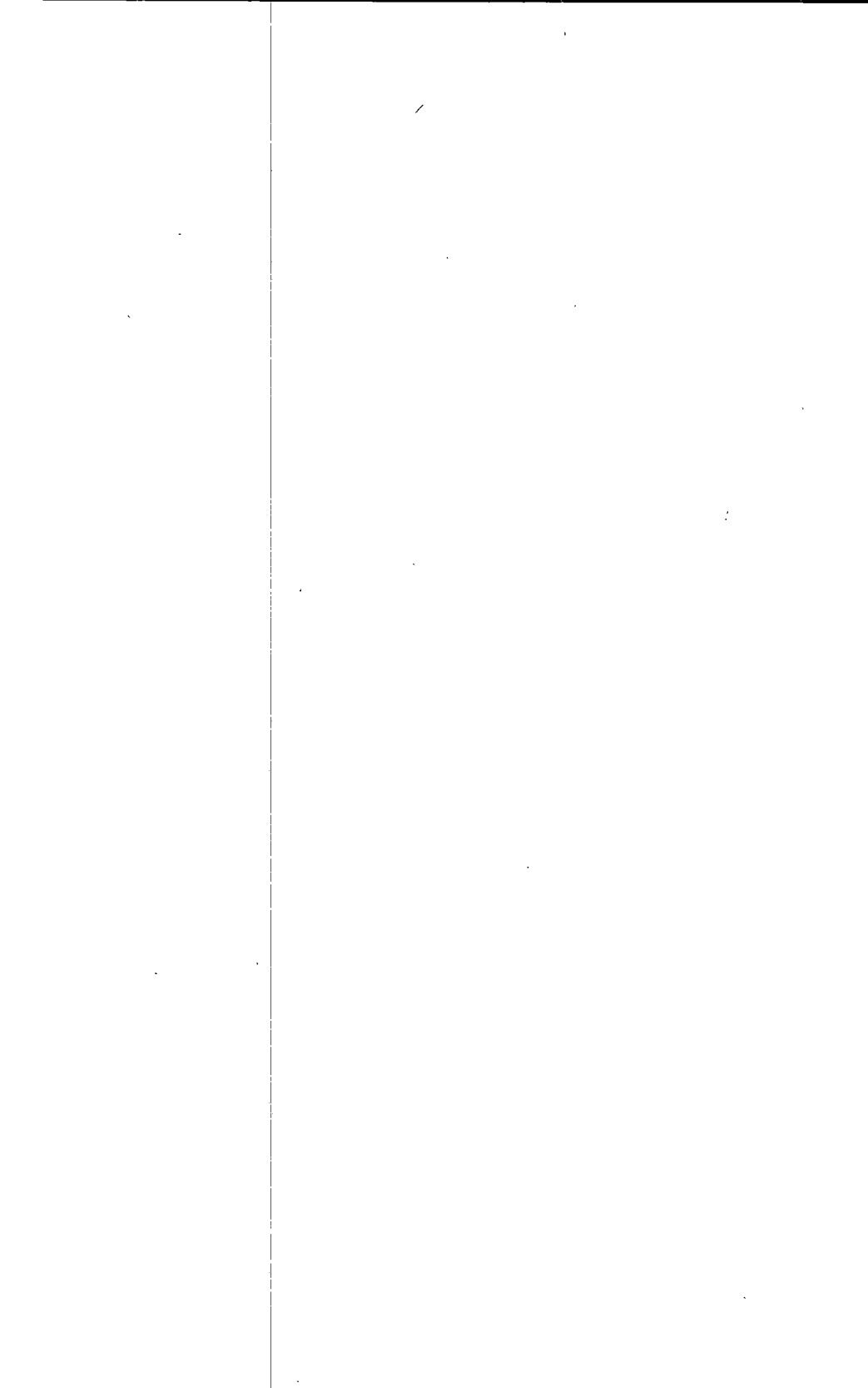


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INTRODUCTION:

Societies generally, and particularly those in the developing world, are growing increasingly concerned about the role which small business can play in the development process. This concern is certainly heightened, when one notes high and growing unemployment, particularly in Third World countries; the increasing signs of worker alienation with his plight, and man's continued quest for self-fulfillment, which many established businesses are hard pressed to provide.

The Caribbean concern for these issues is even more acute, since for many of the islands, not only are the socio-economic problems of unemployment and alienation rampant, but there is now a frantic search for approaches to development which will spare the region some of the social dysfunctions of traditional development approaches. A concerted approach to small business development affords both a unique challenge and boundless possibilities for the Caribbean region.

Development, in our region, must concern itself not merely with growth in economic indicators, but also with a just distribution of the economic fruits; it must, at all times, place man and his development at the centre of activity; it must provide him with avenues of self-actualization, and meaningful participation. The small business sector holds out these possibilities.

If these initiatives are to be fully grasped, many institutions in the region must re-assess their role and their relationships with society. The University now needs to challenge its own relevance, and make its resources available to societies, in ways it has not done before. Any programme for the development of small business in the region must have the support of the region's universities, which must now use their resources to provide training for small businessmen, and the full range of managerial and technical support which small business development demands.

Indeed, these concerns for small business development, and the interaction between such development and the region's University was the central concern of UNICA (The Association of Caribbean Universities and Research Institutes) at its biennial Assembly in Curacao in April 1977. At this assembly, one workshop was assigned the responsibility of developing concrete proposals for UNICA's involvement in Small Business Development in the region. UNICA's assembly subsequently accepted proposals to sponsor a research advisory and training programmes for small business in the small islands of the Caribbean.

The development of this proposal led one international agency — the International Development Research Centre (IDRC) — to sponsor a study

tour by UNICA's project leaders to similar projects in Asia, the Far East and India. The study tour allowed the project leaders to examine in detail small business assistance projects, to discuss with other project leaders problems and possibilities, and generally to provide a wealth of experience which would benefit UNICA's project. The study tour allowed examination, in both developed and developing countries.

Outlined below are the countries visited, and the host institutions in each country:

GENEVA	— International Labour Organization (ILO)
INDIA	— Small Industry Extension Training (SIET) Institute, Hyderabad
SINGAPORE	— TECHNONET Asia
SOUTH KOREA	— Soong Jun University, and the Korean Federation of Small Business
PHILIPPINES	— University of the Philippines — Institute for Small Scale Industry (ISSI)
U.S.A.	— (i) Georgia Institute of Technology, Atlanta, Georgia (ii) East-West Center, Honolulu, Hawaii.

The host institution in each country arranged intensive visits with other small business assistance programmes and institutions, as well as with small business themselves.

It is difficult to document experiences of such breadth and width; the knowledge and inspiration gained do not flow easily to printed words. This report of the study will certainly be deficient, given this constraint. We present, nevertheless, our impressions and analysis on a country-by-country basis, before outlining what we see as the most critical lessons for the region. We also give some reflections on the status and problems of small business in the Caribbean.

The study tour re-affirmed our faith in the possibilities for small business development. All too often, the fires of faith and commitment are extinguished prematurely; we stand now, on the threshold of a new dawn, and move to embrace its warmth and the new day for Caribbean peoples.

We look forward to the support and cooperation of all those committed to development in our region.

GEORGIA INSTITUTE OF TECHNOLOGY:

A visit to the Georgia Institute of Technology in Atlanta, as the first leg of the tour, revealed the number of programmes undertaken between developed and developing countries in small business management, development and intermediate technology.

One very significant area of activity at the Georgia Institute of Technology, of significance for the Caribbean, was the method used for the transfer of technology. This is done by establishing a series of industrial field offices around the State. Technology transfer professionals man the service. The method adopted is that the offices contact business and industry, in order to determine their needs. The problem is then referred to the head office. This office does the research, comes up with the answers, and this is relayed to the field office from which the inquiry originated. The field office contacts the business making the inquiry, and 'delivers' the information and, if necessary, will demonstrate how the information is to be utilised. Of course, if the field officer can himself provide the information, there will not be need to refer it to the main office. The system is regarded as having been very successful, particularly in the area of company expansion, diversification and employment generation. The Georgia Institute has been instrumental in setting up similar systems in the Philippines, Nigeria and other developing countries.

One real problem in the Caribbean is the effective delivery of systems or technology that are designed at the University to the point where they are required. Sometimes the work has been done on a problem, but the resource or the organisation is not available to enable the transfer to take place. One area where this is critical is in the field of agro-industry. Techniques available for improving output or efficiency, or for that matter for making a commercially viable small enterprise, require a framework by which the transfer may take place easily, and in a form that can be assimilated. The Georgia Institute demonstrated the need for small business to have a readily available source on which it can draw for problem solving. A system of data banks would be valuable here.

HAWAII:

THE EAST-WEST CENTER

In Hawaii, our base of activity was the East-West Center. A brief note on this institution, which is connected with the University of Hawaii, would be useful.

The Center was established in 1960, by the United States Congress. Its purpose is the promotion of better relations and understanding among peoples of Asia, the Pacific and the United States. The approach to this objective is one which takes in cooperative study, training and research.

The Center, in as much as it provides a focus around which people from the East and West can, in the words of the brochure, "...study, give and receive training, exchange ideas and views," has been instrumental in bringing together persons who have an interest and concern for small business development. Perhaps, to take one particular area of concern that is relevant to our study, the Center has prepared a training manual, for entrepreneurial expansion of small firms, with special emphasis on job creation. The manual looks at the marketing strategy, technology, choices, work organisation, finance, effective expansion and growth, and provides some kind of indication of the future tasks in relation to the subject. This manual is one of the many studies that has been done, on some aspects of development, that is relevant for small business.

The East-West Center holds regular workshops, and one such workshop had its focus on project feasibility and evaluation. This again indicates the discipline involved in preparing the projects for establishment of industries, techniques and methodology to be followed, and it looks at certain specific projects in different countries, as case studies for analysis. Reference is made to these two publications, among many, only to indicate that the East-West Center is one of those agencies where useful work is being done, on aspects of small business management training and development, and appropriate technology.

From this center, valuable contacts were made with agencies providing services for small business. In that connection, visits were paid to, and the work of the following groups examined:

- The Small Business Administration (SBA)
- The Hawaiian Entrepreneurship Training & Development Institute (HETARDI)
- Alu Like, a native Hawaiian organisation.

The Small Business Administration

The United States Small Business Administration is a Federal Agency, created by the U. S. Congress in 1953, to assist and counsel American small businesses. The agency provides prospective, new and established members of the small business community with financial assistance, management training and counselling, and help in getting Government contracts. Most small, independent businesses (except speculative firms, newspapers, radio and television stations and other forms of the media, and normally businesses engaged in gambling) are eligible for SBA assistance. Discussions were held with the head of the agency, who informed the team that the SBA has a department in Hawaii, which performs the same functions for small industry in Hawaii, as it does for small industry in the U.S.A.

The SBA has developed different size criteria for different assistance programmes. Its programme for loans establishes the following size standards:

Type of Business Activity	Annual Receipts Not Exceeding
Service -----	\$2-\$8 million
Retail -----	\$2-\$7½ million
Wholesale -----	\$9½-\$22 million
General Construction -----	\$9½ million
Farming & Related Activities -----	\$275.00 million

The SBA also operates a Small Business Investment Company, which provides equity financing for small business. To qualify for such assistance, the following criteria have been established:

- All industries:—** Assets not exceeding \$9 million
— Net worth not exceeding \$4 million
— Average net income (after taxes) not exceeding \$400,000.

The use of variable criteria is certainly an interesting feature of SBA operations.

The main assistance programmes of the SBA are identified below:

(i) Financial Assistance:

For small business that needs money and cannot borrow it on reasonable terms from conventional lenders, SBA offers a broad range

of programmes. The agency may either participate with a bank or other lender in a loan, or guarantee up to 90% of a loan which a bank or other lender agrees to make. Only if a bank or other lender cannot provide funds under either of these methods, SBA can consider lending the entire amount. SBA loans may be used for:

- (a) Business construction, expansion or conversion.
- (b) The purchase of machinery, equipment facilities, supplies or materials.
- (c) Working Capital.

(ii) Small Business Investment Companies:

SBA also helps finance small firms, through privately owned and operated Small Business Investment Companies (SBIC). SBIC's are licensed, regulated and in certain cases financed by the agency. They supply venture capital and long-term financing to small firms for expansion, modernization and sound financing for their operations. Some SBIC's also provide management assistance to small businesses.

(iii) Procurement Assistance:

The SBA assists firms in getting Federal Government contracts for goods and services. This assistance through Federal Procurement specialists within the SBA, counsels firms on the preparation of bids, helps firms get their names on bidders' lists, and also supplies leads on research and development projects, new technology and assistance in technology transfer.

(iv) Technology Assistance:

The agency provides advice, counsel and technology search and retrieval help to small firms requiring technological assistance for production techniques, modernization processes and new product development.

(v) Management Assistance:

The agency provides free individual counselling by retired and active business executives, university students and other professionals, courses, workshops and publications.

The agency has developed a programme which allows university

students to provide on-site management counselling to small business owners. The students are guided by a faculty member and a SBA Management Assistance Officer.

General:

It is interesting to note that all loan applications must be accompanied not only by a feasibility study, but a business plan as well. In addition, a condition for most loans is that applicants undergo management training. At times, loan disbursements are withheld, until completion of the training programme. This approach to integrated assistance is a critical factor in the SBA programme.

The Hawaiian Entrepreneurship Training & Development Institute

One agency providing such training as mentioned above is the Hawaiian Entrepreneurship Training & Development Institute (HETARDI). It provides training for small business development. The main focus is to concentrate on persons who are potential entrepreneurs, provide them with the necessary assistance, that they require to become entrepreneurs, and to indicate the type of business on which they can then embark. HETARDI itself is a private, non-profit-making body, and it can organize for such training because it is on contract to the Federal Government, under "The Comprehensive Employment and Training Act," which is an act created by government to assist small business, and particularly minority business. HETARDI is designed to give qualified applicants an option of becoming self-employed, by offering a comprehensive but basic training course, on how to start and develop one's own business. The course is divided into two parts: the first part is a training workshop, where the applicant and other candidates will develop their business skills and business ideas of what they would like to engage on. The second part of the training course is the actual establishment of the business. This is done with the assistance of consultants and experienced businessmen.

This whole effort is seen as the new approach to employment creation. Within HETARDI itself, groups of people who have been through the training are attempting to have some fundraising efforts, so that they can build up a source of venture capital, to assist each other.

Candidates are placed in jobs, in order to get work experience, while they are actually at HETARDI, so that when they leave, and want to set up their own businesses, they can already have had practical exposure to business management.

Hawaiian Economic Development Corporation (HEDCO)

One other agency visited was the Hawaiian Economic Development Corporation (HEDCO). This is a private, non-profit organisation, whose primary purpose is to encourage development of new employment opportunities for Hawaiian residents. HEDCO's work towards its objective is achieved by providing management and technical assistance, and in some instances direct financial assistance for businesses. Since it has started, it has worked with more than 300 firms, and it has arranged financing for over Fifteen million dollars for them, and through them has created or saved more than 750 full-time jobs, according to its brochure. HEDCO helps clients obtain loans, and one way in which HEDCO measures its own performance is by the number of loans it has obtained for clients. The Corporation also helps groups in obtaining contracts and procurement, and with problems of marketing. This assistance includes help with organizing distribution techniques, packaging of particular commodities, advertising programmes, pricing of products.

HEDCO's relationship with the Department of Commerce is based on a contract, which specifies the type of client to be serviced. Clients must, generally, be socially or economically disadvantaged.

Alu Like

Alu Like is the only native Hawaiian organization of its type, and its main areas of concern are education and jobs.

Before embarking on its programme, a sample survey of the native population was undertaken, and it was on that basis that it decided to give itself these two areas of emphasis. The organization works with the University of Hawaii, and is funded largely by the Federal Government. It was established in 1974. Its principal clientele are Indians and Hawaiians. One of its main activities is counselling. In other words, people come to the organization, and indicate a need; if it were, for example, consulting services that were required, Alu Like would direct the client to HEDCO; or if the training was one which was appropriate to what HETARDI was doing, the client would be directed to that agency.

Alu Like is a private body, which obtains funds from the Federal and State Government, and also from donations. The further objective is economic self sufficiency for the native Hawaiian. The organization would put together the sum total of its existing resources, that could be brought to bear on a particular problem, and then put clients in touch with those resources. It also assists individuals to start business, and it has a youth employment programme.

Alu Like seeks to ensure that the native Hawaiian gets a better perception of himself, and develops his self-confidence. One of the things that Alu Like tries to do is to bring together a new concept of business, which would be desirable for the local Hawaiian, to see how this matches with the Western concept, and to encourage Hawaiian entrepreneurs. The organization has a mobile van, which goes out to the community, to provide various services. Services are provided for all age groups, and advice on how to obtain the necessary skills to make themselves employable. In that connection Alu Like liaises with the Teachers' Union, and with the Department of Education, which welcomes the approach the agency is taking, towards the development of skills and encouragement of people in self-reliance and self-confidence. Alu Like's view is that it is not enough just giving people skills for businesses, but they need to understand the background in which business is transacted, so that they can overcome psychological and other obstacles encountered in dealing with business situations.



THE PHILIPPINES:

The Philippines provide an interesting illustration of how problems in small industries have been identified and tackled. It is useful to consider what kind of approach was adopted, and what were the results, as outlined under The Medium and Small Scale Industries Coordinated Action Programme of the Philippines.

THE MEDIUM AND SMALL SCALE INDUSTRIES COORDINATED ACTION PROGRAMME OF THE PHILIPPINES

This is discussed here in some detail, because it has particular interest for what can be done in the Caribbean, to deal with the gap between the need for agencies to service small business, and the availability of that service. Realising that development of small and medium-scale industries in the countryside was a very effective instrument for mobilising the vast rural sector, generating full employment and increasing national income, the government of the Philippines decided to embark on a programme to deal with the situation.

The Strategy Adopted:

This was designated "The Medium and Small Scale Industries Coordinated Action Programme (MASSICAP)". A study was done, and this study indicated that Philippines do not lack entrepreneurial qualities, and potential and medium-scale industries can be set up on the basis of entrepreneurs who could be found anywhere and virtually everywhere in the country. The study also drew attention to two other facts: that the highly developed educational institutions in the country could rapidly develop the expertise needed in those entrepreneurs, and that there existed the institutional financing sources to provide attractive funding schemes for small businesses.

But the question was, why were entrepreneurs not making use of those opportunities for financing which were possible? One other factor which came to light was the lack of information on these possibilities for small industries, and also the personnel to develop and prepare projects, and take those projects through with the entrepreneurs, to the stage where businesses are established. What was done, then, was to seek the support of the Ministry of Education, in the implementation of quite a unique programme of service, involving commerce and business administration students in their senior year in college. These students were to serve as voluntary extension workers for a part of the year, in lieu of their last semester in college. As working professionals, they were entitled to a monthly allowance, but the most attractive part of the scheme was the

practical experience in business development, which the students were exposed to, and the idea of service; and this attracted leading students in the business administration and commerce classes. To qualify, a student had to be in the top 10% of his class, and had to have a capacity for leadership and what is very appropriately described as "unwavering integrity." Furthermore, he had to be imbued with a spirit of wanting to help, and he had to be prepared to go wherever he was sent. Very often, he had to be engaged on preparing a project in parts of the country in which there were very few amenities — no electricity, movie houses, and generally a lack of the urban amenities to which he had been accustomed. Almost 100 students about to graduate from schools all over the country were recruited, for training and possible attachment in this programme. In the first year alone, 102 projects were assisted, and 48 loan applications were filed with financing institutions.

MASSICAP continued to operate, and improved its operations and streamlined its efficiency, and these students worked under a senior team leader, who acted as regional coordinator, and who was a person who had some experience in project preparation and project development.

The Results:

From 1974 to 1977, some 4,000 projects were assisted, and some 3,000 loan applications were filed with banks. Sixteen hundred loan applications were approved, and 1,200 loans were released. It was very soon realised that this scheme, which was very good in itself, for its momentum to be maintained, there needed to be an ongoing consultancy service for small businesses, and for providing them with the type of assistance that the scheme had been designed to do.

The idea therefore developed, of setting up Small Business Advisory Centres (SBAC) in various parts of the country, and of starting off with four of them, as pilot projects. It has often been realised that one of the tremendous weaknesses of a small business is that it tends to have below-standard facilities, lack of managerial skills on the part of the owner-manager. From the four centres which were originally established, there are now twelve such centres, strategically located throughout the country, and providing a range of services for small business.

Any person in a rural area, who wants to go into some small business, and has an idea, or any small business which has a problem, can go into any of these centres, and will be taken right through the various arrangements required to establish and set up the business. The small businessman seeking assistance contacts his local office, and he is assigned to a small business consultant. The consultant interviews him, diagnoses his operation, identifies areas of improvement, makes recommendations, assists him in improving his particular operation. Any small and medium-

sized enterprise, whether a partnership, proprietorship or a cooperative, with assets not exceeding four million pesos, which is about \$176,000 U.S., can avail itself of the SBAC's services. These are described in more detail below, together with other associated agencies, under the University of the Philippines Institute of Small Scale Industries.

THE UNIVERSITY OF THE PHILIPPINES (UP) INSTITUTE OF SMALL SCALE INDUSTRIES (ISSI)

One of the central institutions involved in small business activity in the Philippines is the Institute of Small Scale Industries of the University of the Philippines. This institute demonstrates the extent to which there can be a process of integration between the university and the needs of small business in a country. In fact, in the brochure, the institute is very properly described as "partners in development," the partners being the university itself, and the several agencies which serve small business in the Philippines.

These agencies include —

- The Development Academy of the Philippines;
- The Development Bank of the Philippines;
- The Design Center of the Philippines;
- The National Science Development Board, and
- The Trade Assistance Centres of the Ministry of Trade.

Reference is made to the activities of some of these institutions later in this report. The efforts of all these agencies are coordinated by The Commission on Medium and Small Scale Industries.

The University of the Philippines, Institute of Small Scale Industries, played a very significant part in laying the foundation for the present national and integrated development of small business in the Philippines. It provides a variety of training programmes; it conducts extension-oriented research, such as area economic surveys, designed to identify potential industries; it does market and product research, industry studies and profiles, and research into the type of training programmes which are needed, to support small business in all its ramifications. It has an industrial extension service, which has linkages with Chambres of Commerce, cooperatives, institutions and other groups in the country. Some of the areas covered by the extension service include process improvement, community development, product designing, management audit, marketing assistance, product study and preparation, etc. The institute also has the advantage of offering a consultancy service, so that persons who need advice can draw on the fund of knowledge available at the institute.

Some of the areas in which consultancy services are available include

handcrafts, sporting goods, furniture, garments, food processing, ceramics, fish culture and so on. The institute operates a very effective information programme.

This is a very interesting programme, and maybe it needs to be looked at in more detail. It is a service operated by way of a Current Awareness List. Extracts are made of selected articles from various periodicals available, concerned with the needs of entrepreneurs, managers, trainers, extension workers, of small and medium industries. These are despatched to the firms, and it may be a new product which is available, on which they need to be further advised, or some follow-up which might be more appropriately undertaken under the consultancy department of the institute; but whatever it is, the institute provides follow-up where needed.

The institute also publishes a monthly journal, called the "Small Industry Journal."

One of the strongest areas of activity of the institute is the training courses which it provides for small and medium business. These courses come under four main headings:

- **Short-term Courses** — lecture type programme, supplemented by case studies on such topics as management, marketing, finance and
- **Long-term courses** — which involve several months of practical and supervised field work, where participants actually study the operations and problems of selected industries. These long-term courses may include Management Consulting for Small Industry Consultants, Regional Industrial Development for Regional Development Officers and Regional Extension Workers, Low-Cost Automation Courses for Engineers, Technicians and Production Managers; Managers' Courses for entrepreneurs and managers, and Project Study Preparation Courses for Extension Workers, Officers of Financing Institution, and so on.
- Special courses are also run for particular small scale industries, on specific problems or needs of those industries, and they are tailor-made for their requirements.
- There is an entrepreneurship training programme which is of particular interest, and it is designed to stimulate entrepreneurial development, which is important in our situation, and will be considered in more detail. The course consists of achievement motivation training, management skills training, feasibility study and project preparation, and the special needs of entrepreneurship in the Philippines.

The persons who have attended these courses would have gone through a special selection process, to ensure that they have both the interest and the skill required to follow up such a course.

Through such courses, a large number of individuals have been prepared for taking on the responsibility of entrepreneurship, and for providing the scope for small industry development in the Philippines.

It is instructive, now, to consider some of the other important agencies that provide managerial and other support for small industry in the Philippines. One aspect of the tour which commended itself to us throughout, was the extent to which all the various factors affecting small business were taken into account, in any programme of small industry promotion. What was even more significant was the extent of the integration and coordination of effort among the various institutions providing for the needs of small business. This is very significant for us in the Caribbean, and in the small territories in particular. It is, therefore, considered essential to list those institutions and their functions in some detail.

THE TRADE ASSISTANCE CENTER (TAC)

One such institution is the Trade Assistance Center, which is an agency set up under the Department of Industry. Its main responsibility is to provide a link between persons seeking assistance in the marketing and trade development of their product, and the offices of the Department of Trade, or other government agencies and entities that are able to extend the assistance required. The Trade Assistance Center has regional offices throughout the country. They are well described as "strategically located branch offices of the department, and are staffed by specialists, ready to attend to persons or business establishments needing trade assistance."

The Trade Assistance Center operates along the following lines:

- Export marketing, especially in relation to new target markets of the country;
- domestic market, in relation to the utilisation of local raw materials and the improvement of distribution channels;
- quality control and standardisation;
- product design, packaging and development.

These centers provide services by way of trade promotion and other development oriented activities. To cite two examples, the centers undertake economic services, designed to upgrade marketing operations of small producers in some cases. In other cases, they provide the linkages with other public offices, in order to assure an integrated approach to business ventures. The TAC therefore provides a continuing dialogue between the private sector and the Department of Trade. Other support functions would include:—

- promotion of exhibitions, of products, jointly. For example, one week, the Center, in a particular area, may sponsor an exhibition of handcraft; another week, it may be clothing and yet another, furniture.

Specifically, the Center provides:—

- market information, along the lines of trade opportunities, raw material supplies, transportation facilities, warehousing, etc.
- business counselling, including information on and analysis of relevant government regulations and procedures, business incentives, financial assistance, etc.
- the Center's marketing field teams, in addition to providing market information, also generates sales, and act as brokers for producers and buyers. They serviced over 500 groups and individuals in 1977, and in that year they generated substantial increases in sales. They assemble a particular product, and bring the importers together, and provide a linkage between the producers and the buyers.
- Under the collective bargaining scheme, several small industries, providing a particular product, can come together, to dispose of it on terms they could not do, if they were organising this by themselves, by marketing jointly. For example, if farmers are involved, because of the strength of the joint effort, they can get stable prices.
- provision of technical assistance, in the form of training and consultancy services.
- provision or price data monitoring services

Any problems relating to small business arising in the region are referred to the appropriate department.

THE SMALL BUSINESS ADVISORY CENTERS

These centers have been set up by the Department of Industry, to provide managerial and technical consultancy services to small business establishments, to improve their productivity, efficiency and profitability.

Some of the services provided by the SBAC which are to be found throughout the Philippines, are as follows:

- Setting up of bookkeeping or accounting systems.
- Plant layout improvements.
- Advertising and promotion programmes.
- Business reorganization.
- Quality control.
- Financial Management.
- Credit and Collection Management.

THE DEVELOPMENT BANK OF THE PHILIPPINES

This is a bank which provides loans for small and medium scale industries. A special programme for lending was adopted, to provide financial assistance and incentives and promotional work for development of these industries. Priority is given to small and medium scale industries in rural areas, and loans are given and special conditions are attached to these loans, to make them attractive for small industry.

THE DESIGN CENTER OF THE PHILIPPINES

The objective of this center is to improve the quality of Philippine manufactured products, particularly those of export industries, making intensive use of indigenous skills, materials and labour. The center operates by promoting design awareness and manpower development, through design education and by undertaking a product development programme related to specific markets, research information and national goals.

Most of the assistance the center gives is concentrated on cottage and small industries, and assistance takes the form of product and package design, graphic design incentives, design protection and promotion.

Training is also given to potential designers, as a means of upgrading local design capabilities. Most of the services provided by the center are free of charge to agencies, students, designers, firms, producers and individuals, on priority basis.

THE NATIONAL MANPOWER AND YOUTH COUNCIL

This is an agency that is set up to prepare programmes to answer the

training needs of small and medium scale industries. The agency concentrates on special training requirements needed for specific types of industries.

THE INSTITUTE OF SMALL SCALE INDUSTRIES OF THE UNIVERSITY OF THE PHILIPPINES, which we have already referred to, is also a member of the Commission on Small and Medium Industries.

THE DEPARTMENT OF INDUSTRY actively promotes the coordination of the activities of these several groups, through The Commission for Small Scale Industries. This provides a continuing arrangement, whereby all aspects of industry promotion and development and assistance can benefit from an understanding and knowledge of what each agency is doing in its particular field.

THE COMMISSION ON SMALL SCALE INDUSTRIES

This commission operates within the Department of Industry. It is a multi-agency commission, which was created, in order to develop and execute an effective and comprehensive national programme, to encourage, assist and develop small and medium industries, especially in the rural areas.

The main purpose of this commission is to bring together the facilities and resources of some twelve agencies (some of which have been described above), in order to provide "an integrated package of assistance to the country's entrepreneurs in small and medium scale industries." The idea behind this commission is the strong emphasis that needs to be placed on small and medium scale industries, in terms of what is recognised as their tremendous potential for the achievement of three prime national goals of the Philippines:—

- * Employment generation
- * Accelerated socio-economic development of the rural areas
- * Wider participation by all income classes in economic development.

It is also based on the thesis that small and medium industries tend to be labour intensive, and to avoid high capital investments.

The commission has identified some of the special problems that beset many of these small industries. Of these, those worthy of mention are:—

- lack of management and technical knowhow
- difficulties of accessibility to sources of financing

- various marketing, production, personnel and organizational problems.

It is towards the alleviation of the situation of small and medium industries and assisting them in solving their problems, that the commission has been established.

The commission operates at three levels —

- the national level, at which level it coordinates and integrates policies and programmes of the projects of its member agencies, for technological, financial, marketing, training and promotional assistance to small and medium industries.
- at the local level, through provincial or city coordinating councils for small and medium industries.
- at the project level, specific small and medium industries are identified, promoted and developed, on the basis of the project's social, economic potential, business viability, and the capability of the project or entrepreneur.

KOREA

Our visit to Korea took place within a few months of the Fourth International Symposium on Small Business, which was held there, and our discussions with the Korean Federation of Small Business indicated that this was a most effective conference, in terms of a review of the total world context in which small business was developing.

Reports were given on programmes in various countries, and indications given of a range of methods adopted to support and encourage those industries, since all countries regarded that sector as key in the development process.

The role of small business is seen as having four main objectives, in the context of the economic development of Korea.

1. Small business activities offer more scope for independent employment, and hence for personal incentive; resulting in a highly concentrated economy.
2. Small business aim at contributing to the acquisition of foreign markets and the growth of exports, to fulfill the needs of the national economic structure, national resources and technological advancement.
3. By their very nature, and by exploring the different economic areas, small businesses are able to gain a foothold in a wide range of countrywide areas, thus accounting for a high proportion of all businesses, and playing a crucial role in the national economy, bringing about balanced growth in national development, and
4. small businesses also play a leading role in the areas of economics and politics, which implies promotion, development and stabilization.

THE KOREAN FEDERATION OF SMALL BUSINESS:

The Korean Federation of Small Business provides various forms of support for small business, including facilities for training and consulting.

The Federation was established in 1962, and its main areas of activity are:

- (1) To provide guidance for organisation and operation of all the businesses and cooperatives which are affiliated to the Federation.

- (2) To protect the rights and interests of members.
- (3) To carry out sound development of the economy, in cooperation with government.
- (4) To provide managerial and technical assistance to members.
- (5) Extending educational training and information, and research for small business.
- (6) Assessment or arranging of subsidies for members.
- (7) Establishment and operation of educational training and information centers.
- (8) Arranging of joint business ventures for members.
- (9) Arranging of trade ventures for members.
- (10) Creating and operating joint facilities for members.

A visit was paid to two very important institutions in Korea.

THE KOREAN MEDIUM INDUSTRY BANK, which provides funds for small and medium industry, and concentrates, in particular, on those activities which are labour-intensive.

There is also **THE SMALL INDUSTRY BANK**, whose principal portfolio is to provide loans for small industries.

THE CITIZENS BANK OF KOREA

The Citizens' Bank of Korea is another financial institution serving small business in Korea. It assists the economic role of small business in the following terms. It considers that most small businesses in Korea are of a labour-intensive nature, and therefore they can form a very important part of the total employment in the country. Moreover, it takes the view that small industries play a major role in initiating technological innovation and cultivating entrepreneurship.

In providing financing for the establishment and promotion of small industries, the bank emphasises a balanced development of the entire range of such industries. Industries financed by the bank are, therefore, labour-intensive ones, that contributes most to the national economic development and employment, such as export-related industries, industries pro-

ducing commodities for daily needs, and cottage and handcraft industries. The bank provides loans not only for working capital, but also for the project's expansion and improvement of plant equipment.

In addition to some of these services, most of which may be regarded as normal for making, the bank operates a client consultation service. This provides advice and counselling to customers in regard to legal and economic problems, and management questions and other problems affecting businessmen in the course of their activities.

THE KOREAN INSTITUTE OF SCIENCE & TECHNOLOGY (KIST)

One agency that is particularly significant is the Korean Institute of Science and Technology. This institute was established in 1966, to provide for the needs of Korean technological development, both from the point of view of the government and of industry, in what was described as "an era of rapid change and advance."

Discussion was held with the Vice President, who indicated that the main thrust, in the early stages of Korean economic development, was towards import substitution. Later on, however the strategy switched, to that of one in which a clear breakthrough needed to be made, in terms of what Korea could produce for itself and the rest of the world. That has been the main theme of the institute in its work.

It has over a thousand staff, and work is undertaken not only for Korea, but for other parts of the world. Its research is of a multi-disciplinary nature. It has 47 laboratories and 12 research groups, covering the entire spectrum of modern industrial technology. Just to mention a few of them:

chemical engineering, organic chemistry, food and biotechnology are some of the areas in which pioneering work is done.

The institute embarks on work by way of contract for specific firms, which indicate what particular areas of research are required, but it also undertakes its own research. It has given some assistance to small industry firms, but also provides considerable support for medium and large industries.

The Korean approach is to recognise that the large and medium industry of today was the small industry of yesterday. Hence, it is accepted that small industry plays an important part in economic life and development.

The institute has had to adopt an inventive approach, in dealing with new technology for small industry. Realising that when such technology is developed, to take it to the commercial stage, the small business may not have the funds to do this, a special subsidiary of the institute, called

Korean Technology Advancement Corporation, has been established. It does the pioneering work in setting up the industry, and as success is achieved, the equity will be sold over to private entrepreneurs.

The KIST is a highly prestigious institution, which has contributed significantly to what is referred to as "Korea's miracle of economic development."

Another approach to small industry development in Korea was this programme of community development, through small business development. The strategy is aimed at making a rural community a better place to live in, through efforts of the villagers, in creating a better environment overall. This approach is aimed at encouraging the growth of small business in the rural areas. The government, in fostering this development, provides basic infrastructures, administrative and financial support and tax concessions. These concessions are provided in each of the major towns, and guidelines were laid down, as to the type of industries that could be promoted. These included:

- (1) those where the raw materials could be processed in a rural area, e.g. wood and wood products;
- (2) those where the production process is simple and labour-intensive, such as textiles;
- (3) those that could lead to increases in farm incomes.

A number of measures were taken to promote this effort, which became known as the Saemaul Movement. Such measures were the subsidizing of factory buildings, subsidies for training of workers and concessions in property tax, development of local industrial estates, establishment of home industry centers to assist rural cottage industries by joint purchase and sale, quality control of products and information. This total package is seen not only as fostering small business, but at integrating job creation with rural, social and economic development, as an integrated process.

SINGAPORE

TECHNONET ASIA:

Singapore provided an opportunity to examine a unique arrangement, in an area for sharing knowledge, information and techniques in the development and management of small businesses.

The scheme under which this is pursued is described as "TECHNONET ASIA." It is seen as "an experiment in cooperation which aims at improving the quality and efficiency of production in the small and medium-size industries of nine Asian countries." The countries involved are: Bangladesh, Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Singapore, Sri Lanka and Thailand.

What is the nature of the sharing process that is involved, and how is this done? It was against the realisation that all these countries are faced with a common problem of unemployment, and that it would be eminently in their interests to share the knowledge and technology that brought this experiment into being.

It was very quickly recognised that the problems existing in Asia (as Mr. Chico, Administrator of TECHNONET, has urged) in relation to small business and employment, did not lend themselves to "big solutions." In other words, one had to work one's way through the problems, and come up with solutions which are appropriate to the particular situation which exists in Asia. In order to overcome these problems, technical advice and technology are required.

Generally speaking, the first concern of developing countries, in relation to industries, is to formulate a programme for industry creation and provide funding. As will be evident throughout this presentation, when this funding is provided, and enterprises are established, particularly in the small business sector, other problems emerge, which require tailor-made solutions. These problems will take the form of marketing, management, financing, and these require a whole link-up of services on a country basis. What was recognised, however, was that if countries which occupy a certain geographical area could come together, to share knowledge and resources and expertise, and look at experiences, a package of measures could be worked out, as possible solutions. This was the idea behind the establishment of TECHNONET. It is funded by the Industrial Development Research Centre (IDRC), Canada.

The framers of the idea had two principal objectives in view:

- (1) that the participating organizations were all involved in rendering assistance to small and medium industries in their respective countries, and
- (2) that they performed some function in relation to the technical aspects of industrialisation.

TECHNONET is still in its early stages. The project started in 1973, and it brings together a number of agencies and groups which work in common areas, and it has developed a system in bringing the information collected to the knowledge of the agencies that it serves. It is a transfer of technology among developing countries.

It will be instructive to see what an evaluation of TECHNONET will indicate. The fact that agencies which have common functions to perform in the development processes in all these countries have decided to come together, to share knowledge and skill, and thereby generate further employment by the learning processes involved, is an experiment in cooperation that deserves close study by other developing countries, such as the Commonwealth Caribbean.

It is very important that the same mistakes are not made, in the context of project development in any sphere, in this particular case in the development of small business. What one may find is that the same problems keep occurring, in relation to the approach to project preparation, to funding, to lack of institutional support for the industries established, to an inability of people coming from technical schools or other educational institutions to develop entrepreneurial skills, or embark on business as a way of life. These are all things on which the lessons learnt in one country would be useful for another.

As it is, all the reports and evaluations are identifying the same problems. What may be evident in the Caribbean situation is not the identification of similar problems, so much as an unwillingness and inability to embark on clear solutions. It is here that TECHNONET is a very interesting agency, because it contains the framework for finding solutions.

Exchange of Visits and Sharing of Knowledge

Various persons who have similar functions visit each other in the different countries. This enables them to see what programmes are being undertaken, in the field of small business. Industrial extension officers come together, seminars and workshops are organized for information of officers, all with a view to upgrading the skills of the participants, and at the same time to providing a setting in which knowledge can be shared.

UNICA's proposal to build up a body of material for training by way of case studies, manuals, cassettes and so on, particularly for the small territories (but with important lessons for the more developed countries in the Commonwealth Caribbean) is a step in that direction. An understanding of how TECHNONET operates, and how it builds up a new capacity for sustaining and bringing about development, will obviously be of great benefit to the efforts contemplated by UNICA, in its endeavours for upgrading the skills for small business.

INDIA

SMALL INDUSTRY EXTENSION TRAINING (SIET) INSTITUTE:

India provided a very good example of a merging of the various agencies involved in supporting small business, because there is a very large small business sector in India.

Our visit was concentrated on the Small Industry Extension Training Institute. It is a very major institution in the whole development of small industry promotion in India, and it is located in Hyderabad. Its principal objectives are to plan, provide and supervise training for persons engaged in small industry development, management consultancy and information services. It also assists persons engaged in planning research and development for small industry, it collects, stores and disseminates information useful for technological and managerial development of small industry. It provides consultancy services to central and state governments, national and international organizations in the field of management development,

The spread of its clientele is instructive. Included are government, semi-government organizations, banks and other financial institutions, such as development corporations, academic research institutions, small industries, owner/managers, young entrepreneurs and many others, both Indian and foreign. In fact, it was very interesting for us to find that a number of countries throughout the developing world have been sending persons, who will have a key role to play in small business management, to SIET for training. Persons came from as far afield as the Caribbean itself, from countries such as Brazil, Kenya, Korea, Poland, Swaziland and other countries in Africa, the USA, the Philippines, Trinidad and Tobago and Guyana.

SIET's main focus has been on training. In the last few years, it has diversified considerably, and its programme places increasing emphasis on dealing with situations which provide scope for creating employment opportunities, for example it has provided training for young engineers in some aspects of technology, so that they can develop their latent entrepreneurship, especially to serve in the rural areas of India.

Several approaches are used for training. Training is imparted through lectures, supplemented by audio-visual aids, and includes supervised project work in the field.

It is recorded that small business accounts for 40% of the industrial output of the country, and employs about 5 million people. Moreover, more than 2,400 varieties of products are produced by the industry sector. The view is taken that small industries are a vital segment of the industrial sector, and this has been the result of the stated, planned approach initiated at all levels of government, since the Second 5-Year Plan.

We held discussions with various staff members of SIET, and had a close insight into the type of programmes that they organize from time

to time. Every year, more than 45 regular training programmes are offered, in Industrial Management and Extension Work. The courses are fully residential. SIET acts as a clearinghouse for entrepreneurs, as well as extension agents (i.e. people who have the responsibility for helping small business, and providing the necessary facilities). The institute collects and organizes information on small industry development in all its aspects — Management, Production, Personnel, Financing, Marketing, etc.

The institute has a very well equipped information service, and it publishes a bulletin called SEDOC. Courses are provided in the field of information storage and retrieval systems, both for national and international participants. Information is regarded as very essential to the growth of the economy, and important for planning at all stages. SENDOC means "Small Enterprises National Documentation Center," and it is the clearinghouse for both small industry entrepreneurs and extension agents.

It would be useful to itemise some of the main areas of emphasis, in terms of SIET's training activity —

Industrial Management — Small Industry Development and Promotion — Modern Management — Working Capital Management — Financial Management — Industrial Extension — Training Methods and Skills.

SIET itself also operates as a consultancy agency, and has undertaken a number of significant projects in small industry development. It also embarks on research programmes. What this indicates is that here is a training organization which is equipped not only to train, but to manage projects, and therefore to expose those who participate in the courses to a wide field of experience about the problems of small business and about their solutions, with a heavy practical bias.

THE MINISTRY OF INDUSTRY & THE SMALL INDUSTRY SECTOR

The key organization in the provision of a wide range of services for small business, at the governmental level, is the SMALL SCALE INDUSTRY SERVICE INSTITUTE (SISI). This institute comes under the Office of the Development Commissioner, which is a government department which itself comes under the Ministry of Industry. It conducts training programmes in financial management, marketing management, export promotion. It also does ad hoc courses, special short courses on specific tools and techniques of management. These include quality control, work simplification, cost control, production planning and product development. The content and duration of all the courses are decided on the basis of need. It is very instructive to look at some of the other courses which

are provided from time to time, under the auspices of the institute, which cover such areas as:—

- **Machine Shop Practice** — intended for senior personnel in factories, who have to work in that area;
- **Tool Room Practice, Blacksmith Foundry, Electric Shop Practice, Carpentry Shop Practice.**

These are seen as trade-oriented courses, and are intended primarily to equip semi-skilled as skilled workmen with an advanced knowledge of the particular trade.

In addition to these, there are process-oriented courses. Those are intended for persons who are already familiar with production processing in some form or the other, and are qualified as tradesmen. These courses include fruit and vegetable preservation, leather finishing, gas welding, etc.

Then, there are also courses intended for persons having some knowledge of manufactured products, but who need an upgrading of their skills, to enable them to cope with advances in technology. These may include courses for persons involved, for example, in paint manufacturing.

Most of these courses are usually of short duration, some 3 to 5 months, but in addition, there are also other courses that are arranged, some of them by way of evening classes, to deal with particular problems identified by the department as needing attention.

The Office of the Development Commissioner puts out a number of brochures of vital importance for small scale industry. One particular area to which attention is paid is that of industries producing for export. These courses will provide a checklist of things which are required to be done for the international market. Some of the export industries include mass consumption items, like garments and footwear, to more sophisticated and technological items like scientific instruments, tape recorders, desk calculators and a host of electronic parts and components. In that connection, courses are also run in the documentation needs, in connection with export industries; what forms are required, how they are to be prepared, becomes a very essential part of the tools of these industries which are involved in exporting. The institute works very closely with the Small Industry Extension Training Institute to which we have already referred.

The various agencies serving the small business provide industry profiles for small scale industries, so that would-be entrepreneurs can get detailed information on the particular activities which they may embark upon.

Visits to some of the small scale industries in India indicated the extent to which a small group of persons, in some cases, 10 to 15 persons, can get together, under the direction of a government agency, which is available to provide a multiplicity of services for them, and produce high-grade quality products, both for the local and for the export market. In

one particular case, we saw a group of some 12 women at a home, producing high quality industrial gloves.

One example which shows the integration of the educational system with the needs of small business was of particular interest. This was a case of a small businessman producing paints, and one of the senior members of the business was at the university doing a 4-months' course, so that he could come back into the plant and upgrade the technology. We were able to visit the university, and see the programme of training which was organized, and this was not a fringe activity, but was integrated into the university's programme. This makes for a very deep understanding of the needs of business, in relation to the courses which are run at the institutions of higher learning.

NEW GUIDELINES FOR SMALL SCALE INDUSTRY

Recent industrial policy guidelines in India would be very useful for us to consider, in examining the Caribbean. The guidelines indicate that the government attaches the highest importance to employment generation, particularly through rural and village industries. Already, there are a host of measures intended to promote small industry, particularly cottage industries, and to facilitate the development of those industries in the rural areas. But, in addition, some new measures have been brought into force.

Lending institutions are required to ensure that adequate financing is provided to rural and village industries "as well as to projects where a large part of the benefits is likely to flow to rural areas." Part of the guidelines require these institutions to consider very carefully the possibility of substituting automatic and capital-intensive processes with labour-intensive ones. Apart from the new guidelines, the lending institutions must carry out their usual functions, which include the refinancing of those small industries, and making sure that "backward areas" are developed, and also they play a promotional role by encouraging new entrepreneurs.

One method by which this is done, is highly significant for us in the Caribbean. What it demonstrates is that there is to be no effort spared to find innovative approaches for supporting and assisting the small scale industry sector, and particularly encouraging industry in the rural areas. This method is by the SEED CAPITAL ASSISTANCE SCHEME. By this scheme, the Industrial Finance Corporation has started an interest-free risk capital foundation, to provide seed capital for new entrepreneurs and technologists. In addition, the Finance Corporation subsidises the cost of assignments taken up by technical consultancy organizations. There are schemes, too, for making marketing studies for Indians abroad, and a special division for promoting ancillary industries. A number of different approaches to concessions, finance and subsidies are made possible, particularly for projects envisaging commercial exploitation of indigenous tech-

nology. Indeed, there are a host of other schemes designed to meet the needs of the new government policies, many of them placing greater emphasis on the small industry sector and the rural sector.

It may not be too much to suggest that we could probably consider doing some similar analysis and examination, in relation to promoting agro-products, in which there seems to be so much potential for development in the Caribbean, and so little development.

Some of the features of the Small Scale Industry Sector in India are very worthy of mention, both in terms of the contribution of that sector to overall job creation, and also the possible lessons that are available there for us, in our own effort to build up the small enterprise sector in the region. A survey of industry in India recently revealed that, for every 100,000 rupees invested (\$12,500 U.S.) in the small scale sector, 22 people found jobs. This compares with 6 people finding employment in factories, which require capital investment of between 1 million and 2.5 million rupees, approximately. The survey also found that the small scale sector created more job opportunities, at a lower per unit cost of output. The Indian Government is committed to eliminating unemployment within 10 years, and the strategy for doing this is one in which industrial development is to be based on small producers. The main approach that is being taken, is to decentralize and distribute the industrial base widely enough to expand employment opportunities, and reduce regional imbalances in development.

The findings of the survey provide the rationale of the policy. It is felt that, in the context of the relative scarcity of capital in India, and a regular and sizeable expansion of the labour force, reliance on the small scale sector is aimed at creating the necessary employment generation. One essential by-product of all this effort is the provision of increased purchasing power in the hands of a larger number of people, which would stimulate demand, and hence the economy as a whole.

THE INTERNATIONAL LABOUR ORGANIZATION (ILO)

The team visited the ILO in Geneva, and had discussions with personnel connected with the World Employment Programme.

The ILO has itself done a considerable amount of work on employment creation, through small business, and generally on management training.

The ILO is of the view that the small enterprise development sector had demonstrated that, in many countries, it could make a positive contribution to economic and social development. This is done by supplying the necessary goods and services, by providing avenues for employment and opportunities for absorbing the unemployed work force, and of accelerating regional development in some countries. The ILO spells out, in one of its brochures, some aids to the development of a successful strategy for small enterprise development.

Specifically, it mentions awareness — the importance of small enterprise needs to be actively promoted, and people need to be made aware of the assistance which is available for small business;

— coordinating assistance — here need is emphasized for bringing together the various forms of support into one integrated whole. Frequent references have been made, in this report, to this very urgent need;

— what is described as sectoral orientation, the scope and diversity of small enterprise demands that special attention be devoted to certain sub-sectors; such as distribution services, maintenance and repair, manufacturing, trade and professional groups;

— selecting entrepreneurs and managers — under this heading would be the techniques for identifying persons who have entrepreneurial skills and some methodology for determining what are the characteristics that are needed for business skills, and for success in business. Some reference is made to this, in the section on Entrepreneurship Development.

We were particularly encouraged to learn that the ILO was mounting a seminar in Grenada, in January of 1979, in order to consider ways and means of promoting small business in the smaller territories of the Caribbean. It is proposed that an Industry Survey would precede this seminar, and opportunity will be taken to discuss the findings of this survey at that seminar. Mention should be made of the fact that the ILO consultant conducting the survey has had discussions with Management Consultants Ltd. of Dominica, in the course of the conduct of the survey here, and the indications are that this report, and generally the experience gained on the tour, should assist considerably, in informing the discussion at the seminar.

The conclusion that one can draw out of this is the fact that it is just incredible, the number of agencies that are concerned with the development of small business. It is indeed a world-wide phenomenon, that small business is being regarded as crucial to development, and needs special attention; it is becoming increasingly recognized in the Caribbean context. The conclusion one can draw here, however, is that the Caribbean needs to move fairly quickly from the stage of discussion about the problem, and an approach to it that is still to some extent ad hoc, to one that is more scientific and all-embracing.

JOB CREATION IN THE CARIBBEAN — SOME PERSPECTIVES

THE LESSONS OF THE STUDY TOUR:

One of the most important lessons to be learnt from this study tour, is the need for a deliberate programme and plan, with considerable scope for innovation, to meet the challenge of the employment situation in the region. Some of these lessons may be summarized as follows:

1. That a careful, early study needs to be made of the areas of activity which are amenable for small business development, building up small business profiles as a further step in that process.
2. That some specific attention must be given to the rural areas, and in our context particularly having regard to agro-industry.
3. That there needs to be established some agency with the exclusive function of providing services for small business. This agency would, very much like the Commission on Small Scale Industries in the Phillippines, bring together those bodies that now provide some support for small business - CADEC, other funding bodies, Youth and Cooperative Divisions of various ministries, and so on, in an endeavour to work out a programme for ongoing support for small business.
4. That, although it may be said that many of the businesses in the region are small, our main concern should be with those efforts at self-help which can be regarded as a major contribution towards a solution of the unemployment problem in the region.
5. That industry promotion is an activity that needs to be organized in its own right, and coupled with this are such essential factors as marketing, and indeed the whole range of activity which seeks to ensure that products, once produced, are disposed of both locally and abroad.

A CARIBBEAN APPROACH:

What further thoughts, then, can be developed on this, in relation to our situation in the Caribbean? At the moment, in a number of territories, there are some small industries that have received funding, but that have either run into serious difficulties, or will in the near future be paralysed by lack of managerial ability. This needs to be given urgent attention, because the jobs that have been created by small business ef-

forts badly need to be preserved. Here, the Indian experience described above is pertinent.

On the question of building up small business profiles and projects that could be suitable for small business development, one could look at Philippine experience, and see its relevance. Reference is made, here, to the programme under which graduates from the universities provide a support for projects to be developed. Here, one naturally has to improvise. The suggestion is not for a wholesale transfer of the Philippine experience to our situation. It may be that some programme can be developed, whereby this arrangement would be based not on university graduates, but on graduates of the secondary schools. Some preparation can be given to these persons, for helping to develop techniques required for project appraisal and project preparation, by a systematic programme of training. This is not to say that university graduates could not be used in such an activity. The principle whereby persons in their last year of university could work on some project in their community, that would lead to self-employment, or that would contribute to the job creation effort, could definitely be pursued. It would have the effect of exposing persons, at a very early stage, to the situations in which they are going to have to relate in whatever jobs they find themselves. It would create that kind of integration between the university work and the urgent needs of the countries that the university serves. Those selected could also be exposed to a programme of entrepreneurship development, so that they could go out into the urban and rural areas, identify possible entrepreneurs, and bring them to the attention of some agency that would be established for assisting these people to establish themselves in business.

This is just a very broad outline of how such a programme might be developed. Suffice it to say, however, that the whole idea of bringing together the resources in the community, to deal with the particular problems of employment would, in itself, be a very substantial contribution to the unemployment problem. The most desirable aspect of all this, is a willingness to innovate, to come up with new solutions, novel ideas, with new approaches. Such a programme could, incidentally, foster commitment on the part of those involved; a quality we require badly in the development effort in our region.

It must be remembered that small industry development has to be a subject in its own right in these islands, if it is to contribute to job creation and rural transformation. In the last few years, several agencies have been working on this problem of employment generation, through small industries in the developing countries; UNIDO and the ILO are just two of the many that can be mentioned. Many countries, as a result of this new thrust, have set up agencies for dealing with small business. It is not sufficient for the view to be taken that, since most of our industries are small anyhow, many of the measures by way of tax concessions,

provisions for financing which are intended to help businesses establish themselves would also apply to small business. No major discussions is needed, to persuade one to the view that this is not what the subject is all about. It is about a new approach to employment, particularly with young people in mind; it is about providing those people who have skills, but cannot get jobs, with an opportunity for coming together, in order to provide jobs for themselves, by a systematic combination of all the resources needed to do this. It is a question of coordinating all the efforts of both existing and new agencies which will be set up, in order to promote new avenues for employment and sustain those that are already in existence. It is a matter of providing an ongoing body of consulting services for small business, so that problems can be diagnosed fairly rapidly, and dealt with, to reduce the failures and frustrations. One must also include here innovations in funding for small business. It is a matter of providing a whole range of training courses, based on identified needs, for upgrading of managerial, technical and other skills. The training component will be examined later.

What is being urged here is, in fact, not extraordinary. What is more extraordinary, perhaps, is the fact that there is at the moment no clear pattern or conception of how small industry is to be assisted to grow and to develop, in the context of making a contribution to economic development. It is now clearly recognised and accepted that setting up financial institutions is not sufficient. It is also accepted that an elaborate scheme of project analysis and preparation, by itself, is no guarantee that the business established will grow and prosper. Indeed, it is becoming increasingly clear that what is most important is some frame-work, programme, plan or organization which would ensure that, once funds are approved, the management of the small enterprise is adequately catered for, in all its ramifications. In any event, at this stage, so many small businesses have been funded by agencies, for example such as CADEC, that one needs to see what is the learning experience, in relation to those small businesses, and act on this immediately.

ONGOING MANAGEMENT SUPPORT NEEDED FOR SMALL BUSINESS

The general conclusion to be drawn from efforts to establish small business over the last few years, is that whereas formerly the most important problem was that of an ability to obtain funds, if one had an idea of setting up a business, the most important problems that surfaced when the businesses have been established can be summed up under the general heading of lack of managerial capacity. That is also a reason why funds are available and cannot be tapped.

This means, therefore, that together with a strategy for employment

creation by some of the measures already advanced, such as providing personnel to assist with project preparation, providing funding, bringing persons with similar skills together in a job creation effort, is the need for an integrated programme of management support. This would involve a system whereby there is a continuous monitoring by way of technical support, assistance with marketing, with setting up books of accounts, with joint purchasing of raw materials, purchasing procedures, and indeed the whole range of activities that are associated with starting and running a business.

In summary, then, the experiences in those countries visited indicates that employment creation can be deliberately planned, on the basis of small business. This would include identification of special programmes to deal with rural employment, for example in craft work, handiwork, agriculture and agro-industry, and generally with youth employment. Together with this would be the strengthening of the managerial skills of personnel to be involved, and taking the would-be entrepreneur right through the stages, from that of assisting him to establish himself, and thereafter providing regular services, in accordance with needs.

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TRAINING

The study tour enabled members of the team to obtain a very good insight into the type of training which is undertaken for small business. Indeed, the relevance and importance of this can be realized, when it can be stated as a fact, that training programmes which are now being designed for small business will benefit considerably from the information obtained, and the experience gained on the tour. This is not to suggest, of course, that the experience can be simply transferred, even though it is in a Third World context. In some instances, there would have to be modifications. But what is so pertinent is the fact that many of the problems of small business are the same, practically everywhere. The techniques and the training programmes, however, have got to have their origin in the local situation, for solutions to be found to the problems of small business, as have occurred in the region.

In any discussions on training needs, it is not too difficult to put together the deficiencies of small business. Where the challenge will lie, will be in the type of programmes designed to meet particular needs. As has been mentioned before, the areas of deficiency are usually in marketing, inventory control, financial management, purchasing, procuring, obtaining finance, etc.

What is most important is the material used for the training courses, including the case studies which are devised as reference points, to highlight problems of small business in the particular locality. In our situation, what are the specific types of concerns which one needs to keep in mind here? This is not intended to be an extensive discussion on training for small business. It is only an attempt to bring together some thoughts about the subject which are appropriate, by way of general conclusions as a result of the study tour.

THE UNICA PROJECT FOR TRAINING MATERIALS

One keeps in mind that this study tour arose out of a need identified for personnel who would be involved in preparing training material for small business in the region, under a project sponsored by the Association of Caribbean Universities and Research Institutes (UNICA), to take an on-the-spot view of what other countries had been doing. It is, therefore, not out of place to draw from a document which sets out a strategy for Small Business Training, with its main emphasis being preparation of indigenous training material. Training here embraces all aspects of Small Business Management. This programme recognizes the need for people in the Caribbean to move beyond the stage they have reached, in drawing on outside sources for a fair amount of the material used in training for business, to a stage where the indigenous material became the main focus

of the training effort. Experience had also demonstrated that there was valuable material locked up in various Caribbean countries and institutions, but that this had not become readily available, because of an inherent tendency to import solutions, and neglect what is indigenous. A very important idea behind all this, which is of particular concern to UNICA, is that this process (whereby people are concerned to examine and make use of their own knowledge and resources) is essential for achieving greater relevance in Education. This is so, particularly having regard to programmes for teacher training, technical and higher education, management training institutes, cooperative divisions of ministries, and other agencies — governmental and non-governmental — involved in preparing people for the tasks of development.

This effort, on the part of UNICA, is at a very advanced stage. It seeks to bring together training and job creation, by its contribution to the maintenance of the existing small business sector — since training in management is crucial in this exercise (and particularly so, where the training is informed by a body of indigenous material). It is also expected that new approaches to job creation would result from the project itself.

The approach would be to draw on local knowledge and experience, and use it for developing teaching material for use by universities, by local agencies, such as Extra-Mural Centres, and other institutions of learning already indicated above. The project will produce printed material (such as training manuals), and cassettes, video-tapes, slides. It will also be possible for groups and individuals to participate in producing some of this material on their own initiative.

A survey which was undertaken in three territories, on behalf of UNICA, by Sir Philip Sherlock, Gordon Draper, of the University of the West Indies, and Charles Maynard of Management Consultants Ltd., on this question of Small Business Training, with particular emphasis on the preparation of indigenous training materials, gave some interesting insights. It was quite clear that there was some training which was taking place, but there had not been any sustained programme of training for small business in the small territories. The institutions providing training could be included under the following heads:

- government established training centres, private training organizations, Extra-Mural Departments, the University of the West Indies, technical and trade schools, vocational departments of primary schools.

Contact was made with project carriers in small business. The unanimous view was that too much of the material that is being used at the moment was either improvised from whatever was imported, or was, strictly speaking, too remote from the daily experience in business to reflect

the particular concerns of small business in urban and rural areas in the small territories of the region. The territories visited were Antigua, Dominica and St. Vincent. There was no doubt that the same would hold good for most, if not all, the islands.

What was increasingly clear, however, was that a number of small businesses had come into being in the last few years, and that they required ongoing management advice, both in-plant and in a workshop setting. There were many skills that could be taught, and many techniques that could be acquired with a training programme that was based on the particular problems which came up from time to time. Some of those problems ranged from the ability of groups to work their way through the number of steps required in the establishment of a business, to the ability to discharge such a basic function as preparing documentation for export. The list is endless, but common to all are marketing, financial management, purchasing, etc.

Persons with whom discussions were held (including, to a large extent, those involved in project management in the area of small business) were of the view that, although funding was still an important problem in the establishment and expansion of business, the lack of managerial skills was, perhaps, the most important single factor, and hence the need, for training. The project which would be undertaken by UNICA, therefore, would be a challenge, in terms of its ability to identify what needs to be done, and produce relevant material that can be fed into the training component of the several institutions mentioned.

THE TRAINING OF TRAINERS

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THE TRAINING OF TRAINERS

To look at training from another aspect, two types of training need to be emphasized here. One, is the training of those persons who are performing various functions in small business enterprises, such as marketing, accounting, and so on. The other, is the training of trainers programme. This will involve the exposure of those persons who service

small business, to a body of techniques which would enable them to provide solutions, and as it were to be a consultancy service to many of the groups with which they come into contact. The study tour brought out one thing very clearly, that the idea of an extension service for small industry, staffed by a cadre of "extension officers," was an important factor in the survival of small business enterprises. Our situation is one in which the emphasis of training courses has not as yet clearly identified a training of trainers programme. Officers of youth divisions of ministries, cooperative officers, community development officers, all in some way are grappling with the problem of assisting small businesses, either to establish themselves, or to provide solutions to specific problems which arise after the group has started business. The training of trainers programme, to the extent that it prepares a cadre of people who can go out into the field and, at a very early stage, identify the problems that arise, and either help in solving them, or provide guidelines as to where assistance can be sought, is an urgent need.

Plans are already well advanced for this kind of training to be undertaken. For the immediate future, it is desirable that when funds are provided, whether by CADEC or the finance corporations which act on behalf of the Caribbean Development Bank in the territories, for a checklist of activities to be prepared, possibly over a fair period of time, and to work that through with the participant before the business is established.

TRAINING AND INTEGRATED ACTIVITY

Earlier, reference was made to the fact that, (for example) under the Small Business Administration Programme which we saw in action in Hawaii, training is closely linked up with funding, and in some extreme cases the funding is not provided until the person or persons concerned have been exposed to a training course.

We have not spent very much time defining small business in our context, because it appears to us that, although the main area of emphasis in the UNICA programme would, possibly, be industries funded by CADEC, whether a small industry is funded by that agency or CDB, or for that matter a commercial bank (although commercial banks have not yet developed a portfolio for small business as such, to any marked degree), the same type of problems have surfaced. It is as well, therefore, to consider that whether it is in agro-business, craft industries or service industries or manufacturing, which are likely to be the main concern of the UNICA activity, that there must be an integrated effort, to ensure that, as quickly as possible, persons involved or about to be involved in small enterprise are exposed to a body of techniques about how to proceed, and have on call personnel who can provide advice and support.

The terms of reference of the UNICA Committee on Management Studies is instructive here: "To enlarge the whole concept of Caribbean Management Studies, both by giving a place of importance to the needs of small business, small industry, agri-management and the use of intermediate technology, and also by explaining the approaches and methods in use, as far as to include extension, in-service training, etc.

The conclusion to be drawn here, therefore, is that training programmes for small business need to tackle the whole range of problems which have been identified, and put together a body of knowledge required, and make it available in a form that is digestible to small business groups. That work has started, but it needs momentum. The study tour has demonstrated that small business problems have been tackled by those countries visited. That close contact with them would be of considerable benefit as a learning process, both for them, and for us. In some cases, they have covered the ground already, for example the Small Industry Extension Training Institute in India. Some of the participants in the training for trainers programme could usefully benefit from exposure to the courses organized by that institution.

At the moment, we continue to send persons for training, to come back and serve rural areas and urban areas of small territories, and they go to the metropolitan countries largely. While it is not being suggested that this should cease, since there are areas in which training is of some benefit, some definite effort should be made, to identify places where training courses that are more relevant are available.

INTEGRATED DELIVERY SYSTEMS:

One of the characteristics of small business assistance programmes in the Caribbean is their fragmentary nature. Different institutions provide training facilities, finance, and management counselling. Indeed, there is little effort by lenders to ensure that loan recipients are trained, or have access to ongoing management assistance. The Caribbean region has been providing financial assistance to small business; there have been management training programmes established; there are consulting firms available. These services tend to be provided by separate and autonomous bodies. Co-ordination has not been achieved. A review of the failure of many small businesses, after receiving financial assistance, shows the critical deficiency being managerial and technical support facilities. This is particularly so in the small Caribbean islands.

A common factor in many of the countries visited, centred, however, on a movement towards integrated assistance programmes. These programmes ensured that one body, or closely-related bodies, provided the full range of assistance to small businesses. This demonstrates a concept of "one-stop" shopping for the small businessman. It also allows a more

coordinated approach, in dealing with the problems of small businessmen.

The integrated approach to assistance should seek to coordinate **Financial, Training, Technological and Counselling services**. Any need identified by a small business can then be reviewed, in the light of this total organization.

If this approach is to be successful, it is important that adequate resources be allocated to the integrated delivery system, as exists at the Georgia Institute of Technology.

INDIGENOUS TRAINING MATERIALS

Throughout the countries visited, there is a concerted effort to develop indigenous training materials. One of the problems faced by trainers in the Caribbean region is the lack of indigenous material. Training becomes much more relevant when related to the experiences and local environment of the trainees.

An approach to assist small business must have a focus on its training needs. Such a focus must recognize the necessity of indigenous material, and develop activities whose end result would be such training material.

The need for these materials underscores the importance of developing a research facility as part of the delivery system.

ENTREPRENEURSHIP DEVELOPMENT

This is a subject which came up from time to time, during the study tour, and reference has been made to some of the programme which have been conducted, with a view to promoting entrepreneurship development among persons who show some inclination for it.

It requires some analysis here, because of the fact that the Caribbean has not as yet developed, to any degree, an awareness of entrepreneurship, and what it requires, and indeed one of the questions is whether it is a teachable skill. The study tour gave positive evidence of the fact that entrepreneurship is a skill which can be developed and promoted, and which has surrounding it, a body of knowledge and techniques which can be acquired in a training course and by experience.

To date, in the Caribbean, although there are technical schools and vocational schools, these institutions concentrate their efforts on providing people with substantive knowledge about such subjects as motor mechanics, and home economics and home management, accounting, woodwork, secretarial practice and so on and so forth. One very important aspect of overall development, in order to enable persons to be able to function when they leave these institutions, is neglected, and that is the managerial aspect. A recent study of the technical schools in the Eastern Caribbean indicated clearly that, whereas persons were given exposure to technical skills, and they had acquired technical knowledge, they had not developed the ability to function on their own, or with help, and had not perceived themselves as going into a business and setting up shop. Generally speaking, therefore, the skills that are acquired would be more in line with the traditional approach of acquiring a skill and looking for a job; rather than acquiring a totality of knowledge and information, about how to use a skill to establish a business — in this particular case, a small business.

SHORTAGE OF ENTREPRENEURS IN THE CARIBBEAN

Entrepreneurship development, therefore, is at this stage critical for the Caribbean. What Sir Arthur Lewis, a former President of the Caribbean Development Bank, has had to say in that connection will be useful for our further analysis of this very important question, in relation to building up a cadre of small businesses which can be expected to have a reasonable degree of success for the future.

In his Statement to the Third Annual Meeting of the Board of Governors of the Bank, in April 1973 in Jamaica, Sir Arthur dealt with the whole question of the shortage of entrepreneurs in the Caribbean. He indicated that the next time that the Bank had to report, he hoped that it would have been able to overcome some of the problems that had been encountered in financing some of the projects for development. He indicated that the Bank had got on the way — it had got staff, it had got

money, and it had a list of projects in the preparation stage. He felt that the real job of a development bank was to contribute to the enlargement of the productive sector of the economy, especially in agriculture, tourism, manufacturing industries, and he pointed out that there were still many problems encountered, in coming to grips with that fact. The missing factor in this situation, as he saw it, was business entrepreneurship, in which he suggested that the Caribbean was notoriously weak. He did not think that the Bank itself could supply that factor; neither did he think that any community could be suddenly endowed with adequate, native entrepreneurial capacity. (There will be need to look at this, in terms of the experiences of the countries visited, and the programmes that have been developed.) He took, as his starting point, the proposition that success in business required a particular kind of personality, which was relatively rare, and that one of the characteristics of this personality was the need for achievement. He made the point, however, that businessmen are not alone, in feeling the need for achievement — they share it with successful people in so many other walks of life: artists, musicians, generals, professors, politicians, cricketers, comedians — the general thesis being, that people who succeed in their professions are generally people who are driven by this need for achievement. They need this drive, to keep them going when all others have stopped. He thought that, for example, to succeed, one must be willing to work hard, while the rest of one's companions were at play. One must be willing to practise, over and over again, until one got it right, and one must be highly self-critical.

The general view was that societies that recognize and reward personal achievement get plenty of it — that is, of personal achievement — and those who prefer to distribute rewards on other bases tend to be low in personal achievement. He thought that, although there was great respect for achievement in the Caribbean, yet, there were still many hang-overs from the old system of thought, where people were rewarded merely on the basis of connection, rather than for effort. He went on to point out that, in the Caribbean, race colour, family and political connections still played a major role, in appointments to jobs or awarding contracts, to the disgust of many skilled and educated people, who had, as a result, been driven to emigrate.

The question was raised as to why we were so deficient in business enterprise. Part of the reason, he felt, was that achievement in business required some elements of its own, over and above those required for achievement in other walks of life. He pointed out that, for success in general, one needed to have the desire to achieve, self-confidence, strong self-discipline, ability to learn, self-criticism, willingness to innovate, and so on. Those further requirements needed for success in business were a willingness to save and invest in the expansion of one's business, a willingness to make decisions, a strong respect for contracts into which one en-

ters (so that one can meet delivery dates, adhere to stipulated quantities and quality and so on), a sense of oneself as a servant, which causes one to seek to please, and this would include the desire to serve customers, courtesy, reliability and innovation, because he felt that these were the basis of continued and expanding patronage. He concluded that, if society found a way of rewarding achievers, it would have plenty of achievers. In particular, what Sir Arthur suggested about the standard techniques for dealing with this problem is important, for what conclusions we will come to. Because, he felt that some of these techniques for dealing with the problem of lack of entrepreneurs were the establishment of business schools, creating of institutions to bolster the performance of businessmen, such as institutions to lend money, and public lending institutions nowadays have persons who can advise on the techniques of borrowing. But he saw none of these techniques as really coming to grips with the basic problem, because, to be a good businessman, one needs to know something about Business Management, and to have access to credit. But, above all, he felt, one needs to have the right personality, and one's image of the kind of person one wishes to be is absorbed from one's culture, as one grows up. He did not think we could be endowed with business types until our society learns to appreciate the business-like personality, and absorbs this appreciation into the cultural framework of boyhood/girlhood and adolescence.

A PROGRAMME FOR DEVELOPING ENTREPRENEURS

The very interesting observations that Sir Arthur has made are useful for our discussion. One of the very important questions that has been raised is whether entrepreneurship, and indeed business, is something that can be taught. Another way of looking at this, is whether businessmen are born, or whether they are made. Perhaps, after all, what is required is to widen the concept of business, and to make it available to as many of those people as possible who have some natural inclination to embark upon it as a way of life. Indeed, one factor that must not be overlooked in our situation, is that the ability to run a business was not always the main factor which encouraged our existing businessmen to go into business; it was probably just a matter of family tradition, or access to credit was easily available. Indeed, the small business sector that is rapidly developing in the Caribbean, as a result of funding from the agencies such as Inter American Foundation (IAF), CADEC, OXFAM, Rockefeller Bros. Fund, have been the direct result of more easy access to credit coupled, of course, with an awareness that self-employment, as one of the methods in which an approach to solving the employment generation question, needs to be tackled.

The other important ingredient in this matter of how persons come to go into business is the sheer fact, of course, that for some of the younger people who find themselves unemployed, bringing their skills together, to provide jobs for themselves seemed the only solution to remaining unemployed. It is clear that the next important step, given the contribution that this effort has made to employment creation, is to provide a framework for support and development.

Training for entrepreneurship development is now well established in many countries. Both the Philippines and India have very long-standing and successful programmes. They provide for **Motivation Training** — the right psychological attitudes for building confidence, **Management Skills, Feasibility Study and Project Preparation**, to enable participants to work through a project and what is required for its successful implementation; **Entrepreneurship** — to enable the participant to understand what he needs to succeed, where it can be obtained, the economic, social and cultural, market and other factors which can assist or hinder the business. These programmes have been directed at promoting development of small business enterprises in the rural areas, generating employment for potential entrepreneurs, promoting the use of modern technology in small scale manufacturing, and developing entrepreneurial attitudes among potential entrepreneurs. Any individual interested in such a programme goes through a careful selection process.

The Caribbean needs a support programme for entrepreneurs for small business, and an approach that starts at schools (vocational and technical institutes), to cultivate awareness for business as a way of life is an urgent component for curriculum development. It is expected that the training materials available from the UNICA project will assist in that respect.

FINAL OBSERVATIONS & CONCLUSIONS

There is no doubt that the study tour gave considerable insight into aspects of small business management which are very relevant to the Caribbean situation. If one attempted to make a summary of what was particularly important, it could be said that the training programmes examined, the small industries that were visited, the discussions held with people having a wide range of experience in small business, the institutions visited, varying from medium industry banks to trade centers, the arrangement for marketing (in some instances, notably the marketing outlets for craft and other small industries in India - Emporia), the approach to the critical factor of entrepreneurship development gave a clear picture of some of the approaches adopted in dealing with problems which we are now faced with, in all aspects of small business management in the Caribbean.

Another very important area of interest was the extent to which published material was available on so many aspects of small business management. The perspective to published material in the Caribbean needs to be changed. Sometimes, the mistaken impression is held, that in order to be published, material has to be the result of extensive research and has to be lengthy, to be printed and disseminated. So much of the experience which has been gained already is available, but has not been brought together for dissemination, to widen the learning experience in the region, to reduce the mistakes that are made overall, whether it is in financing or marketing, or establishment of small business. This is something on which immediate action can proceed.

It should be stated that no attempt has been made to detail, exhaustively, the experience that has been gained from the study tour. There are specific areas of study, and specific subjects examined, which could produce material for further publication, and the intention is that this should be pursued. In a report of this nature, however, emphasis had to be placed on some areas of the study tour which are considered as of immediate benefit to the region. Hence, the reason why so much attention has been placed on the Philippines and India (which is not to say that some specific aspects of the work done in the other countries visited are not also very important).

It is clear that there is need for change in the approach to small business assistance in the Caribbean. In terms of broad societal strategies, the following issues need to be addressed:

(i) The issue of Integrated Services

As noted in an earlier section, the region needs to develop integrated delivery systems for small businesses. Within this

package must be found financial, technical and managerial assistance.

(ii) Development of Extension Services

As an integral part of the integrated service, attention needs to be paid to developing extension facilities for small businesses. Depending on the size of the country, this extension service may have two dimensions.

- (a) Rural Extension Offices
- (b) Extension Officers.

The rural offices would force a decentralization of the assistance programme, and take aid closer to the small businessman. This rural office could then serve as his contact point for assistance needs.

The rural extension officers who would man these offices would provide consulting services, and serve as a link to obtain other consulting services, which the small businessman may need and which they are unable to provide.

(iii) Advisory Service Mechanisms

- The development of different approaches to advisory services must also include greater use of university students, and present or retired businessmen and administrators. The use of university students as resource persons for small businessmen would have many desirable effects. It would immediately place the university facilities within reach of small businessmen; it would make university programmes more responsive to the needs of at least one sector of society, and it would constitute invaluable training, experience and exposure for graduating students.

The use of present and retired businessmen and administrators would allow their experience and expertise to be tapped. It would be one useful way to harness the creativity and talents of a body of citizens which may otherwise be lost.

(iv) Definitional Issues

There is need to re-examine current public policy definitions of "small business." It is difficult to develop any general

definition, but it seems advisable that definitions should be more flexible than now obtains, and perhaps would differ from country to country. All that need be said here is that it is dealing with that sector in business which does not have the resources to provide itself with the host of needs required for business to be established and succeed. This manifests itself in serious deficiencies of management, which the business itself is unable to cope with.

(v) Training

While training has been recognized as being important, it has not been sufficiently well integrated into the body of services.

Training, as part of the integrated delivery system, must now be made essential for small businessmen. It should be tied in as part of any assistance being offered to small businesses. Training must be relevant. This will demand the development of indigenous training programmes, using a range of training devices, but based on local material.

(vi) Industrial Estates

Many Caribbean countries have been developing industrial estates as an integral part of their small business assistance programmes. While this may be useful, there is need to recognize that physical facility assistance should be set up outside of the now-defined areas for industrial estates. This would allow small business to be located throughout the country, and so more directly foster rural development.

(vii) Technological Development

Much more emphasis needs to be placed on harnessing and developing indigenous technology, as well as on the adapting of foreign technology. University engineering departments must now play a critical role in this exercise, to permit the most feasible technology to be put at the disposal of small businesses.

(viii) Export Programmes

These should be designed as a deliberate strategy for small business expansion and development. In many cases, small busi-

ness, if it is export-oriented, could vastly expand the scope for employment creation. If small business in the Caribbean must move from the stage where it provides some significant return for those engaged in that sector (which will be a very large sector, given our situation), then growth and development will depend on increased sales. This would be a function of the ability of the institutions serving small business, to engage actively in export promotion.

It was not considered necessary to spend too much time on definition. It was found that, although there were criteria in various countries to determine the small business sector, the main objective was to ensure that problems which were the result of lack of management skills (in all its ramifications) could be tackled in a framework of services for those needing help and support.

In the short time available (some nine weeks), a considerable body of information and knowledge has come out of the study tour. It is our hope that UNICA and the several agencies which will have access to this report will derive some benefit from the material presented. This is not a once-and-for-all exercise. It is only the beginning of a contact with the Third World countries which are peculiarly well placed to assist us, and in which an interchange of ideas and knowledge would be to the benefit of all concerned.

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