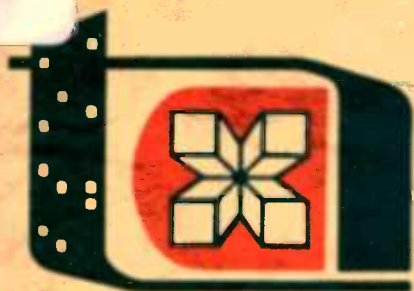


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**TECHNONET
ASIA**

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REPORT
of the
EDP MINI-WORKSHOP OF CONTRIBUTORS/WRITERS
FOR THE TRAINERS' MANUAL AND ENTREPRENEURS' HANDBOOK

(EDP3)
held
19 - 23 July 1979
in
Manila, Philippines

International Development Research Centre

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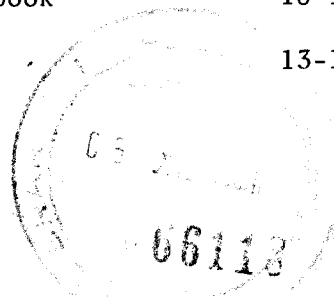
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R E P O R T

Thursday, 19 July 1979

OPENING SESSION (Brief Remarks, Speeches)

Dr Paterno V Vilorio, Director of the Institute for Small-Scale Industries, University of the Philippines (UP ISSI), in his welcome speech, extended the warm Filipino and UP ISSI hospitality to all the participants of the EDP Mini-Workshop of Contributors/Writers for the Trainers' Manual and Entrepreneurs' Handbook (EDP3), and to the TECHNONET Centre staff present during the Workshop. Then, Mr Vilorio traced the history of entrepreneurship development as an area of concern in the recent moves towards the acceleration of small industry growth in the third world countries. He also underscored the activities undertaken by TECHNONET ASIA in the past three years in the area of entrepreneurship development. This opening speech put the Workshop in its proper perspective, as well as showed the participants the path towards accomplishing the goals which they are expected to reach.

The second talk was given by Dr Emanuel V Soriano, Executive Vice-President of the University of the Philippines (UP). He spoke about the context of training as a total approach to human development which is the focal point of the educational activities of the University of the Philippines. Dr Soriano outlined the present orientation of the University in order to share with the participants the activities the University is undertaking in the general area of human resource development; namely, the democratization of admissions and the continuing review of the curricula in order to make the graduates be of real service to the people after the completion of their studies. He described the new curriculum of the UP Medical School, which has been restructured along these lines. Finally, Dr Soriano expounded on the recent findings which a study he is making on human resource development is pointing to, and which he felt could be valuable inputs to the development of training materials and these are that:- (1) the industrial world is now moving away from the situation in which human beings adapt to the machines and instead, machines are being adapted to the human beings handling them; (2) the participative style in training is becoming the more useful and effective one, and (3) the old or "accepted" ways of doing things are now being challenged and the search for new and better ways should go on. Dr Soriano ended his talk with a challenge to the participants to discover these new and better ways in which to improve the present level of training in entrepreneurship development.

(Orientation on Workshop Objectives and Organization)

Very briefly, Dr Leon V Chico, Administrator of TECHNONET Centre, gave the participants the framework in which they were expected to work for the next few days. He discussed TECHNONET ASIA's objective to publish two basic handbooks which shall be instrumental in stimulating entrepreneurship development in the countries where the Participating Organizations (POs) are situated, and possibly in the rest of the Third World. These are:- (1) a Trainers' Manual, and (2) an Entrepreneurs' Handbook. The publishing of these basic volumes has been recommended at EDP2 held last year in Manila, and TECHNONET ASIA has agreed to its implementation. The present Workshop

has been convened to determine the possible contents of the two volumes and to assign areas of responsibility to the POs present in order to contribute to the production of the said volumes. The Workshop shall also determine the methodology to be used, as well as the mechanism that could most conveniently operationalize the project.

(Introduction of Participants and Election of Workshop Chairman and Co-Chairman)

The participants, observers of the EDP3 Workshop, and TECHNUNET Centre staff briefly introduced themselves. This was followed by the selection of the Workshop Chairman and Co-Chairman. A vote was taken and Mrs Paz H Diaz, Chairman of the Department of Entrepreneurship and Management Development of UP ISSI, was elected Chairman. Mr A M A Abeysinghe of the Industrial Development Board (IDB) of Sri Lanka was elected Co-Chairman.

(Review and Exchange of Current Experiences on Entrepreneurship Development Activities)

Mr A M A Abeysinghe of IDB Sri Lanka reported that the first batch of ten (10) entrepreneurs who underwent training on entrepreneurship in IDB are now ready to go into actual implementation of their projects. Since the Entrepreneurship Development Program (EDP) is still in its infancy in Sri Lanka, IDB feels that this workshop will be providing most helpful materials to the agency, especially to prospective EDP trainers. The IDB is particularly interested in popularizing the EDP throughout the country in association with other state institutions. Please refer to Mr Abeysinghe's paper for further details (Annex III).

Mr Zahudi bin Haji Abdul Jalil of MARA Malaysia reported on the new approach undertaken by MARA for the promotion of entrepreneurship in Malaysia. This integrated approach covers four stages. They are: (1) Conduct of "awareness" courses which are open to the masses and which will introduce the audience to the general idea of entrepreneurship and its value to the economy. (2) Selection of participants which is done in collaboration with the National University of Malaysia, and after which the Entrepreneurship Development Training Course itself is conducted for the participants who have gone through the screening process. Here, the Achievement Motivation Training is given an emphasis, plus sessions on basic business knowledge, and how to start a business. Counselling is provided so that participants can actually choose the right enterprise they feel they can set and manage after the course. Attachment training is then provided so that would-be entrepreneurs can really get first-hand experiences on how he should run an enterprise. (3) Project implementation is then considered with all the inputs to be provided for actually setting up the enterprise. Counselling and advisory work are also provided by MARA while 90% financing is provided by the government. (4) Specialized training is provided by MARA for any special needs the entrepreneur may have regarding the running of his enterprise. Please see MARA's paper for further details (Annex IV).

Ms Prani Obhasanond of DIP Thailand shared the present predicament that the Department of Industrial Promotion (DIP), Ministry of Industry, is in - about not having an Entrepreneurship Development Program (EDP) in their country. Lack of resource, both financial and human, can be one factor

which brings this about. Nevertheless, DIP prepared an outline of how it feels it shall conduct an EDP Training Course the moment the program pushes through. It assured the Workshop of its readiness to contribute to TECHNONET's efforts along this line. Please see DIP's paper for further details (Annex V).

Mr Sirajuddin Ahmad of BSCIC Bangladesh told the Workshop participants that Bangladesh shares the same problems with Thailand, that is, lack of resource persons and financial support to carry on the program. Response has been tremendous especially among the educated unemployed youths in the rural areas. The proposed Manual and Handbook will be very useful and important for the Bangladesh Small and Cottage Industries Corporation (BSCIC) in carrying out their future plans and programs. Please see Mr Ahmad's paper for further details (Annex VI).

Mr Hamzah Yunusir of DP Indonesia, in his report, recalled the start of the Entrepreneurship Development Program in Indonesia in 1950, and traced its activities down to the 1970s. Results of the EDP are now beginning to show in Indonesia and much of the success of the entrepreneurs can be traced to the EDP there. The EDPs, which were previously western-oriented, have now undergone an adaptation process and may now be considered truly Indonesian and applicable to other countries with similar conditions. Please see DP's paper for further details (Annex VII).

Mr Alberto P Capati of UP ISSI Philippines described the integrated approach offered by the Commission on Small and Medium Industries for entrepreneurship development in the country, especially in the rural areas. The UP ISSI has been conducting the EDP training course since 1973, and up to now, can lay claim to the bringing about of accelerated small industry development in the rural areas through its EDP graduates. Please see UP ISSI's paper for further details (Annex VIII).

(Description and Discussion of the Design and Content of the Manual and Handbook)

The Workshop decided that the proposed contents as listed in the preliminary draft (Annex II) could best be tackled if smaller groups were formed. Thus, the Workshop participants were divided into three groups, each taking care of a specific area and deliberating upon the possible contents of this area.

Group I was composed of Mr Sirajuddin Ahmad, Mr AMA Abeysinghe, Mr Hamzah Yunusir, Mr Alberto Capati, and Ms Angelita Bajaro. They deliberated upon the first part of the Manual containing the *"Introduction: Entrepreneurship and Economic Development and Approaches to Entrepreneurship Development."*

Group II was made up of Ms Prani Obhasanond, Mr Zahudi bin Haji Abdul Jalil, Mrs Paz Diaz and Mr Thomas Ranada and Mr Anulfo F Itao (both observers* from UP ISSI). They discussed the second part of the Manual which was *"The Training Proper: Design and Implementation; and Training Methods, Techniques and Materials."*

Group III was made up of Mr Vim Roonggrout, Mr Omar bin Haji Bahrul, Mr Nadirsjah Ara and Ms Serenidad F Lavador and Mrs Leticia E Aquino (both observers* from UP ISSI). They took up the third part of the Manual which

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* observers were welcome to all the deliberations of the Workshop.

included "Post Training Activities: Support Programs, Monitoring, Evaluating and Documenting."

Before breaking up for lunch, the Workshop participants decided that the afternoon would be devoted to actual group discussions, thus the Workshop program evolved was as follows:-

19 July 1979	1400-1630	Group Discussions on the Contents and Parts of the Trainers' Manual
20 July 1979	0830-1200	Plenary Session and Integration of Contents of the Trainers' Manual
	1400-1630	Group Discussions on the Contents and Parts of the Entrepreneurs' Handbook
23 July 1979	0830-1200	Plenary Session and Integration of Contents of Entrepreneurs' Handbook
	1400-1600	Final Integration Assignment of Contributions per Participating Organization Mechanism for Operations
	1600-1630	Closing Ceremonies

After lunch, the three groups each deliberated on their parts as scheduled. Final output of each group was submitted to the Workshop Chairman for duplication.

Friday, 20 July 1979

(Plenary Session on Design and Contents of the Trainers' Manual)

The following is the revised and final output of the Workshop regarding the contents of the Trainers' Manual as deliberated upon by the three groups:-

INTRODUCTION

I. Entrepreneurship and Socio-Economic Development

- A. Definition of entrepreneurship
- B. The role of the entrepreneur
- C. Theoretical framework linking entrepreneurship to economic development
- D. The need for entrepreneurship development
 1. Socio-economic conditions in the Participating Organizations (POs)
 - (a) Social values and attitudes to entrepreneurship
 - (b) The state of the countries' economies
 - (c) The political climate for entrepreneurship development
 - (d) The level of technological development in each country
 2. The Entrepreneurial supply in the POs

- E. Activities: Policies and programs for entrepreneurship development in each PO
- F. Summary and Conclusion: Rationale for entrepreneurship development

II. Approaches to Entrepreneurship Development (ED)

A. Basic Considerations

1. Specific needs and objectives of each PO
2. Existing climate for ED
 - (a) What social values and attitudes have to be dealt with?
 - (b) Does the economy call for development of joint ventures (government in partnership with private sector) or private entrepreneurship?
 - (c) Does the political structure favour the entrepreneurial sector?
 - Policies and programs for ED
 - Incentives to enterprises
3. Resources of POs
 - (a) Technical Skills
 - (b) Financial
4. Level of Intervention
 - (a) Culture first before individual, or
 - (b) Individual first before culture
5. Target Clientele
 - (a) Activity
 - existing entrepreneur
 - potential entrepreneur
 - multipliers and catalysts
 - . executives from big firms
 - . consultants in government and private sectors
 - . researchers
 - . educators/trainers
 - (b) Origin
 - rural
 - urban

B. Approaches

1. Coverage

- (a) Selective Approach - limited by various considerations such as:-
 1. objective of the organization
 2. type of industry
 3. type of clients
 4. geographical areas
 5. abundance of resources
- (b) "Shotgun" Approach
 - very large or wide coverage; national scale
 - could involve the educational system or the mass media

- (c) Multiplier Approach
 - will involve intermediaries or catalysts as clients such as educators, government development officers and trainers.

2. Types

- (a) Awareness Development or Creation
 - appreciation seminars
 - symposia
 - radio programs and others using the mass media
 - literature dissemination
- (b) Motivational Approach
 - success stories
 - live-in training
- (c) Management Skills Training
- (d) In-Plant Approach
- (e) Consultancy Approach
- (f) Sectoral Approach
- (g) Incentives Approach
 - for innovations and industry dispersal
- (h) Training of Trainers
- (i) Self-Study Approach
 - Entrepreneurs' Manual

III. The Trainer as an Agent of Change

- role, characteristics

THE TRAINING PROGRAM

I. Pre-Training Activities

- A. Target participants/clientele
- B. Training needs assessment/analysis
- C. Screening process/selection scheme

II. Designing of Training Program

- A. Objective setting
- B. Determining course content
 - 1. Achievement Motivation
 - 2. Business Environment

3. Enterprise Development
 4. Managerial Skills
 5. Practicum Arrangements
 6. Integration
- C. Determining duration and schedule
 - D. Determining the training methods and materials

III. Suggested Methods, Techniques and Equipment

A. Methods

1. Lecture/Discussion
2. Case Study
3. Management Games
4. Plant Visits
5. Group Dynamics
6. Exercises
7. Film Showing
8. Role Playing

B. Equipment Available

1. Chalkboard
2. Flip Chart
3. Magnetic Board
4. Overhead Projector
5. Cassette Tape Recorder
6. Video Tape Recorder
7. Films and Film Projector

IV. Implementing the Training Program

A. Organizing the EDP Team

1. Manpower Requirements/Qualifications
2. Responsibilities
3. Developing the Training Staff

B. Resource Persons

C. Promoting the Programs

D. Materials Development & Preparation & Investment Profiles

E. Equipment for Training

F. Venue

G. Time Schedule and Duration

H. Linkages

I. Budgets & Costs

J. Documentation System

K. Problems of Implementation (Practical Tips)

V. Evaluating the Training Program

A. Program Itself

1. Instructors
2. Content
3. Materials
4. Techniques
5. Facilities
6. Administration

B. Participants

C. Plans or projects of participants

Appendices

1. Suggested different EDP curricula
2. Suggested selection procedures
3. Checklist for implementing the program
4. Suggested handouts
5. AMT exercises
6. Suggested readings

By Product

1. Handouts
2. Case Studies

POST-TRAINING ACTIVITIES

I. Support Programs

- A. Financial Assistance
- B. Technical Assistance

1. Consultancy Services
2. Technology
3. Research

- C. Marketing Assistance
- D. Economic Infrastructure

1. Public Utilities
2. Transportation
3. Roads
4. Raw Materials

- E. Government Incentives

1. Tax Exemptions

II. Monitoring System

- A. Interviews, Questionnaire
- B. Alumni Associations
- C. Workshops
- D. Parameters (economic and social)

III. Evaluation

- A. Selection
- B. The Impact of the total EDP
 - 1. Behavioural characteristics of participants
 - 2. Learning (of the entrepreneur)
 - 3. Performance of the project

IV. Documentation

- A. Cases
- B. Success/Failure Stories - ex-participants
- C. Completion Reports
- D. Directories
- E. Compilation of Training Materials
- F. Bibliographies

After the lunch break, the Workshop participants were again divided into three groups; this time to tackle the preparation of the Entrepreneurs' Handbook.

Group I was composed of Ms Prani Obhasanond, Mr Zahudi bin Haji Abdul Jalil, Ms Serenidad Lavador, Mr Nadirsjah Ara, Mrs Leticia E Aquino and Ms Angelita Bajaro. They discussed the first part of the Handbook which was "*Starting the Enterprise.*"

Group II was made up of Mr Omar bin Haji Bahrul, Mr Sirajuddin Ahmad, Mr Alberto Capati, Mr A M A Abeysinghe and Mr Arnulfo Itao. They discussed the second part of the Handbook which was "*Managing the Enterprise.*"

Group III consisted of Mr Vim Roonggrout, Mr Tomas Ranada, Mr Hamzah Ynusir and Ms Paz Diaz, and they discussed the final part which was "*Expansion of the Enterprise.*"

Saturday, 21 July 1979

In the morning, the Workshop participants went on a fieldtrip to two Entrepreneurial Activities. They were:-

1. Visit to Eppie's Garments Corporation

Mr Anastacio de los Reyes, and his wife, Paz, gave the participants a lively and interesting talk on how they started their business of making ladies' lingerie and other undergarments. The corporation, which started in 1958, has now more than doubled its original capacity, manpower, physical and financial resources. Mr de los Reyes emphasized that determination, persistence, hard work and a lot of imagination went into the achievement of their success. As an entrepreneur, Mr de los Reyes beats the ordinary run-of-the-mill businessman with his unusual energy and desire to be "number one" in whatever he does - qualities, undoubtedly, of a successful entrepreneur.

2. Visit to Sarao Motors Incorporated

The colourful "jeepneys" plying almost every route in Manila, and in some outlying areas, originally started from scraps and other leftover materials which were junked by the Americans after World War II. The Filipinos ingeniously changed the seating arrangements, added some features here and there, and from this evolved the present jeepney. The Sarao Motors Inc., is an example of one Filipino family that made good in this line. Today, their machine shop and assembly areas have become a "tourist spot" where nationalities of different sorts ogle, ask questions and view for themselves how a jeepney is "born".

The participants spent the afternoon shopping at the Flea Market and the Pistang Pilipino. No visit to Manila is complete without shopping for the native products, decorative as well as useful items, which are on display in these two shopping centres. The entrepreneurial activities are not complete if not marketed and sold. The participants were given two and a half hours to see for themselves what they can bring home by way of souvenirs and other practical items.

Monday, 23 July 1979

(Plenary Session on the Entrepreneurs' Handbook)

The plenary session for the Entrepreneurs' Handbook began at 0900 hours with each group reporting on their output. The outline for the Entrepreneurs' Handbook, as deliberated upon, is as follows:-

GROUP 1

I. Introduction

- A. Purpose of the Manual - Assumptions on the user
- B. How to use the Manual
- C. Definition of terms
 - 1. The entrepreneur
 - 2. The enterprise

II. Starting the Enterprise

- A. The characteristics of an entrepreneur - A profile (checklist)
 - 1. Motivation
 - 2. Value systems
 - 3. Personality traits
- B. Opportunity identification and project selection
 - 1. Assessment of the business environment
 - (a) needs for products and services
 - (b) resources available in the area
 - (c) other considerations

2. Socio-economic survey
 - (a) purchasing power of the people
 - (b) demand-supply characteristics
 - (c) channels of distribution
 3. Obtaining information and assistance
 - (a) identifying need for assistance
 - (b) sources of assistance: General overview
(Details to be appended)
 - (c) how to obtain information and assistance
- C. Project planning and organization
1. Feasibility Study
 2. Organizing resources
 - (a) capital
 - (b) manpower
 - (c) land, machinery and equipment
 - (d) raw materials
 - (e) legal aspects
 - tax procedures
 - laws and regulations
 - registration procedures
 - ecological considerations (waste disposal)

GROUP 11 - MANAGING THE ENTERPRISE

I. Transition

- A. the objectives of this part
- B. the contents' description
 - emphasis on "how to"
- C. the applicability and relevance of these "how to" to small and medium entrepreneurs

II. Management Functions and Systems

A. Organization

1. General management concepts
 - (a) planning, organizing, actuating, co-ordinating, controlling, evaluating
2. Organization principles and procedures
 - (a) internal structure of the enterprise
 - (b) delienation of functions and responsibilities
 - (c) evaluation/monitoring mechanisms, both internal and external
3. Personnel management
 - (a) hiring and training of personnel
 - (b) leadership
 - (c) communication
 - (d) standards setting for performance

- (e) wage and promotion policies
- (f) incentive program
- (g) labour laws
- 4. Problem-solving and decision-making
 - (a) processes involved
- B. Marketing Management
 - 1. Marketing mix
 - (a) product planning and development
 - (b) channel management
 - (c) pricing
 - (d) promotions and advertising
 - 2. Marketing research
 - 3. Developing, implementing and evaluating marketing program
 - 4. Sales management
 - (a) management of the sales force
 - (b) selling techniques
 - 5. Export marketing
- C. Production Management
 - 1. Production functions and systems
 - 2. Production planning and control
 - 3. Plant location and layout
 - 4. Plant maintenance
 - 5. Quality control and standards
 - 6. Materials handling
 - 7. Inventory control
 - 8. Work simplification/Cost reduction
 - 9. Waste utilization/Disposal
- D. Financial Management
 - 1. General principles of financial management
 - 2. Accounting records and systems
 - 3. Break-even analysis
 - 4. Preparation and analysis of financial statements
 - 5. Costing
 - 6. Cash management
 - 7. Budgeting and budgetary controls
 - 8. Debt servicing and taxation
 - 9. Credit management

GROUP III - EXPANDING AND DIVERSIFYING

III. Expanding and Diversifying

A. Problems and Expansion: An Overview

B. Strategies of Expansion

C. Identifying and Developing New Products and Markets

1. Determining existing and related products
2. Determining existing capability and equipment
3. New technologies
4. Comparing costs
5. Determining managerial capability
6. Determining changing markets
7. Determining available resources
 - (a) financial
 - (b) raw materials
 - (c) technologies
 - (d) human
8. Determining government policies
9. Deciding to expand

D. Expansion Activities

1. New system and procedures
2. Handling financial growth
3. Management of succession
4. Training for new skill
5. Additional government regulation
6. Introducing the new product
7. Expanding the existing market

E. Appendices

1. Fast growing small industries
2. Priority plans of government per country.

CLOSING SESSION (Integration)

The integration and finalization of both the Trainers' Manual and Entrepreneurs' Handbook was assigned to one lead organization as suggested by the Workshop participants. Mr Zahudi nominated the UP ISSI to be the lead organization and this was seconded and approved by the rest of the Workshop participants. It was agreed that each organization will send to UP ISSI all their data and facts relevant to the different sections outlined by each group and that the UP ISSI will collate these data and draft them into a manual form. Then, these drafts will be sent to the original writers for their comments and submitted once again to UP ISSI. After incorporating all the comments, the UP ISSI will send back a clean draft for pre-testing in the different POs involved. Finally, all the results will be incorporated by the UP ISSI for the final editing. At this point, all contributors could meet together in order to find out what else has to be done before sending the final copies for printing. Actual printing and publication will follow in due course. It is expected that the project will end approximately eighteen months from August 1979.

The proposed timetable is as follows:-

Project EDP HANMAN

Time-Table

<u>Month</u>			
1	August 1979)	
2	September 1979	)	Data gathering/writing (POs)
3	October 1979)	
4	November 1979	)	Submit contributions in English
5	December 1979)	
6	January 1980	)	Drafting and Editing
7	February 1980)	
8	March 1980	)	Refer back to POs
9	April 1980	)	Submit final comments
10	May 1980)	
11	June 1980	)	Final drafting
12	July 1980	)	Pre-testing
13	August 1980	)	Submit results
14	September 1980	)	Revisions (if necessary)
15	October 1980	)	EDP4 and finalizing
16	November 1980)	
17	December 1980	)	Ready for publication
18	January 1981	)	Launching

The standard operating procedure for sending materials will be to write direct to the person concerned and furnish a copy to the PO Head and alternate, and to TECHNONET Centre for record purposes.

Main contacts are as follows:-

BSCIC Bangladesh	Mr Surajuddin Ahmad Senior Co-ordination Officer Bangladesh Small and Cottage Industries Corporation 137/8 Motijheel Commercial Area DACCA-2 Bangladesh
------------------	--

DP Indonesia

Mr Hamzah Ynusir
Director
Entrepreneurial Department
Departemen Perindustrian
Jalan K H Hasyim Ashari 6-12
JAKARTA PUSAT
Indonesia

MARA Malaysia

Mr Zahudi bin Haji Abdul Jalil
Entrepreneurial Development Division
Ibu Pejabat MARA
Tingkat 13, Pertama Komplek
Jalan Tuanku Abdul Rahman
KUALA LUMPUR, Selangor
Malaysia

UP ISSI Philippines

Mrs Paz H Diaz
Chairman
Department of Entrepreneurship and Management
Development
University of the Philippines
UP Campus, Diliman
QUEZON CITY
Philippines

IDB Sri Lanka

Mr A M A Abeysinghe
Development Officer
Industrial Development Board
615 Galle Road
Katubedde
MORATUWA
Sri Lanka

DIP Thailand

Ms Prani Obhasanond
Chief
Economic Section
Industrial Service Institute
Soi Kluay Nam Thai
Rama IV Road
BANGKOK
Thailand

*EDP Mini-Workshop of Contributors/Writers
for the Trainers' Manual and Entrepreneurs' Handbook
Manila, 19-23 July 1979*

DIRECTORY OF PARTICIPANTS

Mr Sirajuddin Ahmad
Senior Co-ordination Officer
BSCIC Bangladesh

Mr A M A Abeysinghe
Development Officer
IDB Sri Lanka

Mr Omar bin Haji Bahrul
Entrepreneurial Development
Division
MARAs Malaysia

Mr Zahudi bin Haji Abdul Jalil
Entrepreneurial Development
Division
MARAs Malaysia

Mr Vim Roonggrout
Industrial Promotion Officer
ISI Chiang Mai
DIP Thailand

Ms Prani Obhasanond
Chief, Economic Section
ISI Bangkok
DIP Thailand

Mr Alberto Capati
UP ISSI Philippines

Ms Angelita Bajaro
UP ISSI Philippines

Mr Hamzah Ynusir
Director
Entrepreneurial Department
DP Indonesia

Mr Nadirsjah R Ara
Chief, Motivation Trainers
Entrepreneurial Department
DP Indonesia

Mrs Paz H Diaz
Chairman, Department of
Entrepreneurship and Management
Development
UP ISSI Philippines

TECHNONET CENTRE

Dr Leon V Chico
Administrator

Mr Ernest Tan Kwan Boon
Engineer

Ms Catherine Tan Gek Kee
Secretary

OBSERVERS

Mrs Leticia E Aquino
UP ISSI Philippines

Ms Serenidad F Lavador
UP ISSI Philippines

Mr Arnulfo F Itao
UP ISSI Philippines

Mr Tomas J Ranada
UP ISSI Philippines

FIRST DRAFT

Mini-Workshop of Contributors/Writers
for the Trainers' Manual and Entrepreneurs' Handbook (EDP3)
19-23 July 1979 (tentative)

BACKGROUND INFORMATION AND RATIONALE

During 1-6 June 1978, representatives of Participating Organizations (POs) of TECHNONET ASIA attended the EDP Trainers' Mini-Workshop in Manila. On the last day of the Workshop, five major recommendations were presented, among which were the development and publication of a manual and a handbook for EDP trainers and entrepreneurs, respectively.

The recommendation clearly expressed the developing countries' need for literature and learning/teaching materials on entrepreneurship stimulation and development.

While it is true that data and information relating to entrepreneurship promotion are presently proliferating, the developing countries, especially in Asia, hardly benefit from the fact, for the theories and models - because of their Western orientation - are found to be minimally applicable if not completely irrelevant to the countries' milieu.

In view of this, a proposal for the preparation and publication of materials on entrepreneurship development was submitted to TECHNONET ASIA.

WORKSHOP OBJECTIVES

A. Terminal -

To build up the body of knowledge - through the generation of literature, data and information - on entrepreneurship development in developing countries of Asia for the ultimate benefit of the small-scale entrepreneur.

B. Immediate -

1. To review and share experiences on the current entrepreneurship development activities of the POs with emphasis on training materials and other literature on entrepreneurship development.
2. To determine the design and content of the proposed EDP handbook and manual.
3. To identify the areas of responsibility of the organization involved in the project.

AGENDA OUTLINE

- Day 1 - Opening Session
- . Brief Remarks, Speeches
 - . Introduction of Participants
 - . Selection of Workshop Chairman
 - . Approval of Tentative Agenda
 - . Orientation on Workshop Objectives and Organization
- Review and Exchange of Current Experiences on Entrepreneurship Development Activities
- Day 2 - *Description and Discussion of the Design and Content of the Manual and Handbook
- Day 3 - Observation Tour/Field Trip
- Day 4 - Finalization of Content
- Directions for Implementation
 - . Determination of Project Methodology
 - . Identification of Areas of Responsibility of each Organization involved
 - Closing Ceremonies

* Refer to Attachment I for the proposed content of the materials

EDP Trainers' Manual and Entrepreneurs' Handbook

PROPOSED CONTENT/OUTLINE

A. Trainers' Manual

1. Introduction
2. Entrepreneurship and Economic Development
3. Approaches Towards Entrepreneurship Development
4. Designing and Developing the Training Program
5. Implementing the Training Program
6. Training Methods, Techniques and Materials
7. Post-Training Support Program
8. Monitoring and Documenting the Training Program
9. Evaluating the Training Program
10. Conclusion
11. Appendices

B. Entrepreneurs' Handbook

1. Introduction
2. Psychological Factors in Entrepreneurship
3. Opportunity Identification and Project Selection
4. Project Planning and Organization
5. Project Implementation and Development
6. Obtaining Information and Assistance
7. Appendices
 - Organizational Procedures by Country
 - Legal Considerations by Country
 - Sources of Information and Assistance by Country

CURRENT ENTREPRENEURSHIP DEVELOPMENT PROGRAMME IN SRI LANKA

(by AMA Abeysinghe, IDB Sri Lanka)

Self Employment Scheme

First Entrepreneurship Development Programme (Self Employment Scheme - SES) in Sri Lanka was launched by the National Apprenticeship Board (NAB) with the collaboration of the Industrial Development Board (IDB) and Bank of Ceylon early this year.

The objective of this scheme is to create new entrepreneurs from amongst craftsmen trained by the NAB who have shown entrepreneurship skills to enter into the field of business on full-time basis.

A sub-committee to draft a training syllabus for the three months training programme was appointed and a training syllabus was prepared. This syllabus was made in accordance with the ILO format similar to the other syllabuses for vocational training made by NAB. This draft syllabus was made available for training the first batch of trainees and it commenced on 1 March 1979. The curriculum of this training, placing much emphasis on management skill training, consists of the following modules:-

- Introduction to Business
- Quantitative Methods
- Resource Management
- Familiarize With Laws Relating To Business
- Financing of Projects
- Marketing
- Production Management
- Personnel Management
- Identification, Formulation & Evaluation of Projects

Highlight of the Scheme1. Selection Process

Selection of trainees for these programmes are made exclusively from skilled craftsmen who have successfully completed apprenticeship courses conducted by NAB (period ranging from one year to four years). Successful candidates for this training will have to select an industry they wish to establish after the training from the field they have already been trained.

2a. Training

Training is provided for these trainees on full time basis for three months, three sessions of two hour duration per day for five days per week.

b. Exposure

Second week before end of three months' training, trainees are stationed in small scale industrial units for one week, in order to expose trainees to real situations in small-scale business enterprises. Participants are expected to gather practical experience as much as possible during this period by discussions with managers, supervisors, workers, etc.; by observations and also actively involving themselves in various activities of the unit as much as possible.

At the end of this one week exposure, they are expected to submit a brief write-up on the experience they gathered during this week and share experience with fellow participants.

3. Project Preparation

During the final week, participants are called upon to prepare their project papers. Necessary guidance and instructions are made available for them in preparation of the project paper.

4. Evaluation

Evaluation of the training programme by participants is done on the closing day of the training programme.

5. Evaluation of Projects

Project paper prepared by the participants are made available for the members of the panel of evaluators, comprising officials from IDB, NAB, Central Bank and Bank of Ceylon, before it meets to determine feasibility and viabilities of the projects.

6. Financing

Projects recommended by the panel are financed by the Bank of Ceylon.

Financial assistance are provided in long-term loans for fixed investment and short-term facilities for working capital.

Repayment period for the long-term loan is usually over five years depending upon projected cash flow position of the units. Normal grace period of six months for the commencement of repayment of loan is also provided.

Central Bank of Sri Lanka provides guarantee cover up to 75% for loans released by the Bank.

7. Supervision and Implementation of Project

Loan facility is usually released to meet the expenses in stages. Implementation is closely supervised by NAB. Recommendations of NAB are needed for the release of loans at various stages.

8. Extension Services & After Care

After these units have taken off the ground, extension services for them are provided by IDB, who also will closely monitor the progress of each of the units.

Brief Description of the First Programme

The first programme of EDP (SES) was launched on 1 March this year with the commencement of three months' training programme. Eleven trainees were selected and ten have completed the training. Participants selected were employed in State Organizations and private firms as skilled personnel and had resigned from their jobs in order to enter into this programme.

On completion of the training, participants have submitted their project

reports for the consideration of the panel of evaluators. The panel has recommended all the projects for finance.

Bank of Ceylon is expected to release the loan facilities by July, so that majority of the units will go into production by mid-August. The first ten units that will be established under this scheme are as follows:-

1. Motor Vehicles Repair & Welding Workshops (4 units)
2. Welding Workshops (3 units)
3. Cast Iron Foundry (1 unit)
4. Carpentry Workshop (1 unit)
5. Coir Fibre Processing (1 unit)

The IDB

Arrangements are underway to launch IDB's first EDP by end of the year. Initial discussions with banks to determine the banks participation in the programme were finalized. The IDB hopefully awaits the release of the EDP manuals which will help tremendously in formulations and implementation of EDP programmes in an orderly manner in the country.

Materials available in the country which can be useful for EDPs

1. Training syllabus of self employment scheme - NAB (draft) prepared in accordance with the ILO format for training syllabus for vocational training (copies of the draft document will be made available for the participants at the workshop).
2. Project feasibility reports prepared by IDB in the following industries:-
 1. Sugar Cane Extraction (for drinking purposes)
 2. Foundry (non-ferrous)
 3. Tiles (Calicut, Roofing) Manufacture (semi-mechanized)
 4. Smoked Fish Production
 5. Tamarind Concentrate Production
 6. Palmyrah Fibre Extraction
 7. Sericulture
 8. Carpentry Workshop (semi-mechanized)
 9. Musical Instrument Manufacture
 10. Nata-De-Coco Production
 11. Grinding Mill (Turmeric Powder)
 12. Cadjunut Shell Liquid Extraction
 13. Spice Oil Extraction
 14. Electric Immersion Heaters, Hot Plates & Kettle Manufacture
 15. Motor Vehicle Repair & Agricultural Implements Workshop
 16. Bricks Manufacture (conventional type)
 17. Baking Powder
 18. Rice Milling
 19. Manioc Starch Manufacture (low cost)
 20. Sports Goods (leather) Manufacture
 21. Pottery Manufacture (modern)
 22. Fertilizer - Mixtures
 23. Roasted Ground Nuts (peanuts)
 24. Cashew Processing (Kernels)
 25. Batten Manufacture for Tea Chests
 26. Tiles (Country, Roofing) Manufacture
 27. Tiles (Floor & Wall - Cement) Manufacture
 28. Wine Making
 29. Metal Crushing (Single Crusher)
 30. Ice Making

ENTREPRENEURIAL DEVELOPMENT PROGRAMME
IN MALAYSIA

Technonet Participating Organization
- MARA, Malaysia.

Mohd. Zahudi Jalil.

1. INTRODUCTION:

Entrepreneurship is the main spring of economic development. Without the entrepreneurs, a country cannot prosper even if it is endowed with natural physical resources. It is however realised that in any society, only a small fraction of the population possess dominant entrepreneurial traits which can be harnessed and developed into successful entrepreneurship.

Programmes for entrepreneurship development have been taken up by most of the developing countries of South-East Asia in the last 10 years by widening the entrepreneurial base in the low and middle income groups particularly in small towns and rural areas.

In Malaysia under the Colonial Government, the economic occupation of the various races were segmented. The Malays were encouraged to be farmers, padi planters and fishermen while the educated Malays were lured into the lower echelon of the civil service. The Indians were recruited from South India for the rubber plantations and as labourers in the railways and in road construction. The Chinese on the other hand, came to Malaysia as traders and to operate the tin mines. The Chinese, now comprising of 35.5% of the total population, soon involved themselves in small businesses either to supply the necessities of the population in small townships or as distributors to feed the expatriate large businesses.

The new economic policy of the Government which is aimed at eradicating poverty amongst the races and in restructuring society through the correction of economic imbalances is also directed towards eliminating the identification of a particular race with a particular

economic function. As such, a major concern of the Malaysian Government is the stimulation of the Malays and other indigenous people to participate in commercial and industrial activities by going into business on their own.

2. CURRENT PROGRAMMES:

The task of developing entrepreneurs involves

- (a) identification and carefully selecting those who could be developed as entrepreneurs;
- (b) developing or strengthening their entrepreneurial capabilities;
- (c) equipping them with basic management know-how for successful operations;
- and (d) providing financial and other aids.

It is realised that the key to success in their efforts i.e. in undertaking each of the above steps as a part of the integrated and coherent programme.

In June 1976 the National Productivity Centre Developed the first entrepreneurship programme participated jointly by MARA, NPC and KKBS (Ministry of Youth). Participation was later extended to RISDA (Rubber Industry Small Holders Development Authority) and the Veteran Affairs Department of the Ministry of Defence.

The Entrepreneurial Development Programme is carried out in three stages: EDP I, EDP II and EDP III. The first stage is the preliminary course for potential and existing entrepreneurs and the latter two are advanced courses in EDP for those who have attended EDP I. The final training in the EDP I programme covers a period of two weeks spread over 90 to 100 hours, covering the following topics:

- i) personal motivation and establishment on achievement plan;
- ii) marketing concepts and business environment;
- iii) management of accounting/book keeping;
- iv) identification of business projects, preparation and report writing (initial pre-feasibility study).

Training courses in EDP II are tailored to assist the existing entrepreneurs in their specific management problems such as financial management, marketing and inventory control and to develop them further (if already in business) in their businesses (particularly under restaurant and food catering, furniture making, tailoring, retail and automobile repair and servicing). The main objective of EDP II is to minimise bankruptcy and to develop a good foundation in the particular line of business. The third stage of the programme is aimed at assisting existing businesses to diversify, expand and grow by exploiting the available business situations and opportunities.

3. EVALUATION OF THE CURRENT EDP PROGRAMMES:

At a glance, the achievement of EDP I shows a degree of success inspite of the difficulty of bringing it to different parts of the country. From the start of the programme in mid 1976 when EDP I was launched to December 1977, 147 courses were conducted to 3,697 participants out of which 2,317 of the participants have not started any business before they attended training. Follow up on these 2,317 participants have revealed that 381 new businesses had been started up by ex-participants. However, on analysis of the types of business activities, it was found that 213 (56%) have entered service type businesses of which 129 have set up sundry shops and restaurants. Detailed activities are as follows:

Services	213
Manufacturing	71
Processing	22
Farming and agricultural activities	13
Others	62
	<hr/>
	381
	=====

One of the weaknesses in the EDP I programme has been in the selection of participants. It is estimated that about 50% of the participants who have to date attended the EDP I courses were not suitable for this type of training, and have not demonstrated any of the basic entrepreneur characteristics and cannot be expected to start their own business. The EDP II course only commenced in 1978. 5 courses were conducted during 1978 involving 81 participants. Follow-up has yet to be conducted on these 81 participants. The most valuable statistic arising from EDP I courses is not the total number of participants exposed to entrepreneurial training, but the number of participants who create new businesses and remain successful. The success of the EDP programmes therefore rests very much on the integrated supporting functions and hence the absolute necessity of follow up programmes in the form of advisory and consultancy services. Another major supporting function to the entrepreneurial development programme is in credit financing, business premises, and loan of equipment and machinery.

4. NEW APPROACH OR STRATEGIES:

It had become clear from follow-ups on EDP participants that there is a need to review, scrutinise and revamp the programmes and strategies in entrepreneurial development.

To date there is an extremely low participation of indigenous races in industry. There is in fact a preponderance of Malays in saturated fields of businesses already choked with competition. Without adequate follow up and counselling, there has resulted in a high failure rate of new businesses. With the above in mind, MARA in conjunction with NERDA (National Entrepreneurial Research and Development Association) involved an entirely new course for potential entrepreneurs.

A vigorous selection process was drawn up to ensure that only those selected have potential for entrepreneurial development. The crux of identification lies in evaluating the behavioural and psychological traits relevant to entrepreneurship. The test developed

combine oral screening with short written tests. While the previous EDP course paid some emphasis to motivational training the course now developed devoted more time to intensive motivational training. This covered:-

- i) - the need to achieve
- ii) - risk taking
- iii) - positive self-concept
- iv) - initiative and independence
- v) - future hopes

The second part of the course is devoted to the identification of business opportunities and the preparation of project papers.

On selection of suitable projects the participants are sent for inplant training to study management techniques which could not be learned entirely from the class room.

5. CONCLUSION:

The importance of entrepreneurs in fostering economic growth has received universal acceptance. In the Malaysian situation the importance has become evident as underlined by the Government's policy in stimulating the development of new businessmen especially among the indigeneous ethnic groups. However, from Malaysia's very limited experience in the field of developing entrepreneurs, it appears that more emphasis has to be placed on selection techniques and in an integrated approach, combining careful selection, entrepreneurial development, training in business know-how and financial assistance and counselling.

Entrepreneurial development of this type and scale as visualised in this paper is not the task of a single agency. All concerned Government departments and agencies at policy and operational level must be fully committed to the task of this nature.

12th July, 1979.

A. Planning for EDP of Thailand

Actually training courses held in Thailand aim at improving technical and managerial knowledge to entrepreneurs engaged in various industries. After the EDP TRAINERS' Mini-Workshop at Manila in 1978, many attempts have been made to set up programs accordingly. The programs are as followed.

1. Objectives

The expansion of the small and medium industrial sectors, however, depends on a large degree on the entrepreneur himself. To transform established small industries into medium-sized industries, distinctive entrepreneurial qualities and managerial skills are required. Then the program has sought to develop entrepreneurial skills with the following objectives :-

- (a) To disperse industries to less developed areas of the country.
- (b) To generate more employment opportunities for people in the rural area.
- (c) To encourage and develop industries which utilize local raw materials and labor for domestic consumption as well as for export.
- (d) To promote the use of modern technology in manufacturing to enhance higher productivity.
- (e) To develop entrepreneurial qualities and attitude to bring about significant changes in the rural area.
- (f) To train those potential entrepreneurs to familiar with project preparation, skill management and their business environment.

2. Organizations involved in EDP

The following government agencies which are all engaged in training activities are planned to cooperate to implement EDP courses.

- Industrial Service Institute (ISI)
- Thailand management Productivity Center (TMPC)
- Small Industries Finance Office (SIFO)
- National Institute of Development Administrator (NIDA)
- Department of Labor

3. Selection of Participants

In selecting participants for EDP training course the education background of entrepreneurs may range from elementary, high school to post graduate levels or those who have technical experience from various industries.

For the successful of the program, the number of participants is limited between 20 to 25 per course, and will consist of both existing entrepreneurs and potential entrepreneurs. Application forms and questionnaires are used as instruments in gathering information on various facts of applicant's personality, initiative, aptitude, and social background. The EDP working group will analyse and evaluate the accomplished application forms.

4. Methodology of Traing

A mix of various training methods will be utilized including

- Lecture discussions
- Films
- Role playing
- Case studies
- Diagnostic checklists
- Exercises
- Guest panels
- Audio-visual aids
- Management games
- Preparation of project assignments

5. Course Design

The training program is divided into seven modules :
Motivation Training, Marketing, General Management, Production,
Finance, Entrepreneurship Setting and Project Preparation.

1. Motivation Training

- Entrepreneurship and Economic Development
- Leadership styles including entrepreneur manager
- Decision making
- Models of organization and human resources development

2. Marketing

- Economic analysis of demand
- Marketing mix
- Product Planning and Policy
- Pricing strategies
- Promotion and advertising
- Channels of distribution
- Sales forecasting and marketing research
- New marketing programs
- Managing marketing profitability
- Export promotion

3. Management

- Organization and Consideration involved
- Flow of Central informations,
- Plan in production, productions product-mix growth, profit, markets.
- Diagnostic case studies of successful & unsuccessful entrepreneurs

4. Production

- Production functions and systems
- Human resources development (interest, skills, knowledge)

- Plant layout and location
- Machinery equipment management
- Materials handling
- Plant maintenance and industrial safety
- Materials management and inventory control
- Quality control
- Production costing and control

5. Finance

- Financial information systems
- Product costing
- Financial Analysis
- Budgeting and Budgetary Control
- Cash management

6. Entrepreneurship setting

- Government policies toward industry
- How to start business
- Source of financing
- The legal Aspects of Business

B. Activities Support for EDP

Before starting an EDP Course in Thailand, important activities needed to be implemented are :-

1. Techno - economic information

The collecting information can be used for giving project ideas to the potential entrepreneurs. It will be useful to the faculty members of entrepreneurial training so as to keep them well informed of the realities of the situation in the district. It will also be used by the sponsoring organization to find out the developmental potential of the district concerned; and by the entrepreneurs while preparing their project reports.

At present techno-economic surveys have been carried out in 3 provinces in separate regions : Nakornsawan in the North, Songkla in the South and Khonkan in the North-east. After the investment opportunities in each area have been identified. Industries which are deemed to have good prospect will be recommended along with the EDP course held in each region

2. Preparing booklets and pamphlets which give detailed information on

- a) how to prepare project report
- b) how to fill in loan applications of financial institution
- c) to apply for reclaiming tax, import export quota and other items of practical help to new entrants.

3. Preparing handbook for entrepreneurs is very important. The handbook has to cover these aspects and bring together several writings which will help the policy makers, and support managers to effectively develop program of entrepreneurship development.

4. Provide model schemes for certain feasible business is a guide line for potential entrepreneurs to consider before establishing their business. These schemes extend from a very general information to detailed examination of specific issues relating to raw materials, cost of production, plant and machinery and finance

C. Problems

When the Program have been set, problems arise as followed :-

- 1. The lack of training materials, such as hand-out, case studies and training films on leadership, factory operation and plant maintenance, etc. since the EDP course has never been held in Thailand.

2. Resource persons on "Motivation" are scarce to find.

3. The sources of financial support to the project have not yet been allocated among government agencies concerned, due to the limited budget of each organization.

BANGLADESH
COUNTRY PAPER
FOR
EDP MINI-WORKSHOP OF CONTRIBUTORS/WRITERS
FOR THE TRAINERS' MANUAL AND ENTREPRENEURS' HANDBOOK
MANILA, 19 - 23 JULY 1979
ON
ENTREPRENEURSHIP DEVELOPMENT PROGRAMME
OF
TECHNET ASIA CENTRE, SINGAPORE
A PROJECT OF I D R C, CANADA

BY SIRAJUDDIN AHMAD M.A.(Econ) LL.B.
Sr. Co-ordination Officer
Bangladesh Small & Cottage
Industries Corporation (BSCIC)
Dacca, Bangladesh

Under the administrative
control of the
Ministry of Industries
Govt. of Bangladesh

June 1979

BANGLADESH COUNTRY PAPER FOR EDP MINI-WORKSHOP

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BANGLADESH
COUNTRY PAPER
ON
ENTREPRENEURSHIP DEVELOPMENT
PROGRAMME

For ~~EM~~ EDP Mini-Workshop of Contributors/Writers
for the Trainers' Manual and Entrepreneurs' Hand
Book Manila, 19 - 23 July '79

1. Background information (Local).

(1)	Contribution of Industries Sector to GDP	: 8.8%
(2)	G D P	: Tk.6,336 Crore
(3)	Per Capita Income	: Tk. 729
(4)	Rate of Growth of G D P	: 4%
(5)	" " Per Capita Income	: 2.4%
(6)	" " Population	: 2.5%
(7)	Contribution of Small & Cottage Industries to G. N. P.	: 40%
(8)	Foreign Exchange Earning	: 70% Comes from Industries Sector.
(9)	Agriculture Sector's Contribution to G N P	: 57%

Source : Bangladesh Economic
Survey 1978-79

2. National Objectives and/or rationale for Development of indigenous Entrepreneurs and industries :

In the manufacturing, sector the Two Year Plan aims at achieving the following principal objectives :

- (i) To accelerate the growth ~~of~~ of the manufacturing Sector;
- (ii) To increase production of essential wage-goods such as coarse cloth and common diseases medicine to ensure their minimum supply to the masses ;
- (iii) To improve management efficiency of the public sector industrial enterprises;
- (iv) To further stimulate the private sector particularly in export and agro-based industries ;
- (v) To achieve socially desirable equity in ~~income~~ income distribution through promotion of cottage and rural industry ;
- (vi) To ensure balanced geographical distribution of industries and encourage regional cooperation in industrial development ;
- (vii) To increase production of capital goods particularly those which have strong linkage with agriculture and infrastructure development;
- (viii) To promote export oriented and import substitution industries ;

Strategies and Priorities of the Two-Year Plan :

With a view to realising the objectives, the Plan follows certain strategies and priorities which among others are as follows :

(a) Increase in Industrial Output :

- (i) Fuller utilisation of existing capacity in industrial unit has been given the highest emphasis. This will be ensured through adequate and regular supply of both local and imported raw materials, spares and power and improvement in managerial and technical skill.
- (ii) Sick and inefficient industrial units will be improved through balancing and modernisation with emphasis on improvement in quality and product diversification. The units having no potential for improvement will be eliminated.
- (iii) Aided on-going projects will be assigned high priority to make as many of them productive as possible by the end of the Two Year Plan to enable the economy to get the promised benefits out of them.
- (iv) Efforts to improve management of public sector enterprises will continue through re-organisation and decentralisation of authority in decision making and better labour-management relationship.

(b) Employment :

Except in areas where modern capital-intensive technology and large-scale operations are guided by overriding technical and economic consideration; choice has been made in favour of labour-intensive technology, and small and cottage industries.

- (c) As far as practicable frequent change of key personnel of Development Ministries/Divisions/Atencies and Chairman and Directors of Public Sector Industrial Development Corporations should be avoided in the interest of development work.

(d) Location :

In order to promote regional development, locations of industries will be dispersed in different regions through incentive and administrative directives except in the case of industries where overriding technical and economic considerations do not favour such dispersal.

(e) Public and Private Sector :

As is the features of mixed economy, public sector and private sector will co-exist complementing each other. The policy of allowing private sector to play legitimate role in industrial development will be pursued vigorously.

(f) Industrial Research and Quality Control :

Development of skill and technology is an essential element in making industrial growth progressive and sustaining. Research for development of skill and technology has been emphasised in the Plan. Quality control measures particularly in the export oriented industries will be strengthened.

* : (3) : *

3. Organisations/agencies/institutions involved in Entrepreneurship Development Programmes, linkages etc :-

Organisations, Agencies and Statutory Bodies/Institutions involved partially or fully interalia in entrepreneurship development, creation and building up of social and economic infrastructure, help developing and promoting industries and economy at large.

The strategies of the activities and line of action of these Bodies, although appears different, their concerted efforts end in the same point detouring different means.

Bangladesh has 35 years of experience empirically and axiomaticly including 25 years of experience of erstwhile East Pakistan. During this period Bangladesh economy developed phase by phase under planned economy (of course mixed economy) and established frontal base in different strategies of Industrial implications to reach the destiny of entrepreneurship development and industrial development as a whole at large. Ministries of the Govt. and its different administrative tiers are all involved including following specialised bodies in entrepreneurship development in the country.

The institutions are as follows :-

1. Bangladesh Small & Cottage Industries Corporation (BSCIC)
2. The Bangladesh Industrial Development Corporation now decentralised into 9 different Sector Corporations.
3. Rural Industrial Services (RIS) a subsidiary of BSCIC.
4. Design Centre, a subsidiary of BSCIC.
5. Bangladesh Handicrafts Marketing Corporation (BHMC).
a subsidiary of BSCIC.
- XX 6. Bangladesh Shilpa Bank (BSB)
7. " Shilpa Rin Sangstha (BSRS)
8. " Bank.
9. Six Nationalised Commercial Banks.
10. Department of Industries.
11. Integrated Rural Development Programme (IRDP)
12. Divisional Development Boards.
13. Chittagong Hill Tracts Dev. Board.
14. Directorate of Social Welfare.
15. Co-operative Department.
16. Bangladesh Handloom Board.
17. Bangladesh Sericulture Board.
18. " Standard Institution.
19. " Industrial Technical Assistance
Centre (BITAC)
20. " Council for Scientific and Industrial
(Research (CSIR)

21. Bangladesh Management Development Centre (BMDC)
22. Trading Corporation of Bangladesh (TCB)
23. Controller of Imports and Exports.
24. Power Development Board.
25. Central Testing Laboratories.
26. Titas Gas Transmission and Distribution Company Ltd.
27. Institute of Business Administration.
28. Technical and Vocational Training Institute.
29. Bangladesh University of Engineering & Technology & General University.
30. Leather, Textile, Ceramic, Polytechnic and other specialised institutions.
31. Investment Corporation of Bangladesh.
32. Investment Board.

These Organisations under the control of relevant Ministries of the Govt. work on entrepreneurial development cycle. The concerted efforts exerted by these Organisations to promote and develop entrepreneurship each cycle in the spiral consist of 3 categories of activities :

- (a) Stimulatory
- (b) Support
- (c) Sustaining activities.

4. Country experience in Entrepreneurship Development Programme :-

- (i) Promotion of indigenous Entrepreneurs & enterprises, Govt. policies and incentives:-

Bangladesh economy is a mixed one and both public and private sector are balanced through Planning.

With the concerted and coordinated efforts and in a planned way the institutions, organisations/agencies as mentioned at Clause 3 worked in various ways and means during the last plan periods for promotion of entrepreneurs and enterprises (industries at large) in keeping with Govt. policies and incentives which achieved tangible result.

The following sectoral and subsectoral industries both large and small grown up and developed both in private and public sector with a great impact upon the entrepreneurship development out of empirical and pragmatic approach to the issues:-

Large & medium Scale industries :-

1. Jute and jute goods.
2. Cotton & cotton Textile.
3. Sugar.
4. Hides & Skin, Tanneries.

5. Paper & Newsprint.
6. Fertilizer & Chemical.
7. Chemical & Petrochemical.
8. Pharmaceutical.
9. Steel & Engineering.
10. Ship Building.
11. Fisheries & Forest.
12. Printing & Packaging.
13. Miscellaneous.

Small & Cottage Industries :

1. Agriculture, Food & allied.
2. Cane, bamboo & Wood.
3. Glass & Ceramics.
4. Leather, Rubber & Plastics.
5. Metal Works.
6. Paper & Paper Products.
7. Pharmaceutical, Chemical & Cosmetics.
8. Textile.
9. Handloom.
10. Miscellaneous.

5. Identification & Selection of Entrepreneurs and types of Projects :-

On the basis of Strategic planning for industrial development both in private and public sector, the sectors, projects are identified with the objectives :-

- (i) Development of export oriented industries, preferably, those based on indigenous raw materials;
- (ii) Promotion of import substitution industries;
- (iii) Accelerated development of industries in less developed areas including the rural areas ;
- (iv) Optimum utilization of the existing installed production capacity through consolidation by way of balancing, modernization and replacement ;
- (v) Utilization of local raw materials by promoting agro-based and other related industries; and
- (vi) Special emphasis on labour intensive industries and adoption of appropriate technologies for the creation of maximum employment opportunities.

- : (0) : -

The main Sectors of industries identified under which 138 Sectors are categorized for Private Entrepreneurs. These selected sectors call for new capacity (means set up of new industrial units, Balancing, Modernization and Replacement of existing ones. The broad Groups of sectors are :-

1. Group I - Food & Allied Products 1 - 17 sector
2. " II - Specialised Textile and Handloom - 18 - 30
3. " III - Forest Products and Allied Industries - 31-34
4. " IV - Paper, Board, Printing and Publishing 35 - 38
5. " V - Tannery, Leather and Rubber Products 39-44
6. " VI - Chemicals, Pharmaceuticals and Allied Industries 45-58
7. " VII - Glass, Glass Products and Ceramics 59-65
8. " VIII - Engineering Industries 66-111
9. " IX - Miscellaneous Industries 112-129
10. " X - Service Industries 123-135
11. " XI - Acquisition of Ships and Coasters ~~136~~ 136-137
12. " XII - Industries not Elsewhere Classified 138

Reserved list of Industries for Public Sector :

1. Arms and Ammunition and Allied Defence Equipments ;
2. Atomic Energy ;
3. Jute industry (Sacking, Hessian and Carpet Backing) ;
4. Cotton Textiles (excluding handlooms, powerlooms and specialised Textiles) ;
5. Sugar ;
6. Air transport ;
7. Telephone, Telephone Cables, Telegraph and Wireless apparatus(excluding radio receiving sets) ; and
8. Generation and distribution of electricity.

6. Training & Development; Course Component etc.:-

Training & Development Programmes/Courses aiming at entrepreneurship development are conducted by various institutions as mention in forgoing Clause No. 3 (agencies involved in entrepreneurship development).

Among other things, the following programmes are set in the 2 years plan :-

<u>Sub-sector</u>	<u>Name of the programme.</u>
1. Skill Development Training	1. Technical Training Centres
	2. Islamic Centre for Technical & Vocational Training & Research.
	3. Industrial Relation Institutes.
	4. Employment Exchange.
	5. Self Employment.

7. Supporting Services and Assistance, Marketing, Technical, Financial, others, Technology Transfer :-

The institutions/Agencies/Bodies as mentioned in foregoing para which are involved in entrepreneurship development and enterprises, the industries and the economy at large provides services in the following ways :-

1. Developing infrastructure (both Social & Economic)
2. Technical Assistance.
3. Counselling Service.
4. Financing Private Sector Industry.
5. Public Sector Industrial Units as Pilot Project and Joint Venture.
6. Training.
7. Extension Service.
8. Supply of input.
9. Marketing.
10. Techno-economic feasibility & Project Report.

These includes in brief the services envisaged in the Entrepreneurial ~~cycle~~ Development Cycle viz. 1) Stimulatory, Support and Sustaining Activities which are in details as follows:-

1. STIMULATORY :

1. Entrepreneurial Education
2. Planned Publicity for Entrepreneurial Opportunities
3. Identification of potential entrepreneurs through scientific method
4. Motivational Training to new entrepreneurs.
5. Help and guide in selecting products and preparing project reports
6. Making available techno-economic information and product profits
7. Evolving locally suitable new products and processes
8. Availability of local agencies with trained personnel for entrepreneurial counselling and promotions.
9. Creating entrepreneurial forum
10. Recognition of entrepreneurs in

2. SUPPORT :

1. Registration of unit
2. Arranging finance
3. Providing land, shed, power, water etc.
4. Guidance for selecting and obtaining machinery
5. Supply of scarce raw materials
6. Getting licenses/import licences
7. Providing common facilities
8. Granting tax relief or other subsidy
9. Offering management consultancy
10. Help marketing product
11. Providing information

3. SUSTAINING :

1. Help modernization
2. Help diversification/expansion/substitute production
3. Additional Financing for full capacity utilization
4. Deffering repayment/interest
5. Diagnostic industrial extension/consultancy source
6. Production units legislation/policy change
7. Product reservation/creating new avenues for marketing
8. Quality testing and improving services
9. Need based common facilities centre

As regards the comments on the draft programme/proposed content/outline on the EDP Trainers' Manual & Entrepreneurs' Handbook, needless to mention that the draft programme is well designed, but the following points may be considered for balancing theoretical and applied aspects of the issue :-

Keeping in view the different economic & political conditions prevailing in different countries, the Manual's matter are to be knitted. Entrepreneurship, in most of the under-developed/developing countries (of Asia too) is very much shy because, inter alia, of these facts :

- i) Want of technical know-how, capital & risk bearing.
- ii) Want of credit facilities and allied assistance.
- iii) Want of Training/extension/motivation services.
- iv) Want of techno-economic/feasibility study.
- v) Want of proper research & empirical study.
- vi) Ineffective approach to the problems.
- vii) Want of follow-up programme after training and post-training tuning-up.

The proposed manual may be designed and developed in such a way that may be treated as an ~~xxx~~ authoritative documentary book for all the time applicable to the situation. It should be the outcome of the constant/total research on the basis of empirismpragmatism.

8. Specific recommendation :-

On Trainers' Manual and Entrepreneurs' Handbook the matters/facts relating to the whole gamut may be considered for discussion and ~~inclusion~~ inclusion in the proposed Handbook in the light of the following :-

1. The conditions and climate, Socioeconomic and political conditions in different countries are not the same as to the development of entrepreneurship.
2. Further there are differences in socialist and capitalist economy in the most underdeveloped/developing countries.
3. And furthermore, there are sharp difference in the entrepreneurship development strategies in the developed and developing countries as well as agrarian and industrial potential countries.
4. In most of the developing countries the problems relating to development of entrepreneurship, interalia, includes the following :-
5. For the proposed Handbook, the case studies of the 11 P.O. exchange programme may be incorporated, including case studies of the country.
 - i) Want of Technical know-how, dearth of capital and risk taking.
 - ii) Credit facilities and allied assistances.
 - iii) Want of training/extension/motivation services.
 - iv) Want of Techno-economic/feasibility study.
 - ~~ix)~~ ~~want of~~ Proper research and empirical study.
 - vi) Ineffective approach to the problems.
 - vii) Want of follow-up programme after training and post training tuning up.

These facts may be discussed and ways and means be thrashed out to overcome these problems strategically with the prevalent climate and conditions of the respective countries taking recourse to appropriate technology, intermediate technology, transferring and adopting technologies applicable to the conditions of the respective countries.

- oOo -

Source :

- 1) Bangladesh Economics Survey 1978-79

by Ministry of Finance, Govt. of the People's Republic of Bangladesh, May 1979.

- 2) The Two Plan 1978-80

by Planning Commission,
Govt. of the People's Republic of Bangladesh,
March, 1978.

3) Industrial Investment Schedule

for Two Years 1978-80 for Private Sector

Ministry of Industries

(Department of Industries)

Govt. of the People's Republic of Bangladesh,

October, 1978.

4) 1979 Statistical Year Book of Bangladesh

by Bangladesh Bureau of Statistics

Ministry of Planning

Govt. of the People Republic of Bangladesh

April, 1979.

5) Entrepemurship and Small Enterprise Development of Bangladesh

by Bureau of Business Research

University of Dacca

March, 1979

6) Survey of Small Industries 1962-66

by BSCIC

7) Survey of Cottage Industties 1962-64

by BSCIC

8) Developing Entrepreneurship

by Udai Pareek

T. Venkateswara Rao

Indian Institute of Managements, Ahmedabad, India.

ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES
DP INDONESIA EXPERIENCE [®]

I. BACKGROUND INFORMATION.

I.1. National Objectives/Rationale for-
the development of industries and
entrepreneurs.

The main Indonesia National Objectives in National Development is creation of a firm and strong foothold for Indonesian people to grow and develop on its own strength towards wealthy and justly done community based on PANCASILA. The main focus of the development is an economic development aimed to achieve agricultural development in balance with industrial development and the fulfillment of the main people needs.

Speaking about economic development, since the era of Industrial Revolution up to present time it has been uncovered that there is a strong and positive correlation between the wealth and higher standard of living of a country with its industrial development stages.

Similar to other developing countries in Asia, Indonesian economy is based on extractive industries mainly on mining and agricultural products for export markets, characterized by secondary industries mainly concentrated on small region which consist of small scales and home handicraft industries with traditional technology. Furthermore Indonesian economy is characterized by the large disparity of income between the rural and the town communities, besides increasing of unemployment as a consequence of better education and health after independence.

Based on.....

® Country Paper presented by HAMZAH YUNUZIR
and NADIRSJAH R ARA for EDP 3,19-23 July 1979
Manila, PHILIPPINES.

Based on statistical data in 1975 there are about 1.3 millions unit of small scale industries through out Indonesia with nearly to 76% concentrated in Jawa, 9% in Sumatera, 8% in Sulawesi, 3% in Kalimantan and 4% in the rest of other islands. Compared to population distribution, these concentration approximately correlated to with the percentage distribution of people about 64% in Jawa, 13% in Sumatera, 7% in Sulawesi, 4% in Kalimantan and 7% in the rest of other islands.

According to those background it was enacted in GBHN (National General Guidelines) that the direction of national economic development amongst other things are :

- to increase national income and levelling more the distribution of income for all people in accordance with the sense of justice so as to prevent widening the gap between the rich and the poor people,
- to increase more capabilities of economically weak group of people (indigeneous entrepreneurs) so as to play an important role in Indonesia economic system; where cooperative is a vital vehicle to reach the goal,
- to increase employment level,
- Fundamentaly reconstruction of Indonesia economic structure from producing agricultural products to industrial products as back bone of national product and economy.

Therefore in the third Five Year Plan it was decided ;

- to increase the opportunities for small and economically weak group of entrepreneurs to develop their business and
- to open more and greater business opportunities to national /indigeneous entrepreneurs developing their activities in gaining domestic invesment facilities scheme.

Some main points in the third Five Year Plan for development of industrial sector are ;

- improved steps should be taken to develop national private business,

-Government should..

-Government should give more considerations to develop infrastructures and creates a sound climate to support the growth of industries. Accordingly, efforts should be taken to develop skill to improve labour productivity and managerial ability of the private businessmen especially small scale businessmen/entrepreneurs,

-to foster the economically weak group, some ways should be taken i.e ; soft loan financial assistance, technical assistance and informations, through all efforts, to create and develop entrepreneurship,

-specific activities, especially traditional business which are classified as a weak economic group should be protected,

-entrepreneurship, business skill and management ability of indigeneous entrepreneurs should be improved so as to speed up the transfers of foreign entrepreneurs private activities into national entrepreneurs.

I.2.E D P Organization.

In Indonesia several institutes/organizations are involved in conducting entrepreneur and managerial developmant programmes. They are ;

1. Department of Industries (DP)
2. Department of Labour and Transmigration, Indonesia National Productivity Centre (PPNI)
3. University of Indonesia, Management Institute and Institute of Psychology
4. Institute of Technology Bandung, Development Technology Centre (ITB-DTC)
5. Institute for Management Development (LPPM)
6. Indonesia Chamber of Commerce and Industries (KADIN-Indonesia)
7. University of Padjadjaran, Institute of Psychology

8. Institute for....

8. Institute for Entrepreneur Development (LBW)
9. Institute for Social and Economic Research,
Education and Information (LP3ES).

The linkages between those institutes existing only on a joint programme basis, besides conducting their EDP independently. It is time now to launch the National joint Committee of EDP coordinating all efforts to achieve the target and planning of EDP training and assistance to indigenous entrepreneurs which operates at country regional level.

II. D P EXPERIENCE IN EDP.

1. Far back in 1950s the Government of Indonesia seriously had tried to launch a national programme to foster indigenous entrepreneurs. The first programme was to open the opportunity to indigenous entrepreneurs made benefit from special import licences facility financing by Central Government Bank in advance. Beyond hoped the result was strengthening the economy of Chinese and foreign descendant people.
2. The second programme was in 1960s, through Department of Industries the Government had tried again to foster indigenous entrepreneurs known with providing the (raw) material quota scheme system. But the result was busy trade on materials delivery order and made stronger the Chinese businessmen position in national economy. The programme then followed by machineries scheme assistance and the establishment of "mother" finishing/machining centres which last by busy machinery trade and mothers ate the children while survival avoid the mother. Then the mother growing old with lack of initiative and management and strangled. Together with above scheme there were also training assistance on management and technology skills to indigenous entrepreneurs but the results was not much favourable.
3. With the experience since 1950s and supported by recent experience it was uncovered that an error way to develop small indigenous entrepreneurs (industries) by providing facilities alone while we were

were neglecting the entrepreneurial characteristics of the people behind them to be developed.

Since 1971, DP through LPPI (Institute for Industrial Research and Education/Training) had launched a kind of entrepreneurial development programme by conducting and extending practical management training that was called Package Course on Industrial Management and Consultation (PC) for Small Scale Industries in some country region/provinces. This programme proceeded up to 1975 covering nine provinces i.e ; Yogyakarta, South Sulawesi, North Sumatera, West Sumatera, East Jawa, Central Jawa, Aceh, South Sumatera and Bali. (appendix I).

Along with the programme, several DP's Regional Research Institute i.e ; Industrial Research Institute (IRI) Jakarta, Chemical Research Institute Bogor, Materials Testing and Research Institute Bandung, Cellulose Research Institute Bandung, Textile Research Institute (ITT) Bandung, Metal Industries Development Centre (MIDC) Bandung, Chemical Research Institute Semarang, Leather Research Institute Yogyakarta, Batiks and Handicrafts Research Institute Yogyakarta, Chemical Research Institute Surabaya, Ujung Pandang, Manado, and Medan, conducting also technical and technology training for Small Scale Industries personnel for example on dyeing, finishing, moulding, welding and processing techniques.

Further more, working together with BIPIK Project, LPPI had prepared and issued several Industrial Profiles for Small Scale Industries.

4. In order to make the EDP more effective, DP and Department of Labour sponsored by UNIDO/UNDP had invited Dr. David C Mc Clelland and Dr. David E Berlew in 1972 to demonstrate Achievement Motivation Training (AMT) in Jakarta and Bandung.

Aware of the role of entrepreneurs as agent of economic development DP launched in 1975 an Entrepreneurship Development Project/ Achievement Motivation Project assisted by UNIDO/UNDP 's INS/74/ 045 coordinated by Mr. F. Bermawi. The main task of DP's AMT Project was to conduct Achievement Motivation Trainer's Training (AMTT) as to produce qualified trainers for Achievement Motivation Training. This programme lasted about one year from May 1975 to April

1976.....

1976, prolonged because of Dr. David Kolb as co-trainer came late from United States, and led by Prof. Manohar Shri Nadkarni from NIMID, India, as UNIDO expert.

The participants of the programme were 21 people from several Institutes engaged in development of industries, i.e;

Department of Industries	5 participants
University of Indonesia, Institute of Psychology	2 participants
Department of Labour	6 participants
Department of Defence	3 participants
Indonesia Chamber of Commerce and Industries (KADIN-Indonesia)	2 participants
Indonesia Development Bank (BAPINDO)	2 participants
P.T. BAHANA	1 participant

Beginning on August 1975 up to present DP has been conducting 29 times of AMT in some country, regions attended by approximately 600 indigenous existing industries entrepreneurs. (Appendix II)

5. Research finding on developed countries that they have about 2% of their total population as entrepreneur. Therefore if Indonesia like to match them he has to, not more than 10 years, gain about 2.5 millions qualified entrepreneurs, that means should produce, develops and creates about 250,000 entrepreneurs within one year. It is an ambitious programme of course. Therefore to cope this programme problem DP policy is giving the first priority to develop existing industries indigenous entrepreneurs and then creation of new entrepreneurs.

DP implements that policy through the activities of BIPIK or Small Scale Industries Development Centres (PPIK), Services Centre and DP Regional Representative Offices, to extend incentives and facilities to SSI in the form of ;

- a. technical and technological information services,
- b. technology training, practical management training,
- c. Achievement Motivation Training, courses and seminars,
- c. extension....

c. extension services and consultation

d. technical assistance , i.e; expertise, small machineries, materials through feeder points, market centres, etc.

Indonesia did not have exact data about indigeneous existing entrepreneurs either in quantity and quality. Tentatively data we have from Thematic Apperception Test (TAT) during conducting AMT programme shown that the participants mostly have n Ach level around 2 that means low grade of nAch and then measurement after 35-40 hours of AMT shown an increase about 5 points.

Past experience proved that DP only able to develop about 200 indigeneous existing entrepreneurs per year and its hope to be come five times per year after EDP Trainer's Training next year, that means DP like to develop about 5.000 entrepreneurs within five year.

6. To start the EDP Training course, DP takes several steps on identification and selection and types of projects , i.e;

a. identification of the existing entrepreneurs by using production/activity reports sent by entrepreneurs periodically to DP Regional Representative Offices,

b. selection of entrepreneurs by priority of industrial sectors, potentially to be developed in accordance to regional and national industrial development strategy,

c. sending application form to entrepreneurs for preliminary selection, in order to asses the successful entrepreneurs characteristics as for example, the risk taking concept, responsibility, reaction to failure, the long term career aspiration, the competition concept and reasoning to involve in business,

d. oral interview for an overall assessment and detailed aspect of entrepreneurial pattern of thinking,

e. application of behaviour science techniques.

Criteria of the participant within the preliminary selection of the candidates are ;

a. voluntary participation,

b. age.....

- b. age between 20 to 40 years
- c. mastering Bahasa Indonesia,
- d. owner entrepreneurs or managing entrepreneurs,
- e. preference given to the existing and promising entrepreneurs,
- f. at least secondary school education background,
- g. willingness to participate in training process continuously.

Implementing those procedures it took at least two months until the final candidate is chosen. This is amongst other things due to difficulties in communication and transport. Sometimes problems also arise from the reluctance of the entrepreneurs to participate because of they could not afford to leave totally their business within more than five days in succession to attend AMT residential programme or AMT plus, even though DP compensates them with an amount of reasonable lump sum money. Therefore we were not so strict to the selection procedures for existing indigenous entrepreneurs except to new or entrepreneurs to be.

7. Formerly, DP was giving the existing entrepreneurs technical and managerial skills to run small industries enterprises. Therefore LPPI conducted a kind of Package Course on Industrial Management and Consultation which took about ten days courses with about 30 sessions, 3 sessions a day with one long session of 135 minutes, two short sessions of 90 minutes, totally including 18 subjects. (Appendix III).

After AMTT, DP had launched three kinds of EDP project, i.e;

- a. A.M.T
- b. Package Course/Management Course plus AMT
- c. AMT plus selective topic subjects on Industrial Information, Simple Feasibility Study, Loan proposal and Project proposal, Field work assignment and Presentation of field work paper.

Starting with this year (1979) DP like to develop AMT plus called Entrepreneur Managerial Development nearly to Gujarat Model with several modules, i.e ;

Module 1.....

- Module 1. Achievement Motivation Training
- Module 2. Industrial Information
- Module 3. Business Operation and Management
- Module 4. Feasibility Study and Project Investment
- Module 5. Plant Visits and Fieldwork Assignment/
Project Development
- Module 6. Seminar

The implementation of EMD will be modified according to its application. New entrepreneurs will be given in full doses while existing entrepreneurs will be given in selective basis suiting to entrepreneurs needs. Course duration will take about one month. Detailed course time table see Appendix III.

8. Supporting services and assistance available for entrepreneurs, in addition to those mentioned in page 6, is financial assistance through a kind of credit scheme which are called KIK (Small investment credit) and KMKP (Permanent Working Capital Credit).
9. Recently, around December 1978 DP had launched through DP Representative Office in Central Jawa, a monitoring programme for evaluation of effectivity impact of AMT programme held in 1976 and 1977 in Central Jawa.

The result not so unfavourable as reported by DTC-ITB and Institute of Psychology, University of Indonesia for their venture and surprising enough because some data nearly match the Indian experiment.

The sample of entrepreneurs available is 74% population for five batches of AMT, i.e ; in Surakarta II, Cilacap, Tegal, Kudus and Purwokerto.

About 83% of respondent reported their progress after AMT and 17 % reported constant. The degree of their business progress reported 60% according to AMT, 15% according to management and other training and 25% according to Government regulation, economic environmental situation and condition.

On average 50% of respondent reported increasing of their capital after AMT with 15% increase per year. Increasing in physical sales reported by 36% of respondent with 23% increase per year.

Most of

Most of business is individually owned (82%) started with self financing (90%) and after AMT the business that operate with self financing is about 62% its means 38% benefit the credit from outside financial resources. Almost 54% of respondent strating their business individually, 31% together with friend and family, 10% started by parent and 5% started by family. They start their business or involved in business around 27 years old. Mostly did not shift their business to another kind of industries. The kind of industry they chose is 24% textile industry/manufacturing, 23% construction materials industry, 20% metals industry, 12% wooden crafts and furniture industry and the rest food, leather, shoe and others. One year after AMT business total employment increase by 10% while national labour force increase only 2.6 per year.

The problem they still face after AMT is marketing (40%), Capital (30%), inflation (15%), raw materials (11%), equipment (7%) and Management (7%). They still needs management course mostly on Marketing, Financial and Production Management (55%), Technology training (40%) and more AMT (20%). About 65% of participants respondent needs financial assistance, 20% needs machineries and equipment assistance and 10% needs raw materials assistance. The result of monitoring programme also uncovered that 60% of respondent reported an increase on their private income after AMT and 40% constant. The average increase about 55% per year.

Their motive to run business were 25% social factors, 75% individual progress. Asking about satisfaction in achieving their interim goal, 60% not satisfaction with the progress they achieved and 40% partly satisfied. Initiative to start business were 65% self initiative, 15% because of parent, 10% by family and 10% by friends.

III. RECOMMENDATIONS.

1. DP urgently needs EDP trainers training sponsored or assisted by TECHNINET ASIA at least three times each five year.
2. DP should maintain conducting EDP training with its own experience combine with India, Malaysia and Philippines experience.

3. To continue....

3. To continue the EDP independently while seeking to conduct EDP in integrated programme.
4. To find some ways to link EDP alumni with assistance of financial institutes.
5. To find a way to conduct joint EDP training between TECHNUNET PO members
6. Comparative study tour in EDP and its effectivity.
7. Exchange experience programme meeting in EDFA.

@@@@@@@@@@@@

APPENDIX. L.

TABLE I. DP PACKAGE COURSE PROGRAMME
(1971-1975)

YEAR	#	LOCATION/PLACE	! PARTICIPANT
1971/1972!		Yogyakarta	! 41
	!	Ujung Pandang	! 41
	!	Medan	! 43
	!	Padang	! 40
1972/1973!		Surabaya	! 46
	!	Semarang	! 46
1973/1974 !		Banda Aceh	! 49
	!	Palembang	! 46
1974/1975 !		Den Pasar	! 46
	!	Tanjung Karang	! 45
TOTAL	!	-	! 443

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APPENDIX II.

TABLE II. ACHIEVEMENT MOTIVATION TRAINING
DP PROGRAMME 1975 - 1979

YEAR	! LOCATION/PLACE	! SPONSORED/CONDUCTED BY
1975/1976	! Yogyakarta I	! LPPI/Puslitbang Aninkra
	! Semarang I	! --"---
	! Surabaya I	! --"---
	! Den Pasar I	! --"---
	! Jakarta I	! --"---
	! Jakarta II	! --"---
	! Yogyakarta II	! --"---
	! Surakarta I	! --2---
	! Surabaya II	! --"---
	! Medan I	! --"---
	! Palembang I	! --"---
	! Tanjung Karang ^(*)	! --"---
1976/1977	! Jakarta III	! STMI
1977/1978	! Medan II ^(*)	! BIPIK
	! Ujung Pandang ^(*)	! BIPIK
	! Tegal	! DP Repr. Office, Central Jawa
	! Surakarta III	! BIPIK
	! Banjar Baru	! BIPIK
	! Kudus I	! DP Repr. Office, Central Jawa
	! Purwokerto I	! --"---
	! Jakarta IV	! STMI
	! Jakarta V	! Pusdiklat-DP
	! Jakarta VI	! Pusdiklat-DP
1978/1979	! Magelang I	! DP Repr. Office, Central Jawa
	! Kebumen I	! --"---
	! Klaten I	! --"---
	! Yogyakarta III	! BIPIK
	! Bandung I	! BIPIK
	! Surabaya III	! BIPIK

APPENDIX III.

TABLE III. PACKAGE COURSE ON INDUSTRIAL-
MANAGEMENT AND CONSULTATION,
DP PROGRAMME, TIME TABLE.

Session:1 DAY I	8.00-9.00	Session:2	9.45-11.15	Session:3	11.30-13.45
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Opening	Capita Selecta/SSI in Indonesia an Over- view	Feasibility Study
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Session:4 DAY II	8.00-10.15	Session:5	10.30-12.00	Session:6	12.15-13.45
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Network Planning (CPM)	R & D Inter-relation	Production Management
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Session:7 DAY III	8.00-10.15	Session:8	10.30-12	Session:9	12.15-13.45
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Industrialization policy	Communication	Personnel Management
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Session:10 DAY IV	8.00-10.15	Session:11	10.30-12.00	Session:12	12.15-13.45
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Production Manage- ment	Communication	Personnel Management
----------------------------	---------------	----------------------

Session:13 DAY V	8.00	Session:14		Session:15	-13.45
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P L A N T V I S I T S

Session:16 DAY VI	8.00-10.15	Session:17	10.30-12.00	Session:18	12.15-13.45
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Foreign and Domestic Investment Regulation	Trademark & Patent	Trademark & Patent
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Session:19 DAY VII	8.00-10.15	Session:20	10.30-12.00	Session:21	12.15-13.45
-----------------------	------------	------------	-------------	------------	-------------

Organization & Method	Financial Management	Financial Management
-----------------------	----------------------	----------------------

Session:22 DAY VIII	8.00-10.15	Session:23	10.30-12.00	Session:24	12.15-13.45
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Record Management	Statistics	Quality Control & Standardization
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Session:25 DAY IX	8.00-10.15	Session:26	10.30-12.00	Session:27	12.15-13.45
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Marketing Management	Quality Control & Std	Statistics
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Session:28 DAY X	8.00-10.15	Session:29	10.30-12.45	Session:30	13.00
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Industrial Dev. Admin	Industrial Policy	Closing
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APPENDIX III[®].

ENTREPRENEUR MANAGERIAL DEVELOPMENT

DP INDONESIA PROGRAMME

TRAINING CONTENT

MODULE I. Achievement Motivation Training,

MODULE II. Industrial Information

MODULE III. Business Operation and Management

III.1 Production Management

III.2 Marketing

III.3 Procurement and Supply

III.4 Personnel Management

III.5 Financial Management

III.6 Business Management

III.7 Organization & Methods

MODULE IV. Feasibility Study and Project Investment

MODULE V. Plant Visits and Project Development

MODULE VI. Seminar

OUT LINE FOR TRAINER'S MANUAL
DP INDONESIA

- I. Introduction
- II. Economic Development And Entrepreneurs role
- III. Entrepreneur, Entrepreneur resources and factors developing Entrepreneur personality
- IV. Entrepreneurs and Innovator's bahaviuor and characteristics
- V. Project and Business Management and Operation aspects
- VI. Entrepreneurial education aspects
- VII. Some Successful and unsucess entrepreneur model and cases
- VIII. Designing Training Programme and Training methodology
- IX. Identification of Training needs
- X. Identification of supporting system and its role on entrepreneur development
- XI. Designing selection, monitoring and evaluating of Training programmes
- XII. Appendices.

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OUT LINE FOR ENTREPRENEUR'S HANBOOK.

DP INDONESIA

- I. Introduction
- II. Achievement Motivation Training
- III. Industrial Information and Extension
- IV. Business/Project Identification and Selection
of Project Opportunity (Simple Feasibility Study)
Project Loan Proposal)
- V. Business Operation and Management
- VI. Guidance to Project Preparation and Development
(Field work Study)
- VII. Guidance to Seminar
- VIII. Appendices.

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THE LIST OF PRINTED MATERIALS AVAILABLE
FOR EDP IN INDONESIA

1. Education system and Entrepreneurship Development
in Indonesia
Work-shop Committee, Nov 1976
2. Guidance to SSI in Indonesia
BP3K, KADIN Indonesia 1977
3. Selected Readings on Entrepreneurial Motivation
Development, SIET INSTITUTE
4. Entrepreneurship Development, The GUJARAT model
5. A Programme for Training the Trainers for Developing
Entrepreneurial Motivation
NIMID, India 1976
6. Freeman. Katherin B,
The Significance of Mc Clelland's Achievement
~~Motivation~~ Variable in the aggregate production function
7. Redding. Gordon,
Some perceptions of Psychological needs among Managers
in South East Asia
8. Mc. Clelland & Burnham
Power is the Great Motivator
9. Rao. T. V.,
Assessing Entrepreneurial Development Programmes (EDPs)
10. Nelson. Robert E,
Entrepreneurship Education in Developing Countries
11. Small Industry Entrepreneurial Development
A comparative Study, SIET Institute, India
12. Ram Vepa,
Small Scale Industries " The Indian Experience and
its Relevance to Developing Countries"
13. Kilby,
Entrepreneurship and Economic Development
Free Press

- 2.
14. Mc Clelland,
The Achieving Society
Van Nostrand
 15. Mc Clelland,
Motivating Economic Achievement
Free Press
 16. Mc Clelland & Steele,
Human Motivation, Book of Readings
General Learning Corp.
 17. Kolb David et al,
Organizational Psychology, "An Experiential Approach
Prentice Hall
 18. Huse-Bowditch,
Behavior in Organization, A System Approach to
Managing
Adison Wesley
 19. Hersey-Blanchard,
Management of Organizational Behavior
Prentice Hall
 20. Atkinson JW
An Introduction to Motivation
Van Nostrand
 21. Bryce,
Industrial Development
Mc Graw Hill
 22. Mc BerCOY,
Business Leadership Training Program
 23. Entrepreneurial Discovery and Development
Progress of Action Research
East-West Centre
 24. Towards of A Typology of Women Entrepreneurs , their
Business Ventures and Family Life
Ruth.S.Finey, East-West Centre

25. Initiating Rural Non Farm Project:
A Working Guide
V.K.Chebbi, East-West Centre
26. Atkinson, JW
Motives in Fantasy Action and Society
Van Nostrand
27. Maynard H.B,
Industrial Engineering Handbook
Mc Graw Hill
28. Kotler Philips,
Marketing Management, Analysis, Planning and Control
Prentice Hall
29. Muther R,
Practical Plant Layout
Mc Graw Hill
30. Training Methods
Leslie Mitchel, UNIDO/ISID 50, 1973
31. Feasibility Study for Small Industry
SIET Institute
32. Pfeiffer JW et all,
A Handbook of Structured Experiences for
Human Relations Training
University Associates
33. Schumacher E F,
Small is Beautiful
ABACUS
34. Entrepreneur-Manager Training Manual
Malgavkar Prabhakar D, East-West Centre

ENTREPRENEURSHIP DEVELOPMENT : THE PHILIPPINE EXPERIENCE*

Background

In developing countries several interventions are needed to solve the problem of economic and socio-cultural stagnation. A fact that has been brought to fore during the Development Decade has been the recognition of the development and promotion of small and medium industries as a strategy for growth.

While large scale industry fosters industrialization, the role of small industry is vital, especially in stimulating the process of change at the grass roots level. This sector serves a newly industrializing country not only by its output of goods but also by functioning as a seedbed of entrepreneurial and managerial talents. Small industries generally offer the most promising means of promoting entrepreneurship among people from different walks of life especially those with limited financial resources and very little technical and managerial experience. Thus, small industries are effective means for establishing a wide base for rapid industrialization.

Whatever strategy of economic growth a developing country follows, the fact remains that development does not occur automatically. In the final analysis, it occurs mainly on account of constant striving of human agencies that are responsive to business incentives and motivation. In industrial and economic parlance, this responsiveness of human agencies that are responsive to business incentives and motivation. In industrial and economic parlance, this responsiveness of human agencies has been termed as "entrepreneurship".

Entrepreneurship has long been recognized as the driving force behind economic development. Without it land, labor, capital and technology remain practically useless. It is often not the shortage of resources but the lack of ability and determination to put them to productive use that may retard the economic progress of a developing country.

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The need and significance of entrepreneurial skill in the development of developing countries has been aptly described in the ILO's report on "The Economic Background of Social Policy including Problems of Industrialization." It stated that:

"Among the principal factors which have favored or retarded the growth of modern industries in Asia, the most important so far is doubtless the general lack of enterprise. Men of enterprise ready and able to respond to market opportunities have been scarce in all Asiatic countries."

In cognizance of this, the Philippines in the seventies focused attention on an economic sector it has formerly overlooked. The period saw the emergence of the small entrepreneur from a position of virtual anonymity to one of prominence as "the backbone of the economy." In the Philippines the entrepreneur is associated fundamentally with the small-scale industry as the frame of reference. Thus, when one speaks of an entrepreneur, he often has in mind the owner-manager of an enterprise employing more than five and less than 100 workers and having total assets not less than ₱100,000 and not exceeding ₱1,000,000.

National Initiatives

For the first time, the promotion of small and medium-scale industries was cited in the national development plan (FY 1971-1974) as one of the eight priorities in industrial development. No less than President Marcos gave the pride of place to the role of small industries in development when, addressing a group of small entrepreneurs in 1972, he declared:

"No sector of our economy holds greater promise than the sector made up of small and medium industries and therefore draws from the largest segment of our entrepreneurs, not to mention a cross section of our people."

"On that score alone, small and medium industries may well provide one of the answers to economic development. For, certainly, from this small beginning, the bigger achievement will derive."

To substantiate this presidential pronouncement, the government started mobilizing all its available resources to provide incentives, and, in general, create a kind of atmosphere conducive to small industry growth and development.

Thus, in one presidential move, government agencies concerned were mobilized to work together to assist small and medium-scale entrepreneurs.

The private sector - the major industry and trade groups and chambers - in turn, responded by setting up small business development units and programs.

Where in the past assistance to small-scale industries was fragmented, sporadic and inadequate because undertaken independently by a number of agencies, and in some cases, overlapping, the small industry development program in the last few years has aimed for a coordinated, integrated, comprehensive and total approach to the problem of the development of the sector. Thus, when the Department of Industry (now the Ministry of Industry) was created by virtue of a Presidential Decree, it was charged with the task, among others, of encouraging the establishment, growth and expansion of medium and small-scale industries particularly in the rural areas through effective assistance and guidance in the manufacture of the industrial products concerned.

The Commission is the organization that is responsible for integrating the functions and policies of its member-agencies for financial, technical, marketing and purchasing and promotional programs for small and medium industries.

The membership of the Commission is composed of the following government agencies:

1. Bureau of Small & Medium Industries, Ministry of Industry (MI)
2. Trade Assistance Center, Ministry of Trade (MT)
3. Ministry of Local Government & Community Development (MLGCD)
4. Development Bank of the Philippines (DBP)
5. National Science Development Board (NSDB)
6. National Manpower and Youth Council (NMYC)
7. National Economic and Development Authority (NEDA)
8. UP Institute for Small-Scale Industries (UP ISSI)
9. Ministry of Agriculture (MA)
10. Ministry of Natural Resources (MNR)
11. Industrial Guarantee & Loan Fund (IGLF)

The Commission is organized along four functional committees, namely: Finance, Technological, Marketing and Training Assistance Committees.

The Executive Committee is composed of representatives from each of the twelve member-agencies. It coordinates and integrates the policies, programs and projects of its member-agencies for technological, financial, marketing, training and promotional assistance to small and medium industries. The four functional committees are composed of representatives from each of the member-agencies whose functions coincide with that of the specific committee.

As of late, the member-agencies are re-grouped forming functional working teams in accordance with a revised development program, to wit:

1. Project Development
2. Entrepreneurial Training
3. Financing Assistance
4. Consultancy Services
5. Regional Project Promotion
6. Private Sector Investment and Expertise Participation

Entrepreneurial Identification and Selection

To enhance the chance for the successful outcome of entrepreneurial development programs, the first step undertaken is to identify the entrepreneur who is interested and has the capability in establishing and operating the project or projects which are given priority in the area. Thus, the local governments, with technical support from the University of the Philippines Institute for Small-Scale Industries (UP ISSI) conducts provincial economic surveys to properly identify viable small and medium industry projects. In some instances, more detailed surveys of specific cities and towns have also been conducted.

As part of the research in this project, the Ministry of Industry, primarily through the Board of Investments and the National Manpower and Youth Council (NMYC) also provide some of the information requirements. Training of technicians to conduct these surveys is conducted by the UP ISSI, which also provide consultancy and assistance where needed.

A priori, there are some personal characteristics which appear to be imperative for successful entrepreneurial performance. An individual who possesses these characteristics can be considered a potential entrepreneur and thus is a "desirable" receiver or beneficiary of the development program. To maximize the impact ~~or~~ the success probability of the development scheme, the individual so identified shall have to be isolated (from the ordinary one who lacks the "potentials") and be given the other inputs of the development program.

Thus, one of the components of the Entrepreneurship Development Program (EDP) being conducted by the UP ISSI is the selection of training participants. Potential entrepreneurs who eventually participate in the training are identified and selected through the use of a carefully designed selection scheme.

The general criteria for selection are: specific or definite business/industry to be organized and established; strong desire to organize/manage own business; and enough financial resources to be used as equity capital.

Application forms and questionnaires are used as instruments in gathering economic data concerning the prospective participant. The data gathered are later analyzed to determine the acceptability of the applicant on the basis of age, relatedness of profession and work experience to business plan, type and feasibility of business plan, concreteness of plans and his credibility and determination, among others. A personal interview which probes into the person's history, including family background as well as entrepreneurial attempts and actions is conducted. The interview is also aimed at obtaining insights into the person's motivations for being an entrepreneur and his reasons for attending the course.

The major determinant of an individual's entrepreneurial potential is his personality profile which, in this case, is obtained from psychological tests and measures administered during the selection process. Hypothetically, the traits considered necessary for entrepreneurial success are: risk-taking, organizational ability, innovativeness, boldness, perseverance and a certain level of intelligence. To tap these traits, the psychological tests and measures used are: the Purdue Non-Language Test, Kogan and Wallach's Chance Bets Instrument, and selected subscales from Enriquez's Multi-Dimensional Filipino Personality Scale (Panukat ng Ugali at Pagkatlo).

The data gathered from the questionnaires, the interviews and the psychological tests are evaluated and scored. The results determine whether an applicant is qualified to participate in the program.

Entrepreneurial Training and Development

The Entrepreneurship Development Program (EDP)

One of the more widely accepted strategies for increasing entrepreneurial supply is training. As one social scientist stated: "Entrepreneurs can be created and stimulated although at a reasonable cost."

Recognizing this in the light of the country's dearth of entrepreneurial talent, the Philippines incorporated training as one of the tools in the program for developing entrepreneurship.

As an initial concrete step, the Entrepreneurship Development Program (EDP) was launched in 1973 to provide the thrust for an accelerated national economic growth by developing entrepreneurial activities particularly in the rural areas.

The EDP was designed by the UP ISSI and implemented in conjunction with the Commission on Small and Medium Industries (CSMI) and its member-agencies.

The training program starts from the identification and selection of potential entrepreneurs up to the provision of post-training assistance to the graduates in the form of marketing, technical and managerial support.

The program curriculum consists of four modules, as follows:

- a) Entrepreneurial Motivation - This module is aimed at increasing levels of confidence and achievement orientation among the participants, thereby developing in them proper psychological preparation and mental attitude towards business endeavor.

This consists of sessions on opportunity identification and product selection, forms and sources of assistance to small industries and live-in-training on achievement motivation. The latter includes exercises in risk taking, use of feedback, interpersonal relations, goal setting, achievement situations, creativity, communication, value clarification and simulated project preparation.

The module also covers the role of entrepreneurship in economic development as well as the realities of the existing business environment. This is in recognition of the fact that an entrepreneur does not operate in a vacuum and that

entrepreneurial growth is the result of an integrated process involving all the economic, cultural, social and political sectors of society, including its business structures.

In addition to professionals in the field who are invited to lead the discussions, successful entrepreneurs are also requested to relate their "success stories."

- b) Essentials of Management - In entrepreneurship, it is one thing to start a business and quite another to survive the field. It is therefore essential for the entrepreneur to be equipped with management and technical know-how to enable him to run his enterprise effectively and efficiently. Thus aimed at bringing about higher levels of productivity and ultimately, increase in productivity, the module consists of the following subject areas:
1. General Management - which includes personnel management and organization, effective communications, human relations, leadership and decision making.
 2. Marketing Management - which includes product planning and policy, channels of distribution, promotions, pricing and sales forecasting.
 3. Production Management - which includes production systems and functions, production planning and control, materials control, plant location and layout, work simplification and cost reduction and quality control.
 4. Financial Management - which includes accounting records and reports, financial analysis, cost accounting, cost-volume-profit analysis, budgeting and cash management.

To allow the participants to see how theories learned during training are applied in actual business operations, as well as for purposes of exposure, films are shown and visits to industries are included as part of the course.

- c) Fundamentals of a Project Feasibility Study - Upon joining the program, the trainee has a business idea or project in mind. In actualizing this idea, he needs the fundamental know-how in determining its viability. In the first place, he has to be sure of the feasibility of his venture before he commits his resources on it. Secondly, and perhaps the more immediate reason for him, is that evidence of the viability of a project is a basic requirement for loan purposes.

In this module, therefore, the trainee is given guidelines on the effective analysis of the feasibility of a project, specifically its market, technical and financial feasibilities.

- d) Organizing the Business - This portion of the course teaches the trainee the fundamentals in actualizing his business or project idea. The module includes sessions on choosing the legal form and the location of the business, hiring and training personnel, business laws and taxes. Discussions on the checklist for going into business include registration procedures.

A corollary to entrepreneurial promotion is skills development. Since the lack of skilled personnel is considered a major deterrent in the development of small-scale industries there is today a program of massive, nationwide build-up of skills. To help provide the manpower component of small-scale industries, the NMYC has set up twelve regional manpower training centers in key regions of the country to form the nucleus of a national manpower training network. These centers train youths free of charge in basic skills.

The Entrepreneurship Development in General Education (EDGE)

Centering on curriculum development in secondary schools, EDGE is a project of the UP ISSI under the CSMI work program. Its primary objectives are:

- a) To stimulate in the students a greater predisposition to entrepreneurship;
- b) To enhance the awareness and application of the community's resources, needs and values; and
- c) To familiarize the students with occupational and other skills that may be instrumental to entrepreneurship.

Through this project, the curriculum is envisioned to be entrepreneurially oriented through:

1. Action projects and activities which will expose students to community problems, needs and resources and stimulate disposition to entrepreneurship and community development;

2. Hands-on learning, where the students will be encouraged and supported to undertake small entrepreneurial activities. They will practice the rudiments of management and technical skills like accounting, bookkeeping and production planning necessary for such ventures;
3. Focusing on business venture aspects and characteristics in the industrial arts and home economics subjects;
4. Promotion of dialogues between students and businessmen.

Having been initiated in 1977, the EDGE Project is now on its third year of implementation. The subjects for this experiment are 347 students in two high schools at Tacloban, Leyte. These students consist eight classes, four classes from each school, two of which are experimental groups and two of which are control groups. The experimental groups are instructed using curricula enriched with entrepreneurial concepts while the control groups are instructed under the ordinary curricula for all general secondary schools in the country.

Prior to the implementation of EDGE, a workshop on the project was conducted to prepare a manual of teaching guides for the integration of entrepreneurship-oriented studies into the curriculum. This was participated in by teachers, school administrators, motivation training consultants, officers involved in entrepreneurship development at UP ISSI and experts in curriculum development from the Department of Education and Culture. Similar workshops are scheduled to be conducted after each school year to improve on the teaching guides and to obtain feedback from teachers involved in the pilot project regarding the adequacy of the enriched curricula and instructional materials. Above these, monitoring activities are undertaken regularly in the course of each school year to ensure the efficient implementation of the project. Evaluation measures are also administered before and after each school year to obtain data on student's attitudes and dispositions to entrepreneurship.

After two years of implementation, students have been familiarized with the different business activities existing in the locality. They have also engaged in various "earn-while-you-learn" activities to put entrepreneurship concepts into practice. Having raised sufficient capital from fellow students, school teachers and some members of the community, the experimental classes initiated projects such as selling school supplies, operating a school canteen and maintaining a poultry project. This year, the schools have lined up piggy and handicrafts to its projects for students to apply new knowledge and skills in entrepreneurship.

This pilot project is being properly documented to provide a record of experiences on which to base recommendations for eventually incorporating entrepreneurship development in all secondary school curricula in the country.

Entrepreneurship Development Course in the Collegiate Level

Similarly with the EDGE program, entrepreneurially-oriented courses are now being offered in the colleges and universities. Courses on entrepreneurship and enterprise development are now included in the graduate program curriculum of several schools in Manila such as Pamantasan Ng Lungsod ng Maynila, Polytechnic University of the Philippines and De La Salle University, among others.

Supportive Programs

It is an accepted fact that intrinsic circumstances alone do not guarantee entrepreneurial effectiveness. The success of the entrepreneur depends both on his capacities and attitudes and the institutional framework within which he operates. An individual adequately stimulated to venture into business needs external support. He needs institutional reinforcement in the task of combining the "factors of production" into a tangible undertaking.

In view of this, various programs in support of the entrepreneur are being implemented both by the government and the private sector.

1. Financing Program

A most important aspect in developing entrepreneurship is direct financing assistance to small and medium industry projects.

The Development Bank of the Philippines (DBP) provides major financing assistance under its Countryside Development Program for small and medium industry projects in rural areas and in export-oriented activities. For small and medium industries, the DBP offers loans on terms more favorable than those given to large-scale industries. The DBP scheme offers more liberal collateral loan values of 90% on titled real estate and improvements thereon and 80% on chattel. Higher collateral loan values are given in depressed areas. The debt/equity ratio is 85:15.

For collateral-deficient but deserving small and medium industry projects, the Industrial Guarantee and Loan Fund (IGLF) provides funds through a loan guarantee scheme with liberalized terms. Loan projects submitted for consideration are evaluated by an IGLF Review Committee composed of representatives from the NEDA, UP ISSI, The Central Bank and the Ministry of Industry. The Guarantee scheme covers from an automatic 60% guarantee on non-collateralized loan portion up to a maximum of 80% guarantee.

2. Assistance in Marketing

The inadequacy of marketing facilities open to small entrepreneurs could be traced to the concentration of the market in the Greater Manila area. This situation has tended to link our industries to the rest of the world rather than to the other regions of the country for their industries' supply of materials.

To provide more marketing channels particularly for those located in the countryside, the Ministry of Trade has set up Trade Assistance Centers in the country's eleven regions.

Specifically, these centers offer the following services to small enterprises:

1. Market Information along lines of trade opportunities, price trends, raw materials supplies, location of markets/buyers/traders, etc.
2. Business counselling, including information on and analysis of relevant government regulations and procedures, business incentives, etc.
3. Market research and surveys covering trade potentials.
4. Technical assistance
5. Direct marketing assistance, such as the establishment of trade contacts, sponsorship of local fairs and exposition, warehouse accommodations, etc.

A simplified export process which would further exploit the foreign exchange earning potential of small enterprises has been introduced chiefly through the Philippine International Trading Corporation which, though no longer a member of CSMI, is still involved in its activities on a consultation basis.

On the other hand, the Food Terminal Inc. provides storage facilities. It has set up several branches in strategic centers all over the country in order to assist small businessmen in marketing their produce.

3. The Medium and Small-Scale Industries Coordinated Action Program (MASICAP)

A project under the Ministry of Industry, MASICAP extends assistance to proponents of small and medium industries in organizing their projects into bankable propositions within the existing financial system. It has more than 150 field personnel formed into about fifty teams distributed all over the country. The services offered by MASICAP teams cover project feasibility study preparation, loan applications, bank negotiations and follow-ups.

4. The Small Business Advisory Centers (SBAC)

As a supplement to Project MASICAP, the Ministry of Industry has organized Small Business Advisory Centers (SBAC's) which offer post-loan assistance to MASICAP assisted projects, as well as to other enterprises. It provides managerial and technical consultancy services to small business establishments to improve their productivity, efficiency and profitability.

5. Adaptive Technology Studies and Extension Services

Through its member-agencies, the CSMI promotes adaptive technology through the expansion of assistance for technology selection, productivity improvement and innovation, quality control and standardization. The National Science Development Board (NSDB), particularly through the National Institute of Science and Technology (NIST) and the UP ESI are directly involved in these activities, the latter having one of the most modern laboratory facilities in low-cost automation and adaptive technology. Moreover, the UP ESI is linked nationwide and internationally with some fifty organizations of industrial information and technology through its technological and extension services.

6. Product Development Project

This involves design education and promotion, product design, and packaging and graphic design assistance. The chief agency which deals with this type of assistance is the Design Center Philippines (DCP).

Private Sector Involvement

There is no doubt that the establishment, development and proliferation of modern and productive small firms largely rests on the risk-taking, enterprise and initiative of private business and industry. Furthermore, small industry associations can be effective instruments for the voluntary regulation of the activities of small industries and the sector's orderly development and modernization.

Towards this end, therefore, the private sector responded by way of organizing and establishing various programs relevant to entrepreneurial development.

1. The Philippine Chamber of Industries

The membership in the Philippine Chamber of Industries is thrown open to nationals of the country and nearly 500 have become members as of 1975, out of which only ten percent represents small-scale industries while the rest belongs to the larger units. In order to look after the interest of small units as well as to assist small industries, free consultancy services are being extended to members whenever sought or requested.

2. The Pilipino Chamber of Small Business and Industry

The Pilipino Chamber of Small Business and Industry accepts only natural-born citizens of the country as its members. Membership is extended to manufacturers, trade and service units in the small-scale industry sector. Out of the membership of about 40 in 1975, only 30 percent represents the manufacturing side while the rest belong to the trade and service group. This organization does not receive any financial assistance from the national government for its activities. Furthermore, the representatives of this Chamber are not associated with important bodies who influence government decisions. Nevertheless, this organization has successfully worked for the passage of important measures for the development of small-scale industries, taking inspiration from the small business act in the United States.

3. The Chamber of Commerce of the Philippines

The oldest trade organization in the country, the Chamber of Commerce of the Philippines has for its members both industrial and commercial firms. It also has a separate unit to look after small-scale industries, plus a number of branches all over the country. It has recently been active in the small business

- 1 sector and has established in 1975 a Small Business Foundation to assist this sector of the economy. It has linked its operations and assistance programs with the CSMI and its member-agencies.

4. The Ateneo Bureau of Small Business

The Ateneo Bureau of Small Business conducts various training courses, seminars and technical studies in the field of medium and small-scale businesses and industries. Being a private institution, its activities have to be self-supporting or funded by grants.

5. Economic Development Foundation, Inc.

The Economic Development Foundation, Inc. is a private, non-stock, non-profit and non-political service organization established to assist private industries by providing technical assistance in improving their productivity. The Foundation also identifies, helps develop and promote new investment projects vital to further growth. Along this line, research and information services are being undertaken in order to provide the bases for business and investment decisions. Training services are also being undertaken by the Foundation. It has recently focused part of its attention to assisting small and medium industries.

6. The Philippine Business for Social Progress

The Philippine Business for Social Progress (PBSP) is a non-profit service organization supported by donations from business firms. The objectives of PBSP are to carry out social development organizations and by enlarging the body of knowledge about social development through applied research in social development techniques and methods. It undertakes programs in small-scale industries development, cooperatives development and manpower development.

7. The Small Enterprise Research and Development Foundation (SERDEF)

The Small Enterprise Research and Development Foundation is a private, non-profit, non-stock foundation duly registered with the Securities and Exchange Commission.

It is principally an institution of the private sector that will fund research and other projects for the promotion and development of small enterprises.

EDP Impact: Some Significant Indicators

In its initial years of operation, the CSMI has made some progress in its various programs of small-industry development particularly in the rural areas. At this stage, however, the economic impact of these accomplishments are not easily measurable as these programs are still young. A system of effectively evaluating activities involved in the promotion and development of the small and medium industries has not yet evolved.

Nevertheless, several of the programs may be considered successful from the quantitative point of view - number of projects assisted, loans granted, persons trained, etc. Among others, the programs on training and technical assistance have produced success indicators not only in quantitative, but also in qualitative terms.

The UP ISSI-NMYC-DBP Entrepreneurship Development Program (EDP)

Although the EDP is young and therefore has yet to fully demonstrate its utility for the individual entrepreneur, and consequently, for the community where he is a member, evidences had shown that some measure of success has been won. A study analyzing the impact of thirteen training programs conducted between 1973 and 1975 provided some support for the presumption that training would make a difference in the performance of participants with respect to economic criteria and contribution to the community's well-being.

The first phase of the evaluative study covered and first six EDP's conducted in five regions of the country consisting of 106 graduates. It resulted into the following findings from which the effectiveness of the training program can be gleaned.

1. The number of business being managed by the graduates of the EDP increased from 78 before EDP training to 136 after EDP training. The rate of increase is considered high at 79 percent.
2. Most of the businesses set up after the EDP were manufacturing and agricultural concerns. This shift in activity is well in keeping with the objectives for launching EDP, that is, to bring economic benefits to the community not only in terms of development generated by new enterprises but also in terms of usage of indigenous raw materials.
3. The businesses run by graduates have been able to generate employment for at least 3,577 individuals.

4. Despite the fact that EDP graduates were predominantly inexperienced in business (they obtained degrees or were trained in lines other than business) and did not come from families with a tradition of entrepreneurial acumen, they proved successful in their chosen careers. The training itself, therefore, is deemed instrumental in the making of entrepreneurs as evidenced from the finding that the non-entrepreneurial participants cited that their exposure to EDP had motivated them to turn into independent businessmen.

The analysis, however, revealed additional areas of concern which call for continuous study and research on the development of private entrepreneurship in the country.

The Medium and Small Industries Coordinated Action Program (MASICAP)

Over the first three years since MASICAP was launched, a total of 3,561 projects from all over the country were assisted by the MASICAP teams. Of these projects, 2,850 have been accepted by banks for financing evaluation and 1,409 have been approved by banks.

As of March, 1977, a total of 1,145 projects have been actually implemented with loan funds released.

The SBAC Program

Although it is generally viewed that for an effective cost/benefit analysis it is necessary to wait three years so that SBAC recommendations will have been in use long enough, the initial findings of the World Bank Mission which conducted an initial evaluation of the program in 1977 are indicative of a certain measure of success.

The study revealed the following findings:

From their inception in July, 1975, up to March 31, 1977, SBAC's have served 549 clients, which is a satisfactory number from the standpoint of the initial investment of manpower and money.

The quality of the consulting work which has been done generally is good. In most cases, the counselor identified the problem(s), made a correct analysis, and made good recommendations.

The reports generally were well organized; only a few deficient reports were found. The level of implementation of SBAC recommendations (a good indicator of client acceptance) was 55.7% and almost 20% of the balance of cases which had been concluded were in the process of being implemented. Some recommendations were still under consideration by the clients,

but only 2.9% of the clients for which major cases had been undertaken and concluded had rejected the SBAC work. This is an excellent rate of acceptance especially for a young, comparatively inexperienced staff. It is one of the best early indicators of a successful management consultancy program.

The clients visited by the World Bank Mission rated the SBAC work good to excellent. About 79% of these clients rate the SBAC's performance "fair to good"; about 5% have adjudged their work to be "poor"; opinion of the remaining 16% could not be ascertained.

The clients, in general, understood the recommendations and in most cases had applied them with only minor modification. The SBAC counselors had established very good communication with their clients. The mission did not adjudge some of the engineering recommendations which had been made by the center to be satisfactory; but it was interesting to note where these failure existed that the clients had applied other SBAC recommendations with success, and that these clients were looking to SBAC for future help.

Areas of Concern

Fledgling as they are, entrepreneurship development programs within the country have received sufficient attention as part of the overall efforts to launch and eventually institutionalize development tasks toward increasing the supply of entrepreneurs and upgrading their performance.

The government's seriousness of purpose to promote and develop small and medium industries is evident in the following latest development:

1. The continuous and intensified infrastructure program in the urban and rural areas.
2. The creation of a favorable business climate through the imposition of strict import controls to provide incentives for local manufacturers specially in projects using indigenous materials.
3. Restructuring of the system of protection to local industries through a revision of the tariff and customs code.

To be sure, the national endeavor for the development of small entrepreneurs still has room for improvement. Some of the areas of concern needing immediate attention are:

There is a need for effective coordination and integration of the country's various programs for motivating and developing entrepreneurship.

Presently, the body of knowledge in Philippine entrepreneurship is still wanting. Researches, therefore, on indigenous entrepreneurship are "musts" if EDP's were to be relevant, valid and meaningful.

Specifically, the following areas need priority attention and consideration:

1. Identification of the entrepreneur including the opportunities available to him.

Corollary to the research in this area must be the development of a working system or process of identifying such entrepreneurial opportunities.

2. Assessment of entrepreneurial performance, with emphasis on success and failure factors affecting such endeavors.
3. Measurement of the validity and relevance of entrepreneurship development programs, specifically training, with the view of continuously improving such programs.
4. Development and building up of literature on Filipino entrepreneurship which can serve as materials for entrepreneurial training courses.