

International Conference on  
Local Economic Development and SMEs

**Small and Medium Enterprises** **in**  
**Local Economic Development**



**THE COCHIN DECLARATION**

ISED Small Enterprise Observatory (ISED-SEO)  
Institute of Small Enterprises and Development  
Cochin, India

# Preface



Globalization is, by far, the most controversial developmental issue of the day. While, the 'globaphobes' attribute most of the current ills of the world to globalization, the 'globaphiles' see extending it as the key to eliminating world poverty. Recent studies, however, show that there may be real contradictions in the process. While, the 'Millennium Development Goals' purport to reduce absolute forms of poverty significantly, the recent reports indicate that success in this area is limited.

This experience leads us to the basic tenets of political economy, that development should be welfare-maximizing. This implicitly demands enhanced decentralization, not only political, but economic as well.

It was these concerns that guided the 'International Conference on Local Economic Development and SMEs' held at Cochin, India, on January, 18-19, 2005. The Conference organized under the auspices of the ISED Small Enterprise Observatory (ISED-SEO), at the Institute of Small Enterprises and Development, unanimously brought out the 'Cochin Declaration on SMEs in Local Economic Development', which among other things, saw the birth of the 'International Network on SMEs for Local Economic Development (INSLED)'.

We hope that the initiative triggered from the *ISED Small Enterprise Observatory* would act as a sign post. I request all well-meaning citizens around the world to give a helping hand to this International Network, by initiating and strengthening National Networks in your respective countries and to contribute to this noble cause.

January 31, 2005

P.M. Mathew

# Small and Medium Enterprises in Local Economic Development:

## 2005 and Beyond

### The Background

The period since the last decade of the 20<sup>th</sup> Century has been marked by a more specific and remarkable experience of development: globalisation. A multi-faceted experience, globalisation is more pronounced in the economic realm, and much more, in the area of industry and related services.



The term 'industrial globalisation' implies an evolving pattern of cross-border enterprise activities. Such cross-border search for business opportunities, by its natural logic, finds centers and regions

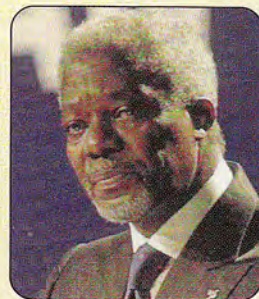
of attention, as also particular niche in carrying out economic activities in particular fashions, which are justified largely by the interests of capital. The resultant development experience is often one of "jobless growth" and regional imbalances, the anti-thesis of what the early theorists and practitioners of development have laboured through. To summarize the words of Mr. Juan Somavia, Director General of ILO, ".....seen by people, it appears that everything is being done to facilitate the global: global track, global communication, global finances and global investment. But people and families live locally. There has to be a balance between the global and the local. That balance has now been lost....."

Irrespective of ideological positions, human conscience stand for basic virtues. This is because, man is a social animal driven by

principles of 'give and take'. Therefore, the crave for a fairer global system is very much in the inner hearts of all human beings. And, by this logic, one cannot deny the right for jobs and regional balance in development. And it is this logic that make us to search for alternative paradigms of development. Getting a fairer share of development is the concern of all people, both in countries of the South and the North.

The experience of development during the past one decade of active globalisation has prompted the search for new developmental paradigms. The findings of the 'Commission on the Social Dimensions of Globalisation', has prompted the ILO to advocate a bottom-up approach of 'local economic development'. The report of the 'UN Commission on 'Private Sector and Development', advocates "unleashing entrepreneurship and making business work for the poor" as an innovative development paradigm.

Most developing countries of the world have passed through some initiatives for decentralization of power during the past couple of years. Political decentralization also necessitates an



associated economic decentralization which lead to a more equitable distribution of resources and opportunities among a larger number of people. However, the experience in most developing countries show that economic decentralization, especially in terms of enterprise creation, has not taken place to a significant extent.

## Recent Experience of Development

Following the Lipton's thesis of "urban bias", urban development was not considered an entirely correct goal for development policy. Policies of LDCs, until recently, were geared to arrest this trend. The globalisation experience demonstrates a 'u' turn. Information, research, and other systemic social activities rely on international networks. They inhabit virtual worlds that will shape our future. These cyber systems, however, are anchored in cities. Therefore, like globalisation, urbanization also cannot be easily controlled or managed.

Recent studies by ILO show that globalisation and economic liberalization contribute to an increase in several territorial inequalities within many of the countries that have liberalized their economies. (ILO, 2001; 3). The phenomenon of 'jobless growth' leads to a further swelling of the ranks of the informal economy. The "new economy" leads to more of social polarization and regional concentration.



The politics of decentralization, of course, responds to this live experience. Regions and localities struggle to adapt their economic fabric to the new environment, while economic activity itself has become increasingly footloose. The competitive advantage that some territories enjoyed in the past, due to unique factor endowments, or proximity to raw materials, is becoming less important. Improvements in technology and IT are delocalising agricultural and industrial production. Under such polarization, shaping an SME policy in a regional setting becomes increasingly difficult. This indicates that governments, and especially local governments, need to aim at a more imaginative local economic development policy.

Society is divided into rich and poor. Under such an iniquitous distribution, the weakest link of the productive system has to evolve its survival strategies. Success stories in local economic development initiatives demonstrate the effect of local involvement in the development process under a bottom-up approach. Where there is no involvement of the local people, decisions are made elsewhere, with undesirable eventualities. Here lies the need for an essentially synergic relationship between the 'global' and the 'local'.

## The Cochin Conference: An OverView

International Conference on 'Local Economic Development and SME under Globalisation and Emerging Trade Relations' was organized with the active support and encouragement of the Ministry of SSI, Government of India, Planning Commission, various departments and agencies of the Government of India and state governments, international organizations such as UNDP, UNCTAD, ILO, and FAO, as also various other stakeholders. It was organized against two adverse odds: (1) the Tsunami havoc which toiled South Asia, and (2) the World Mayors' Conference, (against the background of which the Conference was conceived and structured) which was postponed subsequently. Despite these constraints, the profile of the Conference was remarkable both in terms of its participation as also the coverage of issues that were discussed.

## Millennium Development Goals and Local Economic Development.

The Millennium Development Goals (MDG), irrespective of their ideological moorings, outline the perspective of a more egalitarian society by the year 2015. While these goals are global in nature, action is expected to take place both at the global and local levels. According to ILO (2004:XI) global markets have grown rapidly without parallel development of economic and social institutions necessary for their smooth and equitable functioning. While the world economy is increasingly moving towards centralizing tendencies, strategies for local economic development is vital for poverty reduction.



Achievement of the First and Eighth Goals of the MDG, (i.e., eradicating extreme poverty and hunger, and development of a global partnership for development), warrants strengthening of enterprise development activities at the local level. The Report of the 'World Commission on the Social Dimension of Globalisation' explains "the rapid growth of global markets, without a parallel development of economic and social institutions" (ILO, 2004). The Report of the 'Commission on Private Sector and Development', by the Office of the Secretary General of the United Nations, (2004) highlight the enhanced alienation of the poor from the process of development. Both the reports highlight on strategies of development at the local level, where small and medium enterprises (SMEs) and the informal sector have a pivotal role .

This apparent conflict between the 'global' and 'local' dimensions of development, and their implications for public policy, especially in the context of developing countries, was the central theme of the Conference.

## Theoretical Streams

Studies by economists , like Krugman (1991), Romer (1990) and Lucas (1993) attempt to link growth, with economic geography. Spatial concentration of economic activities has a strong relation with human geography as such. Concentration of human habitats contribute significantly to providing the demand base for wage goods and services. Naturally, enterprises show a tendency to cluster around human habitats or their centres with similar natural advantages. It is the small enterprises which have greater advantages of tapping such natural advantages. Therefore, such enterprises appear prominently in the natural or planned process of local economic development.

How, and in what manner and degrees, the above process take place? Can the process be stimulated and oriented to the needs of local economic development? An answer to these questions lead us to the feasibility of evolving an agenda of local economic development, with SMEs as its driving force.

The economic rationale for decentralised governance is embedded in the 'balanced regional development' argument. The 1980s witnessed a new interest in 'institutions', largely from the micro-economic angle. Institutions are broadly defined as means of reducing information and transactions costs, such as, that of finding out the relevant prices, of negotiating and of concluding contracts, and then of monitoring and enforcing them. This theoretical paradigm positions institutions as a cost-reducing and efficiency-enhancing instrument which work between the extremes of state and the market. At the more micro level, organisation theory applies the basic principles of institutions such as 'trust' and 'networking' to the context of interim relationships. The theory of 'flexible specialization' and the present-day operational strategy of clusters and networks, are based on these theoretical premises. In the modern times, this argument has appeared in a different form, in the debate on 'Industrial Districts'.

The theory of 'flexible specialisation' and 'industrial districts' focuses on the economics of decentralisation. It states that, there is substantial scope for developing a pattern of decentralised or cluster-based industrial development with the active support of the local government. While, poverty is not the rationale behind such argument, it is deeply rooted in the need for employment creation of a substantial scale.

The thinking on localisation of economic activities is not new. While in the developed countries, this has been construed as an attempt to reinvigorate the degenerated industrial centers, in developing countries, public policy has played a significant role in creating a new environment. For example, the new initiatives for cluster development in parts of Europe such as Southern-Netherlands and Central England should be examined in terms

of the legacies and decline these regions have witnessed over time. In most parts of Europe the urge for local economic development has come from regional imbalances in development, rather than underdevelopment as such.

In developing countries, however, the situation is quite different. These countries need to enhance levels of income, largely from the point of view of poverty reduction, rather than for achieving higher economic growth. A socio-economic theoretical stream of decentralization has emerged since mid-1990s: 'social capital'. The concept of 'social capital', originally developed by Robert Putnam (1993), implies "features of social organisation such as 'networks', 'norms', and 'trust' that facilitate co-ordination and co-operation for mutual benefit". While social capital has emerged as a new area of intervention, its social role remains a bone of contention among researchers.

The Marshallian tradition in Economics speaks of large scale units of production and employment, organized by the dynamic center of the economy, the giant, vertically integrated Corporations. Empirical results emerging from country reports, however, indicate results to the contrary: that there has been a recent increase in the share of total employment in small enterprises and establishments. In general, the increase has been at the expense of large enterprises and establishments. It signifies the reversal of a substantial downward trend in the employment shares of large units that had prevailed for many decades. Such experience demands a restatement of the role and relevance of SMEs, especially in the context of local economic development.

### Lessons for Practice

Development strategies best fit for the developed countries need not often be appropriate to the context of developing countries. However, a meaningful discussion based on practice and real world experience of development is useful. Such a meaningful discussion was facilitated by the diverse profile of the participants.



### The Building Blocks

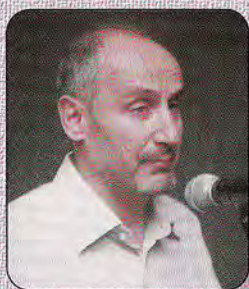
The basic building blocks of the Conference agenda were laid down by a joint backgrounder by P.M.Mathew and J.M.I Sait. Based on a review of the global experience of development at two levels, viz, global and local, the Paper examined the different strands of thinking in the theory and strategies of economic development, and entrepreneurship in specific. Most developing countries of the world have passed through some initiatives for decentralization of power during the past couple of years. Political decentralization also necessitates an associated economic decentralisation which, leads to a more equitable distribution of resources and opportunities.

However, in most developing countries, meaningful economic decentralization has not taken place. The comparative experience of enterprise development in the North and South was proposed as a discussion point.

Policies of LDCs, until recently, were geared to arrest the trend of "urban bias". The experience in the globalisation era demonstrates that the process is getting aggravated. Finally, information, research, and other systemic social activities rely on international networks. These cyber systems, which will shape our future, are anchored in cities, thereby promoting a tendency towards globalisation.

Globalisation and economic liberalization contribute to an increase in several territorial inequalities within countries (ILO,2001). The phenomenon of 'jobless growth' leads to a further swelling of the ranks of the informal

economy. The “new economy”, on the other hand, leads to more of social polarization. The growth momentum tends to get confined to a few “successful regions” which have something to offer to markets beyond the traditional realm of the local and regional spheres. Studies indicate a pattern involving three types of centers which can be termed “successful”:



- a) Large metros ( e.g.: Mexico city, Madrid, Bangalore);
- b) Intermediate industrial regions, (Brazil, Maharashtra in India, Coastal provinces of China);
- c) Tourist regions (e.g.: Cancun in Mexico, Bali in Indonesia)

Regions and localities struggle to adapt their economic fabric to the new environment, while economic activity itself has become increasingly foot loose. The competitive advantage that some territories enjoyed in the past, due to unique factor endowments, or proximity to raw materials, is becoming less important. Improvements in technology and IT are delocalising agricultural and industrial production. While such polarization is taking place within countries and at the international level, shaping an SME policy in a regional setting becomes increasingly difficult. Planning of a pedestrian nature has become increasingly irrelevant. Governments, and especially local governments, need to aim at a more imaginative local economic development strategies.

But irrespective of the experience of development, the fundamentals remain the same. Society is divided into rich and poor. Even

under such an iniquitous distribution of income and wealth, the weakest link of the productive system, which constitute the majority in demographic terms, has to evolve its survival strategies, which includes, a variety of activities ranging from livelihood initiatives upto SMEs. But such entrepreneurial activities need to be developed through a bottom-up approach.

Against the above background, Mathew and Sait raised the following three issues:

- 1) What is the relationship between enterprise development and local governments, in a context of globalisation?
- 2) How are the various enterprise development strategies effective and relevant in a changing world; and
- 3) What are the international relations of enterprises and local capabilities, which help such enterprise to withstand the emerging challenges and to grab the opportunities?



The two days' discussions, spread over three Technical Sessions and Group Work each, was successful in anchoring the theme of the Conference in four key areas of policy and strategy relevance to local economic development for countries across the globe:

### ***Perspectives on Local Economic Development***

Making a sharp criticism of the top-down approach currently in vogue, K.N.Kabra highlighted the need for approaching the issue in the true spirit of democratic values that would factor social justice and sustainable economic growth. The mainstream theories and models have an “ inherent tendency to foster centralization of both power and the fruits of

development. He also questioned the legitimacy of, arguments on lines of the 'Washington Consensus' model. Kabra's critical perspective had its echo on a different level in the keynote address by Gopal Joshi, Senior Enterprise Specialist, ILO. The spectre of 'jobless growth' sketched by Joshi, in a way, substantiated the pitfalls of blindly following the top-down approach to address the issues of collective efficiency and concerns of local enterprise development and local self-government. Joshi called for to address this widening gap in terms of a new developmental paradigm focused on local economic development. This new paradigm initiated by the ILO, and further cemented by the findings of the 'Commission on the Social Dimensions of Globalisation', advocates a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory with the final objective of creating 'decent jobs' and stimulating economic activity. The process enables the joint design and implementation of a common development strategy, by making use of the local resources and competitive advantage in a global context. Drawing lessons from several ILO projects across the globe, Joshi highlighted job quality as the key to local economic development and employment generation of a sustainable nature.

***Sustainable Enterprise Development and Local Governments***

The concerns expressed by Kabra and Joshi were amplified in the Working Session on 'Enterprise Development and Local Governance' through the experience from three different geographic regions-India, Bangladesh and Mozambique. P.P.Pillai was of the view that local self-government, in its true sense, still remains an unknown entity in India. Citing the limited success of the 'People's Campaign' in Kerala, to herald a new culture of local level enterprises, Pillai highlighted the need for empowerment at the local level, in the real sense of the term.

C.P.John of the Kerala State Planning Board reeled out the success achieved by Kerala on the 'social capital' front. Substantial resource transfer from the State government, to the local governments has resulted in the emergence of a vibrant movement of women's self-help groups (SHGs). Terming the resource transfer



as the first step towards empowerment at the local level, John was of the view that in states like Kerala, the SHGs and micro-credit movement, currently in vogue, would be the harbingers of collective efficiency and entrepreneurship.

Moazzem Hossain from Griffith University, Australia, tried to address the problem in the context of Bangladesh by bringing the paradigm



of development through democratization and decentralisation. Focussing on the 'one step forward and two step backward' kind of Bangladesh's democratic experience, Hossain pointed out the paradox of how the military dictatorships were instrumental in initiating the concept of decentralisation process, while the democratically elected governments often failed to take this movement forward. Feliciano Rosario Matavele from ADEM, Mozambique, provided an interesting example of how a non-governmental organization developed to help the growth of local enterprise in that country.



The LED model, initiated by ADEM, with the support of ILO, has helped to cultivate a new paradigm of local economic development, in a country which is predominantly characterised by several aspects of underdevelopment.

The group discussions chaired by KN Harilal of the Centre for Development Studies, Trivandrum, focused on the role of the local governments in developing the institutional mechanisms as well as policy formulation that would help to trigger the growth of local enterprises catering to social and economic equity. Harilal emphasised the need for making



a clear demarcation of what is possible for local self-governments and what is needed for local enterprise development. Refuting the attempts to project LSG and local enterprises as a panacea to counter the ill-effects of globalisation or underdevelopment, he said, their role remains limited to a great extent in the given political and economic context.

### ***Enterprise Development : Experience and Strategies***

The discussions covered a wide range of subjects including the cluster approach, role of civil societies, policy formulations, fiscal, and tax incentives for the SMEs. Even as everyone has agreed that the SMEs at the local level have the potential to develop niche areas, many have also pointed out the dangers emanating from the enormous political and economic clout wielded by those operating under the 'scale economies' and their ability to influence policies to the detriment of the SMEs.



Collective efficiency, a major thrust of recent development debates, was a key area of the debate. Cluster, of late, is a strategy being propagated by international agencies and implemented by most governments. How far is this strategy contextual? A crucial fact which has often been overlooked is that, growth trajectories can result in differential outcomes. Recent studies by Institute of Development Studies, Sussex, for example, on *Chanderi* handloom cluster in Madhya Pradesh, *Sindhudurg* cashew cluster in Maharashtra, Pakistani clusters, etc. indicate significant positive relationship between cluster development and poverty. This indicates need for developing poverty and social impact assessment methodologies that measure impacts on poor groups with clusters, thereby strengthening the pro-poor aspect of cluster development policy.

Seen from the point of view of practice also, strategizing of an international nature has several limitations. First, these new strategies are ultimately meant to improve quality of life among the otherwise deprived sections of society. However, this is yet to be proved. Secondly, such strategies of an international nature have resulted in significant bureaucratisation, in their implementation. Target focus is a major weakness, besides the breeding of a relationship of dependency and poor adaptation.

The experience emanating from the developed countries also is rather mixed. Sergio Paba and Marina Murat from the University of Modena,



Italy, provided a historical account of the emergence of the Italian clusters and how they are grappling with the new problems. There are two schools of thought: While one school thinks that the globalisation process is going to impact the Italian industrial districts adversely, the other school remain optimistic on the opportunities opened up by the process. Making clear that some of the districts are going to be hit in the short term, they said, the survival of the model now depends on how effectively they could establish external linkages within Italy and outside. They cited the example of a leather goods manufacturing cluster successfully promoting a similar venture in Hungary to take advantage of the low cost of production. Such linkages to them, are likely in most sectors in the coming days.

Social capital and micro finance formed other key areas of debate on the strategy side. Martin Greeley of the Institute of Development Studies, Sussex, joined the debate on the issue of prioritising commercial sustainability and pure poverty alleviation initiatives. He pointed out that, the costs of achieving any level of poverty outreach will have different implications for the achievement of financial sustainability in different contexts. He focused on three case studies of BRAC in Bangladesh, PRIZMA in Bosnia, and of SEF. These case studies confirmed that any form of targeting involves additional costs. Greeley emphasised that a trade-off is crucial, and therefore, micro finance institutions need to be able to demonstrate that their leadership, structure and incentives are driven by these joint concerns.

Three other presentations on social capital and micro finance, based on Indian experience, demonstrated how the difference in approaches can add value to these very concepts. M.A. Aboobacker, representative of Kudumbashree, the state-sponsored poverty eradication mission of the Government of Kerala, explained how a poverty eradication programmes can add value, if implemented under a Mission mode. R. Rengalakshmi of the MS Swaminathan Research Foundation, however, discounted the craze for numbers implied in such governmental programmes. Based on the experience, of MSSRF, Chennai, she explained how demystification of technology can help to organise poor people at the grassroot level and to groom them into entrepreneurs.

The dilemma which is generally prevalent among the financial institutions, was reflected in the presentation by G. Madhusoodhana Rao of the State Bank of Travancore. Atleast a section of the banking community in India has a history of enlightenment with regard to the challenges of enterprise development and employment at the grassroot level. However, since public policy in India does not have a clear anchor, as it relates to planning and strategy formulation pertaining to the SME sector, the individual bankers are often caught in a dilemma of profitability and social concerns. Of late, many commercial banks were thus prompted to jump into the micro finance bandwagon, anticipating an appropriate mix of business opportunities and much lower risks. But the new challenges on the enterprise scene, largely contributed by the new environment of globalisation, still



remains an open end for the financial institutions.

### ***The Trade Dimension***

The role of international trade in determining the fate of local enterprise development is an area that had received very little attention in most of the mainstream development debates. James Nedumpara, of the UNCTAD, set the ball rolling by narrating the background leading to the current trend towards Regional Trade Agreements (RTAs). Notwithstanding the positive impacts of the RTAs, he had pointed out that, by and large, they have not succeeded in addressing the concerns of SMEs.

Peter Braithwaite from the Institute of Development Studies, University of Sussex, tried to address the issue in the background of the emerging Fair Trade Movement. Explaining the various contours of the Fair Trade Movement, Braithwaite described it as an evolving phenomena, that deserves to be watched very closely, especially by the SMEs in the developing world who are in search of a global market for their goods and services.

The dilemma of the Indian banking system with regard to trade-related lending operations, was reflected in the presentations by Mukul Sarkar of the Export-Import Bank of India. A culture of international trade is still not very prevalent among SMEs. Therefore, making the SMEs trade-conscious, itself is a crucial challenge for financial institutions.

The discussions that followed were marked by the concerns over the impact of the multi-lateral and regional trade agreements on local governments and local enterprises. Concerns were also raised on the longevity of Fair Trade as a self-sustaining economic activity vis -a- vis an ethical choice.

Practical suggestions for modelling local economic development in the specific context of each delegate, was built into the methodology of the Conference. Besides, the delegates were provided an opportunity to visit a religious artefacts cluster near Cochin, where the local

government is exploring opportunities of evolving a model of LED with this cluster as a focal point. The participants of the Conference visited this industrial cluster and offered useful suggestions as also helpful contacts, so that the local entrepreneurs and the local government can work upon a programme, beneficial not only to this industry, but also to the village at large.

Despite its several constraints, the Cochin Conference was a remarkable event in terms of its contributions in the areas of policy and strategy development. The Conference, unlike similar initiatives, concluded with a unanimous call by participants from the various corners of the globe, to work together in a sustained and systematic manner, under the umbrella of an 'International Network on SMEs for Local Economic Development' (INSLED). The Resolution calls for governments around the world to accept SMEs as their major instrument for local economic development, and to evolve pro-active policies for the development of such enterprises. The Conference also authorised Institute of Small Enterprises and Development, Cochin, to act as the ad-hoc Chairman of the Network, and to draft its structure and programme.



The two-day event has raised some key issues that would add depth to the development discourses in the coming days. This is not a small achievement when we realise that the adherents of 'one size fits all' model are determined to condemn anything contrary to their ideas to the black holes of oblivion. This is especially true when we are still being confronted with the hard numbers of jobless growth and quality of job, despite the claims of a one-way ticket to a post-factual world.

# THE COCHIN DECLARATION **on**

## Small and Medium Enterprises (SMEs) in Local Economic Development.

Having deliberated on the current status of local economic development initiatives and development of small and medium enterprises (SMEs) in relation to globalisation, emerging trade relations, and more specifically, the Regional Trade Agreements;

having examined in detail the economic implications of the initiatives taken by the various governments, international organizations and donor agencies; and having critically evaluated the proposals for various activities;

this international Conference has arrived at the following conclusions:

Being concerned that development of the capability of small and medium enterprises (SMEs) to effectively meet the requirements of international trade, by enabling them undertake activities relevant to trade information, negotiation, and pricing, quality definition, and assurance, are of great importance.

The Conference strongly feels that:

- I. the present initiatives of the Governments of the developed countries, international agencies like WTO, and others, are likely to change the pattern of economic development, poverty and unemployment reduction programmes of the developing nations;
- II. that there is a strong need to take appropriate initiatives to create awareness among the SMEs about the emerging opportunities and the manner in which they could be seized; and
- I. that the initiatives taken by the national governments and international agencies are inadequate for sustained economic viability of the SMEs, which significantly would lead to the alleviation of poverty, increasing employment, job quality, and assurance of long-term business relationship among the various international trade partners.

The Conference, therefore, resolves:

- i. that SMEs shall themselves assume responsibility for all issues concerning the opportunities and

limitations of world trade that would have implications, direct and indirect, on the improvement of the quality of life, employment generation, sustained growth and development of SMEs.

- ii. that we request the national governments, and national and international agencies to consult and consider the concerns of the SMEs in their exercises relating to policy formulation exercises, particularly in relation to the developing and under developed countries.
- iii. that this Conference requests the participants to consider establishment of Focal Points within their countries and regions which can interact with the governments or international agencies concerned, and to which these governments and agencies would look forward to suggestions and opinion; and which can coordinate with all SMEs and SME-related organizations.
- iv. that this Conference decides to establish an international Coordination Committee with a view to coordinating with various national Focal Points and for the exchange of information, data, and ideas on a continuing basis;
- v. that this Conference authorizes the Institute of Small Enterprises and Development to work out the structure and *modus operandi* of the International Committee, which may provide, among other matters, for revolving Chairmanship of the International Committee;
- vi. that the participants of the countries represented at this Conference shall be the initial members of the International Committee, with powers to co-opt members from other countries as may be expedient, from time to time; and
- vii. this Conference unanimously decides to elect the Chairman of the Institute of Small Enterprises and Development (ISED), as the Chairman of the Committee, and the Director of the Institute as its ad-hoc Secretary.

*chaired by*

Dr. K.N.Kabra  
Chairman, ISED

*presented by*

Dr. J.M.I.Sait  
Senior Fellow, ISED

# Partners for

## 'SMEs in Local Economic Development'

- ◆ ADEM, Mozambique
- ◆ BASIX, Hyderabad
- ◆ Chavakkad Municipality, Kerala
- ◆ City Corporation of Cochin
- ◆ City Corporation of Trichur
- ◆ Corporation Bank
- ◆ Department of Economics, University of Bologna, Italy
- ◆ Export-Import Bank of India
- ◆ Food and Agriculture Organisation of the United Nations
- ◆ Grameen Bank, Bangladesh
- ◆ Grameen Shakti, Bangladesh
- ◆ Indonesian Chamber of Commerce and Industry
- ◆ Institute of Development Studies, Sussex, U.K.
- ◆ Institute of Public Enterprise, Hyderabad
- ◆ Intermediate Technology Development Group (ITDG), London/Colombo
- ◆ International Labour Organisation
- ◆ Khadi and Village Industries Commission
- ◆ Kottuvally Panchayath, Ernakulam District, Kerala
- ◆ Kudumbashree, The Kerala Urban Poverty Reduction Project
- ◆ Local Economic Development Chair, University of Tilburg, The Netherlands
- ◆ MS Swaminathan Research Foundation
- ◆ National Institute of Rural Development (NIRD), Hyderabad
- ◆ OXFAM G.B
- ◆ Shasha, Kolkatta
- ◆ Small Industries Development Bank of India
- ◆ South India Producers Association (SIPA), Chennai
- ◆ Sri Lankan Chamber of Commerce
- ◆ State Bank of Travancore
- ◆ State Planning Board, Kerala
- ◆ United Nations Conference on Trade and Development
- ◆ University of Bamako, Mali
- ◆ University of Florence, Italy
- ◆ University of Griffith, Australia
- ◆ University of Trisakti, Indonesia
- ◆ Varkala Municipality, Kerala



**Institute of Small Enterprises and Development**

ISED House, ISED Road,  
Vennala, Cochin -682 028, India.

Tel : 91-484-2808171 / 2809884 /2808727, Fax: 0484-2809884

e-mail: [info@isedonline.org](mailto:info@isedonline.org), [laghu@asianetindia.com](mailto:laghu@asianetindia.com)

Web: [www.isedonline.org](http://www.isedonline.org)