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**THE ENTREPRENEURSHIP TRAINING PROGRAM OF THE LESOTHO
OPPORTUNITIES INDUSTRIALIZATION CENTER:
AN EVALUATION OF ITS IMPACT**

Robert W. Hunt

Illinois State University

**Office of Private and Voluntary Cooperation Bureau of
Food for Peace and Voluntary Assistance**

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**The views and interpresentations of this report are those
of the author and should not be attributed to the
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LIST OF ACRONYMS

AID	- U.S. Agency for International Development
ATI	- Appropriate Technology International
BEDCO	- Basotho Enterprise Development Corporation
BTC	- Business Training Course (of the National University of Lesotho's Institute for Extra Mural Studies)
ET	- Entrepreneurship Training Program
FVA/PVC	- Bureau of Food for Peace and Voluntary Cooperation, Office of Private and Voluntary Cooperation (AID)
GOL	- Government of Lesotho
IEMS	- Institute for Extra Mural Studies (of NUL)
LOIC	- Lesotho Opportunities Industrialization Center
NUL	- National University of Lesotho
OICI	- Opportunities Industrialization Centers International
PVOs	- Private Voluntary Organizations
SE	- Small Enterprise

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EXECUTIVE SUMMARY

This evaluation of the Entrepreneurship Training (ET) program of the Lesotho Opportunities Industrialization Center (LOIC) is one of several recent evaluations of enterprise promotion projects operated by private voluntary organizations (PVOs). This particular study, and three others, have been undertaken for the Office of Private and Voluntary Cooperation, Bureau for Food for Peace and Voluntary Cooperation, Agency for International Development as part of one of the reviews it is now conducting of PVO projects by sectors.

The ET program itself involves the provision of training in basic business skills for owners of small firms. It is one of several training courses which have been operated over the past five years by the LOIC in Lesotho, with others being vocational courses in carpentry, masonry and metal work, and in management training. The organizing body for these efforts in Lesotho, and for seven other companion projects in Africa, is the OIC International in Philadelphia. The OIC was founded in 1964 to provide training for inner city school drop-outs and others, including the owners of small businesses. The successes of its training and of its efforts to secure jobs for graduates have led to the establishment of over 130 autonomous OICs in several American cities, and since 1969, in Africa as well. The OIC approach involves efforts to support through technical assistance the creation of the training programs (including preparatory courses for the least prepared) and the simultaneous development of advisory and management boards made up solely of residents of the nation and the communities to be served. For many of the OIC sponsored vocational courses there is also an effort to follow up on the trainees, both to assist them in securing employment and to check on their performance in the workplace.

The training program in Lesotho began in 1978, following four years of feasibility studies, negotiations and planning involving influential Basotho officials and businessmen on the one hand, and OIC Philadelphia on the other. The first courses were those of the artisan variety for school leavers, with early emphasis placed on the preparation of these individuals for course work, and then their training and job placement. It was two years before the entrepreneurship training course was begun, largely because of difficulties precipitated by the failure of the Government of Lesotho to provide financial support

in as timely a fashion as the LOIC had anticipated. Finally sufficient funds were secured, staff hired, and, beginning in the summer of 1980, an introductory course in business management was established. It was to provide for established traders and small manufacturers basic materials on such issues as marketing, financial management, inventory control, labor relations, and effective planning. Courses were to run for three hours a day, four days a week, for six weeks. Within two years 111 men and women had taken the course, at a cost to LOIC for the tuition free training being about \$297.00 per student. Funding for the program was provided mainly by the Agency for International Development and the Government of Lesotho, with the latter needing to increase its contribution on a sliding scale as AID funds were phased out.

For the evaluation of the ET program, over 60 individuals were interviewed. About 40 percent were graduates of the training program, with another 15 percent being other businessmen and women, including some drop-outs from the LOIC program, and some who had not taken the ET course at all but whose business operations were similar to those of the trainees. The remainder of the group interviewed was made up of government officials with responsibilities for small enterprise development and, in several cases, for the LOIC program; also included in this latter group were LOIC staff and members of the governing and advisory groups set up as part of the effort to develop effective liaison with the public and private sectors in Lesotho. Questionnaires were used, particularly with the sample of ET graduates. Finally, published and other written materials on the political economy of Lesotho and on the history and operations of the LOIC were collected for analysis.

The impact of the ET program was difficult to judge in part because of the relatively short time which had passed since the first courses were taught. However, there were several positive outcomes to report, in many ways similar to the successes reported in other OIC International efforts in Africa (and the United States). These involved, in large part, the levels of general satisfaction expressed by trainees, and the perceptions they had concerning how the training had helped them. Percentages ranging from the high eighties and upwards indicated that the course work was stimulating and well presented; that faculty were hard working and competent, and responsive to the needs of individual students; and that the course material was directly applicable to their business operations. Some compared the courses favorably with those

offered by the Business Training Center of the National University of Lesotho and the Basotho Enterprise Development Corporation. They supported the conclusion offered by some public officials and educators in arguing that the latter courses have tended to be poorly designed and organized, and less relevant to the needs of small enterprises than those provided by the LOIC. None of the respondents had any significant changes in the LOIC course content to suggest; and nearly all would recommend that course to friends.

In terms of the impact on their operations, they were also highly pleased. Most could name specific ways in which it made their operations easier and more effective, mainly involving what they had learned in the area of financial management, but also to a large degree on labor relations. Many saw some financial gain in terms of profit levels. Though levels they reported were essentially the same as those reported by those businessmen and women interviewed who had not taken the ET course. Alternatively, the changes the ET graduates reported in marketing and in long-term planning efforts were relatively high.

Responses from government officials and private sector professionals concerning the LOIC program matched well with those of the trainees. They saw the overall program, including ET, as well conceived and organized, as well as practical and effective. They made repeated references to the need for a more skilled workforce and mid-level managerial cadre in Lesotho and to the LOIC's apparent contributions to meeting these needs, and consequently to its assistance in the overcoming of a significant bottleneck. These perceptions result in large part from their understanding of what the ET and other course are about. This understanding, in turn, is mainly produced by the effective job of institution building which the LOIC has accomplished, working from the OICI model.

Two of the three advisory and policy-making bodies which OICI recommends for its training institutions have been operating in Lesotho, with only the difficulty in securing enough top level businessmen and women to serve on an Industrial Advisory Board preventing its establishment. The ones actually established, a Board of Directors and a Technical Advisory Committee, have brought government officials and private sector professionals into the training and monitoring processes involved in the LOIC operations; and allowed for considerable policy direction from influentials on the bodies. These relationships, in turn, have provided buffers for LOIC's operations, as well

as for expert advice on local economic needs, and generally been helpful in associating the LOIC operations in the eyes of the country's leadership with their own strategic developmental priorities. Some questions might be raised about the extent to which these relationships are in any way contingent upon the presence of representatives of the American parent body, OIC International. Most observers, however, felt strongly that the national staff members would operate effectively, through and with the advisory bodies, to protect the organization's autonomy--even in the face of greater future dependence on GOL funding.

The sum of these comments is that the LOIC has done an excellent job in the entrepreneurship training course in reaching its targeted group of business owners with material having practical significance for them, and in creating relationships with the more influential members of the Basotho community which serve to provide the organization with ideas and resources likely to facilitate the continuation of these operations. However, questions can be raised about the actual extent to which the LOIC has impacted, and can affect in the future, the processes of development in Lesotho. This is the case despite the fact that the LOIC is working in a society facing sharp increases in employment pressures, even political violence, because of the likelihood of changed relationships with the dominant economy of the Republic of South Africa (RSA) and growing population pressures within Lesotho; with these factors making it less probable that the job opportunities and incomes on which Lesotho had depended in the past will be available in the future.

Some reasons for questioning the LOIC impact in this area has come from the responses of its trainees. They express gratitude for the willingness of ET staff to work with them from time to time after the conclusion of their period of training. However, in this and other ways they indicate a need for more assistance, particularly in the development of business plans, help in developing proposals for credit, and the like. The LT program would seem to need more of the regular follow-up which is built into the vocational programs, where an attempt is made to secure jobs and to see how well the trainees are doing for a period of time afterwards. Moreover, with respect to the potential impact of trainees on the larger society, other questions emerge. They include concerns about the economic significance of those selected for the training to date. Nearly all are operators of general stores and cafes, with very few being involved in manufacturing. There are no plans for candidate selection on the basis of potential for

economic linkage to other firms in the locale, current or prospective; and thus there must be doubts about the economic and social significance of training individuals in similar areas to be more effective competitors against one another. There have also been no efforts to consider whether a strategy of selection and training which drew on potential rather than already functioning business entrepreneurs might be better; or to see whether it would be appropriate to seek out people for training who have the type of motivational profiles found in other training programs to be related to later success in enterprise development. Consequently, the LOIC can say relatively little about the extent to which it draws on the most entrepreneurial of talent in Lesotho, perhaps from the pool of energetic individuals who formerly went "seeking their fortune" outside the country, or how the skill levels which it provides for trainees translate into economic momentum for the local economies where its graduates operate. Not many business training institutions become involved in considering a broad range of social and economic questions in connection with the training operation; but the LOIC might have been expected to do more, based on the institutional history upon which it draws, and its own success in coming to terms with many of the shaping and supportive components of its environment.

To increase its impact on the troubling problems facing Lesotho, the LOIC should therefore seek to sustain and nurture its training operations, while attempting to find means for linking its efforts more closely with the larger needs and goals of the society. There are technologies and technical assistance packages available to help in this effort, including some from AID, and from other development training organizations which have developed methodologies for selection and means of incorporating concerns for economic and social impacts in the training process. These suggestions must be qualified by the point made previously concerning the tendencies for training organizations to leave the question of the effect of training to the consideration and action of others. This is not really a good excuse for inaction, but it does serve as a useful reminder that these suggestions do not imply some striking, unusual weakness on the part of the LOIC.

A more important, if related, point is that the LOIC is a young organization, and that such bodies risk a great deal if attempting too much, too soon. Even if there are advantages in pursuing a broader strategic design, it may be well to acknowledge that what has been accomplished is quite a bit, given the time period involved, and that these

gains should not be threatened by a too aggressive attempt to do more. However, it is also true that the LOIC's reliance to this point on training is an activity largely limited to the classroom and a fixed period of time increases the risks of ignoring both adaptive possibilities and cost effective means for broadening the impact of the ET program. The fact that a large body of research data and technical assistance is available from a variety of sources in several nations to help in the development of entrepreneurial training programs reduces significantly both the risks and costs of these potential programmatic additions.

Summary of Suggestions for Change in the ET Program*

Selection and Training Methods

1. The LOIC should incorporate into its ET selection and training process those applied behavioral science techniques which have proven effective in similar programs throughout the world. Self-training in the methodologies most commonly used is possible, given the extensive literature now available.

2. For a more substantial effort to incorporate these techniques for selection and training, the LOIC could call on the assistance of AID's Office of Multi-Sectoral Development (MD) for assistance in gathering information on behavioral methodologies for selection and training. Other sources of assistance include the Center for Entrepreneurship Development in Ahmedabad, Gujarat State, India, which is beginning to provide technical assistance for enterprise training programs in other developing countries.

Training and the Marketplace

1. LOIC training should include efforts to encourage students to do surveys of the local market as a means for identifying economic opportunities which they might later pursue themselves. These surveys should also be used by the LOIC itself to facilitate the selection of students for future courses who are broadly representative of the

*Drawn from the summary offered in Part IV of the paper where these suggestions are discussed in greater detail.

local economy. This sort of effort will be of more significance as the LOIC moves its training efforts into regions of Lesotho where its teaching staff is less familiar with the prevailing structure and operations of small business.

2. Trainees should also be required to write development plans for their business firms, drawing when possible on evidence from the market surveys. Assistance in the development of these plans should be sought from lending institutions so that the planning effort may enhance the prospects that those desiring bank credit might receive it.

3. The LOIC's alumni association should be involved in the development of case materials and market surveys on local business.

4. The LOIC should attempt to develop a closer working relationship with other business training institutions in collecting economic information and in developing programs to increase staff capability for survey analysis and long term planning.

Training and the Socio-Political Setting

1. The LOIC should support where possible the establishment and functioning of business associations and chambers of commerce to serve its trainees and the small enterprise sector generally. Associations should be encouraged and assisted in providing market analysis and extension services to small enterprises, perhaps at some point through LOIC short courses for association officials. The LOIC might also encourage other businessmen training organization to share in their activities, so as to broaden the coverage possible.

2. Efforts should also be made to better link the LOIC training programs to community wide social and economic developments. As an example, when LOIC staff and students are collecting data on market conditions and opportunities, they might also be gathering evidence on the effect of LOIC graduates on the amount, quantity, and prices of goods and services available locally. In addition, efforts should be made to link actual training efforts to to community development activities, as through the establishing of an apprenticeship program or a vocations library in schools -- to be of use to local entrepreneurs as well.

I. THE EVALUATION OF THE IMPACT OF THE ENTREPRENEURSHIP TRAINING PROGRAM OF THE LESOTHO OPPORTUNITIES INDUSTRIALIZATION CENTER: INTRODUCTORY ISSUES

The Opportunities Industrialization Centers International (OICI) is a large, private voluntary organization which has for twenty years been involved in the vocational training of unskilled and unemployed individuals for placement in jobs, and which has also provided training in management and business skills for public and private sector managers and for small business entrepreneurs. It is the latter program of business training which is of major concern here. For OICI is one of several private voluntary organizations (PVOs) whose small enterprise projects are being reviewed by the Office of Private and Voluntary Cooperation of the Agency for International Development. The evaluation to be presented here, of the entrepreneurship training program of the Lesotho Opportunities Industrialization Center, will be linked with several others to provide the primary components of a sector review of the role of PVOs in enterprise promotion and development. For the Office of Private and Voluntary Cooperation (PVC), these evaluations and the comparative assessment they will provide, should suggest specific policy guidance for future relations with PVOs in the area of enterprise promotion. This is important because the voluntary sector has for some time been significantly involved with small enterprise promotion and development in third world nations, and seems now to be increasing the number, range and type of these support activities. (Devres, 1981; TAICH, 1982) Additionally, this review and sector analysis may be seen as part of the Agency for International Development's efforts to assess the role of private sector initiatives as a means for dealing with problems of unemployment worldwide.

From the perspective of AID and the Office of Private and Voluntary Cooperation, OICI projects are particularly relevant subjects for evaluation. The organization's training activities have been judged effective in many locations over the years, and have apparently reached the most disadvantaged of peoples. Moreover, the emphasis their vocational courses place on self-development and on tapping the latent potential in all students promises a good deal of change at a relatively low cost. OICI does not speak of expensive physical infrastructure as the basis

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for change but of the resource which are unused in all peoples. Moreover, the interest in OICI extends to its especially active concern for institutionalization -- for both the indigenization and sustainability of training institutions. In its efforts to facilitate the emergence of locally managed bodies which fit their settings, it has generated a body of data on successes and difficulties in institution building -- a topic on which there is renewed interest in development circles. (Smith, Letham and Thoolen, 1980) Finally, the interest in the OICI model of entrepreneurship training in particular is increased since there has been a difference of opinion in the literature on enterprise development over the efficacy of training programs. (Tendler, 1982; Pareek and Rao, 1978) If OICI with its successes in other forms of training can produce entrepreneurship training courses which make a notable difference, it would better suggest how training can be most effectively integrated into enterprise projects.

The OICI has established entrepreneurship training (ET) programs in three of the eight African nations where it has projects -- Liberia, Sierre Leone and Lesotho. The program in Liberia has been a small one and inactive since 1979. The one in Sierra Leone has been a good deal larger and is continuing, but has until recently been of less interest to the government. As a consequence, it has been somewhat minimized by the Sierra Leone OIC, though course demand has recently been reported as increasing as the government has come to regard the small enterprise sector as more critical to its development efforts. (Barnett et al., 1983) However, it is in Lesotho to this date where the ET program seems to have figured most prominently in the overall training program. It too has been overshadowed by vocational training for job placements, but OICI has committed more resources to the development of this component in Lesotho than elsewhere. There were also innovations, such as an early collaboration with a parastatal involved with small enterprise infrastructure projects. This was in part to assist the Lesotho OIC (LOIC) in securing its first students, while providing a missing component in the package of services provided by the parastatal. As a result of this type of local support, and the commitment of OICI to the Lesotho project, more trainees have completed the course per year than in the other two nations. The LOIC program therefore seemed to be a good candidate for evaluation, certainly typical in the largest sense, but with signs that it represented a particularly complex, mature effort by the OICI and the LOIC. It should provide a reasonably fair test of the OICI's successes and problems in developing this portion of its training component.

Before we can evaluate the Lesotho entrepreneurship training program, we need to have some background information on the setting itself and on the details of the training effort. Then we can consider the impact of this program and raise some of the larger questions suggested in the introductory comments.

The Setting for Enterprise Development Projects in Lesotho

Compared with other developing nations, Lesotho does have advantages which could facilitate national development. Located outside the tropics and in a portion of the southern Africa land mass which averages over a mile above sea level, it enjoys a temperate climate and has been free of the diseases which beset many other developing nations in the region. Most of its people, the Basotho, are of similar ethnic origin; the small percentage who are not having mainly been well assimilated over several generations. As a consequence, there are few lines of social cleavage defined by linguistic or cultural factors. (Weisfelder, 1981) Perhaps because of this social homogeneity and also because of options most Basotho families have had to send workers to relatively high paying jobs in the Republic of South Africa, which surrounds the nation of Lesotho, sharp economic differences have also not developed. A World Bank report from a decade ago found that the income distribution in rural Lesotho showed a "degree of equality which is not matched in any other country known to this mission. (World Bank, 1975) Data on the physical quality of life, a good indicator of the overall distribution of wealth and welfare benefits puts Lesotho near the top in all of Africa; and the nation's literacy rate of about 55 percent is more than twice the average for the continent. (Hansen, 1982)

The Basotho people are also strongly identified with their 150 year old nation as an embodiment of their successes and of their continuing capacity to deal effectively with external political and economic forces threatening to exploit or overwhelm them. They are reinforced in their identification by prominent symbols, such as the constitutional monarchy, which gives them a sense of continuity and reminds them specifically of past triumphs. They are further reinforced at present by their capacity to compare their political status with the fraudulent independence given to nearby black nations within the Republic of South Africa (RSA). This basic unity around the concept of a common national focus has been partly responsible for the

relative stability and economic growth which Lesotho has enjoyed over the years. The growth rate of about 6 percent per capita in the decade of the 1970s has, however, also been made possible by the substantial development assistance which this strategically located nation can all upon, as well as by the substantial remittances of migrant workers. The sum of this is that this nation has a loyal, homogeneous, politically aware and capable citizenry, and some significant economic resources for development efforts.

These advantages, however, are very much dissipated by the problems which the nation faces, with the most fundamental being the extent of its economic dependence on the Republic of South Africa. About 90 percent of Basotho males over the age of 26 have been migrant workers at one time or another in the RSA. Over half of the working age males are away at any given time, and some 70 percent of the rural income, and about half of the gross national income, is secured by these migrants. Among the effects of this dislocation are a lack of local initiative and personnel to stimulate rural or urban enterprise, and what some refer to as a "slave mentality". The latter is said to promote both an image of South Africa as "the place for work" and skepticism about the prospects for commercial and industrial development in Lesotho. (Weisfelder, 1980)

In any event, where there is industrial development in the region, it is mainly in distant pockets within the RSA, and the minimal trade and industrial development within Lesotho proper is largely controlled by outside investors, so that those Basotho who are candidates for entrepreneurial leadership find obstacles to the expression of their interests within the local business community. Even the Lesotho National Development Corporation (LNDC), a parastatal set up to foster local industry, commerce and tourism, has largely relied upon outside business interests in developing new enterprise. Indigenous businessmen see the LNDC as "eating local money" by using scarce public resources in a profligate fashion as incentives for outsiders. The consequence of all this is that there are few links between the still largely self-sufficient rural agricultural sector and the small urban industrial sector, with some concluding that the economy is "almost entirely unintegrated". (Selwyn, 1975) These factors are central to the conclusions of many that Lesotho cannot really be said to be either an independent state or truly a viable one.

The official response of the government of Lesotho to these difficulties is to offer development strategies

which promise to enhance the commercial and industrial base and the economic independence of the nation. Two five year plans have featured efforts to spread growth which is broadly based and locally focused, and to increase the processes of channeling local resources (including human ones) into economic enterprise. Premier efforts have included the establishment of the previously mentioned LNDC, which the government (if not the typical local businessman) views as very successful in promoting its economic ends. An important companion effort was the setting up of the Basotho Enterprise Development Corporation (BEDCO) to create a package of incentives and forms of assistance for small enterprise. Government projects in agriculture have included the development of roads, markets and extension services, with the latter focused on developing the productivity of Lesotho's marginal farm land, of which there is a great deal. Rural credit and training, along with soil conservation are particular concerns, as is diversification through the development of rural livestock production. The government has also sought to increase the development of mineral resources, including diamond mines. Despite these advances, there are reasons to believe that the efforts are seriously handicapped by the basic political processes which economic dependency has produced within Lesotho. This conclusion needs to be examined in greater detail because of its importance.

Lesotho's dominant political actors are what one political scientist who has specialized in southern African politics has called an "organizational elite". (Weisfelder, 1981) This group is made up of politicians, bureaucrats, professionals and traditional leaders with few links to the population at large, partly because of the latter's mobile character, but also to the fragmented nature of the society's economy. They are in fact major patrons in a relatively closed system, fueled not by indigenous economic forces or development efforts but by monies supplied through customs arrangements with the RSA, remittances and development assistance funds. The consequence is that politics becomes in-bred; competitive, in fact, but largely in the sense of competition among a few in positions of power for access to and influence with the international elites who control the largest supplies of vital resources. Leaders in such a setting have few incentives to mobilize savings or offer coherent direction for a national development effort since the political process does not reward such activity. There is little or no organized representation of the public interest to counter the short-term reciprocal politics of patronage. This suggests that development efforts they may attempt to generate are products

of some ambivalence and not part of a sensed real step toward a new political economy. This does not mean that dedicated public officials are scarce; and it does not mean that the efforts of those working diligently for national development are meaningless. But just as the dedicated have few ways to reach out to the broader public to generate development activities, the majority have few incentives even for trying, in the short run. In dependent economies, patronage politics is increasingly seen as a major, if not the major obstacle to growth and equity and the national autonomy these could produce. (Gamer, 1982).

There are forces at work which pose potential threats to the organizationa' elites and to the constricted political process of Lesotho. However, these same forces, which are both economic and political in character, also strike at the very base of the nation's economic system. First there are the changes in the RSA's economy as it faces and attempts to respond to global inflation and recession and to long term changes in markets for its exports. Among the notable consequences of these changes is the slowing rate of growth, and what some see as the approach of relative stagnation, in mining activities in the Republic. Job opportunities there are seen likely to decline in absolute terms. (Eckert and Mohapi, 1980) This affects Basotho people particularly since a large percentage of migrants from Lesotho to the Republic have been involved in mining work. The problem is exacerbated by the likelihood that more native South African and "homeland" workers will be given preferences in the future for available jobs; for there is special and obvious need in the RSA at present, worsened by population growth, to deal with the types of tensions which joblessness can produce in that nation's politically volatile climate. In fact, remittances by Basotho from the RSA have already dropped and wages they receive there are not keeping up with the increases in the cost of living in Lesotho, thus further depressing the impact of money they can remit. (Appiah, 1981; Weisfelder, 1981)

These changes have and will have significant effects on job availability within Lesotho proper. There will be fewer jobs thanks to the reduction in resources, and larger numbers of people will be competing for them because of new obstacles to migration. Differences in access to shrinking resources may lead to greater equity problems, with some seeing reported increases in the inequality of land ownership and livestock holdings in rural Lesotho as signs that these pressures are working themselves into the economy. (Weisfelder, 1981) Population growth within Lesotho proper

adds further to these pressures; for it is rising at an estimated 2½ percent per annum, generating some 6,000 new members of the workforce each year. (Selwyn, 1975; Appiah, 1981)

A decline in living standards from a point of modest comfort, or even a fall-off in perceived improvements can provoke political violence. (Gurr, 1970) Some see these economic trends as dangerous ones for Lesotho's future, and the recent violence, including urban crime as well as attempted and successful political assassination, as indications of things to come. (Weisfelder, 1981) Moreover, when these pressures toward political violence are added to those endemic to the region because of the frustration and guerrilla activity encouraged by South Africa's apartheid system and its interference in other societies, we must conclude that the political process in Lesotho will likely be less stable in years to come.

These challenges do suggest a need to draw more on local peoples for significant development activity. Such an energizing of politics "from below" would provide no panacea; but in a nation whose people are politically aware and in basic agreement on the appropriate focal points for political decisionmaking and the general priorities for national action, there is much greater risk in forestalling collective effort than encouraging it. The multiplication of competitive political activity could well provide a context for the creation of a new public agenda, and the implementation of programs for more rapid and diversified development efforts. A related outcome might be the subsequent preservation of the fundamental equity of Basotho society. The problem, however, is a familiar one: the isolation of elites reduces incentives for accommodation on all sides. (Bryant and White, 1982)

Summary and Implications

The people of Lesotho are relatively poor, though at about the middle in terms of per capita GNP, as compared with other nations of sub-Saharan Africa. Many have in fact done well as migrant workers in the RSA and have provided substantial assistance to relatives at home. The Basotho people are also politically aware and rather well educated, and are strongly identified with their nation, though probably a good deal less so with the current government; as it seems to many to be characterized by a constricted, patronage-based politics. Now, however, particularly sharp challenges to the political economy are

coming with expected reductions in the options for working abroad, population pressures, and the failure of government planners and programs to move the nation toward the development of a more integrated, autonomous economy. Among the critical current needs the nation has, are new business enterprises controlled by Basotho and integrated with the local economy, and people trained with the skills necessary to make these businesses succeed. But even with successes in efforts such as these, changes in Lesotho in the future are likely to be discontinuous and politics somewhat volatile, given the absence of effective links between government and the public at large.

For an organization such as OICI these circumstances provide both opportunities and problems. Clearly efforts to provide good training for indigenous businessmen and women or vocational students could produce important benefits for the society, especially as that training is attuned to emergent opportunities within the economy. It has been argued that the lack of trained managers is one of the most serious bottlenecks inhibiting development. (French, 1981; Cummings, 1982) Moreover, training can serve to provide a greater group awareness and self-confidence for entrepreneurs, and thereby provide some of the incentive for a coming together so as to express concerns to governmental decision-makers. Educational institutions need not become political to increase a society's level of political awareness and commitment to representative institutions. Still the problems to be faced in achieving even these ends are daunting ones, given the larger movement of national and international forces and their decisive importance for local events. The LOIC, therefore, faces significant challenges and exasperating limits; but has the potential for contributing to the confronting of some of the most central problems of Basotho society.

II. LESOTHO AND THE OIC: PROJECT DEVELOPMENT

A request from Lesotho for OICI's assistance in setting up a training program was first made in 1974. OIC was then a decade old in the United States, and had more recently (1969) begun programs in several African nations. The organization was experienced in dealing with problems similar in many ways to those found in Lesotho: how do you provide for the relatively powerless and unskilled means for creating relative economic self-sufficiency and then for integration with the broader "center" of the economy? OIC's answer had evolved during the previous ten years, the time since it had been established by the Reverend Leon Sullivan in an economically depressed quarter of Philadelphia as a training institution to provide vocational training to school leaders in the inner city. His conclusions was that vocational programs could be provided by dedicated, highly motivated teachers who were sensitive to the debilitating effects of poverty and could combine skill training with instruction in self-awareness and interpersonal skills. Some would still require more than what a vocational course could offer, even with motivational components. Thus, there would be "feeder" programs to prepare students for the vocational programs -- by teaching self-confidence along with basic literacy and values for survival in a more commercial and industrial workplace. There also would be special efforts to place graduated trainees in jobs so that the experience in the course could clearly be seen by the students as leading to something, and worth the efforts to learn new skills and attitudes which were required. As the successes with this model grew, and they figured prominently in what many saw as the successes of the civil rights revolution then underway in the United States, Sullivan and his colleagues began to develop additional components for the program. One new emphasis was on the training of owners and managers of small businesses in skills pertinent for their survival and growth. Another was the formalization of concerns for institution building as other communities in the United States sought to set up OICs. It became important to consider means for seeing that each of the programs had a well established set of mechanisms for securing advice and support from local influentials in the public and private sectors.

These successes attracted attention in the developing world. Inquiries from Nigeria led to OIC's establishment of an international program (OICI) and its first overseas training institution there in 1969. This has been followed by programs in eight African nations, with five of these still operating with support from OIC, and the other having achieved "graduate" status as autonomous training institutions.* As noted, contacts with interests in Lesotho began in 1974, in response to a request to OIC from a group of influential private citizens and government officials. A process of communication began through which the OICI approach was explained in some detail to the Basotho interest group, and during which the needs of Lesotho were made clearer to OICI/Philadelphia. Eighteen months later a team of consultants were sent by OICI, funded by a central AID grant, to study the feasibility of establishing a training institution. The team visited a variety of agencies, commercial establishments, schools and development projects; and they spoke with local officials concerning the problems and potential they saw in transferring the OIC type of non-formal training to the setting in Lesotho. The team also sought to ascertain the nature of training needs in various potential target groups, and to see what opportunities actually existed for those receiving vocational education. They concluded that training needs existed in both the public and private sectors which a Lesotho OIC could meet; and that these needs included vocational education, especially in the construction trades and management education for mid-level officials in private, parastatal and public organizations. There was also a need for training for owners and operators of small businesses.

The LOIC began operations in February, 1978. Primary financial support came from the U.S. Agency for International Development and the Government of Lesotho, with AID providing about 70 percent of funds required for the first year's operations. AID's life of project commitment finally totaled 1.73 million dollars over the period 1978-1983, with about one-third coming from the Bureau for Private and Humanitarian Assistance, and the remainder from OPG administered through the Africa Bureau. The Government of Lesotho committed itself to increasing its yearly contributions on a sliding scale. The

*Five nations with continuing direct support from OICI are Ghana, Liberia, Lesotho, Sierra Leone and Togo. Graduate OICs are in Ethiopia, Nigeria and the Gambia.

vocational training activities were established first, with an emphasis on carpentry, masonry, plumbing and sheet metal work. A foreman training program was established two years later to assist those already employed to gain the supervisory skills required for mid-level management opportunities. The foreman training component was introduced simultaneously with the management development/entrepreneurship training program. The former (management development) component was designed to provide training in decision-making, planning and personnel management for mid to senior level public and private sector managers.

The ET program was somewhat delayed in beginning. It did not commence until 1980, in part because of a desire to first see the vocational programs were well launched, since this was seen by planners as the area of greatest need. But there were also fewer funds available than expected for the entrepreneurship training portion large due to delays in the receipt of expected funding from the Government of Lesotho. Consequently, there was also difficulty in hiring qualified candidates. One who was selected after an extended effort was later arrested and indicted on a charge of forgery and forced to resign. Finally, Mr. B.Z. Mohapeloa was selected and, along with the technical cooperation team advisor for ET, Mr. Robert Kirk, began the course in the summer of 1980. Since then courses have been offered in Maseru and two nearby communities of Mazenod and Teyateyaneng, approximately 10 and 30 miles distance from the capital, respectively.*

The ET course itself is six weeks long and runs for three hours a day, four days each week. The content is what might be termed as standard for an introductory course on business operations. Topics covered during the six weeks include record keeping and accounting, legal issues confronting small entrepreneurs, production and production planning, financial management, personnel and customer relations, and business planning and budgeting. Currently two full time instructors share the teaching duties and are responsible for most of the course presentations. However, on occasion experts from the government and private sectors are called upon to handle specialized topics on taxation, customer relations, business finance and labor relations.

*The ET faculty members are also responsible for the course on management development, usually taken by mid to upper level managers in public and private sector enterprises.

On the whole, the topics covered and the basic ET course structure are similar to these courses run by the other well known business training programs in Lesotho, The Business Training Center (BTC) of the National University of Lesotho and the Basotho Enterprise Development Corporation (BEDCO).*

In compliance with the OICI approach to training and institution building, these training activities are supported by two advisory and policymaking bodies. One, the Board of Directors, is made up of prominent individuals from the public and private sectors who can serve as mediators and brokers for the LOIC, with the board itself being the primary policymaking body for the organization. It also provides oversight with respect to internal management processes, particularly where critical personnel and financial issues are involved. The second, the Technical Advisory Committee, provides advice to the board and program managers on circular issues and on the demand for different skills in the local job market. They are seen as integral to the process of institutionalizing the training efforts.

By the end of the second year of operations, the LOIC entrepreneurship training program had gone through six cycles and 111 students had been graduated. The program's costs were slightly over \$33,000 and thus the LOIC incurred about \$300 in expenses for each student (see Table I). This somewhat underestimates real costs as the LOIC operated its programs to facilities provided without rental cost by the government run Lerotholi Technical Institute. Overall, the costs are more than double those reported, per student, by similar training programs completed some years ago in India. (McClelland and Winter, 1969; Patel and Trivedi, 1973). However, such general comparisons are not very reliable, particular when focused only on costs per student; and truly comparable figures on costs, and their relationships to benefits, are difficult to secure. We will consider these issues again in subsequent discussions of project impact.

*The program and the clientele of these two organizations do differ from those of the LOIC. See discussions in Sections III and IV.

TABLE I

EXPENDITURES (1980-1982)* FOR ENTREPRENEURSHIP
TRAINING PROGRAM OIC/LESOTHO

Capital Expenditures (Office Furniture, etc.)	\$ 1,580.00
Transportation	2,171.00
Salaries and Fringe Benefits	26,829.00
Misc. Direct Costs (Instructional Materials, etc.)	1,932.00
Total	<hr/> \$33,012.00

*January 1, 1980 - July 31, 1982

How Do We Evaluate LOIC's ET Project?

Until recently, relatively few of the projects of international or indigenous development agencies were evaluated with a view to establishing the impacts of project efforts on the lives of targeted beneficiaries. Many projects were not evaluated at all, or were assessed by those responsible for implementation on the basis of actual tasks performed and the degree of compliance of those efforts with the original directives and goals of the development project. The same is true of small enterprise development efforts. A recent attempt to analyze the evaluations of these enterprise projects found few to summarize and compare. (Goldmark and Rosengard, 1980) In addition, a significant bibliographic effort from the mid-1970s to review the literature on small enterprise development found only one evaluation to list. (Technology and Development Institute, 1975)

There was, of course, some analysis (if often informal) of "success" and "failure" in the literature on small enterprise development. But these have tended to

focus on such things as the numbers of mediating institutions (extension services, credit bodies) created and the amount of contact they have had with potential and existing businessmen and women. More generally, the focus was on economic and business related activity -- numbers of few firms started, or even numbers of proposals for new capital loans presented to credit institutions. Benefit-cost analyses were sometimes completed, aimed at evaluating several programmatic alternatives and assessing them on the basis of their technical characteristics and feasibility. (Barclay, 1979) Here outcomes described were less likely to involve social conditions, such as the overall quality of life attained in communities with new enterprise; nor was there a tendency to deal with political questions, as with the capacity of new businessmen and women to represent and protect their interests as small operators in a complex economy. Indicators of success and failure thereby tended to be non-systemic, as there were rarely efforts to look at a complex of outcomes, encompassing business but also community interests over time. In addition there were few efforts in these assessments to look closely at alternative means for generating employment and welfare benefits, as through the careful comparison of costs for assistance to firms and other, separate means for assisting social transformation, such as changes in national trade, tax, or pricing policies.

Critics have suggested that the fundamental problem with these approaches to evaluation is their failure to recognize the inseparability of micro-level and macro-level processes.

"Micro-level characteristics have to do (either internally or externally) with a chain of events, structures of interactions definable with reference to the program, project or institution under investigation. Macro-level characteristics have to do with the overriding social, political and technological context in which the particular project, program or institution is embedded." (Alzinga, 1981, p. 27)

Some recent work on the promotion and evaluation of small scale enterprise has begun to raise these concerns and develop specific guidelines for the analysis and evaluation of this sector and its relationship to larger development activities and goals. In a recent Agribusiness and Rural Enterprise Project Analysis Manual, developed for USAID, Sam Daines et al. (1979) assessed the means whereby the project designer, manager and evaluator may make the social and political linkages necessary for establishing

enterprise projects which benefit the poor directly (as owners of firms or as sources of raw materials); or which benefit them indirectly, through community wide improvements generated by small rural enterprise. In addition work from India by Pareek and Rao (1978) summarizing many of the lessons learned from two decades of extensive public and private promotional efforts there suggests also a need for comprehensive approaches to evaluation for assessing small enterprise programs and their benefits. A comprehensive approach to enterprise evaluation for Pareek and Rao would require concern for:

1. the entrepreneur and his/her firm. (Motivation, planning orientation, commitment, as well as profitability, expansion of firm and markets, etc.);
2. the multiplier effects on the local economy of enterprise and entrepreneurial activity;
3. the capacity of local SE to represent their needs and interests to the government;
4. the capacity and responsibility of local mediating institutions, public and private, involved in representing and regulating business enterprise;
5. the overall social conditions and development of the community within which the businesses operate.

Are these general criteria appropriate ones to evaluate the impact of the entrepreneurship training program of the Lesotho OIC? They may seem too broad to many, since LOIC's major goals and capabilities are those of a training organization. To be sure, there are dangers in asking an organization to do more than it is prepared to do and thus to undermine the training program by the diffusion of effort. Yet, educational institutions have traditionally been expected to indicate how their programs and graduates contribute to more general public goals. In addition, it is unlikely that a training project could reasonably claim to be sustainable if there are not means for assuring that the benefits derivable from the educational experience do fit to a meaningful degree with larger social purposes -- and even contribute to the development of these goals and purposes. To what extent then has LOIC been able to develop courses of study which develop self-confidence and business skills; and to what extent to those trained

improve the operations of their enterprise, and also contribute to the economic and social life of their communities? More specifically:

1. What kind of job has the LOIC done in training entrepreneurs and what benefits have been derived from the training in terms of impacts on their operational skills and the success of their business firms?
2. To what extent has the institutional support network which LOIC has created (board, advisory committees) contributed to the benefits derived?

And a longer term outcome:

3. To what extent is there a broader social, political and economic impact which affects positively lives of the majority in the communities where targeted enterprises operate?

Some final reminders are in order at this point. First, that the entrepreneurship training program is only one of several programs of the LOIC, and while important is not as much a centerpiece of the effort as is the vocational training program for school leavers. Secondly, we need to remember that the impact of the LOIC on business in Lesotho does not depend solely on the entrepreneurship training program. The evaluation is of that program and it is beyond the scope of the evaluation to look deeply into the extent and ways that those with new artisan skills might have affected the economic prospects of their employers -- or eventually become small entrepreneurs in their own right. There will, however, be some references to this latter point in particular as we consider the full range of the impacts of the LOIC enterprise training program.

III. THE LOIC AND ENTREPRENEURSHIP DEVELOPMENT:
AN EVALUATION OF THE IMPACTS OF THE ET PROGRAM

The evaluation of the LOIC's entrepreneurship training program was conducted in August, 1982, about two years after the completion of the first ET training course.* The primary informants were past course participants and a small sample of entrepreneurs who either had not taken any training from LOIC, or had been enrolled in one of its other course. Other data gathering activities involved discussions with LOIC staff and with members of both the Board of Directors and Technical Advisory Committee. Interviews were also held with public officials in several ministries and parastatals, as well as with AID officials. A final private sector sample included, among others, bankers, and officials with two Basotho business associations. Published information on Lesotho and business training courses, as well as in-house memoranda of the LOIC were also collected and reviewed.

The goal was to compile a picture of how ET students felt about the training program, and to see how much and what ways they felt they and the community in which they lived benefited from the training. No effort was made to collect extensive quantitative data on firm performance beyond what could be gained from the self-reports sought with the survey instrument.* Information from other informants and the written materials was used to develop a separate assessment of the value of the training for the students and the community and of the effectiveness of efforts to extend and strengthen LOIC's institutional base.

*More details on the selection process and general methodological issues raised by the field work are to be found in Appendix I.

*This was essentially the consequence of the stage of the ET project's development and of our interest in as broadly focused evaluation effort as possible. See discussion in Appendix I.

LOIC as a Training Institution

Observers of classroom activity for the ET course could scarcely fail to have several positive impressions. For one, the classes are reasonably small in size, averaging about 20 students. While the format features lectures, there is ample opportunity for discussion, and it appears to be encouraged. A compelling impression one receives during course sessions is of students who are both motivated and confident to question and to challenge their instructors; and of instructors who were well prepared for their lectures and yet willing and able to incorporate student concerns into the subjects under discussion, even where it meant a diversion from the prepared material. Once Ms. Tsotsi and I attended a class which was taken after the period had ended to join a group of business people who had arranged a question and answer session with the Minister of Commerce, the Hon. J. C. Masithela. Here too there was a sense of ease in their questions, even a willingness to challenge the minister with pertinent concerns and economic data. While it is impossible to link their performance with the minister to LOIC training (and especially in a culture whose people have a reputation for political awareness and assertiveness) what was in evidence there had been displayed in the classroom as well: well prepared, motivated and confident small businessmen and women. It is not too much to assert that the professional awareness and motivation of these small business owners was at least nurtured, if not caused, by their training experience.

The teaching staff of Mr. M. Khiba and Mr. B. Z. Mohapeloa seemed qualified to provide both academically sound and practical training of the type which could generate a positive response. Khiba, a man in his early thirties, had a Bachelors degree in economics from the National University of Lesotho and had worked for a number of years as a secondary school teacher. Mahapeloa was an older man with over twenty year's experience as an accountant with a variety of business firms, and most recently with a parastatal involved in the development of low cost housing. He was working to complete a degree and the NUL in commerce and was scheduled to graduate in the spring of 1983. By some standards, these men were only modestly prepared to develop and teach the ET course, and one of those administrators and faculty we interviewed at the Institute for Extramural Studies at the NUL compared them unfavorably in these terms to those offering similar courses through the university's extension program. However, some development professionals in Lesotho consider

the type of preparation these men had a plus. For it was thought to contribute to a "practical" and "down to earth" presentation of business issues, unlike the situation in the "more academic" programs offered by the NUL. This widely shared sense of the practicality of LOIC's training generally and of the staff's capacity to provide immediately relevant training (in entrepreneurship and the other programs) were said by one senior government official to be among the major reasons the LOIC has sometimes been spared budget cuts when the government feels the need to reduce its support for other vocational programs. There were good comments as well for the educational leadership of the executive Director of LOIC, Mr. J. N. Lepheana, a man with years of experience as an educator in the public schools; and similar respect for the Deputy Director for Training, Mr. Henrique Nyankale, seen by many as a particularly talented man and creative administrator. Indeed, we heard little but words of praise for the training efforts in conversations with over a dozen government officials in various ministries, and in discussions with private sector business and professional people. Lesotho's leading citizens show the same regard for the overall LOIC training program which Barnett et al. (1982) found among similar groups in an assessment of the whole of OIC's programs in Africa.

Finally, there is one other matter to report concerning the entrepreneurship training course. That is the practice of conducting the ET course in Sesotho, the national language, during those occasions when training is offered outside of the capital city of Maseru. This has involved some costs in terms of such things as preparation time for staff and the development of new teaching materials. While admittedly it may increase the demand for its courses, the LOIC does see the use of Sesotho as a means for assuring that the least advantaged of their potential clients will have access to the course. Despite the relative unimportance of status differentiation in Lesotho, this sensitivity toward the least educated and least powerful is important because of the pressures which are noted in OICs world-wide to admit the better connected to the regular courses of study. (Barnett et al., 1982)

Whether or not this language policy has resulted in greater equity in terms of the output of graduates is difficult to say from a brief observation of courses so recently instituted as these. The first courses offered outside of Maseru were established only in 1982. However, something else is clear -- that a substantial percentage (over half in courses visited, and more in earlier courses)

of the participants are women. Perhaps this is not by itself an equity issue in Lesotho, in the strictest sense, given the number of men who are working outside the nation at any given time and the relative accommodation of women over the years to local business roles as a consequence. Nevertheless, women are being trained in considerable numbers and in global terms this is an equity issue which can be noted and is clearly in evidence in the LOIC entrepreneurship training classes.

Participant Responses

The responses by course participants were assessed in two ways. First, as already described, by direct interviews with a sample of ET graduates, and secondly by a questionnaire designed and administered by the LOIC itself as part of in-class evaluation efforts. We will review the main findings of these two efforts, beginning with the data collected by the ET instructors at the conclusion of each term.

The LOIC's evaluation questionnaire is focused on the student's sense of how well the course was taught, what he or she understood of the material presented, and what in the course substance and presentation needs changing, if anything. A review by the evaluation team of approximately half of all forms compiled by the summer of 1982 (N=66) provided the following conclusion:

1. Faculty were highly regarded, with over 80 percent of the respondents marking "superior" or "outstanding" with respect to the amount of preparation made by faculty for course presentations, and with respect to their basic knowledge of the subject matter, their ability to motivate participants, and their overall ability to communicate. Over 70 percent gave the same high marks to the faculty for accessibility to students and ability to encourage student participation. Overall, the level of instruction was regarded as "just right" by 89 percent of the students -- though the remaining 11 percent did feel that the course was pitched "too high" for them.

2. The course itself was also evaluated very favorably by those completing the questionnaire. For 97 percent of the participants, the content was "just right" and 98 percent felt that it was relevant to their work. Nearly 80 percent of the respondents would have liked the course to be longer and none felt that it was too long, despite the time burdens so often associated with small enterprise management.

According to both Mr. Khiba and Mr. Mohapeloa the information provided in these class evaluation questionnaires has also caused them to modify the course over time. Mostly this has meant the addition of new topics and some changes in times assigned to various areas of study.

The data from the questionnaire administered by Mandisa Tsotsi and me generally confirm these results. The past participants we interviewed invariably said that the course met their expectations and that no portion of the training was irrelevant or needed to be changed in a significant way. They believed the training had made them more effective as managers -- knowledgeable, confident and adaptable; and without exception they indicated they would recommend the course to their friends, with many saying they were actively encouraging them to enroll. A few businessmen we interviewed who had not taken the ET course indicated their preference for the shorter (two week or less) courses run by the Business Training Center of the IEMS (National University of Lesotho). While the issue of timing did not trouble those of the course graduates we interviewed, it was the major reason given by the three course drop-outs interviewed for their failure to complete the course. Still, one of those dropping the course had any criticisms of the course content itself, or of the faculty. They seemed basically as laudatory as those who completed the program.

Many of the respondents did compare the entrepreneurship training course to the general business/management courses offered by the Business Training Center of The National University of Lesotho, and by the Basotho Enterprise Development Corporation (BEDCO). These are the two major "competitors" with LOIC in the area of entrepreneurship training in Lesotho, though neither has offered many of the short-term introductory business courses, in part because of differing perspectives on the type and range of clientele to be served, and partly due to administrative difficulties which have limited the development of the two programs. (Masten, 1982) The comparison the LOIC graduates made of the ET course and those introductory business courses which were offered by the other institutions are partly based on hearsay, though about a fifth of the sample we interviewed had actually taken one or two of these other courses. Most found good points in all, even though there was a general feeling, as there was with those officials whose views were cited earlier, that the LOIC provided better courses for less educated businessmen and women; and that certainty it was more practical and immediately applicable. Two respondents commented that they had gone

to the NUL course and had understood almost nothing since it was so academic. "I knew when it was over and when it began, but that was about all."

Participants also felt able to call on the LOIC staff for advice on business problems once the course had ended. Most indicated having had some such contact, usually with one or another of the faculty, but also with others, including the executive director. These efforts were, I think, also indicative of the major "dissatisfaction" which trainees had. Somehow the training was not sufficient for them. Most clearly meant this as an ambivalent complaint, a way of expressing appreciation while saying "we need these helpful people around more of the time". Some, however, were apparently expressing the feeling of the student who wants more follow through by the teachers and educational institutions which have made him aware of new challenges and opportunities. They wanted more training, with nearly a third noting on the in class evaluation questionnaire a desire for a course two to three times as long. They also wanted more advice on recurrent business problems and on means of planning for business improvement -- including help on the means of applying for business loans. For financial problems were much on their mind, particularly working capital shortages.

The overall attraction of the entrepreneurship course was further reflected in the pattern of attendance generally reported for the classes. Not only did students apparently come very regularly in spite of the competition provided by responsibilities in their firms, but they often bring friends along -- even to join the class late when there is room. Few have dropped out of the courses run outside of Maseru. Early courses, however, did have a considerable drop-out rate of approximately 25 percent, perhaps due to the greater number of such training opportunities in the capital city, where these sessions were conducted. There were also problems generated by early efforts, since discontinued, to work with BEDCO, with this parastatal enterprise development corporation assisting with the securing of trainees and promising to provide other sources of assistance to these trainees, most of whom were located on a BEDCO industrial estate. LOIC staff feel that the parastatal did not contribute the support that was promised, partly because it was still in the process of setting goals and getting its staff selected and trained; and because of delays in the construction of the industrial estate. In any event, as noted previously, there was apparently no less acceptance of the faculty or the course content even among those who left the course before its

conclusion; but their main reason for stopping related to unusual business pressures rather than a sense that they could take such courses any time they wished.

Finally, the responses by the trainees offer some perspective on how the training actually affected the performance of their business enterprises in the short period since the training was concluded. Overall, respondents reported feeling especially benefited by new skills in financial management and in their capacity to separate business and personal accounts in record keeping; and they indicated a new understanding of marketing processes, particularly as they involved customer relations. They also believed they were more confident of their capacity for planning and disposed toward it. More than half of the 15 interviewed who had completed the course at least a year before the evaluation* had secured loans and purchased new equipment since their ET training. About the same number reported more customers and changes in suppliers, even though the activities reported did not suggest any substantial movement away from relationships with suppliers from the Republic of South Africa. Nearly 80 per cent of the early trainees interviewed reported increased profits, with the average gains of about 7 percent annually. However, in the case of profits reported, these ET graduates were little different from respondent businessmen and women who had not taken ET or other business training. But the latter business sample was an informal one and more systematic comparisons over time would be needed for more definitive conclusions.

Summary and Implications: First Order Training Impacts

Among its graduates and many observers, there seems to be a substantial consensus on LOIC's performance as a training institution. Development specialists see a program pitched to appropriate targets with competent instructors who are teaching skills which are both relevant and immediately applicable. Students feel the same and overwhelmingly endorse the training experience itself. They feel they have dealt with highly motivated, competent teachers and hope to keep in touch with them in the future to continue the process of learning from them. If they complain, it is about LOIC's inability to offer continuing

* Of the 25 ET graduates interviewed in total, 10 had only recently completed the course of study.

support to them by way of additional training and ready counsel. These results in Lesotho, moreover, are confirmed by observations in other nations where OIC training projects are in operation. In the recent institutional assessment of OICI and its international program, the evaluation team of Barnett, Engle, Druben and Ricci (1982) found a high level of praise for the organization's training and institutional building efforts in every one of the seven nations they visited.

These results do pose two kinds of questions, one clearly suggested by the previous discussion. That one is whether satisfied customers are enough to justify calling a training program successful, with the main concern at this point being whether the trainees themselves have benefited as much as they seem to think. The data are inconclusive on this score, though the benefits in terms of expansion and profitability do not seem striking. A more thorough assessment of these changes at some later time would clearly be useful. The second question also relates to the laudatory comments of the ET trainees, for their statements appear contradictory to what several others have recently reported in evaluations of training programs for business entrepreneurs. (Goldmark et al., 1982; Tandler, 1982; Pear et al., 1982) These latter works depict a much less positive image of SE training, with entrepreneurs often dubious and unwilling to be involved with it unless (and even when) it is tied to other benefits such as credit.

A number of factors may differentiate these findings from the results evident among trainees in Lesotho. One may be the reputed Basotho sense of the importance and prestige of education. Though socio-cultural values of this sort are difficult to document, local references were strong and consistent, suggesting that the disposition is widely assumed to exist. Another factor at work may be that it is primarily a training opportunity which is offered. Those who are skeptical about the benefits of training would be less likely to be involved in instances where it is included as part of an interconnected package of services. Another source of explanation may be the extent to which alternative means of gaining basic business skills exist. Basotho men and women have had few opportunities in their own society to gain practical business experience and few formal or non-formal educational opportunities to aid in overcoming this inexperience. They might be expected to be particularly appreciative of a free, professionally organized effort which is part of a well known international training program. Finally, perhaps as important as any of the possible explanations

for the differences in response is the relative size of firms owned by trainees. Many of the critical reports on training suggest the inappropriateness of teaching management principles to the owners of microfirms, where operations are tiny, intermittent and not always located in a permanent business location. Those assisted in Lesotho were small entrepreneurs, but in larger, more permanent settings than those typical of the informal sector.

In any event, while the actual long term effects of the new skills of ET graduates on their business enterprises are clearly critical, it is important to stress that trainees feel they have and will continue to be benefited. It is difficult to listen to their extended discussions of how they have been helped without feeling that something quite positive happened to them.

The LOIC and Institution Building

As noted previously, all OICs are expected to form three advisory bodies to support their training activities. These are the board of directors, an industrial advisory council and a technical advisory committee. These groups are instituted to be a critical source of information and leadership and are central to OICI's assumptions about what is required to establish and to sustain indigenous training programs. The LOIC's Board of Directors, the institution's central policy making body, had 18 members, about half of them officials of national governmental agencies or parastatals, with most of the remainder representing private sector firms.* Contacts with the board and its members suggests it is an active body, with monthly, well attended meetings and with members who are strongly supportive of the LOIC programs. Members were, for instance, concerned with the development of managerial competence within the organization and its potential effects on staff morale and performance. Some, for example, had been noted having once been doubtful regarding the capabilities of the Executive Director, Mr. Lephana. He had had little administrative experience prior to the assumption of this position, and had seemed to some to be overly sensitive and bureaucratic, early in his period of service. Board members apparently worked to facilitate easier staff relationship and to offer

*There are, however, no members directly from the poorest sectors of society, despite official OICI policy that there should be such representatives.

him support as he learned his job, and now give him good marks for his efforts and his potential. Board members were also involved, and deeply, with plans for fund raising, seeking ways to secure funds to supplement existing sources of income. Critical here have been efforts to assure full GOL funding for the LOIC as the AID grant came to an end. In this they appear to have been successful with the GOL now covering fully the operational costs of the training, and planning for support for an extension of the LOIC operations into several new areas of the country.

In another vein, we also heard from the LOIC staff of occasional efforts by individual board members to intervene to assist the LOIC in its relations with the government. These ranged from the clarification of trivial misunderstandings, often personal and involving such things as rumored statements of opinion by an LOIC staff member about a government official, to the more serious problems involved in protecting the integrity of the organization's selection processes. We heard from respondents in a position to know that LOIC sometimes did have to grant priority admittance to over-booked vocational programs to those represented by powerful parties; and we heard these and others say that ultimately the LOIC cannot resist individual pressures of this sort, particularly where so much dependence is placed on maintaining good relations with public officials in a position to influence government allocations, and those civic leaders supporting general fund raising efforts. Nevertheless, board members were also credited with efforts to resist this type of activity. Often their very visibility was thought to legitimize the independence of the selection process and forestall most demands for favoritism. In the case of the ET program, the problems were somewhat lessened by the fact that other training organizations do exist to provide similar educational opportunities.

The experience with the two other advisory bodies was less satisfactory. The Industrial Advisory Council (IAC), which has the task of job creation and the identification of general economic trends -- as well as fund raising, had not yet been formed. The Executive Director of LOIC, Mr. Lepheana, reported that this was due to the difficulty in finding leading businessmen (Basotho industrialists in particular) who were willing and able to give the time required for such a council. The Technical Advisory Committee had been instituted, and consists of mid-level technicians from government and business as well as educators. The TAC has met over the years to provide information on curricular issues and to advise the board of

directors and LOIC staff on the demand for various skills in the local job market. They are credited with, among other things, advice on vocational courses which has produced a particularly effective match between trainees and jobs in the construction industry. However, the TAC with which the evaluators were able to meet and talk had just been reorganized due to the expectation of the previous committee's term. Consequently, it was providing little current assistance in programmatic terms and needed both orientation materials and discussions with LOIC staff -- as well as time for coming together as a group -- before it could function as a significant source of technical advice. Such orientation efforts were being planned at the time of this evaluation.

On the whole, however, it seems clear that the TAC and Board of Directors have been important contributors to the institutionalization of LOIC programs. The Board has been a source for developing programmatic autonomy and integrity of critical importance in a society in which patronage politics is of great importance. Moreover, it, with the TAC, has provided information and guidance on the target constituency and the economy which has increased the overall effectiveness of the organization in the matching of training with business needs and job opportunities in the changing economy of Lesotho. There is also a more subtle contribution that the Board and the TAC make -- simply by their existence as bodies of successful people with diverse experiences. For even the evaluators' meeting with the new, still to be oriented, TAC illustrated fully the potential of this group for the generation of ideas and for reality testing. With a program such as the LOIC's, this type of adaptive resource is critical if it is to continue to provide training which meets the needs of a growing labor force in the particular, pressured, economy of Lesotho. There are, however, problems in having talented people to meet with; they are also busy and difficult to get to the meetings. Many are out of town -- and the country -- quite often.

To some extent, any problems in securing sufficient external advice are reduced in significance somewhat by the fact that the LOIC management has a quite active policy of encouraging internal communication and some sharing in decision making. This, in turn, is supported by OICI's approach to management and by the management information system which it introduces in all local OICs. While there are critics who see some over-management and bureaucratic layering involved in all the meeting and reporting required, there does seem to be a sense of awareness and

involvement on the part of staff members as a result of the interaction. Even critics of some policies of senior staff members seem to share the sense of involvement and commitment which Barnett et al. (1982) report for all African OICs; and which they see as contributing to the high levels of staff morale and a notable longevity of service despite low pay and minimal job security.

Finally, in mentioning institutionalization, it is appropriate to recall the IOIC's efforts to establish an alumni association. This provides a means for reaching out to groups not yet tapped by the training body. While the focus of the new alumni association may be on fund raising, it can bring some of the same information and skills as the TAC does; and it can become a modest source of public support for the LOIC and its training programs.

Summary: Institution Building Impacts

The LOIC-OICI collaboration has produced a training institution which is well integrated with important sources of knowledge and political influence in Lesotho. In good measure this is due to the assistance which the LOIC receives from a Board of Directors and a Technical Advisory Committee (TAC) which have been set up to serve, and have served, as sources of mediation with government and are at least partly responsible for the popularity of the program with government officials and for the growing financial commitment which the GOL has made with the reduction in external funding. The TAC in particular has also assisted with the design and evaluation of the ET courses, so as to maintain their relevance in light of the changing economic conditions of the country. Both the TAC and the Board of Directors have also been of assistance in the development of managerial processes within the LOIC itself which now seem supportive of the organization's overall training efforts. In these ways, the institution building activities in general, and the advisory bodies in particular, have been supportive of the primary training functions of the LOIC. There is much in this which, when coupled with the vast training needs of Lesotho, suggests that the LOIC can adapt and continue to find the financial resources and market for all its training programs, including the entrepreneurship course.

The LOIC as a Development Institution

The early record on the LOIC in light of its own primary training goals seems positive. The organization

has provided training to a substantial group of small traders and manufacturers who have appreciated the experience and have found it professionally rewarding. Efforts to institutionalize the training effort have proceeded with considerable success; and the organization seems to have a favored place in the minds of many public officials. Beyond this, however, there remains the set of issues suggested by the previous discussion of competing definitions of development. How well does the LOIC input relate to the larger social goals (empowerment, economic linkages, community welfare) which some development models or theories of development associate with "good" enterprise projects? Alternatively, what additional supports would be necessary if the LOIC is to maximize the contributions of its training to the overall development of the society?

There is less reason to claim success for the LOIC in terms of these broader and, for development institutions, much tougher standards. For despite its training competencies, as well as its vision and sense of direction, it has shortcomings in terms of the completeness and coherence of its strategic sense of itself in the development process in Lesotho. (Barnett et al., 1982; Druben, 1981) In the design, planning and administration of the entrepreneurship training program for instance, there is only a modest sense of the linkages and potential linkages among training efforts, enterprise expansion and viability, and community development. This is a charge to which development agencies and many educational institutions in all societies may be susceptible, especially in the early stages of a project effort, when attempts are being made to define directions. However, in the case of the Lesotho program, the existing limits would seem likely to reduce the long run potential of a well regarded training enterprise. Without a broader mission statement or strategy the LOIC will continue to find it difficult to determine where it does fit in the nation's development effort. Were questions to be raised about the number of new jobs produced and sustained for the amount of money spent, or the relative impact on selfsufficiency of one type of small enterprise program over another, the LOIC would have to rely largely on arguments based on its historic program choices and targets -- or on anecdotal material. Figures on the number of graduates and on the percentage of those completing the course would also be there, and may be impressive, but finally they would not suffice for answering the larger social questions.

The LOIC may well appear less effective as an organization when this larger framework for choice and action is

utilized for evaluative purposes. There are some specific areas for concern in this regard which we will discuss in the next section. However, there will also be a concluding section where suggestions will be offered for turning the "weaknesses" to the LOIC's advantage. Critics of these conclusions will assert there are real dangers in suggestions that a successful organization extend itself -- including the possibility of a loss of the organization's competitive edge in the areas where it has performed successfully. Judith Tendler (1982) in a recent review of PVO evaluation materials points out the costs which many voluntary associations have in fact paid in trying to become multi-purpose development agencies. This is a danger, but such a conclusion poses the choices too starkly. One can plan and act in a comprehensive fashion without actually doing everything oneself.

Points of Concern: Overview

As mentioned previously, OICI, as part of its program for developing training institutions, seeks means for guaranteeing that its local OICs get the best, most current technical information so as to assure course relevance and job placement; and at the same time attempts to make certain that the indigenous organizations are patronized by local elites in both the public and private sectors, so as to increase the chances for their meaningful influence and very survival. This is what the parent organization means by institution building; and the LOIC has completed these organizational tasks in line with the OICI model, and has handled them well. However, what this section of the paper will suggest, essentially, is the need to broaden the concept of institution building to account for other factors. Where there has been attention to certain types of individuals and firms, we will suggest the means for moving in a cost-effective direction to accommodate more diversity and to broaden the program's reach. We will mainly discuss ways of changing selection and training methods to increase chances for the development of more complex economic links between trainee firms and other sectors of the economy. Additionally, where there has been a concern for political institution building (or political bridge-building) we will suggest that this might be widened to include the needs of the trainees themselves in ways not now attempted. These specific suggestions are meant to be only illustrative, but for the most part they and the others to be considered do derive from research on small enterprise development by people who are practitioners in the area, or who have some experience being associated with

small enterprise projects. (Daines, et al., 1979; Pareek and Rao, eds., 1978)

Motivation and Entrepreneurship

OICI has been a leader in its concern for the motivational aspects of development. Its vocational training efforts have emphasized preparatory programs and counseling aimed in substantial ways to increase to self confidence of the trainee. The availability of job development and follow-up activities as part of the overall program are aimed in part at giving the graduate a sense of OIC's continuing commitment, and thus is seen likely to reinforce the individual's feeling of self worth.

The activities are incorporated in the vocational training program of the Lesotho OIC but not in the ET program. Presumably self employed business people (compared to the young and unemployed) are less likely to view the emphasis on attitude change and self-confidence as interesting or necessary. Recruitment in the case of the ET program is more direct, resulting from efforts by faculty and other staff members to elicit information in a given locale on the amount of interest in an introductory course on business management. Selection then is on a first come, first served basis and no additional selection or preparatory processes are involved.

Neither the standard OIC motivational development process or the informal recruitment strategy utilized for the ET program reflect full sensitivity to the range of alternative theories and evidence on the psychology of development. Much work, in fact, has been done with entrepreneurs based on the assumption that personal motivation is among the most important determinants of business success. Evidence on the process of selecting candidates for training strongly supports efforts to tap for training those with strong subconscious urges to excel -- and other attitudinal characteristics supportive of this urge, including the sensed capacity for dealing effectively with people. Moreover, data from business training courses shows the positive impact of instruction on a specific set of tasks which have been shown related to the development of achievement motivation and then to business performance. (Harper, 1982; Patel, 1978; Pareek and Rao, eds., 1978) Entrepreneurship training programs in over two dozen developing nations use such selection methodologies and training packages. Many using these selection and training techniques have had no formal education in psychology.

The LOIC may feel that such additions to their program are unnecessary, and their validity still to be proven. Their tendency to rely on student self-selection and on people already in business could in fact be producing a highly motivated student body --in the sense meant by those using psychological approaches to business development. Still, their approach to selection would be easier to justify if they had utilized some of the behavioral selection materials now used for those other SE programs mentioned here. In the same sense, there would be advantages to trying the psychological training packages; for some data on the costs of such programs suggest significant improvement in the later performance of the SE assisted and consequent improvements in the ratios of training both to new investment and to new employment. (McClelland and Winter, 1967)

Trainees and their Relationship to the Marketplace

In its openness to all who come for training, the LOIC has avoided making distinctions among potential beneficiary firms thus limiting the prospects that its training can have a broad economic impact. Distinctions or preferential rankings might have been made by the LOIC on the basis of firm type or stage of development; or they could have rested on the firm's potential for generating employment, and for establishing linkages with other portions of the local economy. These efforts could also have provided a wider context and more direction for the program. A small organization geared to training might not be expected to inform its efforts with timely information on all these issues. This may require a substantial research effort. But all attempts to incorporate some of these issues in the selection and training model would provide a better basis for assessing impacts and for justifying the program.

The results from interviews with trainees highlights this issue. Most of these individuals (up to 85 percent of the various ET classes, and about 65 percent overall) are owners and operators of small grocery stores (or grocery/cafes). It is difficult to justify such an emphasis on the basis of a concern for employee generation since retail firms normally generate fewer employment opportunities than service or manufacturing operations. The business sector in Lesotho is not diverse, so some of this can be expected. However, the average number of employees in these grocery/cafes is slightly more than 3, and in other firms (including other general merchandise stores, but also manufacturing enterprises) is nearly 5. Still, the differences would

be even greater were two relatively large cafes which also sell gasoline and are "truck stops" not included. The average would fall to 1 employee per form (N=8) in that case. Moreover, when comparisons are made on the basis of new employees added since the conclusions of LOIC training, similar results emerge. The average number of new positions added by grocery/cafes is zero, while for other firms it is nearly 3. In the latter case, however, a few firms do account for most of the additions, and they are mainly manufacturing enterprises.

Earlier we used a figure of approximately \$300 to suggest the basic costs of the LOIC entrepreneurship training program. Assuming that the sample of respondent students is representative, and that more recent graduates will show the same disposition and capabilities for hiring new employees, we can suggest the same figure as an indication of the costs per new job created, over approximately a two year period. For the average number of new full time jobs created was only one, among the earliest graduated of the ET students we interviewed. Consequently the costs per new full-time job in this case is about \$300, with their figure being considerably higher than the ones reported in the India cases mentioned previously. There the costs per job were about \$40. However, many trainees in this instance were actual or potential owners of manufacturing enterprises, where the job creating potential is normally higher. In fact, training programs run at a later point among tribal entrepreneurs with smaller firms, in West Bengal, found costs there to be more than double the earlier results in western and southern India. (Harper, 1983) Moreover, all the Indian training data is now at least a decade old and costs certainly would by now be inflated, if not yet equal to those found in Lesotho.

In any event, the question we now face is whether the LOIC could improve on these figures by focusing on a "mix" of businesses in its training, perhaps on training even of smaller numbers and individuals, but emphasizing those whose firms are most likely to generate jobs -- mainly small manufacturing. Alternatively they might emphasize in their training program the potential for economic linkages among different sectors and select candidates mostly on the basis of "linkage potential". The potential could also be emphasized during the period of training itself. The key would seem to be the development of a guiding model of economic processes and potential which would serve to highlight the most "trainable" businessmen and women on the basis of the nature of their firms.

Concern for differentiation on basis of firm types (even differences reflected in stages of development or typical sequences of crises confronted) is growing among planners; but it is difficult to implement such concerns. For one thing, in a developing economy such as Lesotho's, with its particular patterns of international dependency, SE are likely to be only modest sources of new employment opportunities, or to develop substantial linkages by themselves to other firms. In part this is due to the limited scope for new manufacturing enterprises (which do tend to generate more jobs and linkages) and of the foreign control of the manufacturing firms which do exist; which in turn often vitiates their multiplier effects. Some students of microfirms (informal sector enterprises) seem willing to concede this, arguing that the employment benefits in the informal sector cases come primarily from the employment of the owners and their families and the effects of their subsequent expenditures. (Bear et al., 1982) The argument is made that the smallest firms do not generate employment which is attractive enough in salary or benefit terms to justify an argument for employment alone as an indicator of development success. (Bear et al., 1982) Whether or not the LOIC would wish to consider such a rationale as that, it can also claim to be doing about as good a job as anyone in Lesotho in producing employment through its intervention in the enterprise sector. This is the implication of a recent survey by the German Development Institute (1982) which suggests that the amount of employment generated by business firms all over Lesotho is essentially the same as that generated by firms whose owners have received the ET training.

Despite these findings, or because of them, the LOIC may want more seriously to raise questions about the nature of its impacts; about how its training affects the amount and distribution of employment opportunities for managers and workers in the locales where it operates. Consequently, the LOIC staff would do well to ponder how existing and prospective local firms are linked to each other and to the marketplace as a whole; raising questions for instance concerning whether a firm may provide market outlets for local artisans or not, and whether another is likely to hire only those already employed in still greater numbers in even smaller enterprises. For the LOIC an immediate question in this regard is the particular configuration of firms represented in its student body. There clearly are limits on the numbers of similar firms which can be "improved" in a given locale, and one can visualize many increasingly skilled tradesmen competing for dominance with fellow graduates in a limited market. Moreover, to

the extent LOIC can be said to have incorporated a more elaborate sense of the local political economy, the more it could claim the right as a leading development organization to move into new locales with variable training packages, backed by analysis and justifications based on a broader sense of what its training can mean. The LOIC may need to farm out some of the basic research required to backstop these efforts. But a claim for assistance in this regard may well produce a good response.

The LOIC and Community Development

Just as the LOIC lacks a clear strategy for supporting business development most keyed to economic expansion and jobs, or an explanation of why their approach is appropriate in light of these more ambitious goals, it also lacks a guiding framework to suggest how business development might relate to community development -- broadly defined to include the pluralization of politics "from below". The Government of Lesotho's five year plan emphasizes economic growth and equity, but also concerns for environmental problems and conservation; and for encouraging a more participant citizenry in national development activities. The LOIC, therefore, has an incentive to demonstrate as it can the broader social and political benefits of enterprise promotion. This is clearly not its primary task; it must be a lesser priority even than the analysis of broader market and economic forces. But there are ample reasons why a social development theory can have major utility for an educational institution -- and particularly where the institution is in the business of social change.

ET faculty members are well aware of the issue; as are others on the staff. There are presentations during the course of study on business enterprise and its relationship to national development goals. But little effort is apparently expended beyond this to pursue community projects, as through programs to encourage community wide discussions on the means by which training efforts might come to serve broadly defined local needs; or with limited efforts to encourage, through training, the professionalization of business associations serving the smaller enterprise sector; or with attempts to see what the overall effect of an increased body of trained businessmen and women is on the availability of goods and services for the community, and at what price. Actions of these sorts are possible, or even efforts akin to the attempts by enterprise project management in some cases to encourage

recipients to contribute some of what they have gained to community development projects. (Fraser, 1982) This could further extend LOIC's impact, and provide both support and guidance for future programs and activities -- such as fund raising. The LOIC's alumni association could be a vehicle for such community activities, even while its major commitment might be to the development of financial support for the LOIC program itself. Such efforts by the alumni association might appropriately symbolize the mutual obligations of LOIC and the community.

Summary and Conclusion

Futurists often suggest the need for today's decision-makers at all levels of every society to "think globally while acting locally". (Henderson, 1981) The basis for this is the presumption that all human and non-human things are connected, and that the world has paid and will pay a substantial price for failing to recognize and act on this reality. Consequently, to call for the LOIC to adopt a more comprehensive framework to guide future choice is not to select this organization for special criticism; it applies to development organizations everywhere. The discussion in this section has emphasized now a somewhat broader concept which will shape the ET training program whether or not LOIC attempts to respond to them. These factors include the probable differences in the psychological "resources" of potential trainers and differences in the degree to which firms complement one another economically. They also include the participatory capacities and expectations of the larger community in which businessmen and women live.

A comparison argument not stated directly here, but implied throughout the paper, is that cost and benefit calculations should be made to the extent possible in terms of inputs and outcomes related to institution building. As this has been defined here, it does imply concern for the efficient delivery of goods and services, but also for such things as the sustainability of project and project organization in an environment of competing institutions, some very powerful, even predatory! For many social scientists benefit-cost considerations only make sense these days in terms of global reference points. (Elzinga, 1981)

IV. RECOMMENDATIONS TO THE LOIC: SPECIFIC SUGGESTIONS FOR ALTERNATIVE APPROACHES TO TRAINING AND INSTITUTION BUILDING

Much of the discussion thus far has been on the strengths of the LOIC and the entrepreneurship training program. Related to this have been some expressed concerns regarding the possible costs of any "tampering" with something that does work, particularly through attempts to add on tasks which cannot easily be assimilated. Yet we have also argued that the dangers of isolating a training program from the real limitations and opportunities provided by the environment may be more dangerous. How can we deal with these apparently contradictory concerns? One way is to suggest, as we will here, some limited changes or modifications in the LOIC effort; changes which are compatible with and perhaps even contribute to the training effort and can be effected with what should be modest costs.* Some of these suggestions grow directly from the literature on small enterprise development and represent tested solutions to problems which the LOIC (and Lesotho) face. They also reflect the preceding analysis. Moreover, they represent changes which should be fairly easy to implement, and which should have positive impacts on the short term.

Motivation and Entrepreneurship

With some exceptions, there is probably less interest in the 1980s in the motivational components of entrepreneurship than there was a decade ago, although interest remains high in some parts of the world, as in South Asia. Moreover, there seems to be some renewal of interest with several international and national development agencies adapting earlier efforts to new projects. These include activities by the United Nations Industrial Development Organization (UNIDO), the ILO, the World Bank and AID; and

*These recommendations are made to the LOIC. However, they are appropriate for the OICI to consider as it works with all those ET programs for which it has some responsibility, and plans for their future, and for the establishment of new programs elsewhere.

projects or project support in nations such as the Philippines, Indonesia, Costa Rica, Zimbabwe, Swaziland, and Bangladesh. Advocates within these organizations of the use of applied behavioral science techniques in enterprise project activities continue to argue that selection and training which built upon, and encourage, certain differences in potential and practicing entrepreneurs add significantly to the prospects that beneficiaries will develop successful and sustainable enterprises. (International Institute of Public Management, 1981; Harper, 1982) Some individuals are believed to have a special quality, those personal characteristics which enable them "to start a new business, or vigorously and innovatively expand an existing one". (Harper, 1983, p. 3) The specific psychological and behavioral attributes which are most commonly seen, on the basis of comparative research, as critical are listed in Table II.

TABLE II

PSYCHOLOGICAL AND BEHAVIORAL FACTORS ASSOCIATED
WITH SUCCESSFUL ENTREPRENEURIAL ACTIVITY
IN BUSINESS AND OTHER PROFESSIONS*

<u>The Entrepreneur</u>	<u>The Non-Entrepreneur</u>
Desires to achieve	Unambitious
Resilient	Easily discouraged
Sets own standard	Follows other's lead
An optimist	A pessimist
Hard working	Not hard working
Attributes success or failure to his own actions	Believes fate or others limit his success
A moderate risk taker	Gambler, or over cautious
Receptive to new ideas	Conservative
Learns from own experience	Stubborn, resists learning from own experience
Uses outside help	Resists assistance
Motivated by the task, not by its rewards	Motivated more by financial rewards
Autonomous and independent	Dependent

*Adapted from a summary by M. Harper, 1983, p. 3.

The OICI and its descendant training institutions would endorse the fundamental premise of the applied behavioral research -- that a person's motivation makes a great deal of difference in his/her performance. This is so even though the ET courses in Africa have not been characterized by as great an emphasis on self-development as have most of the other OICI vocational training programs. Moreover, they should have little difficulty in adapting and applying the specific training and selection methodologies which have been developed over the years for entrepreneurship programs. A new project of the Office of Multi-Sectoral Development in AID (COD/AN-83-002) offers assistance to missions and projects which seek to develop means for drawing on existing applied behavioral science techniques for small enterprise projects. Materials on selection, in particular, should be easy to adapt to existing operations.

Within a developing country context, perhaps the most helpful and instructive work is being done by the Entrepreneurship Development Program operating in Gujarat, India. The leader of this ten year effort, Dr. V.G. Patel, has come to the known internationally for his efforts to adapt psychological research on the motivation to excel, and other attributes for his training program. He seems to have been able to create a successful and low cost program; and his work has in turn been adapted for use in other Asian nations. (Patel, 1978; Harper, 1982) Patel is now setting up a Center for Entrepreneurship Development in Ahmedabad, Gujarat with some possibilities of assistance from AID, and has hopes for developing a more extensive range of relationships with third world enterprise promotion projects. Patel's is only one of about two dozen programs world wide to be adapting these behavioral methodologies, and there is some interest now in better dissemination of the work of these organizations. (Harper, 1982; International Institute of Public Management, 1981) In any event, it would be relatively simple for the LOIC to secure materials and assistance on means for bringing a wider range of validated and reliable psychological materials into the processes it uses for the selection and training of businessmen and women. The process might be facilitated were the OIC International itself to support efforts to inform and train all current ET staff members in this methodology.

Training and the Marketplace

Changes in the course of instruction in the LOIC course could also increase the extent to which the entre-

preneurship training contributes to the integration of local economies and also of trainee links to these economies. The ET students, for instance, might meet some of the need they expressed for business support after the course were they to have an opportunity during the term for more extensive work in analyzing their own locale. These students are, after all, already quite familiar with local business people and institutions and might well be assigned tasks during the training program which would contribute to a full picture of the economy in which they operate. Market surveys could point out currently unrecognized sources of primary or intermediate goods which tradesmen and women could utilize, or unexpected sources of demand for local products. Moreover, they might well lead to the discovery of training opportunities for the LOIC -- where the training itself would serve to integrate the local market more completely, reducing dependence on the Republic of South Africa. These activities would need to be carefully planned, but evidence elsewhere from different types of projects suggests that basic social and economic analysis skills can be easily developed even in communities and groups much less educated and sophisticated than the LOIC's entrepreneurship trainees. (Korten, 1979) The LOIC might have an even better chance than most training agencies to succeed with this, given the strongly demonstrated concern of past students to know more about the economic circumstances they face. One success (the apparent creation among students of a desire for more knowledge) might lead to others.

Alternatively, trainees could produce a case study of a successful local entrepreneur and of one who had failed. These could also be done in more detail, or elaborated from student efforts, by the LOIC staff. The new alumni association might also be involved in the development of case materials, and the market surveys. This would also provide one way to tap into the pool of vocational-technical graduates (carpentry, metalwork, etc.) and to draw on their experiences in the construction trades in particular. Materials provided by this research would be excellent instructional resources and would serve staff development needs as well. While staff development also increases the risk of increasing the attractiveness of these people to other employers, it is a risk worth taking if it provides extensions of program impact. In any event, the LOIC and OICIs world-wide seems consistently able to attract highly motivated staff under often adverse conditions, including low pay and little job security. Equally obvious is the tendency for those in jobs to stay there, in

part because of the sense of being part of an important international development effort. (Barnett et al., 1982)

Suggestions for change of this variety could be multiplied, and could include the assigning of trainees to the task of writing five year plans for their own business operations. These could help upon the market research materials, or on the case studies of successful entrepreneurs. Planning materials prepared with advice from local bankers, might serve as the basis for subsequent applications for credit. There is substantial evidence from our interviews that this would be of interest to the trainees, many of whom expressed frustration with their perceived, and sometimes experienced, lack of access to credit sources. It would also provide one answer to the claim by bankers questioned about their lack of lending to the small enterprise sector in Lesotho; for they could not so easily claim that they were receiving an insignificant number of project proposals from Basotho entrepreneurs. (Cummings, 1982; Selwyn, 1975)

Efforts to increase the sensitivity of instructors and trainees to wider economic relations will be of greater importance as the LOIC moves its activities (as it proposes) into smaller towns and more rural areas of Lesotho, where a clearly less advantaged population can be tapped for LOIC programs. When the organization can demonstrate ways its activities support economic linkages, it can more clearly represent itself as an integral part of the national development effort. To this end, it would also be good for the LOIC to be more active in working with other training institutions such as the Business Training Centers (of the NUL) and with the Basotho Enterprise Development Corporation (BEDCO). In the development of case material and market information, a division of labor and sharing of research by these bodies would reduce costs for each and should benefit all. Representatives of these organizations told us they would welcome more collaboration with the LOIC in areas such as these. Moreover, there is an indication that some administrative difficulties associated with the start-up of these programs may now be overcome; with the BTC, for one, now having a new administrative structure and direction for a national program of short-term courses for rural tradesmen. (Masten, 1982) With such changes the BTC and BEDCO as well would be significant sources for broadening the range and types of courses and impact which the LOIC can provide.

Training and the Social and Political Setting

The LOIC could also support its program and broaden its impact through additional attention to the policy process which shapes the environment in which it works. Beyond its current efforts at institutionalization, it could support business associations within the communities where it provides training. The experimental effort with an alumni association is a beginning, but it would be appropriate also to facilitate the creation or operation of groups representative of the whole business community and particularly of those concerned with the representation of small business operations in locales served by the training program. Some see even these small steps as among the most important available to development agencies concerned with basic equity. (Bryant and White, 1982; Korton, 1979)

The members of the ET faculty indicated in our interviews with them some of the costs they see as attributable to the absence of effective local business associations. Much time needs to be spent in class, for instance, dealing with the fundamental rules and regulations pertaining to business operations -- information which chambers of commerce and manufacturing associations in other settings usually take upon themselves to provide. Moreover, when the competition for scarce resources is as intense as it is in Lesotho (or Africa), associations representing small business may be among the only protection the entrepreneurs have; an business survival may sometimes depend upon their efforts. These mediating agencies consequently have the potential for providing training and protection to enhance the LOIC's impact. They might become sources for generating the types of local economic data which the LOIC could use in its training; and outlets for this data when produced by the organization and its students. Associations as sources of business counsel could provide some of the follow-up assistance which LOIC students wish to secure.

There are, of course, risks in too close relationships between a private organization such as the LOIC and business associations which perform functions of political mobilization, or serve primarily as mediating groups with government. Most business associations are themselves aware of the dangers of an overly politicized stance and try to avoid this reputation. (Hunt, 1980) The LOIC could provide additional buffers between its operations and political sectarianism by making clear that its involvement is to improve the capabilities of associations to provide technical consultancy services for the important small

enterprise sector. Nevertheless, politics is an inevitable part of business and no group concerned with the promotion and survival of small business can ignore this. The highest quality of business training will fall short of producing outcomes desired in societies where governments discriminate against the small trade and manufacturing sector, or where they fail to develop some effective means for supporting its activities, and responding to the needs of its practitioners.

Beyond this sort of effort, organizations such as the LOIC can seek to associate its trainees and their businesses more completely with broadly focused community development activities. Involving community leaders with the alumni association as a means for increasing revenues for use in identifying and training entrepreneurs might increase these revenues. In return, the LOIC might use some of the funds to develop an apprenticeship program in local firms to meet the needs of locally unemployed youth; or it might donate some of the money to support local health and educational services. Finally, a collaborative effort wherein the LOIC and communities jointly sponsored cooperative firms -- as profit makers and training institutions -- would provide both revenues and the prospect of community development.

Summary: Specific Recommendations for the LOIC

Selection and Training Methods

1. The LOIC should incorporate into its ET selection and training process those applied behavioral science techniques which have proven effective in similar programs throughout the world. Self-training in the methodologies most commonly used is possible, given the extensive literature now available.

2. For a more extensive effort to incorporate these techniques for selection and training, the LOIC could call on the assistance of AID's Office of Multi-Sectoral Development (MD) for assistance in gathering information on behavioral methodologies for selection and training. Other sources of assistance include the Center for Entrepreneurship Development in Ahmedabad, Gujarat State, India, which is beginning to provide technical assistance for enterprise training programs in other developing countries.

Training and the Marketplace

1. LOIC training should include efforts to encourage students to do surveys of the local market as a means for identifying economic opportunities which they might later pursue themselves. These surveys should also be used by the LOIC itself to facilitate the selection of students for future course who are broadly representative of the local economy. This sort of effort will be of more significance as the LOIC moves its training efforts into regions of Lesotho where its teaching staff is less familiar with the prevailing structure and operation of small business.

2. Trainees should also be required to write development plans for their business firms, drawing when possible on evidence from the market surveys. Assistance in the development of these plans should be sought from lending institutions so that the planning effort may enhance the prospects that those desiring bank credit might receive it.

3. The LOIC's alumni association should be involved in the development of case materials and market surveys on local business.

4. The LOIC should attempt to develop a closer working relationship with other business training institutions in collecting economic information and in developing programs to increase staff capability for survey analysis and long term planning.

Training and the Socio-Political Setting

1. The LOIC should support where possible the establishment and functioning of business associations and chambers of commerce to serve its trainees and the small enterprise sector generally. Associations should be encouraged and assisted in providing market analysis and extension services to small enterprises, perhaps at some point through LOIC short courses for association officials. The LOIC might also encourage other business training organizations to share in their activities, so as to broaden the coverage possible.

2. Efforts should also be made to better link the LOIC training programs to community wide social and economic developments. As an example, when LOIC staff and students are collecting data on market conditions and opportunities, they might also be gathering evidence on the

effect of LOIC graduates on the amount, quantity, and prices of goods and services available locally. In addition, efforts should be made to link actual training efforts to community development activities, as through the establishment of an apprenticeship program or a vocations library in schools -- to be of use to local entrepreneurs as well.

Concluding Observations

These recommendations for change are actually as appropriate in most cases for development agencies interested in the LOIC and enterprise promotion more generally as they are for the LOIC itself. They suggest multiple means for intervening in support of business and social development including, but going beyond, concern with training alone. Specific supportive activities by international development agencies could include assistance with the training of faculty so as to increase professional competence and awareness; resources for the establishing of clearinghouses to gather and disseminate data on local markets and the types of businesses needed and feasible in a given setting, as well as teaching materials; and assistance for the development of business associations, in part through staff training. These efforts would aid in the confronting of important externalities now relatively ignored by business training organizations in Lesotho -- and elsewhere. Such support was considered over the past year by AID's Africa Bureau, Office of Regional Affairs with a project (632-0214) focused on regionally coordinated assistance largely in the area of non-formal education for small enterprise development. Projects such as this one could be invaluable in efforts to give SE development organizations a broader strategic perspective and the means for pursuing the implications of such a perspective.

There is a related message here as well. It is that the LOIC is a meritorious target for such assistance. The organization has done a reputable job in training business people, and in educating others for positions where skilled workers are desperately needed in Lesotho; and concurrently in improving employment opportunities for many unemployed as well as the economic prospects for small entrepreneurs. For these contributions alone many informed observers will argue that the organization is contributing to the solution of some of the nation's most pressing problems. (Selwyn, 1957; French, 1982) In all of this, the LOIC has built a reputation for integrity and effectiveness which contrasts in the mind of some in government and the business commu-

ity with the more sporadic, less focused efforts of the BTC and BEDCO, though these organizations may well improve their operations in the future. (Masten, 1982) In any event, the LOIC's legitimacy in the mind of many top government officials suggests that it is seen there as an important part of the government's development plans. To the extent that a poor nation can guarantee financial support for its public institutions, the LOIC seems likely to be guaranteed future assistance from the GOL adequate for survival and some expansion. OICI central office officials also feel there are good possibilities for assistance from international development agencies, including the UNDP and AID, as well as from several EEC nations. The LOIC itself has made some efforts to secure additional funds on its own to support its programs, but these efforts have been limited ones and do not offer the prospect of becoming a significant portion of the monies required for operations. However, the organization's track record indicates it can survive serious financial crises, which it has done since its earliest days when GOL funds were much delayed in coming. (Barnett, 1982) Thus, it would appear that the experience, reputation and financial base of the LOIC is sufficient to justify some optimism for the future. For these reasons it should be a good candidate for participation in a general, long term effort to broaden the range and direction of SE promotion projects in Lesotho.

However, if a collaborative effort is to be possible, much will finally depend on the LOIC. In its future operations it will need to encompass a broader strategic perspective including information on who it wants to benefit and what their needs are; how the new skills of trainees are likely to affect the economic and social opportunities in the wider society; and which organizations and individuals can assist in the achieving of the educational and social goals sought. To the extent the LOIC develops the capacity for this type of analysis and action, it will be more fully institutionalized and able to have a recognizable, positive impact on the society it seeks to serve. It will become even more cognizant of its own comparative advantages and able to suggest where others must do what it cannot, just as where it can effectively carry on alone. (Barnett et al, 1982) It therefore remains for the LOIC leadership and staff to take more seriously the institution building perspective and capabilities which most of them already possess, and to develop them still further. This should represent a major step toward cost-effectiveness in the broad sense in which it has been defined here.

APPENDIX I
CONTEXT AND METHODOLOGY OF THE
LOIC EVALUATION

The Context

The evaluation of the entrepreneurship training program of the Lesotho OIC was one of several evaluations of PVO small enterprise projects recently sponsored by FVA/PVC. The evaluation was conducted in and around Maseru, Lesotho, over a fifteen day period in August, 1982. The particular timing was conditioned by the possibility for sharing evaluation tasks with an AID-sponsored evaluation team then in Africa, one assigned the general task of analyzing OICI's effectiveness as a development institution more from an organizational than a project impact perspective. However, while the team members in Lesotho (Nat Engle and Bonni Ricci) would not be directly concerned with the impacts of particular projects such as the ET course, their research would call for an assessment of the major decisions shaping LOIC programs and of its planning for the future, as well as of the capabilities of the staff. There would also be attention to the relationships of the LOIC to business and government agencies with which it needs to work. Consequently, the PVC evaluation was designed to allow me to collaborate in the collecting and sharing of data with the Engle-Ricci team. It would give me more freedom to focus on the actual dynamics and outcomes of the business training program, while gaining information on LOIC-government relations and an organizational history I might otherwise not have had time to secure. I would also be able to provide the companion team with more extensive data than they would have gathered on the attitude of business trainees toward the ET program, and on specific impacts of graduates on the economy and society at large. Together we also would profit from the opportunity to question government officials from differing but complementary perspectives.

Though Engle, Ricci and I were able to share a good deal of information both during our stay in Lesotho and afterwards, our time in the field actually overlapped for only three days. Subsequently, I secured the services of Ms. Mandisa Tsotsi, a student of economics at the National University of Lesotho, to assist me with the main body of survey work. We spent eight days conducting interviews in Maseru and in the two other communities where the ET courses were conducted, Mazenod and Tayateyaneng.

Methodology

Together Ms. Tsotsi and I interviewed twenty-five course graduates, or slightly fewer than a quarter of all those who had completed the course to that time, and three individuals who had been selected to participate and had started the course of training before dropping out. Another ten businessmen and women we interviewed had either not taken any courses from the LOIC, or had taken courses other than the entrepreneurship training course. Basically, efforts were made in the business interviews to secure a balanced sample of opinion. Through the main sample, that of the ET trainees, information was sought from those operating different types of firms, from women and men in proportion to their distribution as graduates, and from recent and earlier graduates in all locations where the course was offered. Information from those who had not completed the course was secured to balance the perspective of those who had. This is not to say that the business interviews met the criteria for a stratified random sample. Because of time pressures and difficulty in arranging appointments in advance, Ms. Tsotsi and I worked mainly in the field to attain the pattern of distribution described here. We found the most effective means for securing respondents to be to go to an area where several graduates lived and to talk with as many as we could. We then checked figures to see whether more from one or another category of information should be interviewed so as to move closer to the balance we sought, based on the distribution by sex, time in course and type of firm which characterized the universe of trainees. The non-ET business sample was much more one of convenience, based mainly on opportunities which presented themselves to talk with shop-owners and manufacturers.

The ET graduates in the overall business sample were interviewed with a questionnaire designed to elicit information on the respondents' view of the training and its effects on his or her business enterprise. (Questionnaire reproduced in Appendix II) Interviews took twenty to forty-five minutes to complete and were mainly conducted in English. Ms. Tsotsi assisted me where some clarification of terms in Sesotho was required, and did all of the interviews in the approximately 20 percent of the cases where only Sesotho could be used. The same questionnaire was also used as the basis for interviews with other "non-ET" business respondents, where relevant. However, in the case of our respondents (and as is typical of survey investigations) much of the best information came when topics were

suggested generally and respondents were allowed to discuss freely issues of particular concern to them.

We also gathered information from a number of other sources. These included LOIC staff members and selected representatives from the Board of Directors and the Technical Advisory Committee. Both staff and advisory personnel were interviewed separately and through group discussions, some of which were held while Engle and Ricci were still in Lesotho. Other critical sources of information were several public officials who were in some ways involved with funding and curricular issues pertinent to the LOIC. These included some educators from the NUL and BEDCO, as well as AID representatives. A final private sector sample included bankers, officials from two Basotho business associations and a representative from CARE, experienced in working with rural enterprise developments in Lesotho, and conversant with differing business training courses in the country. Published information on Lesotho and business training courses was also collected, as were in-house memoranda of the LOIC. These were important documents for gaining historical perspective on the organization and its programs, and relations with pertinent public and private sector institutions. Interviews with public officials and other business and private sector influentials served as a check on the rest of the survey data.

The goal of the data collection and analysis was the generation of information on the LOIC's performance, as a source of training for individual entrepreneurs, and also as a contributor to national development more broadly defined. In particular, we were concerned with the following types of outcomes:

- (1) The impact of the ET course on the business skills, the business behavior, and the future orientation of trainees;
- (2) Its impact to the extent currently discernible on the economic performance of their firms;
- (3) The extent to which LOIC/ET contributed to a more integrated set of economic relations in the communities and throughout the society, and to a political climate more supportive of small business survival and development;
- (4) And the extent to which the impacts on business had larger, positive consequences for community

development -- including the generation of new employment opportunities.

Some reviewers of the data and the analysis may find too little attention to the actual business operation of the firms and fail to be satisfied with the fact that what is available are primarily self-reported observations by course graduates. There are three reasons for this, and two of them relate to the question of time. It was too soon after the course of study, we thought, to seek to gather extensive data on firm performances and expect to attribute it to the educational experience the entrepreneurs had shared. We had, however, hoped to gather more precise information on the decision-making processes current among a sub-sample of respondents to probe more into the area of enterprise operations. However, there were limits on field time available because my other obligations required that I spend only two and a half weeks in Lesotho; and also there were serious interruptions in our schedule due to a tragic episode of political violence during the time our interviews were being conducted. The assassination of the Minister of Works, Mr. Rampeta, on August 9, 1982, resulted in the closing of many public and business offices at various times over the subsequent week. Approximately three days of interview time were lost overall, though other work (with documents) was possible.

However, the major reason for the particular emphasis in data collection was my adherence to an evaluation methodology which fellow adherents call "comprehensive" -- and critics may call diffuse, or soft. It is important in a business development project to know how well a firm is performing. But the fundamental premise of this evaluation is that by itself, such data is not terribly instructive, and may distort the impact the project is having on people generally (even the entrepreneurs). Consequently, an effort was made to collect good information on firms and their owner-managers, but also to spend time on the relationships of their firms now and in a prospective sense to other enterprises -- in economic and political terms. And to assess, if generally, the impact which the program has had on the quality of life in communities where it operates, and the impact it might have in the future.

LIST OF THOSE INTERVIEWED

PUBLIC SECTOR: NATIONAL AND INTERNATIONAL

Appiah, Dr.	Chief Planner, National Manpower Development Secretariat
Boorady, Edna	Mission Director, USAID/Maseru
Bahl, Byron	Deputy Mission Director/Administration, USAID/Maseru
Carney, Dr. Joseph	Human Resources & Development Officer, USAID/Maseru
Lebusa, J.M.	Business Training Center, National University of Lesotho
Malapo, S.K.	Business Training Center, NU of Lesotho
Manyeli, Mr.	Permanent Secretary, Ministry of Trade, Industry and Tourism
Masithela, Hon. J.C.	Minister of Trade, Industry & Tourism (MTIT)
Masten, Dr. John	Dean, School of Business, Tennessee State University/Advisor to Business Training Center
Montsi, Dr.	Institute of South African Studies, NU of Lesotho - LOIC TAC
Newaye, Mr.	Ministry of Education, Research and Planning
Pitso, T.E.	National Curriculum Development Center
Sebatane, Mr.	Permanent Secretary to the Cabinet

LOIC Staff and Advisory Bodies

Khiba, M.	Faculty, FT/LOIC
Lepheana, Josiel N.	LOIC Executive Director
Mapesele, Maurice	LOIC Deputy Director, Administration/Finance
Mohapeloa, B.Z.	Faculty, ET/LOIC
Ntepe, A.S.	Chairman of the Lesotho OIC Board of Directors
Ntlamelle, George	LOIC ETMD Instructor, Foreman Training
Ntsinyi, Ms. L.	Chairperson, Fund Raising Committee of Lesotho OIC Board
Nyankale, Henrique	LOIC Deputy Director, Vocational Training
Perrault, Becky	LOIC/OICI Program Advisor (TCT)
Seeiso, Mrs. S.M.	Lesotho OIC Board Member

Private Sector

Baker, M.	Acting Branch Manager, Barclay's Bank, Maseru
Cummings, M.J.	Branch Manager, Barclay's Bank, Maseru
French, M.	Director, CARE/LESOTHO
Kane, Molahlehi	Chairman, Lesotho Manufacturing Association
Khoabane, M.	Planet Cafe and Restaurant
McCarthy, B.	Director, National Union of Employers (LOIC Board of Directors)
Motsoahae, S.	Makaota Cafe, Maseru
Motsoari, J.	Lesotho Co-operative Handicrafts, Maseru
Nqini, Z.	Lesotho Handspun Mohair, Maseru
Nthongoa, Mr.	Chairman, Lesotho Chamber of Commerce
Ohobela, L.	Half-Price Stores, Maseru
Ramainoane, C.R.	Candi Photos, Maseru
Sebatane, B.	Managing Director, BEDCO
Takalimane, A.S.	Guys and Girls Shop, Maseru
Tlali, M.	Gateway Restaurant, Maseru

Small Business Respondents

Kane, S.	Kane Food Packing and Processing Works, Maseru
Kobeli, M.	Kobeli and Brothers (General Trading), Maseru
Lekoatsa, M.	Lekoatsa Cafe, Maseru
Lekoatsa, R.	Poultry business, Maseru
Lephema, V.C.	Mankoe Trading Store, Teyateyaneng
Mahasi, L.	Mahasi Fruit Shop, Maseru
Makau, M.	Makau Taxi Services, Teyateyaneng
Maluleya, L.	Horizon Cafe, Maseru
Mapetha, G.T.	Masianokeng Filling Station/ Restaurant, Maseru
Masoabi, M.	Naleli Store, Maseru
Masoabi, P.S.	Cafe, Maseru
Mochoni, M.	Lioli Studios, Teyateyaneng
Molise, M.	Masianokeng Junction Cafe, Maseru
Monare, T.S.M.	Monare Tailoring Services, Seababoleng
Monare, P.L.S.	Monare Tailoring Service, Seababoleng
Morakabi, P.	General Cafe, Maseru
Mosala, R.	Basotho Leather Craft & Leather Works, Maseru
Mphahama, C.	Lioli Tailors, Teyateyaneng
Polane, B.	Cafe, Teyateyaneng

Small Business Respondents (cont.)

Ramochele, M.	Khotsong Knitting Centre: Wool & Materials, Maseru
Sefali, A.M.	Bus Stop Cash Butchery, Teyateyaneng
Sentso, J.O.	Extension Cafe, Teyateyaneng
Sephelane, L.	City Dress Makers, Maseru
Sonopo, M.	Cafe, Teyateyaneng
Thabane, O.	Cafe, Mazenod
Thite, E.	Thite Cafe, Teyateyaneng
Tsolo, J.T.	J.T. Tsolo Upholsterers, Maseru

APPENDIX II
QUESTIONNAIRE

ET/MD Questionnaire

Date _____

Interviewer _____

1. Name of Respondent _____

2. Address _____

3. Firm Name and Main Product(s) or Services(s)

4. Year Firm Founded _____

4A. Number of Employees _____

5. Respondent's Position in Firm: (Owner, partner, etc.)

6. Course(s) of training received from LOIC, and dates.

7. Did LOIC training in the courses named enable you to do one or more of the following:

- ___ Establish a new business
- ___ Finance a new business
- ___ Manage your business finances better
- ___ Make more money in your business
- ___ Expand your current business
- ___ Improve the general management of your business
- ___ None of the above

8. Did LOIC training provide what you expected when you began your course(s)?

___ Yes ___ No

9. What would have made the courses more useful to you?

10. Was the training applicable to your needs? Yes No

11. Did LOIC training equip you with practical techniques you've applied in your firm? Yes No

12. Were you taught supervisory or management methods NOT applicable in your firm? Yes No

13. Have you ever consulted LOIC staff members on a personal, individual basis for help with problems/difficulties experienced in your firm? Yes No

14. Would you recommend the LOIC course(s) to others? Yes No

15. Have you begun buying from different suppliers since you completed the training course? Yes No

16. Has the market for your goods changed since you finished the course? Yes No

17. Where do you buy, and where do you sell, most of your goods or services these days?

18. Since you have completed your LOIC training, have you:

a. Purchased new equipment for your business? Yes No

(What new equipment: _____)

- b. Added new employees? Yes No
(How many added: _____)
(How many jobs lost, if number of works now lower than
when courses were taken: _____)
- c. Increases your business profits? Yes No
(By how much: _____)
- d. Secured loans from government or private sources? Yes No
- e. (If no loans have been secured: "Have you tried to secure loans for business purposes since you completed training"?) Yes No
19. Can you give some examples of supervisory or management techniques you learned at the LOIC and have applied in your business?

20. Can you say that your life, and the life of your family, has been better since you completed the LOIC course? Can you give examples of what you mean?

21. What are your plans for your business now? What would you like it to be like in five years?

22. What are the major problems you face in accomplishing your goals?

23. Can you think of ways LOIC could help you in achieving your goals? What other training and assistance do you think they might be able to provide which would assist you now?

Additional comments from Respondent:

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