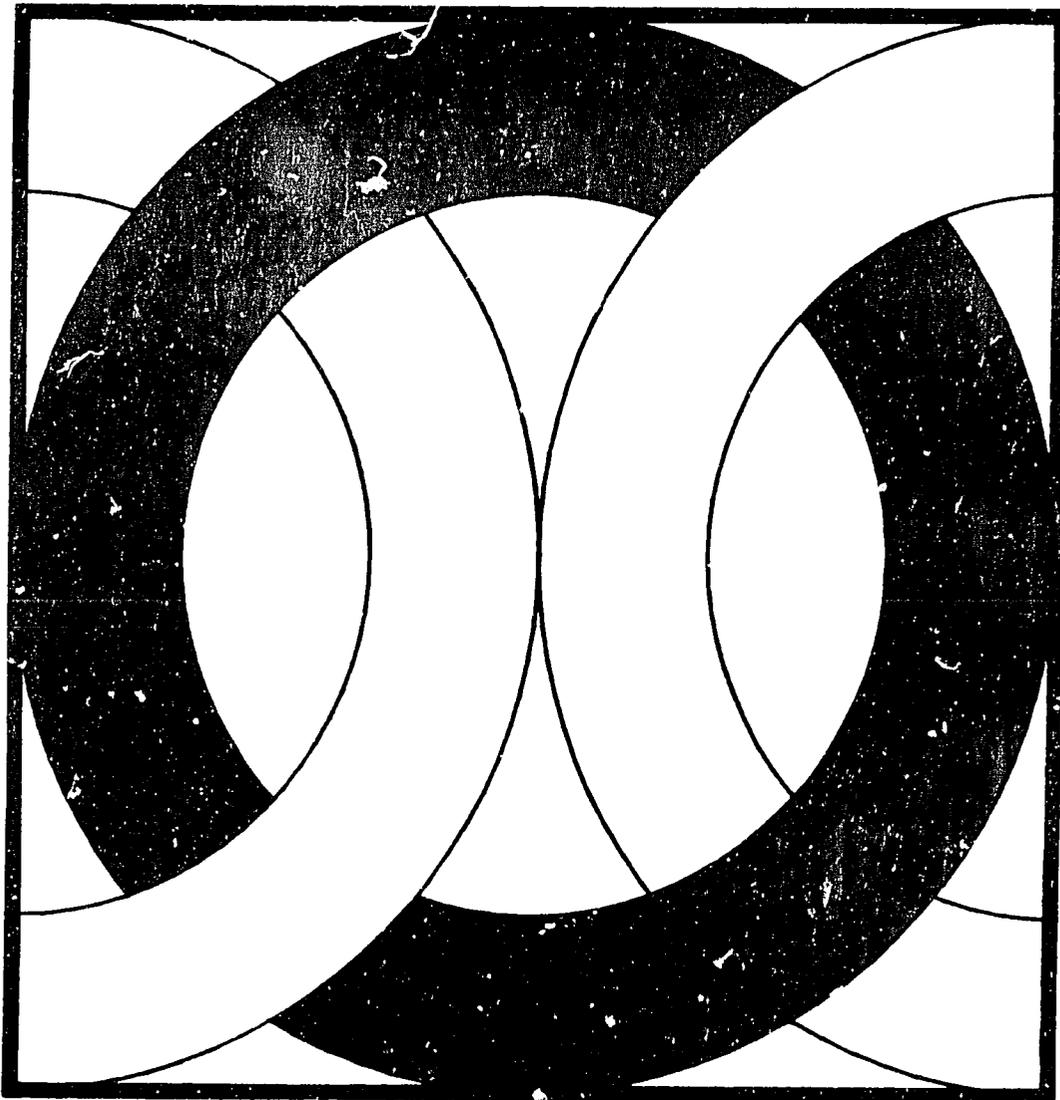


PLS ABSTRACT  
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**AGRICULTURAL FINANCE PROGRAM**  
Department of Agricultural Economics  
and Rural Sociology  
The Ohio State University

**June 1989**

**Annotated Bibliography on  
Agricultural Credit and  
Rural Savings: XII  
(A Special Issue on  
Microenterprise  
Financing)**



## PREFACE

This bibliography is one in the series that the Department of Agricultural Economics and Rural Sociology, The Ohio State University has prepared during the past few years as part of its Cooperative Agreements with the Office of Rural Development, Bureau of Science and Technology, Agency for International Development. Most of the abstracts were prepared by Geetha Nagarajan and the word processing was completed by Sandy Krulikoski. We appreciate the assistance of Ross E. Bigelow, Michael Farbman, Jacob Levitsky, Carl Liedholm, Donald Mead, and Thomas A. Timberg in identifying and supplying several of the publications included in this bibliography.

The purpose of this bibliography is to summarize the contents of some of the most important publications concerning micro and small enterprises that have been prepared in the past several years. It is prepared in response to the recent flurry of interest about stimulating the microenterprise sector in developing countries as a means to expand employment and improve incomes for low income people. In some ways this is not a new area of concern, especially for A.I.D., because it has a long history of projects supporting small-scale enterprises. It has also funded several research projects analyzing this economic subsector. However the recent interest represents a resurgence of interest, particularly concerning small microenterprises, and this had led to several new publications. An important event symbolic of this interest was the Committee of Donor Agencies for Small Enterprise Development World Conference on "Support for Microenterprises" held in Washington D.C. in June 1988. Several of the papers presented at this Conference are abstracted here. Another major new source of information are the several studies just now available in draft form as part of A.I.D. Microenterprise Stock-Taking. They give new evidence about the difficulty in supporting microenterprise development.

The publications abstracted here clearly reflect the lack of consensus that exists about microenterprises. Are they efficient in their use of resources? Do they have a potential to expand into larger scale enterprises? What type of assistance should they receive? What is their most binding constraint? The publications also reflect the variety of programs and projects aimed at supporting micro and small enterprises. Some provide a variety of services; others provide only credit or technical assistance. Some try to direct the enterprises through assistance to entrepreneurs and through the targeting of loans; others assume that the entrepreneurs are in the best position to know their business opportunities and how to use borrowed funds.

An important debate concerns the pricing of services, especially loans. Some authors argue that entrepreneurs need subsidized credit because they cannot pay the full institutional costs of providing them with loans. They implicitly accept the need for subsidies to cover these costs. Others argue that microenterprise projects need to be self-sustaining, and should charge interest margins on loans and fees for other services high enough to cover costs. Furthermore, it is argued that entrepreneurs can and will pay high interest rates because these rates are still lower than they pay to their usual informal sources. It is clear that many programs cannot expand their services to more microenterprises because of limited operating funds.

It is important to recall that many aspects of the debate about financial services are reminiscent of the small farmer subsidized credit programs so popular several years ago. The rationale for these programs often included arguments about the need for credit subsidies. The poor results of these programs are now well recognized: loans were concentrated among wealthier clients, loan repayment was poor, the strength of many participating financial institutions was undermined, few special institutions became self-sufficient, and it was hard to show that loan recipients greatly benefitted from a single loan rather than developing a long-term relationship with a lender. This negative experience casts doubt on the wisdom of subsidized credit programs for microenterprises.

This bibliography includes mostly publications with some reference to the financing of microenterprises, including information about the enterprises themselves as well as the institutions, programs and policies designed to provide them with financial services. The publications come from a variety of sources. Many are associated with A.I.D. projects and studies because they were most accessible.

If interest is sufficient, we may publish a second edition of this bibliography. Please send us copies or citations of important publications we missed in this edition.

Persons desiring information regarding publications listed in this bibliography or some other aspects of microenterprise credit or savings should address their inquiries to:

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## LIST OF ABBREVIATIONS

A.I.D.	Agency for International Development (also see USAID)
ARIES	Assistance to Resource Institutions for Enterprise Support
ASEAN	Association of Southeast Asian Nations
BKK	Badan Kredit Kecamatan
CamCCUL	Cameroon Cooperative Credit Union League
CSM	Conference on Support for Microenterprises
EEPA	Employment and Enterprise Policy Analysis
FIDE	Fundacion Para La Investigacion Y Desarrollo Empresarial
FWWBT	Friends of Women's World Banking Association, Thailand
HDF	Haitian Development Foundation
ICM	Informal Credit Markets
IRDC	International Development Research Centre
KSSBA	Kenya Small-Scale Business Association
LDC	Less Developed Countries
LEIG	Livelihood, Employment, and Income Generation
MB	Micro Businesses
ME	Microenterprises
NCCK	National Christian Council of Kenya
NGO	Non-governmental Organization
NOVIB	Nederlandse Organisatie Voor Internationale Ontwikkelingssamenwerking
OECD	Organization for Economic Cooperation and Development
PISCES	Program for Investment in the Small Capital Enterprise Sector
PRODEME	Program for the Development of Microenterprises
PSD	Private Sector Development
PVO	Private Voluntary Organization
RFM	Rural Financial Markets
RSIE	Rural Small Industrial Enterprise
SBD	Small Business Development
SE	Small Enterprises
SMB	Small and Medium Size Businesses
SME	Small and Microenterprises
SMI	Small and Medium Industries
SSCI	Small-Scale and Cottage Industries
SSE	Small-Scale Sector Enterprises
TCO	The Technical Consultancy Organization
USAID	United States Agency for International Development
VCAT	Venture Capital Company for the Application of Appropriate Technology

## STUDIES OF FINANCING SMALL AND MICROENTERPRISES

1. ACCION International, An Operational Guide for Micro-Enterprise Projects, Toronto: ACCION International, Calmeadow Foundation, Canada, 1988, 98 p.

Planning and implementation of effective micro-enterprise assistance programs viz., credit, management and training and formation of associations are discussed. The guide outlines approaches and methodologies that have been successful in countries like the Dominican Republic, the Philippines, India and Bangladesh. Elements of effective project management, program monitoring and evaluation are discussed in detail (0350).

2. Adoum, Carol M., "Project Summary Report for the Program for Investment in the Small Capital Enterprise Sector (PISCES)", University of Maryland: International Development Management Center, 1987, 46 p.

The assistance and collaboration between the Agency for International Development (A.I.D.), the U.S. contractors and the LDC implementing organizations are summarized. Pilot projects in Dominican Republic, Kenya, Costa Rica and Egypt are discussed in detail. The study concludes that viable small and micro-enterprises exist in large numbers in LDC's and they could be assisted successfully to increase income and employment (0334).

3. Agency for International Development, "Honduras : A Small and Microenterprise Development Strategy, Vol.1.", Washington ,D.C.: USAID/Honduras, March 1987, 108 p.

This report focuses on the small and microenterprise (SME) strategy developed for Honduras. It addresses the characteristics of the SME sector, policies affecting SME, institutions supporting SME's, governmental and NGO coverage of the sector and USAID support to SME and other bilateral and multilateral donor support for SME's. Alternative management approaches to support a comprehensive SME program are also suggested (0245).

2

4. Agency for International Development, "An Evaluation of the Dominican Development Foundation's Program for the Development of Microenterprises (PRODEME)", Washington, D.C.: A.I.D., Nov.1984, 37 p.

This paper evaluates the implementation, management, performance, and cost effectiveness of the PRODEME program. The credit lending system suffers from structural deficiencies like centralized decision-making, lack of differentiation between fixed and working capital loans, and low coverage of female microentrepreneurs. The use of graduated interest rates depending on type of loan, and approval of one line of credit were recommended (0258).

5. Agency for International Development, "Microenterprise Development Program Guidelines", Washington, D.C.: A.I.D., Policy Determination Paper No. 17, Oct. 1988, 14 p.

The guidelines for microenterprise development programs to be implemented by A.I.D are discussed. Financing microenterprises with potential for expansion, helping firms access formal systems of financing, and encouraging women entrepreneurs were given priorities. Interest rate ceilings, restrictive regulatory and legal systems and high transaction costs were found to negatively affect graduation of microenterprises. Development of financial markets, private enterprises and women were recommended (3717).

6. Agency for International Development, "Report on the Workshop on Private Voluntary Organizations and Small-Scale Enterprise Development", Washington, D.C.: USAID, July 1985, 17 p.

This report summarizes the recent assessments of small-scale enterprise projects, particularly those of PVOs and provides recommendations to donors and PVO's. Benefits to be sought in small-scale enterprise projects, comparative advantages and disadvantages of PVOs in small-scale enterprise promotion and ways in which major donors might support small-scale enterprise are discussed. The report concludes that economic improvement, expansion of linkages of small-scale firms with local economy, and improved social benefits could be brought out by PVO cost-effective small-scale enterprise projects (0327).

7. Agency for International Development, The PISCES II Experience: Local Efforts in Micro-Enterprise Development: Case Studies, Vol. II, Washington, D.C.: USAID, Employment and Enterprise Development Division, Dec. 1985, 226 p.

This volume consists of case studies of the four demonstration projects designed, assisted, and studied by PISCES II team in Dominican Republic, Costa Rica, Kenya, and Egypt. The studies generally concentrated on microenterprise components viz., credit programs, nonfinancial assistance, program monitoring and project impact. Making smaller initial loans to establish the reliability of clients, increasing the interest rates with longer payback periods, and flexibility in rescheduling the obligations of good clients were recommended for a successful program (0324).

8. Ahmed, Momtaz U., "Institutional Financing for Rural Industries in Bangladesh", Dacca: Bangladesh Institute of Development Studies, Rural Industries Study Project, Case Study No. 4, Oct. 1981, 143 p.

This report critically assesses the effectiveness of the institutional arrangements to finance the credit needs of rural industries, and to provide access to formal credit in Bangladesh. The flow of institutional credit to rural industries was inadequate and there was no provision of formal credit to cottage industries. Absence of a comprehensive credit program and an inappropriate organizational structure were found to be responsible for the restricted flow of institutional credit to rural industries. The author recommends serious efforts to intensify institutional credit facilities through comprehensive credit policies and an appropriate institutional network (3732).

9. Ahmed, Momtaz U., "Credit Delivery as a Measure for Promoting Small and Cottage Industries in Bangladesh", Dacca: Department of Economics, University of Dacca, 1981, 19 p.

Reviews the existing arrangements for supplying institutional credit to Small-Scale and Cottage Industries (SSCI) and identifies the constraints and problems facing these industries in borrowing from the formal credit markets. The paper recommends evolving an appropriate credit delivery system to ease the access of the SSCI's to formal sources of credit. The study recommends decentralization in decision making, the provision of financial and technical assistance and strengthening the linkages between formal and informal credit markets to increase the access of the SSCI's to formal sources of credit (3041).

10. Anderson, Dennis, "Small Industry in Developing Countries: A Discussion of Issues", World Development, Vol. 10, No. 11, 1982, pp. 913-948.

The author examines the changing size distribution of industry in developing countries and discusses the entrepreneurship issues, and small industry programs. A detailed discussion of financial and extension programs and parallels with agricultural credit are included. Concessionary finance led to loose banking practices and aggravated risks. The author recommends cost and risk reflecting interest rates, and a more labor demanding structure of industrial incentives and tariffs for an efficient small industry program (3/75).

11. Anderson, Dennis, "Small Industry in Developing Countries: Some Issues", Washington, D.C.: World Bank Staff Working Paper, No. 518, 1984, 73 p.

The changing size distribution of industries in developing countries by region and over time is analyzed. The author discusses the entrepreneurship issue and small industry programs and their relationship to development policy. Financing and extension programs are considered in detail, and there is a discussion of the risks involved in small industry programs. Some parallels with agricultural credit are discussed, in particular the default problem and the problems associated with concessionary finance (0342).

12. Anderson, Dennis and Farida Khambata, Small Enterprises and Development Policy in the Philippines: A Case Study, Washington, D.C.: International Bank for Reconstruction and Development, Studies in Employment and Rural Development No. 66, Oct. 1980, 262 p.

This report describes the size and regional distribution of industrial development, examines the effect of policies and evaluates the financing and extension programs to help small scale industries. Majority of small firms were financed by informal sources. Administrative constraints on interest rates, and high transaction costs impeded the private sector to finance small enterprises. Greater emphasis on working capital credit at market rates, development of risk reducing institutions and involvement of extension agents were suggested (2345).

13. Anderson, Dennis and Farida Khambata, "Financing Small-Scale Industry and Agriculture in Developing Countries", Washington, D.C.: World Bank Staff Working Paper, No. 519, Feb. 1985, 37 p.

The paper discusses how controls on interest rates and high risks and administrative costs affect the willingness of financial institutions to finance

small-scale industry and agriculture in developing countries. The paper also examines the role of risk-guarantee schemes in encouraging institutions to acquire the information base and the experience to reduce risks and administrative costs over time. The paper draws on the observations made in several countries and concludes that these schemes would work better if the administrative controls were relaxed (0231).

14. Appleby, Gordon, "The Informal Sector in Sahelian Market Towns: Its Organization and Operation in Temporal and Spatial Perspective, With Recommendations for Feasible Development Interventions", Washington, D.C.: Robert R. Nathan Associates, Inc., Sep. 1988, 17 p.

The development of entrepreneurial activity in the informal sector, and evolution of a market town in Sahelian Countries are summarized in this paper. The author also examines how effective rural demand fosters urban or market town development. Savings mobilization, low transaction costs, more credit to small business investment, and close links between formal and informal banking sectors were recommended (3741).

15. ARIES, "Four Small Enterprise Credit Models", Washington, D.C.: ARIES, Prepared for the Small Enterprise Development Workshop, Sep. 1987, 55 p.

This paper reports on four small enterprise credit programs regarding their policies, client selection, results and potential variations. Partnership for Productivity (PIP) in Burkina Faso, the CARE program in Philippines, the Grameen Bank program in Bangladesh, and the AITEC/ACCION program in Ecuador are examined. The programs generated additional income and employment and benefitted small entrepreneurs. In Ecuador, solidarity groups were included. Improved monitoring and repayment rates were recommended (3767).

16. Arthur D. Little International, Inc., "Review and Evaluation of Small-Scale Enterprises in Egypt: Phase 1 Draft Report", Washington, D.C.: USAID, Jan. 1982, 153 p.

This study identifies and recommends assistance projects to support the development of SSEs in Egypt. SSEs were complimentary to large enterprises and provided employment to less skilled workers. Deficient management skills, lack of available working capital and inputs, and inadequate infrastructure constrained the development of SSEs. Increasing accessibility to formal financial institutions, providing managerial, technical and marketing assistance, and reducing strict government regulations are recommended (3752).

17. Arunachalam, Jaya, "Credit Needs of Women Workers in the Informal Sector: Case Study of Working Womens Forum (WWF)", India: Working Womens Forum, Madras, 1988, 19 p.

The credit needs of women entrepreneurs to participate in development programs is analyzed in this paper. The credit programs by financial institutions and WWF benefitted poor women entrepreneurs and generated employment and income. Insurance coverage for women workers was found to be successful (3763).

18. Ashe, Jeffrey, "Micro Credit: A Financial Intermediary for the Informal Sector", Massachusetts: ACCION International, Nov. 1986, 128 p.

A generic specialized financial intermediary for the informal sector called micro credit based on innovative programs in developing countries is explored. Micro credit is designed to reach solidarity groups of small farmers and micro entrepreneurs by extending small amounts of short-term credit and mobilizing savings to fund long-term loans. The author concludes that the micro credit approach will be efficient and assures sustainability of the financial institution (3769).

19. Ashe, Jeffrey, "Costa Rican Program: Early Model for Micro-Enterprise Programs", Economic Development Abroad, Vol 2, No. 4, April 15, 1988, p A1-2.

The microenterprise group loan program implemented by the Costa Rican Popular Community Development Bank is examined in this paper. The bank used a solidarity approach to offer small loans and concentrated on poorer business owners. The program generated additional employment and income for the beneficiaries and the default rate was low. Restructuring of training and orientation programs was suggested (3762).

20. Berliner, Leni, et al. "El Salvador: Small-Scale Sector Assessment", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/San Salvador, June 1987, 97 p.

Micro and small enterprises make up 99% of non-agricultural private enterprises and account for 59% of overall employment. The report analyzes the different channels through which financial and technical assistance can be delivered to the SSE sector, and assesses the impact of SSE development. It identifies policies and mechanisms used elsewhere in promoting SSEs, and tests their applicability in El Salvador. The study

recommends a higher interest spread for the lenders, the use of collateral substitutes as a guarantee, and an effective delivery system through commercial banks (0267).

21. Bhatt, V. V., "Financial Institutions and Technical Consultancy Services: The Indian Experiment in Small Enterprise Promotion", Washington, D.C.: The World Bank, Paper Presented at the International Seminar on Internal Organization of Development Banks, Berlin, Sep. 21-25, 1981, 57 p.

This paper evaluates the performance of the Technical Consultancy Organization (TCO) in India. Credit was realized as only one facet of problems faced by small enterprises. Identification of fields for small enterprises and provision of managerial and technical assistance were the main problems. A Technical Consultancy Service Center sponsored by financial institutions is recommended for less developed countries, to integrate credit and other services needed by small enterprises (3718).

22. Bigelow, Ross E., "Future A.I.D. Directions in Small and Micro-enterprise Development", Washington, D.C.: USAID, Report on the Williamsburg Workshop, Employment and Enterprise Development Division, April 1987, 50 p.

The report presents A.I.D.'s view of the small and micro-enterprise sector and provides a perspective on future work in this area. The report focuses on key questions regarding the size and kind of SSE credit programs, intermediary institutions with which A.I.D. could work, arguments about subsidized credit and technical assistance, and A.I.D. policy dialogue to benefit small enterprise development (0237).

23. Biggs, Tyler S., Merilee S. Grindle and Donald R. Snodgrass, "The Informal Sector, Policy Reform and Structural Transformation", Washington, D.C.: A.I.D., Seminar on Underground Economy and Growth in LDC's, Oct 1987, 91 p.

The views of A.I.D. on the informal sector viz., that the informal sector is a significant source of job and income creation for the poor, and the private sector being more efficient than public sector in generating economic growth, are discussed. The paper cites some experiences of A.I.D. in financing informal sectors in Bangladesh, Burkino Foso and Bolivia. Achieving structural change and promoting the participation of progressive small and medium firms, and reducing policy discrimination against small and informal sectors are recommended (0264).

24. Biggs, Tyler S., "Financing the Emergence of Small and Medium Enterprise in Taiwan: Financial Mobilization and the Flow of Domestic Credit to the Private Sector", Washington, D.C.: USAID, EEPA Discussion Paper No. 15, Aug. 1988, 30 p.

The supply of credit to small and medium firms depends on overall financial mobilization and the share of domestic credit flowing to the private sector. This paper examines how Taiwan achieved financial mobilization and channeled a large share of domestic credit to the private sector. Informal, unregulated financial markets have been an important source of external funds for small firms (50 %) and banks accounted for 47 % of external funds. Positive deposit rates of interest were a major reason for success in financial mobilization (0250).

25. Biggs, Tyler S., et al. "The Small Business Policy Direction Study", Washington, D.C.: USAID/Philippines, Employment and Enterprise Division, 1987, 253 p.

The industrial structure of the Philippines is set in an international perspective and its determinants are analyzed. The paper explores the relationship between financial policies, financial deepening and the participation of progressive small and medium enterprises in financial markets, and the impact of selective credit controls on their access to formal finance. The study recommends that government programs provide financial support to enable firms to hire skilled technicians rather than technical assistance. One-stop access to a range of support services, and a client centered approach are also suggested (0260).

26. Biggs, Tyler S., "Financing the Emergence of Small and Medium Enterprise in Taiwan: Heterogeneous Firm Size and Efficient Intermediation", Washington, D.C.: USAID, EEPA Discussion Paper No. 16, Aug. 1988, 53 p.

This paper examines how the problem of credit intermediation efficiency in the presence of prohibitive transaction costs, particularly information costs, is solved in small and medium enterprise financing. The author suggests that supply-leading concessional credit and financial liberalization are required to ensure an adequate flow of investible funds to SME's. The intermediation problem is overcome by allowing the development of a dualistic financial system - one segment serving 'full-information' borrowers and the other serving 'information-intensive' borrowers (0251).

27. Blayney, Robert G, Cameron Smith and George Wohanka, "Assessment of USAID/Costa Rica Small Scale Enterprise (SSE) Support Strategy with Local and International Private Voluntary Organizations (PVOs)", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/San Jose, Nov. 1986, 46 p.

The report presents an assessment of USAID/Costa Rica's SSE support strategy of channeling funds through local and international PVO's and recommends interventions to improve the mobilization of these resources. The study found the current delivery system of extending credit and technical assistance to SME's through an umbrella organization of PVO's to be favorable. The study recommends mobilization of local financial resources, attainment of self-sufficiency and pursuit of a private enterprise rather than a social welfare approach (0244).

28. Blayney, Robert G. and Maria Otero. "Small and Micro-Enterprises: Contributions to Development and Future Directions for A.I.D.'s Support", Washington, D.C.: USAID, Nov. 1985, 91 p.

Contributions of small and microenterprises to economic development are discussed. Assessment of an effective project was made by examining the implementing institutions, types of interventions extended and delivery mechanism. Small and micro-enterprises create jobs at a consistently lower investment cost than medium and large industry and contribute to overall economic growth. It was also found that a significant number of small and micro-entrepreneurs were women, so projects concerning women were highly recommended (0254).

29. Bolnick, Bruce R., "Concessional Credit for Small Scale Enterprise", Bulletin of Indonesian Economic Studies, Vol. 18, No. 2, 1982, pp. 65-85.

Concessional credit programs designed to promote the development of SSEs are analyzed in this paper. The volume of lending by formal institutions increased and small scale enterprises received the largest portion of concessional credit. Subsidized credit policy promoted labor absorption when it is invested on firm expansion rather than modernization. However, the repayment rates were found to be low. The author concludes that empirical evidence from Indonesia supports concessional finance (3759).

30. Bowles, Donald W., A.I.D.'s Experience with Selected Employment Generation Projects. Washington, D.C.: A.I.D. Evaluation Special Study No. 53, March 1988, 90 p.

This report is based on an examination of over 30 projects designed as 'Employment Generation' in many countries during the period 1970-82. It focuses on the policy environment of these projects, foreign exchange, factor and product pricing and small-scale enterprise credit and technical assistance. The study found that credit and technical assistance programs to stimulate small-scale enterprise provided some employment, but at great cost per job and women entrepreneurs were not given special consideration. Recommends greater emphasis on small and medium size industry rather than micro-enterprises, and charging market level interest rates (0262).

31. Bremer, Jennifer, Elizabeth Cole, William Irelan and Phillip Rourke, A Review of A.I.D.'s Experience in Private Sector Development, Washington, D.C.: Robert R. Nathan Associates, Inc., Prepared for A.I.D. Program Evaluation Report No. 14, April 1985, 132 p.

A synthesis of AID experience since 1981 in implementing the Private Sector Development (PSD) initiative in Costa Rica, Cameroon, Malawi, Philippines, Ecuador, Dominican Republic and Tunisia are provided in this report. Major findings showed that in spite of renewed emphasis on PSD, the content of AID's development assistance portfolio in the private sector remained small. Loans to intermediate financial institutions along with technical assistance, the search for means of increasing leverage, greater use of program lending and an approach that balances public and private initiatives were recommended (0256).

32. Brown, Jason, "Small-Scale Bank Lending in Developing Countries: A Comparative Analysis", Washington, D.C.: USAID, April 1984, 42 p.

The author develops a comparative analysis of lending by commercial banks to the small-scale sector in India, Indonesia, Bangladesh, Thailand, Cameroon, Kenya, El Salvador and Ecuador. The scale and effectiveness of loans to small-scale industries is discussed in detail. The author concludes that small-scale lending by banking institutions is growing rapidly and successfully. Impact studies on borrowers show that lending is useful and profit maximizing (0343).

33. Bruch, Mathias, "Financial Sources of Small-Scale Manufacturers: A Micro-Analysis for Malaysia", West-Germany: Kiel Institute of World Economics, Oct. 1982, 28 p.

This paper analyzes the problems between formal financial institutions and the informal small-scale manufacturing sector. SSEs were able to obtain formal credit and accessibility increased with the size of the establishments. Lack of investment opportunities and innovative entrepreneurs were found to be a restraint on credit demand. Developing a competitive credit market, creating favorable economic environment and encouraging private initiatives were recommended (2555)

34. Carr, Marilyn, "Institutional Aspects of Microenterprise Promotion", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 13, June 6-9, 1988, 23 p.

Specific experiences in microenterprise support in Nepal, India, Kenya, and Ghana are summarized in this paper. The author concluded that private organizations performed as good lead agencies in microenterprise support programs and that the most effective programs concentrated on a single sector, utilizing indigenous technological capability appropriate to local conditions. Credit was found to be a crucial component of microenterprise support. The author recommended an integrated system of support by different agencies and encouragement of women entrepreneurs (0494 Z).

35. Chandavarkar, Anand G., "The Role of Informal Credit Markets in Support of Microbusinesses in Developing Countries", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 01, June 6-9, 1988, 37 p. (Spanish CSM No. 34).

This paper analyzes the role of informal credit markets (ICM) in relation to microbusinesses (MB) in developing countries with reference to Asia and Africa. The paper draws on the available literature and on the non-farm financing experiences. The author concludes that the share of ICM's in the total finance of MB's is large, availability of working capital is scarce, and ICM's are better retailers of credit than collectors of savings. Intermediate financial technology along the lines of Grameen Bank in Bangladesh, and enhancing the efficacy of ICM's on a disaggregated basis to serve the MB's better are recommended (English 0494 G, Spanish 0494 H).

36. Chew, Siew T., Credit Programs for Small Farmers : A Project Manager's Reference, Washington, D.C.: USAID Evaluation Special Study No. 47, June 1987, 37 p.

The report summarizes the literature on A.I.D.'s experience, current policy and lessons learned concerning key issues in designing and implementing agricultural credit programs. It was found that a viable and self-sustaining credit program needed a positive real interest rate. Rural savings and private investment were recommended as alternative financial resources to support agricultural development activities (0255).

37. Child, Frank C., and Mary E. Kempe, (Eds.), Small Scale Enterprise, University of Nairobi: Institute of Development Studies, Occasional Paper No. 6, 1973, 157 p.

Role of rural small-scale enterprises in employment creation and income distribution, and promotion of rural enterprises are examined in this report. Management and marketing were reported to be major problems. Case studies from Africa showed that small-scale firms had insufficient access to credit and technical assistance. Effective extension service, research on appropriate technologies for labor intensive, productive activities, linking credit and marketing were recommended (3754).

38. Chuta, Enyinna, "A Preliminary Appraisal of Rural Industrialization Policies and Programmes in Nigeria", International Labour Office: World Employment Programme Research, Working Paper No. 4, April 1980, 67 p.

This paper reviews and assesses the fiscal and credit policies on rural industries. The current policies revealed a bias towards urban and large industries. Small-scale industrial entrepreneurs had no access to institutional sources of credit and no policy measure existed for influencing flow of credit to rural small-scale enterprises. Decentralizing interest rates covering operating cost, credit guarantee schemes and provision of technical and managerial assistance were recommended (3753).

39. Chuta, Enyinna, "Systems of Institutional Decentralization and Technology Transfer for Rural Small-Scale Enterprises", Prepared for the World Conference on Support for Microenterprises, Washington, D.C., CSM No. 12, June 6-9, 1988, 22 p. (Spanish CSM No. 31).

Paper examines the forms of decentralization in developing countries, various modes of technology transfer for small industries and related issues as they affect rural microenterprises and the role of NGO's in

microenterprise promotional effort. The paper recommends development of local indigenous technology capacity, technology transfer that incorporates the needs of microenterprises, active participation of local NGO's and effective channeling of essential services to microenterprises in a self-reliant way (English 0494 C, Spanish 0494 D).

40. Cole, Elizabeth A. and Alan Hurwitz, "Evaluation of FIDE", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/Honduras, Aug. 1986, 26 p.

This evaluation assesses FIDE's (Fundacion Para La Investigacion Y Desarrollo Empresarial) effectiveness in stimulating non-traditional industrial exports, and its prospects for achieving financial self-sufficiency. The report found that FIDE provides worthwhile services to its clientele though it lacks a well defined plan to become a self-sustained organization. Major recommendations include creating a market oriented system of management, and charging interest rates that cover risks, overhead costs and create a reserve (0367).

41. Croucher, Jack and S. K. Gupta, "Venture Capital for Microenterprise Development: The VCAT Model", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 15, June 6-9, 1988, 27 p.

This paper describes the Venture Capital Company for the Application of Appropriate Technology (VCAT) model that provides financial support to microenterprise development in rural areas in India. The objectives of the VCAT model includes socio-economic development and establishing sustainable, self-reliant microenterprises in rural areas. The VCAT model approaches microenterprise development with an aim to eliminate, minimize, and share risks (0494 Y).

42. Daines, Samuel, Felicia Morrow and William Rodgers, "Rural Enterprises: An Overview of the Role and Potential of Rural Enterprises to Contribute to the Employment and Income of the Rural Poor", Washington, D.C.: A.I.D., April 1978, 16 p.

The contributions of rural enterprises to employment and income in rural areas are discussed. Small enterprises were found to be labor intensive, had financial and technical constraints, and lacked infrastructure facilities. Developing training and advisory services, credit guarantee schemes, increasing the capabilities of lending institutions and providing better market aids are suggested (3734).

43. Davies, Stephen, et al. "Small Enterprises in Egypt: A Study of Two Governorates", Michigan State University: Department of Agricultural Economics, Working Paper No. 16, April 1984, 100 p.

The authors examine the production and distribution patterns, economic viability, and constraints and potentials of small and microenterprises in Egypt. It was found that the average firm size was very small and mostly involved women entrepreneurs. Interest rates were considered high and formal financial institutions played a limited role in financing microenterprises. Technical and financial assistance, and production-marketing linkages were recommended (3389).

44. De Santis, Dennis and Paola Lang, "Microenterprise Stocktaking: The CamCCUL Experience", Washington, D.C.: Draft Paper Prepared for USAID/Cameroon, Oct. 1988, 30 p.

This paper analyzes the operation of CamCCUL (Cameroon Cooperative Credit Union League). The capitalization, loan portfolios and delinquency rates were found to be modest. CamCCUL invested in productive fixed assets and served a real market. Mobilizing local financial resources, charging market rates of interest, and creating a viable institution were recommended (0621).

45. De Vries, Barend A., "Industrialization and Employment: The Role of Small and Medium Sized Manufacturing Firms", Washington, D.C.: The World Bank, Reprint Series No. 116, 1979, 62 p.

The contribution of small sized manufacturing units to the creation of employment and institutional support for SME's is dealt in this paper. SME's were found to be labor intensive and created new employment in developing countries. Proper institutional support for technical and technological assistance, and financial assistance were found to be lacking in developing countries. The study recommends concentration on predominantly labor intensive industries, provision of institutional support and improvement of infrastructure facilities (3706).

46. De Jong, M. F., "Credit Programmes for Microenterprises: The Need for Exchange of Relevant Information", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 48, June 6-9, 1988, 04 p.

This paper examines the minimum set of standard criteria for evaluating the efficiency and the effectiveness of the different approaches taken to

promote microenterprises. The author emphasizes a regular flow of information in the SSE development to avoid negative experiences (0494 FF).

47. Deschamps, Jean J. et al. "The Impact of Financial Market Policies: A Review of the Literature and the Empirical Evidence", Washington, D.C.: USAID, Bureau of Science and Technology, EEPA Discussion Paper No. 21, Oct. 1988, 91 p.

The impact of key financial market policies at both financial market and firm level are analyzed in this paper. Credit allocation and interest rate regulation policies are analyzed in detail. It was found that credit allocation led to credit rationing within the intended beneficiary group, and interest rate ceilings deterred term lending to small enterprises and had a dampening effect on the demand for credit. The author recommends deposit mobilization among small entrepreneurs, and a positive real rate of interest for sound financial policies (0550).

48. Dhamija, Jasleen, "Role of Institutional Support in the Rural Non-Farm Sector", Washington, D.C.: International Bank for Reconstruction and Development, Studies in Employment and Rural Development No. 33, Sep. 1976, 56 p.

This report explores the kinds of support needed by rural non-farm activities, and the institutional framework to provide them. Limited availability of credit from formal financial institutions was found to be a problem. Organizing co-operatives, linking credit with marketing, and establishing an institute for training and research in rural industries were suggested (3728).

49. Dhamija, Jasleen, "Non-farm Activities in Rural Areas and Towns: The Lessons and Experiences of Iran", Washington, D.C.: International Bank for Reconstruction and Development, Studies in Employment and Rural Development No. 31, July 1976, 96 p.

The author examines the non-farm sector and assesses the programs developed to assist them. Availability of funds through formal institutions was a major problem. The collateral requirement was reported to be high, working capital loans involved high transaction costs and the default rate was high. Strengthening infrastructure facilities, providing technical assistance, creating a flexible system for credit delivery and linking credit with marketing were recommended (3715).

50. Dijk, Meine Peiter V., "Support for Microenterprise: Some Issues", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 17, June 6-9, 1988, 13 p. (Spanish CSM No. 32).

The role of government and nongovernmental organizations in developing microenterprises, participation of small entrepreneurs and a single or multi-factor approach for microenterprises development are discussed in this paper. Competition from large and small-enterprises, no access to formal credit and industrialization policies of the government were found to be major problems faced by microenterprises. The paper recommends a successive bottleneck approach as an alternative to multi-factor approach. (English 0494 A, Spanish 0494 B).

51. Farbman, Michael, (Ed.), The PISCES Studies: Assisting the Smallest Economic Activities of the Urban Poor, Washington, D.C.: Agency for International Studies, Bureau for Science and Technology, Sep. 1981, 378 p.

This report focuses on programs of direct assistance to the smallest businesses within the informal manufacturing sector in Kenya, Gambia, Cameroon, Philippines, India, and Dominican Republic. The programs in all of these countries showed that the small businesses of the informal sector could be assisted effectively. Projects commonly assisted women entrepreneurs. Formal credit usually reached microentrepreneurs who could afford collateral or collateral substitutes. Initial small loans, positive real interest rates, higher recovery, and longer term loans were suggested (0599).

52. Fisseha, Yacob and Omar Davies, "The Small-Scale Manufacturing Enterprises in Jamaica: Socio-Economic Characteristics and Constraints", Michigan State University: Department of Agricultural Economics, Rural Development Series, Working Paper No. 16, 1981, 122 p.

Report deals with the constraints faced by the small-scale manufacturing enterprises. Lack of adequate product demand, working capital, inputs and technology were found to be major constraints. Collateral or security requirements by credit institutions led to credit rationing. Reducing transaction costs, provision of financial and technical assistance, credit guarantee schemes and insistence of matching funds by borrowers as collateral were recommended (3714).

53. Gamsler, Mathew and Frank Almond, "The Role of Technology in Microenterprise Development", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 10, June 6-9, 1988, 13 p.

Technological obstacles faced by microenterprises in developing countries are discussed. Although production-oriented microenterprises had serious technological problems, they had a vast potential to generate employment, and income in the rural areas. New modes to provide capital, raw materials, and close relations between NGO's and governments were recommended for realizing the full potential of microenterprises (0494 DD).

54. Goldmark, Susan, "Financial Sector Review of Rwanda", Washington, D.C.: Development Alternatives, Inc., Jan.1987, 97 p.

This study provides an overview of Rwanda's financial system and recommendations for improving the effectiveness of the institutions delivering credit to agriculture and industries. It was found that an extensive informal financial system and untapped savings potential exists. Formal sources provided small and short-term loans only to microenterprises and small farmers. An examination of informal credit characteristics and replication of desirable features in the formal sector was recommended. The relationship between informal credit and savings mechanisms for agricultural and microenterprise needs were suggested to design an assistance strategy (0365).

55. Goldmark, Susan and Jay Rosengard, "Credit to Indonesian Entrepreneurs : An Assessment of the Badan Kredit Kecamatan Program", Washington, D.C.: USAID , Employment and Enterprise Division, Science and Technology Bureau, May 1983, 128 p.

This evaluation of the Badan Kredit Kecamatan (BKK) program for financing small entrepreneurs in Indonesia concentrates on the evolution, organization, and operational procedures of the program. It includes a detailed discussion of the lending procedures, repayment schedule and also the impact of the program on its clients. The study found that government support, decentralized decision making, skilled external supervision and training contributed to the success of the BKK program. Recommendations for future development of BKK are also provided (0329).

56. Grindle, Merilee S., et al. "Capacity Building for Resource Institutions for Small and Microenterprises: A Strategy Overview Paper", Washington, D.C.: ARIES, Harvard Institute for International Development, Submitted to USAID, Oct. 1987, 91 p.

A review of literature on small and microenterprises, characteristics of the institutions that assist small entrepreneurs and programs that assist SSE are summarized in this report. The authors identify four components of financial assistance viz., training, technical assistance, financial and social promotion, and provide models of programs that combine these components in different ways. The study concludes that poor designs for credit and marketing components, failure to assess appropriate user charges and interest rates, and complicated selection and monitoring methods are common program weaknesses (0265).

57. Groot, Han D., and Otto Hospes, "Policy Guidelines for NGOs involved in Savings and Credit Schemes", The Hague: NOVIB, June 1988, 38 p.

This paper outlines policy guidelines for NGOs involved with savings and credit and recommends mechanisms that help in designing and implementation of savings and credit schemes. Savings and borrowing behavior of rural poor, range of financial intermediaries, use of credit and savings in an integrated development approach and case studies from Asia, Latin America, and Africa are examined. Group approach, unsubsidized credit, risk financing and sharing, linkage of savings and credit, and an integrated approach were recommended (3659).

58. Haggblade, Steve, Peter Hazell, and James Brown, "Farm/Nonfarm Linkages in Rural Sub-Saharan Africa: Empirical Evidence and Policy Implications", Washington, D.C.: World Bank, Agriculture and Rural Development Department, Discussion paper No. ARU67, May 1987, 207 p.

The nature and magnitude of farm-nonfarm links in rural Sub-Saharan Africa are discussed. The major problem for non-farm entrepreneurs was obtaining credit from formal sources. Working capital was found to be a major constraint for rural and small-scale nonfarm enterprises, and not management or technical assistance. Sequencing requirements and complementing the assistance provided were suggested. Direct assistance programs providing working capital, financing women entrepreneurs and promotion of research on SMEs were also recommended (0355).

59. Haggblade, Steve, Carl Liedholm, and Donald C. Mead, "The Effect of Policy and Policy Reforms on Non-Agricultural Enterprises and Employment in Developing Countries: A Review of Past Experiences", Washington, D.C.: USAID, EEPA Discussion Paper No. 1, Mar. 1986, 133 p.

This paper examines the effects of policies and policy reforms on non-agricultural enterprises of varying sizes in different localities and employment in different countries. Prior experience of donors and LDC governments with the process of policy change is also discussed. Policy induced factor cost distortions were found to significantly affect small non-agricultural enterprises in Sierra Leone. A comprehensive array of policies building up indigenous policy analysis capabilities are suggested (0218).

60. Harper, Malcolm and Shailendra Vyakarnam, Rural Enterprise: Case Studies from Developing Countries, London:Intermediate Technology Publications, 1988, 105 p.

This book is a collection of case studies involving rural enterprise financing in developing countries. Problems arising from the remoteness of rural areas, segmented markets, selection of appropriate forms of enterprise, management dichotomy and credit schemes for rural enterprise development are discussed. Recommendations based on case studies are included.

61. Harper, Malcolm. "Training and Technical Assistance for Microenterprises", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 08, June 6-9, 1988, 14 p.

The author analyzes training and technical assistance provided by formal institutions to microenterprises in developing countries. He concluded that, technical assistance, as opposed to credit, had a limited impact on microenterprise sector, and formal institutions could reach only a very small proportion of the potential target group. Effective evaluation systems, and locally funded voluntary agencies were recommended to support microenterprises (0494 AA).

62. Harper, Malcolm and M. F. De Jong, Financing Small Enterprises, London: Intermediate Technology Publications, 1986, 100 p.

This book reports on the proceedings of the seminar on financing small enterprises in developing countries. The papers examine interest rate policies, optimum mix of financial resources and transaction costs. Financing small enterprises was reported to be expensive. Market interest

rates, credit guarantee schemes, provision of both financial and non-financial services, and effective loan appraisal and supervision were recommended (3726).

63. Hiemenz, Ulrich, Small and Medium Scale Manufacturing Establishments in Asian Countries: Perspectives and Policy Issues, Manila: Asian Development Bank Economics Staff Paper No. 14, March 1983, 165 p.

The paper evaluates the actual and potential importance of small and medium scale industries (SMI) in employment, income and output growth in the Association of Southeast Asian Nation Countries (ASEAN). The performance of SMI's in ASEAN countries is analyzed based on economic environment, macroeconomic framework and development strategies pursued by individual countries. Improved access of SMI's to formal credit, preferential refinancing facilities to commercial banks financing SMI's and non-financial assistance at subsidized rates by government agencies are recommended (0330).

64. Ho, Samuel P. S., "The Asian Experience in Rural Nonagricultural Development and its Relevance for China", Washington, D.C.: World Bank Staff Working Paper, No. 757, 1986, 105 p.

The prospects for nonagricultural development in China in light of the experience in other Asian developing countries is examined. It reviews the Asian experience and some of the more significant issues relating to the growth, importance, and composition of the rural nonagricultural sector. It discusses rural nonagricultural development in China, and examines future prospects and policy options for rural nonagricultural development in China (0340).

65. Holst, Jurgen, "Promoting Small Enterprise Financing in Developing Countries: In Search of a New Approach", New York: United Nations Secretariat, Fiscal and Financial Branch, Jan. 1986, 11 p.

This paper analyzes the current approach of subsidizing financial intermediation in developing countries, and the high costs involved in it. The author suggests that the range of financial intermediaries used for small enterprise financing should be widened and innovations aimed at reducing the administrative costs ought to be promoted. An analysis of small enterprise pilot projects in Africa, Asia and Latin America is also provided (3325).

66. Hoque, Mozammel and Zia U. Ahmed, "A Review of Microenterprise Credit Programs in Bangladesh", The Ohio State University: Department of Agricultural Economics and Rural Sociology, ESO Paper No. 1589, May 1989, 74 p.

The operation of several microenterprise credit programs are examined. The paper identifies issues affecting institutional viability of lending to microenterprises viz., size distribution of loans, characteristics of borrowers, interest rate, loan recovery and presence of subsidized credit programs. It concludes that rate of interest is not an influential factor in the viability of lending, repayment schedules affect loan recovery and type of income-generating activity affects the viability of lending. Greater female participation and short term, small sized loans are recommended (0263)

67. Howe, Gary N., "The Small-Scale Enterprise Sectors in Egypt: A Critical Analysis of Seven Selected Studies", Washington, D.C.: A.I.D., Social Analysis and Rural Development Division, Oct. 1984, 52 p.

This paper reviews seven selected studies on SSEs in Egypt, and identifies collective deficiencies in methodology, information and analysis. Reports were oriented towards formal small-scale enterprises and specific requirements of the informal sector were not examined. The adequate basis for support strategy development was not analyzed. The author suggests identification of existing formal and informal institutions and exploring the possibilities of strengthening them (3761).

68. Hull, Galen S., "Overview of Small and Microenterprise Development: A.I.D. Historical Perspectives", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., June 6-9, 1988, 38 p.

This paper traces the historical origins of the informal sector and support for small and microenterprise development (SME), with special reference to A.I.D. The author defines micro and small enterprises and discusses capital market assistance to SME's in developing countries by A.I.D. A microenterprise development strategy urging policy makers to direct their attention to the promotion of the informal sector has been recommended (0494 W).

69. Hunt, Robert W., "The Evaluation of Small Enterprise Programs and Projects: Issues in Business and Community Development", Washington, D.C.: USAID Evaluation Special Study, No. 13, June 1983, 59 p.

The author primarily records and analyzes the assumptions and evidence regarding effective programs for promoting small enterprises worldwide. Emphasis is placed on defining a small enterprise and reviewing causal factors in many small enterprise projects. The causal factors include financial support, political and institutional factors, psychological conditions and finally the effects of project design and implementation on enterprise viability and impact. The paper also provides an appendix containing a listing of development indicators appropriate for small enterprise projects (0329).

70. Hunt, Robert W. and S. M. A. Mirero, "End of Project Evaluation of the Small Business Scheme of the National Christian Council of Kenya (NCCCK)", Washington, D.C.: USAID, Mar. 1985, 54 p.

An assessment of the effectiveness of the small business scheme of NCCCK is provided. The analysis focuses on NCCCK's growth, ability to assist informal sector firms and its role in bringing community change. The report found that NCCCK has developed capabilities for the dissemination of credit and technical assistance for individuals and groups, has mainly benefitted very poor entrepreneurs and has helped to generate new business and more income (0337).

71. Hunt, Robert W., "Voluntary Agencies and the Promotion of Enterprise and Employment", Illinois State University: Prepared for The Office of Private and Voluntary Cooperation, A.I.D., Sep. 1983, 67 p.

This paper introduces central issues in PVO's development activities and promotion of Small Enterprises (SE). Evidence is summarized of the best voluntary sector projects to promote SE development. A detailed discussion is included on social issues, links to personal growth, entrepreneurship and enterprise development due to these credit programs. Concludes that the relative availability of credit for SE influences the formation of new firms and overall sustainability of small enterprise in the short term (0222).

72. Hunt, Robert W., "Private Voluntary Organizations and the Promotion of Small-Scale Enterprises", Washington, D.C.: A.I.D. Evaluation Special Study, No. 27, July 1985, 47 p.

The paper summarizes the lessons learned from recent evaluations of small-scale enterprise projects, particularly those of PVOs, and illustrates how

these lessons have been applied. The comparative advantages of PVOs in promoting small business, and the role donors can play in supporting effective small-scale enterprise projects is also discussed. The study suggests that small-scale enterprises can be successfully promoted through the use of credit facilities and technical assistance programs (0595).

73. International Bank for Reconstruction and Development, "Ivory Coast Appraisal of a Small Scale Enterprise Project", Washington, D.C.: IBRD, Development Finance Companies Department, July 1975, 89 p.

The promotion of SSEs with the provision of financial and technical assistance under the current economic and financial environment is analyzed in this paper. SSEs predominantly used local resources, were non-regulated, and had low productivity. The share of formal institutions in financing SSEs was significant. Increased supervision, and financial schemes linked with technical assistance were recommended (3757).

74. Itao, Arnulfo F., and Myrna R. Co, (Eds.), "Entrepreneurship and Small Enterprise Development: The Philippine Experience", University of The Philippines: Institute for Small-Scale Industries, 1979, 154 p.

The problems that inhibit growth of small industries are examined. Low demand for products, limited markets, lack of operating capital, and high cost of inputs were found to be the most common problems. High collateral requirements, long processing time and high transaction costs inhibited small entrepreneurs from borrowing from formal sources. Adoption of selectivity approach, close credit supervision, encouraging sub-contracting and exporting activities were suggested (3742).

75. Jackelen, Henry R., "Banking on the Informal Sector: Suggestions On Using Financial Institutions to Reach Microenterprises in Developing Countries", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 18, June 6-9, 1988, 14 p. (French CSM No. 47).

This paper argues that programs and projects that provide financial services to microenterprises can be specialized intermediaries linking formal financial sector in developing countries. Illustrations from Brazil and Bangladesh with reference to informal sectors financing ME's are provided. The paper recommends that the commercial banks should be used to leverage guarantee funds by as much as ten to one, on a graduated risk basis (English 0494 R, French 0494 S).

76. James, Kenneth and Narongchai Akrasanee, (Eds.), Small and Medium Business Improvement in the ASEAN Region: Financial Factors, Singapore: Institute of Southeast Asian Studies, Field Report Series No. 16, 1986, 281 p.

This volume is a collection of studies on financial factors affecting the improvement of Small and Medium-sized Businesses (SMB's) in Malaysia, Thailand, Philippines, Indonesia, and Singapore. Each paper identifies the essential characteristics of SMB's, provides a critical appraisal of government policies, of financial factors affecting SMB's and institutions involved in SMB financing. It is concluded that SMB's usually need short-term rather than long-term loans. The studies recommend a credit target approach, concessionary financing, credit guarantee schemes and interest subsidies (0249).

77. Kaatz, J. R., "Finance and Small-Scale Industry Lending in Philippines: 1967-1973", Georgia Institute of Technology: Engineering Experiment Station, 1975, 106 p.

The author examines the financial programs that stimulate small business development and identifies effective program features. The report analyzes interrelationships between finance sector elements and appraises specific programs by public and private institutions to directly finance small-scale industries. It concludes that artificially low institutional lending rates resulted in overly capital intensive productive processes. Programs to emphasize improvement in the relative efficiency of small firms, complete assistance package for small firms and a market level of interest rate were recommended (0351)

78. Keddie, James, Subrahmanyam Nanjundan, and Roger Teszler, "Thematic Evaluation of Technical Co-operation in Support of Rural Small Industrial Enterprises (RSIE)", Netherlands: International Labour Office, United Nations Development Programme, Mar. 1988, 179 p.

This study analyzes the nature of RSIEs and reviews demand for and supply of rural small enterprises and external interventions in 9 countries from Africa, Asia, and Latin America. RSIEs were small, privately owned, supplemental to agricultural income and were good exploiters of market and technological opportunities. Demand-side and supply-side interventions created distortions. Commercial and development banks were not effective promoters of RSIEs. Policies maximizing the linkages of RSIEs with other sectors, subcontracting, credit through decentralized organizations and provision of technical assistance are recommended (3756).

79. Kilby, Peter, "Small Scale Industry in Kenya", Michigan State University: Department of Agricultural Economics, Rural Development Series, Working Paper No. 20, 1982, 99 p.

The industrial structure, scope of rural enterprises and assistance programs available to small scale enterprises are critically reviewed in this paper. Transaction costs of channeling assistance to rural enterprises were high. Interest rates were subsidized and formal credit agencies insisted on high collateral and disbursed few short term loans. Channeling of funds through commercial banks under a guarantee program at market interest rates, reducing default rates and graduating small firms were recommended (3708).

80. Kilby, Peter, "Breaking the Entrepreneurial Bottleneck in Late Developing Countries : Is There a Useful Role for Government?", Wesleyan University: Paper presented at The Woodrow Wilson International Center for Scholars, March 1988, 49 p.

This paper explores the bottleneck with respect to the performance of indigenous entrepreneurship in developing countries. The author suggests policies to break the bottleneck, based on the past experiences in Africa and Asia against a backdrop of distorted macro-pricing policies (0236).

81. Kilby, Peter and David D'Zmura, Searching for Benefits, Wesleyan University: Prepared for A.I.D., Washington, D.C., Special Study No. 28, June 1985, 121 p.

The results are reported for an economic analysis applied to a sample of well-documented evaluation studies of PVO projects engaged in micro-enterprise programs. The report explains the variance in performance among projects in terms of causal factors like economic activities supported, external factors, type of credit delivery system, extent of complementary technical assistance and special uses of PVO's. Concludes that none of these projects is successful in covering administrative costs, small-scale enterprise loans produce benefits in periods of economic contraction and expansion, simple credit delivery systems are cost-effective and PVO's are well suited to execute micro-enterprise projects (0326).

82. Kilby, Peter and Carl Liedholm, "The Role of Nonfarm Activities in the Rural Economy" Washington, D.C.: USAID, EEPA Discussion Paper No. 7, Nov 1986, 34 p.

The authors examine the role of rural nonfarm activities in developing countries and their relationship with agriculture. The magnitude, anatomy

and transformation of the rural nonfarm economy are discussed. The increased agricultural productivity that results from the rural small scale farm equipment industry's capacity for 'idiosyncratic design adaptation' is particularly stressed. It was found that rural nonfarm employment has been increasing over time in most developing countries. A need for a 'neutral' policy environment with respect to firm size is suggested (0336).

83. Kochav, David, et al. "Financing the Development of Small Scale Industries", Washington, D.C.: International Bank for Reconstruction and Development, Bank Staff Working Paper No. 191, Nov. 1974, 41 p.

This paper analyzes the essential elements, financial requirements and policies and programs for small-scale industries. Actual policy framework was insufficient and financial and technical assistance were inadequate. Higher lending costs, lack of medium and long-term loans, and strict amortization schedule made institutional credit inaccessible to small enterprises. Provision of all types of loan, creating a guarantee fund and a specialized agency, reduction of costs and a package loan comprising of financial, technical and managerial assistance were suggested (3755).

84. Koepfel, Barbara, (Ed.), The Urban Edge: Issues and Innovations, Washington, D.C.: The World Bank, Vol. 13, No. 1, Jan-Feb. 1989, 11 p.

This journal issue examines the financial needs, constraints faced by and policy options for small businesses. Lessons from early experiments showed that microproducers need access to credit more urgently than subsidized credit. Articles on technical assistance, firm graduation, minimalist approach to finance microproducers, and a review from microenterprise financing programs in developing countries are covered (3740).

85. Krongkaew, Medhi, "The Development of Small and Medium Scale Industries in Thailand", Asian Development Review, Vol 6, No. 2, 1988, pp. 70-95.

The status of SMI's and the role of public policies in SMI development are discussed. The SMIs were labor intensive and efficient, but earned low net aggregate profits. Provision of financial and technical support to SMI by existing public policies was found to be inadequate. Redirection of development objectives from economic growth and stability to a balanced distribution of benefits and welfare and intensive research on needs of SMIs are recommended (3700).

86. Lamberte, Mario B. and Anita Abad Jose, " The Manufacturing Sector and the Informal Credit Markets: The Case of Trade Credits in the Footwear Industry", Manila: Philippine Institute for Development Studies, Working Paper Series No. 88-07, May 1988, 132 p.

This study characterizes and analyses the existing credit schemes to the footwear manufacturing industry with emphasis on trade credits. Effective cost of borrowing, demand for trade credit and lending behavior of input dealers are discussed. Many nonfinancial enterprises were found to provide trade credits. Explicit interest rates negatively correlated with implicit interest rates, and tie-in credit arrangements existed. Liberal bank branching policy, effective risk reducing schemes, and good information systems were suggested (0366).

87. Levitsky, Jacob, "Report on Interim Assessment of Bank Small Scale Enterprise Lending", Washington, D.C.: The World Bank, Industry Department, July 1982, 106 p.

The various forms of institutional arrangements for small scale industrial development in Kenya, Mexico, Morocco, Philippines and Sri Lanka are reported in this paper. The economic impact of small and medium enterprise development projects and the effect of technical and managerial assistance is also examined. Small scale enterprises generated employment but the effect of technical assistance was not significant. Minimizing administrative costs and risks, better monitoring of loans and more flexible approach is suggested for formal institutions (3749).

88. Levitsky, Jacob, "World Bank Lending to Small Enterprises: A Review", Washington, D.C.: The World Bank, Industry and Finance Series Volume No. 16, July 1986, 53 p.

This paper analyzes the results of 10 completed Small-Scale Enterprise (SME) projects in Bangladesh, Cameroon, Columbia, Jamaica, Mexico, Morocco, Philippines, Portugal and Sri Lanka. Only a few projects made subloans to microenterprises. The study concluded that the World Bank SME projects created employment, provided institutional finance to enterprises that previously had no access to such funds, but were less successful in mobilizing savings. Commercial banks proved more effective in channeling credits to small enterprises than development finance institutions. The study recommends setting up of credit guarantee schemes and market level interest rates (3669).

89. Levitsky, Jacob, "Committee of Donor Agencies for Small Enterprise Development: Summary Report", Prepared for the World Conference On the Support for Microenterprises, Washington, D.C., June 6-9, 1988, 27 p.

The paper summarizes the World Conference on Micro-enterprises. Presentations on different aspects related to micro-enterprise development, ideas and experience between developing countries participants and donor agencies representatives are briefly reported. It concluded that donors should play a role in strengthening institutional capacity and support experimentation and self-help organizations of the poor both technically and financially (0319).

90. Levitsky, Jacob and N. Ranga Prasad, Credit Guarantee Schemes for Small and Medium Enterprises, Washington, D.C.: The World Bank, Staff Working Paper No. 33, 1980, 90 p.

Information on a variety of credit guarantee schemes in 27 developed and developing countries in North America, Europe, Asia, Africa and Latin America are provided. Some of the schemes have been in operation for 40-50 years, while others have been introduced only recently. This report provides information on essential elements, scope, and problems faced by the credit guarantee schemes for small and medium enterprises. It includes a comprehensive review of the issues involved in the design and implementation of credit guarantee schemes in these countries (0328).

91. Liedholm, Carl, "The Role of the Non-Farm Activities in the Rural Economies of the Asia-Pacific Region", Michigan State University: Department of Agricultural Economics, Prepared for the Conference on "Directions and Strategies of Agricultural Development in the Asia-Pacific Region", in Taipei, Taiwan, Jan. 1988, 28 p.

The role of rural nonfarm activities in the Asia-Pacific region and their relationship with agriculture are examined in this paper. A descriptive profile of the rural nonfarm sector, the determinants of the size and growth prospects of this sector, and the demand for and supply of rural nonfarm goods and services is also provided. Various ways in which rural nonfarm activities stimulate agricultural growth are examined. The author concludes with policy implications (0233).

92. Liedholm, Carl and Donald Mead, "Small Scale Industries in Developing Countries : Empirical Evidence and Policy Implications", Michigan State University: Department of Agricultural Economics, International Studies Series, No. 9, 1987, 141 p.

This paper covers, describes and analyzes small-scale industrial enterprises in a dozen countries. In depth surveys and analyses of small industries were undertaken in Sierra Leone, Jamaica, Thailand, Honduras, Egypt and Bangladesh. The determinants of the demand for and supply of small-scale enterprise activities are extensively reviewed. The key findings from the case studies on these countries as well as their implications for policy and programs provide the main focus of this paper (0259).

93. Liedholm, Carl, "Small Scale Enterprise Credit Schemes: Administrative Costs and Role of Inventory Norms", Michigan State University: Department of Agricultural Economics, Working Paper No. 25, 1985, 26 p.

Administrative costs of existing small enterprise lending schemes and an examination of the characteristics of low interest lending schemes are analyzed. Lending schemes in Bangladesh, Indonesia, Peru, Ecuador, Philippines, Dominican Republic and Brazil are considered in detail. Guidelines that could assist banks making loans to small scale enterprises in developing countries are developed. Character based screening, decentralized decision making, small initial loan levels, and interest rates covering operating costs are recommended (0322).

94. Little, I. M. D., "Small Manufacturing Enterprises and Employment in Developing Countries", Asian Development Review, Vol 6, No. 2, 1988, pp. 1-9.

The role of small manufacturing enterprises in employment creation and effect of supply-side interventions are examined in this paper. Evidence from India showed that technical and social efficiency was found in medium sized industries. Restructuring trade and protectionist policies, eliminating subsidized loans and promoting labor intensive units are suggested (3700).

95. Little, I. M. D., Dipak Muzumdar and John M. Page, "Small Manufacturing Enterprises: A Comparative Study of India and Other Economies", Oxford University Press: A World Bank Research Publication, 1987, 362 p.

This book centers on small manufacturing enterprises regarding characteristics, structure, efficacy and effect of government policies in India and compares it with other developing countries. Distortion in labor and capital markets were examined. SMIs were labor intensive, and technically

efficient. Formal credit institutions were biased against small enterprises. Targeting subsidized credit to small enterprises was criticized and a market rate of interest was suggested.

96. Lim, Chee P., "Financing the Development of Small Industry in Malaysia", University of Malaya: Faculty of Economics and Administration, Kuala Lumpur, Occasional Papers on Malaysian Socio-Economic Affairs No. 6, 1977, 57 p.

Sources of finance and credit available to small industries are examined. Accessibility to formal sources was positively related to firm size. High transaction costs and high collateral requirements were reported for formal financial agencies. Informal sources financed nearly 68% of small industries. Market rates of interest, credit guarantee schemes, and a reduced emphasis on collateral are recommended (3730).

97. Llanto, Gilberto M., Pablito M. Villegas and Generoso G. Octavio, "Credit Delivery to Philippine Rural Enterprises: Issues and Policy Framework", The Ohio State University: Economics and Rural Sociology Occasional Paper No. 1522, Oct. 1988, 21 p.

Paper examines the financial policy framework affecting Philippine rural enterprises. It discusses the importance of the credit delivery system and the barriers preventing access to formal resources. The authors observed that accessibility is a problem of lack of readiness and maturity for formal credit. It is concluded that a) a 'Financial Market Approach' that makes use of a government sponsored and funded guarantee scheme to reduce lending and default risks for rural enterprises and b) a 'Program Approach' that provides credit substitutes to the end borrower, and the loan conduits are to be pursued with the purpose of stimulating the SSE sector (0374).

98. Lutz, Peter., "Training and Technical Assistance for Microenterprises: A Summary of Swisscontact's Experiences", Prepared for the World Conference on Support for Microenterprises, Washington, D.C., CSM No. 09, June 6-9, 1988, 14 p.

This report reviews the experiences of Swisscontact, a Swiss Foundation for technical cooperation, in assisting microenterprises (ME) in Asia, Africa, and Latin-America. The author concludes that a clearly defined concept based on technical and administrative training, a participatory approach towards the ME's and guaranteed credits would promote ME's. Proper linkages between the local banks, SME's and Self-Help Organizations was found to be a major issue facing ME's (0494 EE).

99. Malley, Raymond C., Colette Claude, et al. "Assisting Small Business in Francophone Africa: The ENTENTE Fund African Enterprises Program", Washington, D.C.: USAID, Project Impact Evaluation No. 40, Dec. 1982, 141 p.

Authors evaluate small business assistance by the African enterprise program. A significant volume of funds was channeled to large firms but development banks were not effective in assisting small companies. Small subloans suffered high delinquency rates and guarantee funds were ineffective. Emphasis on higher quality subloans, careful monitoring, reasonable financial contribution by the borrower and provision of technical assistance along with credit are suggested (3712).

100. McKee, Katharine, "Micro-Level Strategies for Supporting Livelihoods, Employment, and Income Generation (LEIG) of Poor Women in the Third World: The Challenge of Significance", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 16, June 6-9, 1988, 21 p.

The paper analyzes how micro-level assistance could support poor women's livelihoods, employment, and income generation, and focuses on direct assistance to beneficiaries in the informal sector in developing countries. It was concluded that direct productive assistance achieved significant gains for poor women in the informal sector (0494 X).

101. McLeod, Ross, "Case Studies of Small Business Financing in Indonesia", Australian National University: Working Paper in Economics and Econometrics No. 101, May 1984, 42 p. (3424)

This study sheds some empirical light on the imperfections in financial markets in less developed countries that hinder small firms access to external funds and constrain their growth. The author concludes that the means by which small firms are financed are diversified and that the cost of informal finance is not unreasonably expensive. The study also finds that small firms financing options steadily widen over time as they build up their assets and reputations (3424).

102. Mead, Donald C., "Subcontracting in Rural Areas of Thailand", Michigan State University: Department of Agricultural Economics, Working Paper No. 4, 1982, 39 p.

The paper focuses on the subcontracting arrangements in rural industries, and evaluates the system. The subcontracting arrangements were flexible,

provided more technical, marketing, and financial assistance to the small producers, and reduced the overhead costs, but was also highly deregulated and involved risks of exploitation. The author recommends proper modification of subcontracting arrangements and introduction of modest mechanization into subcontracting activities (3670).

103. Mead, Donald C., "Subcontracting Systems and Assistance programs: Opportunities for Intervention", Michigan State University: Department of Agricultural Economics, Working Paper No. 24, 1985, 33 p.

Paper identifies the advantages of subcontracting systems and explores the sectors where subcontracting could be encouraged and the channels through which assistance could be provided through subcontracting systems. Product lines that exhibited economies of scale and scope, that adjusted to fluctuations in demand and were financially viable were found to be ideal sectors for subcontracting. The author recommends, aid programs to be designed to supplement and direct these subcontracting forces to encourage small enterprise growth (3207).

104. Menck, Karl W., Promotion of Small-Scale Industries In Developing Countries: Abstracts from Selected Studies and Publications, Hamburg: HWWA - Institut für Wirtschaftsforschung, June 1978, 205 p.

This is a collection of abstracts from selected studies on small-scale enterprises in developing countries, focussing on techno-economic summary analysis of enterprises, training and management assistance, financial sources and priorities for small-scale industries. Publications before December 1976 were included (3735).

105. Meyer, Richard L., "Financing Rural Nonfarm Enterprises in Low Income Countries", The Ohio State University: Department of Agricultural Economics and Rural Sociology, ESO No. 522, Oct. 1978, 19 p.

Paper reviews the financial needs of rural nonfarm enterprises and how rural financial markets (RFM) can serve better in low income countries. It was concluded that several factors contributed to the low supply of credit to rural nonfarm enterprises of which the fragmented nature of RFMs was an important factor. Increased attention by policy makers to reduce fragmentation of markets, reduced lending costs and risks, flexible terms and conditions of loans, and provision of technical assistance were recommended (1791).

106. Meyer, Richard L., "Formal Credit Supplies for Rural Enterprises", The Ohio State University: Department of Agricultural Economics and Rural Sociology, Rural Off-farm Employment Assessment Project, Working Paper No. 9, Nov.1980, 28 p.

Author examines recent developments in rural finance in Thailand and analyses formal credit supply conditions to rural farm and nonfarm enterprises. Interest rate controls affected the performance of both the private and public sectors in lending to the nonfarm sector, and small-scale firms faced financial problems rather than technical or managerial problems. The study suggests expanded research in areas of repayment performance of borrowers and its impact on lenders, returns, costs and risks of lending to small nonfarm firms (2261).

107. Meyer, Richard L., "Financial Services for Microenterprises: Programs or Markets", Prepared for the World Conference on Support for Microenterprises, Washington, D.C., CSM No. 11, June 6-9, 1988, 22 p. (French CSM No. 35).

This paper analyzes the effect of supply-leading finance in developing countries to assist microenterprises and provides recommendations. The results of supply-leading finance were found to be disappointing, and volume of funds available to small farm and nonfarm enterprises reduced in many developing countries. The author recommends creation of competitive, viable rural financial markets, provision of multiple services to the entrepreneurs apart from credit, and developing a careful subsidization policy (English 0297, French 0296).

108. Meyer, Richard L. and Geetha Nagarajan, "Financial Services for Small and Micro-Enterprises: A Need for Policy Changes and Innovation", Savings and Development, No. 4, XII, 1988, pgs. 363-373.

Paper reviews the generally negative experiences of microenterprise finance projects and identifies areas of policy change and innovation that emerge from the review. The experience of the Grameen Bank in Bangladesh is discussed in detail. It was found that interest rate controls result in implicit price rationing of loans, high transaction costs, and viable, self-sustaining institutions have not been developed. Interest rates covering lending costs, group lending, developing close bank-client relationships, savings mobilization, increased spread of banking outlets, and market linkages were recommended as areas for innovation and policy change (0276).

109. Milimo, John T. and Yacob Fisseha, "Rural Small Scale Enterprises in Zambia: Results of a 1985 Country Wide Survey", East Lansing: Department of Agricultural Economics, Michigan State University, Working Paper No. 28, 1986, 78 p.

This paper reports on the results of a nation-wide survey of small-scale non-farm enterprises (SSE) conducted during 1985. It was found that about a fifth of the national labor force and about a quarter of the households were involved in SSE activities. Women accounted for sixty percent of the enterprise owners and fifty-four percent of the SSE labor force (0346).

110. Mizrahi, Roberto, "Credit and Financial Intermediation for the Informal Sector", London: Inter-American Development Bank, Oct. 1987, 26 p.

Report focuses on the role of credit in the development of small informal units and the transformation that has to be made in financial intermediation to meet the credit needs of informal productive units. The paper reviews how financial intermediaries operate under credit risk and profitability on the portfolio. Mobilization of local savings, coordination among the agencies that finance informal units, provision of supplementary services and introduction of new forms of credit were recommended (3707).

111. Neck, Philip A., "Small Enterprise Development: A Caribbean Review", Geneva: International Labor Organisation, Management Development Branch, 1981, 103 p.

This is a collection of papers presented at the Caribbean Employers' Workshop on policies, structures and programs for small enterprise development. Case studies from Grenada, Trinidad, Surinam, and Bermuda are included. Market rates, provision of financial and technical assistance from different sources, increasing accessibility of credit to small entrepreneurs and developing manpower capacity are recommended (3759).

112. Neck, Philip A., "Small Enterprise Development: A European Review", Geneva: International Labour Organisation, Management Development Branch, 1980, 176 p.

An overview of small enterprise development in Europe is presented in this report. Detailed country studies from Sweden, Ireland, Cyprus are included. Small scale enterprises were found to possess substantial operational advantages. Employers organizations were recommended to provide both financial and technical assistantship to small entrepreneurs (3764).

113. Ngirabatware, Augustin, Leonidas Murembya and Donald Mead, "Medium and Large Private Manufacturing Firms in Rwanda: Diagnostic Study of Current Situation and Policy Impact", Michigan State University: Department of Agricultural Economics, Working Paper No. 9, Aug. 1988, 112 p.

This study is an analysis of large and medium-sized private manufacturing enterprises in Rwanda, focussing on the economic characteristics of the enterprises and the effect of government policies on these enterprises. There existed an inverse relationship between firm efficiency and level of government protection. Accelerating the loan evaluation process, information dissemination about alternate sources of finance, and developing infrastructure facilities are recommended (3711).

114. Nihan, Georges, Informal Sector and Small Scale Enterprises: A Bibliography, Geneva: International Labour Office, World Enterprise Programme No. 9, April 1978, 77 p.

This document is a collection of 280 abstracts of papers and reports relating to the urban informal sector of Francophone Africa, focussing on employment potential, constraints and policy options (3710).

115. Nordic Consulting Group, "Assistance to Small Scale Enterprises in Bangladesh", Oslo: NORAD, Norway, March 1986, 91 p.

This sector study reviews information on the current issues and needs of small-scale enterprises, and identifies and evaluates various programs by implementing agencies. A threefold distinction has been made within the small-scale sector viz., pre-micro, micro and small enterprises. Lack of entrepreneurial tradition and product ideas, and inadequate access to credit and technical assistance were found to be major problems. The promotion of women entrepreneurs, a district development project and an innovative industries project were recommended (0253).

116. Onchan, Tongroj, "Lender Behavior in Financing Rural Non-Farm Enterprises", Kasetsart University: Center for Applied Economics Research, Thailand, Presented at Rural Off-Farm Employment Assessment Project, Conference Paper No. 2, June 1981, 39 p.

This paper describes the behavior of local financial institutions particularly commercial banks in financing rural non-farm enterprises in Thailand. Commercial banks provided mainly short-term credit, and insisted on

collateral from small entrepreneurs. Though a specialized financial institution existed to finance small enterprises, it was not accessible to the majority of borrowers due to political reasons. The study recommends improvement of savings mobilization among the small entrepreneurs, initiation of a program for rural industrialization, systematic analysis of the major rural enterprises, and expansion of long-term credit by commercial banks (2340).

117. Organization for Economic Co-Operation and Development (OECD), Innovation in Small and Medium Firms: Background Reports, Paris: OECD, April 1982, 274 p.

Report describes the general attitude of the small firm towards innovation, analyses the innovative activity of SMEs in various industries and discusses the problems of developing innovative capacity of SMEs in European countries. Technical and financial assistance are needed by SMEs. It was found that facilities for financial innovation in SMEs were non-existent. Promotion of new sources of venture capital, developing information on sources of funds, deregulation of banks and creating an insurance agency were suggested to promote innovations in SMEs (0349).

118. Otero, Maria, "Microenterprise Assistance Programs: Their Benefits, Costs, and Sustainability", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 03, June 6-9, 1988, 14 p.

This paper focuses on the issues related to microenterprise assistance programs such as the benefits derived from the informal sector, costs incurred in financing microenterprises, and long-run sustainability of microenterprises in developing countries. From a benefit/cost perspective, microenterprise assistance programs used scarce resources effectively and incurred low cost. The author recommends gradual reduction of subsidies, market level of interest rates, improving repayment rates, and effective monitoring for sustainability (0494 T)

119. Page, John M. and William F. Steel, "Small Enterprise Development : Economic Issues from African Experience", Washington, D.C.: World Bank Technical Paper No. 26, 1984, 44 p.

The authors examine the justification for promoting small enterprises by analyzing their characteristics in relation to key socio-economic objectives, and by showing that investment in small-scale enterprises (SSE) is likely to have been curtailed by market distortions and policy biases in favor of large-scale firms. The paper summarizes available evidence relating to the definitional and conceptual issues focusing on manufacturing activities. The

study suggests that the SSE economic environment can be improved by eliminating the bias of policies and regulations in favor of large-scale industries, by minimizing regulations and taxes on small establishments and by promoting strong linkages with agriculture (0339).

120. Page, John M., "Small Enterprises in African Development: A Survey", Washington, D.C.: The World Bank, Working Paper No. 363, Oct. 1979, 55 p.

This paper reviews the evidence on structure and performance of small scale enterprises, the structure of demand for inputs and outputs and examines the sources of finance for small enterprises in Africa. Small-scale enterprises had limited access to commercial credit that involved high administrative costs. Informal markets were well established and charged high rates of interest. Credit programs that focus lending to small firms characterized by private costs in excess of social costs, developing infrastructure facilities and providing managerial and technical training were suggested (3736).

121. Patel, V. G., "Innovations in Banking: The Gujarat Experiments", Washington, D.C.: The World Bank, Public and Private Finance Division, Domestic Finance Studies No. 51, Aug. 1978, 86 p.

Evaluates the effectiveness of technical, financial and managerial innovations introduced in Gujarat's small-scale manufacturing enterprises. Comprehensive, full financing was provided through a specialized development bank to trained small-scale entrepreneurs on a long term basis. Trained entrepreneurs showed more profits and higher repayment rates than non-trained entrepreneurs. Linking credit with marketing, providing working capital, and reducing the cost of implementing the programs were recommended (3733).

122. Rhyne, Elizabeth, The Small Enterprise Approaches to Employment Project: How a Decade of A.I.D. Effort Contributed to the State of Knowledge on Small Enterprise Assistance, Washington, D.C.: USAID, Project No. 931-1090, Oct. 1988, 69 p.

The contributions of small enterprises in employment generation that are assisted by A.I.D. in developing countries are assessed in this report. Cost-effective delivery, financial self-sufficiency of credit funds, sound organizational management, and participation by client groups contributed to successful assistance programs. Provision of technical assistance, training programs and increased research are recommended (3760).

123. Robert R. Nathan Associates, Inc., "Honduras: A Small and Microenterprise Development Strategy, Vol 1, and Vol 2: Appendices", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/Honduras, March 1987, 108 & 158 pp.

These reports profile the SSE sector to determine its relative importance in generating productive activity and employment, given the local policy and regulatory framework. They define several interventions to relax constraints of the sector and identify sources of support from bilateral and multilateral donors. SMEs were found to be an untapped source of savings mobilization and capital flight was a serious problem. The study recommends support to existing projects providing integrated credit, technical assistance, and training for SMEs as opposed to creating new institutions (0245).

124. Robert R. Nathan Associates, Inc., "Evaluation of the Haitian Development Foundation (HDF) , Phase IV", Washington, D.C.: Robert R. Nathan Associates Inc., Submitted to USAID/Port-au-Prince, Oct. 1986, 57 p.

This evaluation assesses the performance of HDF during the fourth phase of USAID assistance and provides recommendations to improve organizational structure, operating procedures, and credit programs for SME's. A major revision of financial procedures, improvement of loan repayment rate, identification of a group responsible for testing credit programs, and elimination of loan applicant's questionnaires were recommended (0241).

125. Salmon, Jeff P., "New Approaches in Commercial Lending to Informal Sector Enterprises in Latin America", Washington, D.C.: Inter-American Development Bank, Jan. 1986, 27 p.

This study examines the feasibility of increased commercial bank lending to micro and small-scale enterprises of the informal sector. Lack of technical skills, limited collateral, high transaction costs, high default rates and subsidized interest rates constrained flow of credit from formal institutions. Case studies from India, Brazil, Peru, and Ecuador showed that adoption of informal methods, provision of technical assistance and market rate of interest lead to successful SSE finance programs. More viable intermediaries and active support from government are recommended (3748).

126. Sandesara, J. C., "Institutional Framework for Promoting Small Scale Industries in India", Asian Development Review, Vol 6, No. 2, 1988, pp. 11-40.

Article reviews the institutional framework for the promotion of small-scale industries and assesses the impact of assistance and incentives on firms in this sector. Units with high labor productivity, and higher output surplus were preferred by formal institutions than units with higher capital productivity. Majority of the assisted units did not use the incentives provided by the government. The author suggests categorizing the small industry sector into competitive, complementary and independent units and design appropriate institutional framework for each (3700).

127. Sanyal, Bishwapriya and Cynthia Ferrin, "Urban Informal Sector and Small-Scale Enterprise", Virginia: Inter-American Foundation, Working Paper No. 1 in Issues in Grassroots Development, Oct. 1986, 90 p.

This paper explores how the informal sector and microentrepreneurial activity intersect. Evidence was provided to show that a multi-faceted approach to development, rather than focusing on just one instrument such as credit, often achieves better results. It was recommended that credit with other supporting components viz., management, skills development, and raw material procurement should be provided. A solidarity group concept with credit education programs was also suggested (0243).

128. Schneider, Bertrand, The Barefoot Revolution :A Report to the Club of Rome, London: Intermediate Technology Publications, 1988, 245 p.

This book identifies and measures the impact of an alternative development approach through small-scale development projects run by non-governmental organizations (NGO). Projects carried out in 19 countries in Latin America, Africa, Asia form the basis of the book. The author recommends small-scale development projects as a valid development alternative for third world countries.

129. Schneider, Bertrand, "Can NGO's, Private Voluntary Organizations and Local Initiatives for Development of the Poorest Southern Countries Help Eradicate Famine and Malnutrition?", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 49, June 6-9, 1988, 14 p. (French CSM No. 50).

The findings of small enterprise projects undertaken in Latin-America, Africa, and Asia are summarized. The study confirmed that the large-scale

industrial projects based on western models were inconsistent in developing countries and poor investment opportunities exist in those countries. The author recommends strong governmental policies, redefinition of rural development actors and their respective roles, and flexibility among the NGO's to eradicate famine in poorest southern countries (English 0494 N, French 0494 O).

130. Seetisarn, Manu, "Accelerated Development for Women in Small Business Project", Washington, D.C.: USAID, Mid-term Evaluation Report, Aug 1987, 69 p.

This report is a mid-term evaluation of the Friends of Women's World Banking Association in Thailand (FWWBT) funded by USAID to identify, introduce and expand women entrepreneurs who do not have access to formal credit. The study concluded that FWWBT has brought women entrepreneurs into contact with a formal credit institution through this loan guarantee program. The program recorded 80 percent loan repayment. Achieving sustainability of the project is recommended (0238).

131. Seibel, Hans D., "Financial Innovations for Microenterprises: Linking Informal and Formal Financial Institutions in Africa and Asia", Prepared for the World Conference on Support for Microenterprises, Washington, D.C., CSM No. 05, June 6-9, 1988, 43 p.

Paper analyzes the problems and objectives of microenterprise development, financial and organizational support system needed and institutional linkages between informal and formal institutions for self-help promotion of microenterprises. Case studies from Africa and Asia showed that implementing direct and indirect linkages between formal and informal institutions, and increased savings mobilization have benefitted microentrepreneurs. The author recommends linking formal and informal microenterprise sectors, building a viable financial intermediation system, and savings mobilization for a successful microenterprise program (0461).

132. Stallmann, Judith I., and James W. Pease, "Rural Industrialization Policy Programmes in Honduras: A Preliminary Assessment", Geneva: International Labour Office, World Employment Programme Research, Working Paper No. 7, Aug 1980, 56 p.

The institutional and political policies available for promoting rural enterprises in Honduras are examined. A limited interaction between rural firms and credit institutions was noticed, even though a lack of working capital was reported as a major constraint. Majority of small firms were

owned by women and default rates were high. Establishing credit guarantee schemes and provision of working capital were recommended (3731).

133. Stearns, Katherine E., "Assisting Informal Sector Microenterprises in Developing Countries", Cornell University: Department of Agricultural Economics, A.E. Research 85-16, Aug. 1985, 79 p.

The degree of employment created, income generation and level of financial self-sufficiency attained by microenterprise programs were examined in 20 microenterprise promotion programs in Indonesia, Bangladesh, El Salvador and Dominican Republic. Programs that targeted poor entrepreneurs, emphasized financial more than nonfinancial assistantship, and relied on client self-selection were found to be effective. Systems approach that links formal and informal sector firms also produced favorable impact (3766).

134. Strand, John W., and Mansour Fakih, "An Assessment of Indonesian NGO Small Enterprise Development Programs", Washington, D.C.: USAID/Jakarta, Nov. 1984, 100 p.

Effectiveness of NGO SSE development programs, and linking of NGOs and ways of support by USAID are analyzed. SSE programs assisted by NGOs were effective, but were not of high-quality and not sustainable. Provision of technical and managerial assistance, improvement of viability of the enterprises, and cooperation with private business sectors were recommended (3765).

135. Suhartono, R. B., "Small and Medium Scale Industries in Indonesia", Asian Development Review, Vol 6, No. 2, 1988, pp. 41-69.

The author describes the experience of Indonesia in the promotion of small and medium industries and examines the problems faced by them. Limited accessibility to commercial credit, selective credit policies by the government, and lack of technical and managerial assistance constrained the development of SMIs. Increased access to credit from financial institutions than providing just subsidized credit and devising special programs for specific purposes are recommended (3700).

136. Tambunlertchai, Somsak and Chesada Loohawenchit, Rural Industries in Thailand, Report submitted to USAID/Thailand, Bangkok, April 1985, 118 p.

The authors look into the characteristics and growth potential of the provincial industries as well as problems encountered by them and identifies

the factors which help or hinder the growth potential of these industries. The paper examines the factors constraining the growth of firms, particularly the problem of financing, and the attitudes and opinion of small industrial entrepreneurs toward governmental assistance to small industries. Recommendations for policies and further studies are provided (0348).

137. Tendler, Judith, Ventures in the Informal Sector, and How they Worked Out in Brazil, Washington, D.C.: USAID, Evaluation Special Study No. 12, March 1983, 160 p.

This report analyses the UNO's (a Brazilian Voluntary Organization) Program of credit to small businesses without access to formal sources. The program has reached small entrepreneurs and has a 95% repayment record. The study concluded that the UNO was unable to provide the majority of firms with access to formal credit institutions, suffered high lending costs, and had not motivated the formal institutions to lend to microfirms. Charging positive real interest rates, reduction of lending costs, and improving repayment discipline were recommended (0358).

138. Tendler, Judith, "Whatever Happened to Poverty Alleviation?", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 04, June 6-9, 1988, 49 p. (Spanish CSM No. 22 ).

This paper reports on the Ford Foundation's successful programs in Livelihood, Employment, and Income Generation (LEIG) undertaken in India, Bangladesh, and Egypt. The programs were successful due to selective borrower groups, compulsory savings by the borrowers, and provision of financial and technical assistance to the borrowers. The paper recommends the Ford Foundation work closely with the government, broaden LEIG program to the public sectors and develop programs that could positively impact larger number of beneficiaries, in developing countries (English 0494 P, Spanish 0494 Q).

139. The Industrial Management Co., "Industrial Restructuring Study: Development of Financial Institutions for Small Scale and Regional Industries", Bangkok: The National Economic and Social Development Board, Thailand, Sep. 1984, 73 p.

Reviews of different types of financial systems for small-scale and regional industries in Thailand are reported. It was found that development banks provided both working and fixed capital to SSI's, whereas commercial banks extended only short-term loans. There were different rates of interest charged by different financial institutions to SSI's and very few SSI's had access to formal credit sources. Establishment of a specialized agency to

finance small industries, setting-up of credit guarantee schemes and targeting of loans by commercial banks were suggested (0612).

140. Thomas, Henk, "Small-Scale Industrialization: A New Perspective On Urban Employment Policies", Prepared for the World Conference on Support for Microenterprises, Washington, D.C., CSM No. 45, June 6-9, 1988, 25 p.

This paper summarizes the small-scale industrialization policies in Third World countries. Case studies from India, Indonesia, Pakistan, Egypt, Kenya, Peru, Spain, and Nigeria are included with reference to small-scale manufacturing and employment, small-sector capital accumulation and aspects of institutional arrangements and donor policies. The author concluded that effective use of resources was conditioned by factors like geographical area and diffusion of innovations (0494 BB).

141. Thomas, Henk, "The Netherlands'-Pakistan Programme on Small-Scale Industrial Development: A Report", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 43, June 6-9, 1988, 43 p.

An innovative program of development cooperation devoted to problems of small-scale industries, and its credit dimension are analyzed. The author found that extensive financing programs of commercial banks reached a small proportion of small entrepreneurs and were not cost effective. A more comprehensive development plan for small-scale industries and adequate implementation of policies were recommended (0494 CC).

142. Timberg, Thomas A., "Small Loans for Micro-Enterprise: Anti-Poverty and Pro-Productivity", Washington, D.C.: A.I.D., ARIES Working Paper No. 1, Sep. 1987, 34 p.

This study reviews some of the successful micro-enterprise programs in India and Bangladesh as an anti-poverty measure. The author found that small loan and savings funds directed at supporting micro-enterprise seem to be an effective anti-poverty tool and contribute to the growth of national income. The study concludes that the marginal money spent in this area yields as much in poverty eradication or production as do likely alternatives (0321).

143. Timberg, Thomas A., "Comparative Experience with Microenterprise Projects", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 02, June 6-9, 1988, 33 p. (Spanish CSM No. 52).

This paper summarizes various sorts of micro-enterprise promotion programs and their impact in Asia, Africa, and Latin-America. The author concludes that the Asian programs served an absolutely poor clientele otherwise not reached by the formal credit systems, most of the beneficiaries were women, and had a relatively small size clients and loans. In Africa most of the successful programs were run by PVO's, and in Latin-America programs concentrated on providing credit and training assistance to microenterprises (English 0494 E, Spanish 0494 F).

144. Torres, Onofre, "Micro-lending Guarantee Fund", Florida: The Interamerican Management Consulting Corporation, June 1985, 52 p.

Micro-lending operations in Ecuador assisted by ACCION, a U.S. based PVO are assessed in this paper. Both small industries and solidarity groups were financed and the delinquency rate was low. It was concluded that the loan guarantee pool concept is feasible and effective. Attaining financial self-sufficiency is recommended.

145. Tremblay, Mousseau, "The International Development Research Centre's Intervention in the Field of Microenterprises", Prepared for the World Conference On Support for Microenterprises, Washington, D.C., CSM No. 42, June 6-9, 1988, 14 p.

Paper reports on the International Development Research Centre's (IDRC) programs to help microenterprises in developing countries. It was found that IDRC through its financial and technical assistance has benefitted the poor microentrepreneurs in developing countries (0494 V).

146. USAID, "New Directions for Promoting Small and Medium Scale Enterprises Development in Malawi: Constraints and Prospects for Growth", Washington, D.C.: USAID, Dec. 1986, 121 p.

Policies and programs necessary to promote the growth of SMEs sector in Malawi are examined in this paper. Insufficient financial resources and high operating costs constrained formal institutions from financing SMEs. Inadequate operating funds, low technical and managerial skills and lack of infra structure facilities were recognized as major limitations of SMEs. Establishing a dynamic SME industrial policy by providing fiscal incentives,

increasing accessibility to working capital credit and technical assistance, and linking production with marketing are recommended (3744).

147. USAID, "A.I.D. Microenterprise Stock-Taking: Dominican Republic Field Assessment," Washington, D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 43 p. (A.I.D. Evaluation Occasional Paper).

This paper summarizes the experience of the Asociacion Para el Desarrollo de Microempresas, Inc. (ADEMI) and the Programa de Asistencia a la Pequena Empresa/Fondo para el Desarrollo (PROAPE/FONDESA) in the Dominican Republic. ADEMI discontinued a group (solidarity) component and now concentrates resources on individual microenterprises. PROAPE/FONDESA targets both micro and small enterprises. Borrowers must attend training before getting a loan. ADEMI covers its operating costs and has capitalized its loan portfolio by charging positive real interest rates. PROAPE/FONDESA's negative real interest rates are decapitalizing its portfolio. Graduating microenterprises to formal credit channels is impeded by high transaction costs. Graduating the institution to formal credit status may be more realistic (3786).

148. USAID, "A.I.D. Microenterprise Stock-Taking: Ecuador Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 27 p. (A.I.D. Evaluation Occasional Paper).

This paper reviews the Small Enterprise Development Project (SEDP) that was started as a three-year project in 1986 in Ecuador. It includes credit to smaller enterprises, technical assistance to larger ones and public relations to develop the sector's ability to represent itself. CARE, ACCION and Fundacion Carvajal administer the credit component. ACCION operates through local foundations to make loans to individuals and solidarity groups, and some training is provided. The Fundacion Carvajal model includes an integrated package of training, technical assistance and credit. Commercial banks make the loans but share no risks and most administrative costs are borne by the foundation. The authors conclude that financial self-sustainability will be hard to achieve unless credit and technical assistance are separately funded (3787).

149. USAID, "A.I.D. Microenterprise Stock-Taking: Guatemala Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 37 p. (inc. appendix, xiv) (A.I.D. Evaluation Occasional Paper).

The Women's Development Foundation (FDM), the Small Enterprise Assistance Foundation (FAPE), and the Foundation for the Development of Socio-Economic Programs (FUNDAP) in Guatemala are reviewed in this paper. FDM provides credit, training and limited technical assistance to microenterprises owned by groups of two or more women. FAPE provides credit and limited technical assistance to urban microenterprises. FUNDAP implements three programs with sheep producers and weavers, furniture makers, and an urban microenterprise credit program. Loans are made for working capital and fixed assets. There is a lack of clear commitment to institution building and sustainability. The use of umbrella agencies as channels for funding has little potential to contribute to institutional sustainability. More attention is needed to graduate the credit institutions rather than graduate microenterprises themselves (3788).

150. USAID, "A.I.D. Microenterprise Stock-Taking: Paraguay Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 80 p. (inc. bib., appendices) (A.I.D. Evaluation Occasional Paper).

The microenterprise program of the Fundación Paraguaya de Cooperación y Desarrollo (Fundación Paraguaya) is assessed in this report. It provides training, credit, technical assistance and loan supervision for small scale activities in the Asuncion metropolitan area. The beneficiaries included over 700 groups with a total membership of almost 3,000. The Fundación charges positive interest rates at levels between commercial bank rates and informal sector rates. Costs are high reaching \$1.54 for each \$1.00 of loan outstanding in 1986. Since the program has only been operating for a few years, it is expected that these high costs will fall as the loan portfolio grows (3789).

151. USAID, "A.I.D. Microenterprise Stock-Taking: Malawi Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 29 p. (inc. bib, xv) (A.I.D. Evaluation Occasional Paper).

This assessment covers the microenterprise projects of the Development of Malawi Traders Trust (DEMATT) and the Malawi Union of Savings and Credit Cooperatives (MUSCCO). The former provides business and technical advisory services and the latter is the apex body of the credit union movement dedicated to stimulating savings and facilitating group-

based lending. DEMATT has resisted charging user fees to its clients so is totally dependent on government grants. MUSCCO began operations in 1980 and works to identify, develop and eventually graduate groups of homogeneous savings and lending societies to financial self-sufficiency. It provides loans to member societies for re-lending in proportion to accumulated savings. Loans are approximately 110 percent of savings. MUSCCO revenues covered only about one-quarter its operating costs in 1987. Graduation of the clients of these two subsidized organizations to the formal sector is not likely in the foreseeable future (3790).

152. USAID, "A.I.D. Microenterprise Stock-Taking: Bangladesh Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 38 p. (inc. xiii, appendix, and bib.) (A.I.D. Evaluation Occasional Paper).

The Women's Entrepreneurship Development Project (WEDP) in Bangladesh is analyzed in this report. It is administered by the Small and Cottage Industries Corporation (BSCIC) to promote village industries through, training and entrepreneurship development. WEDP loans are made by the Bangladesh Krishi (Agricultural) Bank (BKB) at 16 percent interest and have benefitted about 9,000 clients. The loans are made and repaid to BKB so WEDP generates no interest income but, in fact, subsidizes the bank. Loan recovery rates dropped from 80 percent to 47 percent in early 1988 partly because interest payments were cancelled after the floods. The cost to WEDP of lending and recovering one dollar has been about \$1.40. Costs are high because of attempting to reach small scattered rural enterprises rather than larger urban ones (3791).

153. USAID, "A.I.D. Microenterprise Stock-Taking: Cameroon Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy coordination, March 1989 (Draft), 58 p. (inc. xv, appendices, and bib.) (A.I.D. Evaluation Occasional Paper).

The Cameroon Cooperative Credit Union League (CamCCUL) is analyzed in this report as one method of providing finance to microenterprises. CamCCUL attempts to strengthen its 121 member credit unions and insure their liquidity through its Central Liquidity Fund. Most entrepreneurs who belong to the credit unions represent enterprises that are small, informal and family run. Loan applications ask only for loan purpose; no effort is made to appraise borrower ability to repay or to determine the final use of the credit. The experience suggests that successful credit programs mobilize local resources, do not depend on external capitalization, make loans at rates that can support the lending institution, and can successfully lend to microenterprises (3793).

154. USAID, "A.I.D. Microenterprise Stock-Taking: Indonesia Field Assessment," Washington D.C.: USAID, Bureau for Program and Policy Coordination, March 1989 (Draft), 69 p. (inc. xix and appendix), (A.I.D. Evaluation Occasional Paper).

This report summarizes the experience of four projects in Indonesia. The Financial Institutions Development Project (FID) was established in 1984 to develop self-sustaining financial systems that mobilize savings and extend credit. The Puskowanjati Women's Cooperative (PWC) is an umbrella organization of women's cooperatives that encourage cooperative membership, and provide training and a savings and loan facility to members. The Marga Bhoga Marga (MBM) provides credit and training activities to microentrepreneurs. Yayasan dian Desa aims at applying appropriate technology to low income people. The projects have established sound businesslike credit procedures including a positive interest rate structure, simple borrowing systems, informal community-based credit review and guarantee mechanizing, mixing loans to a variety of income levels, loan sizes and purposes, and developing borrower relationships with small short-term loans gradually increasing the term and amount as creditworthiness is established. Credit schemes can be profitable when adequate interest margins are used and certain administrative costs are externalized (3792).

155. USAID, "A.I.D. Microenterprise Stock-Taking: Egypt Field Assessment," Washington D.C.: USAID, Bureau of Program and Policy Coordination, March 1989 (Draft), 60 p. (inc. xviii, appendices and bib.) (A.I.D. Evaluation Occasional Paper).

This paper summarizes an analysis of the Coptic Evangelical Organization for Social Services (CEOSS), an indigenous PVO, and the Helwan Small Enterprise Loan Program (SELP). The credit activities are a fairly small component of each organization's activities. CEOSS had \$126,000 in outstanding loans in 1988 while the SELP fund was fully loaned out at \$461,000. Fee income does not recover the direct costs of lending in either project, nor does it cover the cost of inflation. There is little opportunity for graduation as there are no regular financial institutions in place to accomodate them (3794).

156. USAID, "A.I.D.'s Small-Enterprise and Microenterprise Projects: Background and Current Issues," Washington D.C.: USAID, Bureau of Program and Policy Coordination, April 1989 (Draft), 33 p. (inc. bibliography) (A.I.D. Evaluation Occasional Paper).

This paper highlights some of the findings of recent evaluations of A.I.D. funded small-scale enterprise projects. An important issue is whether small labor-intensive enterprises are efficient users of resources. Small-scale enterprises can contribute to employment creation at low cost per job. Financial profitability at the firm level is frequently low. Difficulties remain in cost-effectively reaching small firms, especially in projects with a large volume of technical assistance. Frequently the most serious obstacle that hinders the small-scale sector is a policy environment that does not promote efficient users of resources (3784).

157. USAID, "A Statistical Look at A.I.D.'s Microenterprise Portfolio: Microenterprise Stocktaking Background Paper," Washington D.C.: USAID, Bureau of Program and Policy Coordination, March 1989 (Draft), 35 p. (inc. appendices) (A.I.D. Evaluation Occasional Paper).

This report provides a statistical summary of 87 field projects or programs identified as part of A.I.D. assistance to microenterprises defined as firms with no more than approximately 10 employees. These projects will spend \$290 million over total project life. Some 55 projects use a full service approach of credit, technical assistance and training. There are 15 credit-only projects, and 17 that provide technical assistance and training alone. PVOs implement two-thirds of the projects and financial institutions implement 16 percent. Almost all projects included an institutional development component (3785).

158. USAID, "Taking Stock of A.I.D.'s Microenterprise Portfolio: Background and Conceptual Overview," Washington D.C.: USAID, Bureau of Program and Policy Coordination, March 1989 (Draft), 116 p. (inc. appendices and bib) (A.I.D. Evaluation Occasional Paper).

This paper provides background for the A.I.D. Microenterprise Stock-Taking exercise. The authors conclude that microenterprise refers to a diverse set of economic activities. Three approaches to microenterprise development include enterprise formation (integration into micro-economy), enterprise expansion (improve performance), and enterprise transformation (graduate microenterprises to small-scale enterprises). The performance of assistance programs can be measured against the criteria of beneficiary impact, cost-effectiveness and institutional sustainability. There is a debate over whether institutional self-sustainability is a necessary condition for successful programs and projects (3783).

159. USAID, "A.I.D. Microenterprise Stock-Taking: Synthesis Report," Washington D.C.: USAID, Bureau of Program and Policy Coordination, Marcy 1989 (Draft), 117 p. (inc. bibliography)(A.I.D. Evaluation Occasional Paper).

This paper summarizes the information obtained from A.I.D.'s entire Stock-Taking exercise. It discusses the findings for each of the three approaches used to stimulate microenterprises: enterprise formation, enterprise expansion, and enterprise transformation. It summarizes issues of impact, cost-effectiveness and sustainability, and identifies what has worked in these programs. It concludes with priorities for A.I.D. (3834).

160. Weidemann, Wesley C., "Institutional Analysis and Recommendations for the Kenya Small-Scale Business Association (KSSBA)", Washington, D.C.: Robert R. Nathan Associates, Inc., Prepared for Projects Office, USAID/Nairobi, Nov 1986, 33 p.

Outlines the strengths that KSSBA must develop to become an effective support institution for small businesses. The report includes a detailed discussion on assessing and maintaining a membership base, financing of association activities and services offered in relation to the growth and development of KSSBA. It is recommended that the KSSBA should develop cost-effective sustainable credit programs to support small firms (0338).

161. Weidemann, Wesley C, et al. "Evaluation of MIDAS: Recommendations for MIDAS II", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/DHAKA, April 1986, 91 p.

MIDAS, a local NGO providing analytical and financial services to small and medium sized enterprises, is evaluated. This report provides an analysis of MIDAS' progress and problems, and outlines the design of a follow-on small enterprise development project. The MIDAS program has been managed and administered in a responsible and competent manner. The study recommends that MIDAS become a self-sustaining organization providing support services to SSE's (0257).

162. Weidemann, Wesley C. et al. "Jordan Small Business Development Project, Phase I.", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/Jordan, April 1987, 78 p.

This report assesses the SME sector, identifies the financial, technical, and regulatory constraints that hinder entrepreneurial development, and recommends specific entrepreneurial support activities. It was found that the new Small Business Development (SBD) Project capitalized on liquidity found in the Jordanian banking system. The study recommends establishment of an independent small business foundation to coordinate integrated assistance components, development of an innovative supplier credit guarantee scheme, and encouraging women entrepreneurs (0268).

163. Weidemann, Wesley C. et al. "Jordan Small Business Development Project, Phase II", Washington, D.C.: ARIES, Robert R. Nathan Associates, Submitted to USAID/Jordan, Oct.1987, 81 p.

This report presents the formulation of the design of the Small Business Development (SBD) Project conceived of in Phase I. It addresses the establishment of a credit guarantee fund for SMEs, summarizes the operations of a supplier credit scheme, analyses strategies for assisting new businesses, and recommendations for future programs. This paper provides the basis for eventual implementation of the SBD project (0247).

164. Wilson, Middleton, "Some Problems in Operating a Loan Program for Craft and Emerging Small-Scale Non-Farm Enterprises in Jamaica", Michigan State University: Department of Agricultural Economics, Working Paper No. 15, 1981, 39 p.

The problems of operating a loan program for craft and non-farm enterprises in Jamaica are examined. High collateral requirements and borrowing costs impeded small firms from borrowing. Subsidized interest rates and limited availability of information hampered institutional lending to small firms. An interest rate covering costs and developing a successful assistance program are suggested (0634).

165. Wood, Dennis H., "Technology and Management needs of Small and Medium Agro-Industrial Enterprises in Portugal: Implications for an International Agro-Industrial Service Center", Washington, D.C.: Devris, Inc., Submitted to USAID, June 1981; 100 p.

The paper determines the technical assistance, management and capital needs of small and medium agro-industrial enterprises (SME's) with reference to the supply and efficacy of the assistance provided. Multiple

sources of credit exists for SME's, but understanding of the credit available for such firms was incomplete, and SME's had difficulty in obtaining credit due to insufficient equity investment and suitable collateral. Decentralized decision-making, and strong project appraisal staff were recommended (0246).

166. Yunus, Muhammad, "Grameen Bank: Organization and Operations", Prepared for the World Conference on Support for Microenterprises, Washington, D.C., CSM No. 14, June 6-9, 1988, 29 p. (Spanish CSM No. 33, French CSM No.30).

This paper discusses the basic features of the Grameen Bank in Bangladesh, its future expansion plan and its replicability in other countries. The author states that Grameen works well with the poorest women and has shown an excellent repayment performance. Replication of this program is recommended to countries with homogenous groups and after through experimentation (English 0494 I, French 0494 J, Spanish 0494 K).

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