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**PROMOTING
ENTREPRENEURSHIP
AND SMALL / MICRO
ENTERPRISE
DEVELOPMENT**

*PROCEEDINGS AND PAPERS OF
SYMPOSIUM HELD AT THE
EMBASSY CLUB, GEORGETOWN.
3rd JULY 1996*



in collaboration with the USAID- funded Building Equity and Economic Participation Project (BEEP)

This report was prepared by
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All planning and design of the Symposium was done by
SBCI's staff in collaboration with the USAID/BEEP consultant

August 1996



FOREWORD

The SBCI/BEEP Symposium which this report summarises and represents, essentially accepted a two-fold challenge. On the one hand that of bringing together a number of disparate agencies linked by no more than some level of general agreement on the Small and Micro Enterprise Sector, and the fact of their involvement in the sector as service providers of one sort or another. The level of agreement which existed between them may have been no greater than (1) that the sector was important to National Development and to the lives of many citizens, and (2) that the sector needed to be supported.

On the other hand, the Symposium also brought together individual entrepreneurs active in the sector as well as their representative organisations who discussed the sector in terms of what each side perceived as the problems and constraints impeding the development of small/micro enterprises. The response to the Symposium and the level and quality of participants' contributions suggest that both aspects of the challenge were well met.

Recipients of this Report now have the responsibility of a further challenge which is ensuring that the Report does not become a moribund, academic document evidencing the fact that a symposium was held, but that on the contrary, it be put to work providing a concrete, higher point of departure for new processes, deeper discussions, and new and informed ACTION designed to meet the needs of the sector.

Ideally, this action, or series of actions, should flow out of our collective response to what was revealed at the Symposium, at least in terms of the needs of the sector. Such an approach would establish as an immediate prerequisite the need to identify broad areas for collaborative effort which can only result in a higher level of service provision to the sector.

It is not the intention here, however, to anticipate the natural flow of events. It is to recommend the careful reading of the Report and to encourage positive responses in the interest of the further development of the Small and Micro Enterprise Sector.

*Lincoln Van Sluytman
Executive Director
Small Business Credit Initiative Inc*

Sponsors of the Symposium

1 The United States Development Agency for International Development funded BEEP Project

BEEP is the acronym for the Building Equity and Economic Participation Project funded by USAID in Guyana. The purpose of the project is to strengthen the business environment in Guyana in order to promote increased growth and equity.

The project is providing long-term advisors for the Ministries of Finance and of Trade, Tourism and Industry respectively, as well as short-term technical assistance and training to help build institutional capacity at these ministries and within the private sector and N G O constituencies.

2 Small Business Credit Initiative (S B C I) is a Government of Guyana owned corporation responsible for extending credit and technical advice to small business.

3 Cooperation for Development International Ltd (C D I) is a U K based International Non-government Organisation (N G O), that promotes self-sustaining income-generating projects so that future aid subsidies to projects will not be necessary. C D I is contracted by the Government of Guyana to design, develop and implement a credit programme for small businesses in Guyana.

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**PROCEEDINGS AND PAPERS
OF A SYMPOSIUM
HELD AT THE EMBASSY CLUB,
GEORGETOWN
3 JULY 1996**

**Organised by the Small Business Credit Initiative (SBCI)
in collaboration with the USAID funded Building Equity
and Economic Participation Project (BEEP)**

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PART I
BACKGROUND

INTRODUCTION

Small Business Enterprises make up a large part of enterprises in developing countries and are increasingly valued by governments and donor agencies as units of production and generators of employment. It was in recognition of their valuable contribution to the Region that the Caricom Heads of Government declared 1988 as the "Caricom Year of Small Business". Subsequently, member states sought to establish and institutionalise Small Businesses in their respective countries. In both Grenada and Trinidad and Tobago Small Enterprise Development Units were established. Jamaica introduced the Micro Investment Development Agency and the Small Scale Enterprise and Entrepreneurial Development Agency was established to serve the Eastern Caribbean. In Guyana, the Guyana Manufacturing and Industrial Development Agency (GUYMIDA) in 1993 sought to develop an institutional framework to promote small businesses in Guyana. This attempt unfortunately never fully realised its goals since GUYMIDA was disbanded. Nine years have elapsed since the Caricom proposal and an even greater number of years have progressed since Small Businesses have been making significant contributions to the Guyana economy.

The Small Businesses Sector is classified into several sub-sectors such as agriculture and agro-processing, food processing and preparation, garments, handicrafts, light engineering and electronics, marine and fishing, service and repairs, and wood and furniture.

The Guyana Volunteer Consultancy Ltd , identifies Small Businesses as vibrant in construction, manufacturing, marketing, and transportation provision among other areas. They account for about 55% of the jobs created in Guyana, for more than 70% of the main export crops and an even higher proportion of domestic food crops

At present, however, there is no national consensus on the definition of small scale enterprises in Guyana. Programmes overlap because of an absence of coordination and cooperation between institutions assisting Small Business Enterprises. The issue of Funding also requires attention. **It was therefore proposed that this Symposium be conducted to provide the basis for the preparation of a comprehensive package of guidelines and recommendations relating specifically to Policy Support and Legislation, the Institutionalization of Small Businesses, and the Financing of Small Businesses**

At a national level, these guidelines and recommendations were expected to relate to such issues as employment creation, efficient commodity production, foreign exchange and domestic savings mobilization, and high standards of living

The above scenario provided the rationale for the SBCI / BEEP Symposium

OBJECTIVES

The main objectives of the SBCI / BEEP Symposium were

- To stimulate public and institutional awareness of, and sensitivity to, the importance and potential of Entrepreneurship and Small/Micro Enterprise Development in Guyana
- To provide a forum to address key issues and constraints affecting the development of Small/Micro Enterprises
- To facilitate concrete proposals and recommendations to be used in the formulation of policies and programmes to support the Small/Micro Enterprise sub-sector

PARTICIPANTS

The Symposium was designed for small business entrepreneurs, policy makers and administrators, representatives of banks, financial agencies, educators and associations related to small businesses in Guyana A list of the participants is given in Appendix 1

PROGRAMME

The Symposium warranted a very tight schedule as the activities were designed to cover a range of issues which will have long term implications for the development of the Small/ Micro Enterprise sub-sector in Guyana A copy of the Programme is attached at Appendix II

SPEAKERS

A high level team of speakers with considerable knowledge and experience in specific subjects related to the Small Business sector was invited to make presentations and to lead discussions. The panel of three made presentations followed by intensive discussions. The sessions were organised in such a manner as to provide maximum time for discussions and the exchange of views and experiences by the participants. During the course of presentations vital issues relating to various subjects were highlighted and discussed with a view to assessing their impact on the Small/Micro Enterprise sub-sector. A list and brief background of the speakers is attached in Appendix 111.

BACKGROUND PAPERS

Background papers were prepared by SBCI's and Red Thread's Staff members. These papers were distributed (as far as possible) to participants in advance, so that they could study them and participate in the discussions effectively. The papers contained detailed information, analysed the implications and offered suggestions for the development of the Small/Micro Enterprise sub-sector in Guyana. Background papers, statements and presentations are included in Part IV of the report.

PART II
OPENING SESSION AND DISCUSSIONS

INTRODUCTION TO THE SYMPOSIUM

The Chairman of SBCI Inc , Dr Martin Boodhoo welcomed the Prime Minister as well as the speakers and participants. He expressed the hope that participants would find the Symposium informative, stimulating and purposeful. Special thanks was extended to the USAID for its support and assistance and also to Mr Pat Thompson, USAID/BEEP Consultant, who participated in the planning and design of the Symposium.

Dr Boodhoo indicated that the aim of the forum was to “provide an opportunity for all agencies, state and private, donor agencies, entrepreneurs in the sector itself, et al, to discuss problems constraining the development of the sector and to begin to formulate a consensual approach to resolving them”

He said that a “consensual” approach was being emphasised because of the evidence of limited unity among agencies in the field. He urged participants to pool their resources in order to provide an improved programme for entrepreneurs and for the development of the small and micro enterprises. This was the theme which underlined the Symposium.

Dr Boodhoo expressed the hope that the experiences and knowledge of the participants would help SBCI to find more effective solutions to the problems facing the sector. He then introduced the Executive Director of SBCI and invited him to speak.

BACKGROUND OF SBCI

Mr Van Sluytman welcomed participants and informed them that The Small Business Credit Initiative (SBCI) began formal operations in February 1994. SBCI emerged out of a visit to Guyana by officials from the UK-based NGO, Cooperation for Development International Ltd (CDI). They had been mandated by the British Government to carry out an assessment of the capacity of NGOs in this country.

He said that the officials from CDI met with him in 1991 and he was asked to help design a small micro enterprise programme for the country. The officials were of the opinion that the British Government would be willing to support such a venture. Other donors were also approached and the European Union expressed its interest.

The programme sought to involve several actors. Mr Van Sluytman stated that they were able to bring together the host government (the Guyana Government), an international donor agency or community (the European Union), an international NGO (Cooperation for Development) and a development bank (the then GAIBANK). Two local community-based NGOs were also included in the implementation phase. These were the Guyana Rice Producers Association (GRPA) and the Red Thread Women's Development Group.

He informed participants that the European Union released funds in December 1993 and that staff were in place by the February of the following year. SBCI disbursed its first loan in April 1994 and since then loans amounting to G\$43 million have been granted. In closing, the Executive Director expressed the hope that the Symposium, by facilitating the sharing of information, would contribute to SBCI's continued good performance.

SUMMARY OF THE OPENING ADDRESS

The Hon Prime Minister, Mr Samuel Hinds expressed the view that while Guyana's GDP levels have been growing in recent years, its per capita GDP level was still too low. He hoped that the Symposium's deliberations would provide valuable insight into ways in which this per capita level could be raised.

He stated that there were several requisites for achieving higher per capita GDP levels for Guyana. For instance, productivity would have to be increased at least tenfold and several changes made to the economy's structure. While growth must be maintained in the traditional sectors (sugar, rice and bauxite), it was imperative that new economic activities be encouraged. Prime Minister Hinds was of the view that Guyana could pursue these activities on its own but that this would be a lengthy process. An alternative would be to seek foreign assistance. He admitted however, that some Guyanese may fear that this option would signal some loss of their economic independence. He urged

people to overcome such fear and be prepared to play greater roles in their country's growth

The Prime Minister noted that entrepreneurial skills would be in great demand in a rapidly growing economy. He pointed out that while Guyana has lots of potential for Entrepreneurship, the question remained as to how this potential could be released. Mr Hinds alluded to the success story of the Institute of Private Enterprise Development (IPED). He saw the institution as a model for Guyanese because it exemplified that new ventures can step on the first rung of the success ladder. Of importance to Guyana was how to multiply IPED's successes many-fold. Financing cost and interest are issues which must be addressed and he urged that the Symposium be utilised as a good forum to discuss these and other related issues so that appropriate policies to aid the development of the Small/Micro Enterprise sub-sector could evolve.

SUMMARY RECORD OF DISCUSSIONS

Entrepreneurship and Small Enterprise Development in Guyana Issues and Proposals for Reform

SBCI's Chairman, Dr Martin Boodhoo asserted that Small Scale Enterprises (SSEs) have a pivotal role to play in the socio-economic development of developing countries. He stated that these countries have to emphasise "small" business in light of their inherent inability to provide the vital, physical technological and managerial infrastructure for a "big take-off"

SSEs can make visible contributions to development. They provide employment opportunities particularly self-employment for the otherwise underutilised labour force. Backward and forward linkages as well as greater use of local inputs are forthcoming. Domestic savings mobilization, technology adaptation, export promotion and the development of indigenous entrepreneurial skills are other features associated with small scale enterprises.

However, Dr Boodhoo observed that these potential benefits have not gained sufficient recognition. This oversight has sponsored a fragmented approach to these enterprises and this, in turn, has fostered what he referred to as a dampening of "the entrepreneurial spirit" of existing and budding entrepreneurs. He stated that this occurs despite the positive trends evident in such countries as the Caricom group. Small businesses also play a leading role in the marketing of agricultural products, provide vital urban transportation and are evident in key sectors such as the manufacturing sub-sector, construction, technical services and the retail trade.

He noted that while SSEs present tremendous opportunities for entrepreneurs in both urban and rural areas, there are several constraints facing these firms which must be recognised in the development of a National Programme for small entrepreneurs. A key issue is the fact that the existing infrastructure supports the predominantly urban-located key economic sectors, much to the detriment of emerging entrepreneurial activity in the countryside. Dr Boodhoo also referred to the absence of an institutional framework for policy formulation and implementation, and coordinating functions.

SSE growth can be adversely affected by financial limitations and poor management skills. Cumbersome legal procedures and marketing setbacks are also militating factors. He observed that small enterprises are forced to operate in environments based on imperfect information because critical mechanisms such as an adequate data bank, essential supportive services (be they electricity, transport, advisory or consultancy services) and an umbrella organization to link all the vital services together, are lacking.

Dr Boodhoo pointed out that the solutions to these constraints could be attained in the medium and long-term but immediately there was the need for a policy-institutional framework as well as financing and technical resources "to transform these problems into viable management challenges in order to galvanise existing and potential Caribbean entrepreneurs into more small enterprise ventures "

At the national level, priority must be given to the establishment of a national data bank which would permit small enterprises to be identified, monitored and developed. He called for the establishment of a National Advisory Council committed to entrepreneurship and small enterprise development. This Council would form the umbrella organisation to ensure linkages between all of the relevant bodies involved in small enterprise development. It would also provide periodic reviews of enterprise activities.

Government must act as facilitators of this process. He stated that the government should ensure that basic infrastructural facilities are made available

to small enterprises and should re-examine the pertinent legal procedures and laws Training programmes ought to be on-going whether in the form of mobile workshops, group seminars, demonstrations or on-the-job education Specialised financial institutions for SSEs are also imperative Their functions should not be restricted to mere loan disbursement but they should provide technical assistance whether in the form of feasibility studies, training or consultancy services

Dr Boodhoo stated that it is important for Guyana to embark on the reorientation of its development process towards achieving a higher standard of living through emphasis on entrepreneurial development Human resources are an important asset of developing countries and given national, international, regional and bilateral agencies support, small enterprise development can be a means towards allowing these resources "to play an even bigger role in the development of Guyana "

(The full text of Dr Boodhoo's paper is contained in Part IV)

National Economic Policy and Micro-Enterprise Development in Guyana

Prof Clive Thomas stated that any analysis of the issues affecting Small and Micro-Enterprises in Guyana must take account of the effects of the country's broad national macroeconomic policies on the sector As such, the

impact of the various macro-policy instruments such as fiscal, financial and trade instruments must be considered

These instruments shape the environment in which micro enterprises operate. To illustrate this, he distinguished between two periods in Guyana's recent history. The first, the period up to the early 1990s was one of tremendous challenges for these firms. It was characterised by economic decline, state control of the economy and public mismanagement. He stated that these conditions contributed to a micro enterprise sector in which corruption, political favouritism and illicit behaviour were rampant and there were strong tendencies to evade regulations and controls by the public authorities. Informal sources of finance and foreign exchange were relied on

Prof Thomas contrasted this early period with the later 1990s when the stabilising effects of the government's ERP became visible. The changed environment facilitated the recognition of the micro enterprise sector as an important source of entrepreneurship and capitalist change and as a supportive structure for market-oriented economic activities

He identified six "rules" which national authorities should adhere to as they design specific macroeconomic policies for the sector. First, the authorities must always bear in mind several documented characteristics of the sector, namely that micro enterprises in Guyana tend to be relatively more labour-intensive as well as intensive in local raw materials use than larger enterprises. Their financial statements reveal that they generate relatively higher returns on

their capital. In addition, they must be recognised as important outlets for new entrants into the labour force and for their tendency to be concentrated mainly among the poor.

He urged that, as a second rule, governments and other agencies should refrain from expecting more than the sector could deliver. It was no panacea for all the social ills present in the society. Third, authorities must consider the natural state of the sector. A firm is small because of the environment in which it operates. No enterprise seeks to remain small. Rather, they all seek growth.

Prof Thomas called on authorities to recognise that micro enterprises are not unique to Guyana. His fourth rule urges recognition of SSEs as outlets for highly qualified individuals but with access to services being the major factor which distinguished local enterprises from those in the developed world. The latter have more ready access to entrepreneurial skills, marketing expertise, technical know-how, financing and other services.

Fifth, authorities must understand how vulnerable the sector becomes with limited access to services. He stated that micro enterprises are particularly vulnerable in the area of marketing. They experience great difficulty in finding proper outlets for their products.

Specially designed facilities must be put in place to meet the needs of small and micro enterprise development. This sixth rule alluded to the tendency of authorities to treat all sectors equally. He concluded that a

“national economic policy would be self-defeating if it adopted a “one-size fits all approach” to the development of the business sector of Guyana ”

(The full text of Prof Thomas' paper is reproduced in Part IV)

Constraints in Food Preservation and Marketing

Capt Fedna Stoll identified stringent laws, regulations and unachievable government standards as critical factors impeding the development of the local cottage industry in Guyana. He referred to the high costs incurred by small producers located in extreme rural areas as they seek to comply with these laws. Many are forced to make their maiden trip to the Capital city, since they must travel to Georgetown to register with Customs and be assessed for consumption-tax purposes.

He stated that in order for small producers to export casareep and cassava bread, the law required that these products be produced in a factory before an export certificate could be granted. However, in other countries such as Belize and Jamaica, these very products were allowed entry into the U S market, even though they were produced under “primitive” conditions. The Law, he believed, fostered “social apartheid” by discriminating against the poor and rural people.

Capt Stoll decried the absence of an enabling environment for the growth of Guyana's cottage industries. He indicated that these industries

received assistance in the Caribbean Islands where market forces dictated which products were viable. Indeed, it was current practice for several developed and developing countries to use the cottage industry as a basis for small and micro-business growth. He stated that this was due to the potential benefits to be derived.

Cottage industries have employment-generating effects. They provide for the utilization of the otherwise "dumped" products. Competition is fostered among local and foreign producers, and innovation is encouraged. Capt Stoll stated that the promotion of cottage industries was "a workable choice" and to this end, a flexible, creative and economic-based approach to production, rather than a restrictive one, was desirable.

(The full text of Capt Stoll's paper is contained in Part IV)

REACTIONS TO PRESENTATIONS

After the presentations were made the participants had the opportunity to comment, ask questions and seek clarifications on the various issues raised. The following reports reflect the thoughts and views of participants. For convenience and logical sequencing, the discourse of these sessions were categorised under specific headings namely The Role of Women in Entrepreneurship, The Needs of Successful Entrepreneurship, The Issue of Standards for Good Entrepreneurship and Financing and Entrepreneurship.

The Role of Women in Entrepreneurship

Ms Jocelyn Dow was concerned that during the presentations and introductory statements, the role of women was de-emphasized and in some cases, unrecognized. This was very evident in the absence of women as panelists on the programme. She expressed the view that micro enterprises evolved out of survival strategies of women and that issue in itself played a significant role for the continued development of micro enterprises. Consequently, women must be recognised as having organisational and leadership skills. She stressed that priority must be given to documenting statistics about micro enterprises and women. She felt that if such steps are taken, society will be able to recognise the force of women's role.

These views were endorsed by Ms Patrice La Fleur. She proposed that the experiences of the Women's Affairs Bureau with its revolving loan fund which involves women throughout Guyana can be fully utilised particularly with regard to the procedures for giving women access to credit. She voiced her disapproval over society's tacit expectation of women performing supportive roles only.

The Needs of Successful Entrepreneurship

Ms Jocelyn Dow expressed the need to promote an enabling environment outside of the state sector. She emphasised that Guyana's environment for small businesses must allow people to be free and to feel free.

to express their ideas and proposals and to expend their energies in positive directions. This environment, she advocated, must allow persons to have some level of security, which, if not provided, will force proprietors to remain small. She proposed that whatever strategies or stipulations are put in place, there must be no barriers - be they of gender, race, age or geographical - to be broken.

Ms Dow also felt that while it might appear as though the youths with their mobile trays (in the informal sector) have no purpose, they have actually made "a conscious and proper choice" and this phenomenon does have serious implications for a society which wants to see itself as promoting micro enterprise development.

The representative from the National Bureau of Standards shared the experiences of Malaysia and China which are similar to the Guyana situation, and indicated that the development of the small sector in those two countries was always linked to the large sector. He cautioned that until the large sector grows, the small sector may not grow. In these countries, the large sector provides enabling services for the small sector.

Ms Dow suggested that, as an immediate relief, there is need to establish a facility that will remove consumption tax to facilitate micro enterprises. It was noted that large manufacturers enjoyed importing goods without having to pay the tax. On the other hand, the small enterprises face a double burden by having to pay the tax on their imports as well as having to register for the tax.

on their output This procedure makes their items doubly taxed and less marketable

Ms Monica Trotz pointed out that there was a need for small businesses of every type/nature to be recognised as viable enterprises with government's approval For example, in her particular business interest- cosmetology - membership suffers from a lack of management skills She expressed the need for the promotion of on-going management programmes if more successful businesses are to be evident The supporting mechanisms to ensure good management, she pointed out, would be

- a to seriously communicate with persons involved in small businesses on a regular basis rather than have intermittent occasions for symposia,
- b to promote basic education programmes such as
 - (a) accessing funds
 - (b) managing funds
 - (c) accounting procedures
 - (d) inter-facing with funding agencies

These objectives, she felt, can be helpful in sustaining and improving small business operations

The participants were then informed by Mr Van Sluytman that the facilities at the Small Business Credit Initiative (SBCI) allow for a number of persons from the sub-sector to be given financial aid. The mandate of SBCI was explained i.e. to provide skills training which is prepared from the assessment of client needs. Participants were reassured that skills training was open to anyone who benefitted from the loan scheme of SBCI. For example, a doctor of engineering whose loan was approved, recognised his deficient ability in accounting and was given the necessary help to improve. Mr Van Sluytman expressed the hope that the execution of SBCI's mandate would be further strengthened through workshops and sessions like the one undertaken.

The Need for Integrating Entrepreneurship into the School System

There was a lively discussion on the importance of integrating entrepreneurship into the school system after Dr Boodhoo opined that education has an important role to show that entrepreneurship can be a viable alternative. He noted that many intelligent youths see the traditional jobs areas as the answer and that education should focus on getting children out of the traditional mind set and making them understand and believe that self employment is needed.

Prof Thomas' believed that children and adults' mind set about traditional job areas can be attributed to the fact that recognition is given to

persons in salary positions/traditional jobs and, indeed, they do enjoy better coverage He remarked that this attitude is evident in the 1980 and 1991 censuses as well as the 1992 HIES survey From this perspective, there is a bias in favour of the distribution over the range of occupations in which the system appears to be generous to persons with salary positions

Mr Van Sluytman referred to the many school drop-outs who, while trying to make a living, are not really entrepreneurs but basically persons utilizing survival skills and commerce Mr KISSOON, while accepting Mr Van Sluytman's recognition of the weakness in entrepreneurial attributes among school drop-outs, pointed out that school drop-outs comprised a subset of the education system More importantly, in his view, because of dwindling opportunities, high school graduates (those who do well), need alternatives

Ms Patrice La Fleur, commenting on the issue of education and small business development agreed with Prof Thomas that small business should be seen in a particular context and reiterated that it must relate to the education system and should enjoy the same recognition as any one of the traditional careers She further emphasised that entrepreneurship should be seen as a mainstream discipline and not only be pursued as an alternative to other traditional professions She suggested that recommendation should be made to the Ministry of Education to integrate small business training into the curricula Business development must therefore be about life and about social development, she opined

Prof Thomas noted that somehow, the education system managed to transfer an attitude that vocational education was the alternative for school drop-outs. The Small Business Association (SBA) observed that one must not overlook the fact that small business is inculcated at the cultural level (i e in the home) rather than at the academic level. Ms Jocelyn Dow put it succinctly to consider small business enterprise/entrepreneurship as a Whole Development Model. There must be no romanticism as was explained by Prof Thomas.

The Issue of Standards for Good Entrepreneurship

Capt Stoll's presentation was the stimulant for incisive discussions on setting and maintaining standards. Mr Ian Jordan cautioned that we might be too critical about problems facing small enterprises and that the strengths of these types of businesses must be acknowledged more often. He asked a very pointed question: "Should we compromise health and legal standards for the sake of promoting small enterprises?" While there was no satisfactory answer, Capt Stoll alluded to the fact that the legal requirements for attaining standards often militated against the enthusiasm/motivation to produce local items for export, for example, jams and jellies.

Mr Jordan attempted to find out Capt Stoll's proposal for keeping standards within the micro business community for example, jams and quality control. Capt Stoll indicated that since some Caribbean States (e.g. St Lucia, Antigua and Barbados) use the supply and demand mode, Guyana could be no different. When challenged about whether the international market would

support inferior quality, Capt Stoll's reaction was that "they do so anyway" His example was that in Canada, casareep made of burnt sugar is accepted and that the genuine stuff made by the indigenous peoples, cannot leave the shores of Guyana because such export is affected by bureaucracy Ms Dow explained that in circumstances identified by Capt Stoll, the consumer buys the commodity under the label approved by the FDA, which clearly indicates that the commodity does not have public health approval In these instances, the consumers are free to make a choice She believed that this strategy was possibly the strictest in the hemisphere She hastily added however, that products are taken out of Guyana in a non-legal but very practical manner Dr Boodhoo, while sanctioning Capt Stoll's point, underscored the need for standardization and health precautions, as well as for the revision of laws

Mr Peter Ramsammy, observed that it was strange that in Guyana, having set standards, legislation prescribes how to achieve these standards He reckoned that the better approach is to prepare guidelines rather than have prescriptive regulations He registered his disapproval over the jocular references made by some presenters to the frequent power outages at the symposium and who alluding to such inefficiency as a peculiarity with small businesses He felt that such references will not offer help to small businesses Prof Thomas explained that the thrust of the point was that the Embassy Club, which is definitely no small business, portrayed signs evident in small businesses, i.e. to deliver a service as though it had no access to better facilities or no back up services - the type of unequal access to which he had referred to in Rule 4 in his presentation

Mr KISSOON was more interested in the issue of the role of standards as a facilitator of trade. He felt that whenever a small business is launched, it should show evidence of observing proper standards to ensure confidence in its products and public safety. Referring to Prof Thomas' recommendation, that there should be specially designed facilities to meet the circumstances of small and micro enterprise development (rule 6 in his presentation), Mr KISSOON informed the participants that in Chile, there is a special consumption tax regime to enhance and promote small enterprise. In this instance there is a 10% band between regular and small businesses. He thought that this system could be considered in Guyana. Prof Thomas explained that with regard to Consumption Tax in Guyana, there were two areas of regulation co-existing namely, that national standards must apply and that buyers must be aware

The representative from the National Bureau of Standards wanted to erase the myth that standards cannot be achieved by small sector enterprises. He indicated that there must be precautions and that there must be organisational mechanisms to be followed. For example, there should be two types of standards

- a for farming products and light processing. This will include vegetable products. Grading is essential
- b for finished products - the quality of the product must be ascertained

Ms Yvonne Benn underscored the need for the establishment of minimum standards as it is unwise to completely eliminate standards. She

noted that it is alleged that there is not a reliable supply of products to maintain a canning industry and that she felt that this must be investigated. She was convinced that it is necessary to persuade those involved in micro enterprise to believe that they need to grow and that they could grow, be safe and protected.

Ms Jean Sahadeo was particularly concerned over the absence of a licenced drying floor for the dry shrimp industry. She was concerned that those engaged in the business on the West Coast of Demerara used water from the trenches and the river.

Financing and Entrepreneurship

Mr Winston Saunders referring to Rule 5 of Prof Thomas' presentation, recommended that appropriate specialised financing institutions be established and that other creative types of financing be considered. He felt that the Guyana economy is ready for venture capital. He informed the participants that CARIFEST sponsored the Guyana Liberation Fund which got the initiative from India. The aim of the fund is to help venturers to proceed with their business initiative. The organisation focuses on Venture Capital Partnerships rather than on granting loans. In this model, the principal partner or owner will have management responsibilities in the project. For further details, interested persons could make contact at telephone # 02-60387 or at Colgrain House.

Dr Boodhoo recognised that financing small business is still done along traditional lines but noted the intention to develop a venture capital fund. Mr

Walker observed that there was a common trend throughout the symposium the need for an enabling mechanism to have small businesses better organised and wondered who should take the initiative. Was it the government's responsibility or those involved in small businesses or trade associations? While Dr Boodhoo felt that the government must be supportive, no one volunteered a definite response to the query. It was hoped that the answer to Mr Walker's question would have been found in the deliberations and recommendations of the Workshop sessions.

PART III
WORKSHOPS

REPORTS OF GROUP SESSIONS

Through prior planning, participants were organised into six groups each with a definite focus area. Following were the specific groups and their varied foci:

GROUP 1	Training and Entrepreneurial Development Group Leader Patrice La Fleur
GROUP 2	Financing Group Leader Ian Jordan
GROUP 3	Institutional Support and Research and Development Group Leader Stacey Alves
GROUP 4	Legislation and Fiscal Incentives Group Leader John Kisson
GROUP 5	Infrastructure Group Leader Clem Duncan
GROUP 6	Marketing and Related Issues Group Leader Kelvin Craig

Group Reports

GROUP 1 Training and Entrepreneurial Development

The group was systematic in its presentation and presented its ideas in logical sequence:

Definition of terms
Requisites for Good Entrepreneurship

Nature and Content of Training Programmes Recommendations

The group's first step was to define the operative terms "training" and "entrepreneur". "Training" was defined as

a process whereby individuals acquire knowledge, skills and competence. This process should include the development of appropriate attitudes, values and behaviour.

An entrepreneur was defined as

a person who takes a business idea and makes money from it. He/she is a calculated risk taker.

The group identified the qualities necessary for becoming a successful entrepreneur as honesty, sincerity, a flair of business, confidence, self esteem, motivation/drive, foresight, an innovative spirit and the capacity to persevere. The group recognised that good entrepreneurial attributes alone cannot survive and expounded on the context within which an entrepreneur can be supported and developed. In order to have an enabling environment, the following requisites must be evident

- the community must be enthusiastic about development
- through the family structure and the education system, a sense of values, morals (which can be aided through religious practices/beliefs) and appropriate work ethics can be developed. These factors, it was believed, can guarantee successful entrepreneurship.

Training programmes whether short-term or on-going are essential and can be formal or informal and can be made available through established institutions and from among community resources. These programmes should target various groups such as community leaders, existing entrepreneurs, prospective entrepreneurs and parents as well as teachers. Sensitization programmes are absolutely necessary especially for politicians who are the ones who should be most influential in providing conducive environments for business. If sensitization programmes were successful, it was felt that less bureaucratic procedures could be considered or systems to accelerate the process can be introduced. Sensitization programmes for the public are necessary as many persons are unaware of available commodities.

According to the group, the content of training programmes must be diverse thus catering for a range of activities and skills. Emphasis on personal development and the importance and development of entrepreneurial qualities must form the basis of the content in training programmes. Components should include attitudes and attitude formation, leadership skills, decision making skills, assertiveness training and general life skills. Small business management skills and techniques are equally important and ought to include the principles and practices of marketing, financing, organisational skills, proposal writing, developing a data base. Vocational skills cannot be ignored and should incorporate advanced technology in specific areas such as computer training and new productive methods. It was felt that strategies for understanding national development plans (e.g. eco-tourism) must not elude training programmes.

The group submitted three recommendations to the symposium

- a ✓ There is urgent need for a Coordinating Body on Small Business Management, to be established *with it is the effort from proposed many clubs in small bus new r of so what present on the 1st floor*
- b ✓ There should be a Code of Ethics for small businesses This will ensure that standard guidelines are established and that standards are adhered to *how will the owner of any agreed code be monitored or enforced*
- c ✓ More dialogue with government officials and agencies needs to be encouraged

✓ GROUP 2 Financing

The group concentrated on the following issues

- a Sources of Financing
- b Environments of Loan Agencies
- c Conditions for Accessing Funds/Loans
- d Merits and Demerits of Sources of Finance
- e Recommendations

The group identified seven sources of financing These were

- a The owner's equity
- b Borrowing from Banks
- c Help from international organisations
- d Venture Capital

h presumably whatever committee body is established will look to have a structured series of visits with one or may refer Minutes, separately or together

Needle → Single Gov entity? - a one stop shop

- e Equity participation
- f Internal Funds
- g Hire purchase

LOAN ENVIRONMENTS

The Scotia Enterprise makes loans available to groups within Georgetown and its environs. There is unsecured lending of amounts ranging from ten thousand dollars (\$10,000 00) to five hundred thousand dollars (\$500,000 00) with a 25% interest rate.

IPED does supply services but with a caveat

IPED also makes funds available to groups. All productive activities except services are considered after a history and track records are submitted and scrutinised. Unsecured lending is available at an interest rate of 31.2%

SBCI offers loans to all sectors except to trading. Unsecured lending is available at an interest rate of 18% and a maximum repayment period of 18 months

Globe Trust - CYCI targets young people to age thirty within the catchment area Buxton on the East Coast of Demerara to Eccles on the East Bank of Demerara. The maximum loan is one thousand US dollars (US\$1,000 00) at an interest rate of 16.5%

All other banks have the very basic loan schemes *(range of 17.5% - 22.5%)*

The Hire Purchase scheme requires a 50% deposit Payment is made by
crop proceeds

Merits of Sources of Finance

The following merits were identified

- 1 Loans could be accessed without security
- 2 Usually training and advice about maintaining business enterprise
are offered Follow-up programmes are conducted
- 3 The system fosters growth and savings as in many instances (eg
Scotia Enterprise), the loan applicants who become debtors must
save with the bank on a regular basis
- 4 Once the debtor is disciplined, he/she can benefit from larger
loans without having security
- 5 Debtors can use assets without having made full payment
- 6 There is a good source of external capital

De-Merits of Sources of Finance

The following de-merits were identified

- 1 Because of Guyana's topography, accessibility to loan agencies
across the country poses a difficulty Consequently, loans appear
to be granted unequally in favour of persons living on the
coastland Some lending agencies have pre-determined catchment
areas

- 2 Debtors perceive interest rates to be relatively high
- 3 Unsecured loans are usually smaller than the sum requested by debtors

The recommendations submitted by the group were

That there is need for closer collaboration among credit institutions so that

- they could maximise on the dissemination of information to the public who use their services
- they could recognise hitches in the system and stream-line operations to lower the cost of borrowing

GROUP 3 - Institutional Support and Research and Development

The group felt that the principal focus should be to offer help to the private and business sectors in the planning, the implementation, the coordination and the valuation of activities so that the desired returns could be achieved. They recognised that some crucial components must be addressed to ensure the viability and sustainability of small businesses. The issues raised were training, technical assistance and access to credit which are essential for helping persons to move from the basic survival activity. The concepts of the development of a National Policy on Small Business as well as the establishment of Small Business Associates to coordinate activities of businesses, were discussed.

The problems identified within Small Businesses were definitely linked to the absence of the types of support services identified above. With no National Policy on Small Businesses and no Association which concerned itself with the needs and goals of Small Business, a clear definition of Small Businesses in terms of finance was non-existent. Consequently, there was not enough inter-agency communication and agencies duplicated activities. Additionally, there was evidence of too much competition for the same target groups among agencies. There was undisputedly, a lack of equitable distribution of services.

The recommendations forwarded were a natural outgrowth of the problems encountered. These were

- a The establishment of a National Coordinating Agency to
 - ensure that various services are equitably distributed
 - to lobby for and/or develop a business policy to aid and guide the orderly execution, efficiency and sustainability of the sector
- b There was a call also for a vibrant Small Business Association/ Chamber of Commerce to interface with government and other agencies.
 - There should be a decentralisation of various agencies and more active public awareness programmes.
- d There is need to develop a data base in various areas which can give guidance in the selection of profits and the marketing of products.

S/ Since II/micro businesses themselves + sketchy - given the program position of to private sector business already in existence, we need to think through this quite carefully

X - existing SBA body
- a task for the Coordinating Agency

- e A call for continuous training programmes was made and for flexibility to be exercised in the current system

GROUP 4 - Legislation and Fiscal Incentives

This group's primary concern was "how to move towards legality" even though efforts to move into legality have been evident, eg the Cambio system. The consensus was that the numerous taxes to be honoured are too staggering for small businesses to progress and stressed the need for encouragement and incentives. It was believed that foreign exchange restrictions have given rise to many illegal practices and that it is now imperative to structure a framework to ease into legality. The group opined that until such time that more relevant data are available to get the pertinent criteria, there could be no single definition for small businesses. The definition, when perceived should incorporate the number of employees, the capital investment, sales turnover and must specifically state that it should be owner managed.

The group emphasised the granting of fiscal incentives and cited the case of Grenada which instituted a Small Enterprise Act. They envisioned a regime of special incentives or a special act for micro businesses which will address the removal of any anomalies in existing laws/legislation. The general feeling was that incentives must be no less favourable than in other areas of business activity. Other incentives identified were

- to simply^{to} tax structures e.g. putting a levy or tax linked to the growth of the business

to make of administration

- to consider and authorise the scope for a ten year tax break across (1)
 the board
- to introduce the value added tax (VAT) for commodities instead of the current system where a common tax is imposed making it appear accumulative
- to simplify the bureaucratic activity
- to make the acquisition of business licences a simpler process
- to have a national development strategy whereby special provisions should be made for small businesses to be linked to the development strategy
- to insist on access to services, business advisory etc
- to unburden the Minister of Finance of his/her involvement in solving problems
- to introduce a Free Market System since some areas of business cannot be legislated thus making it difficult to direct interest rates to them

In its recommendations, the group suggested a seven stage work plan as there is need to

Good approval

- Review existing concessions for small businesses
- Assess the adequacy and effectiveness of the concessions
- Conduct field research and needs analysis of Small Businesses
- Determine the types of concessions Small Businesses can enjoy
- Produce a special regime of incentives

- Prepare and present to the Minister of Finance, a final report with recommendations
- Monitor and evaluate the implementation time frame

It was considered essential that legal arrangements be put in place and be kept up-to-date

The group believed that the operations of NGOs needed to be defined and adequate legislation provided and that sensitisation programmes should be introduced. In this regard, the dissemination of information of organisations and their operations relevant to micro enterprise becomes increasingly important

GROUP 5 - Infrastructure

The consensus was that the focus of development seemed to be in the urban sectors and that there was need to examine and maximise on the benefits that can be accrued from the hinterland areas. In an analysis of the current situation, the group presented views/findings under specific headings such as physical, professional services, social infrastructure

Physical

This section discussed the following issues energy, telecommunication, water, transport and land. While acknowledging the difficulty in finding practical and effective solutions to these problems, the group noted the interdependency and importance of each of the areas identified under physical

infrastructure. These issues, though difficult to ratify, must not be ignored. For example, energy was not de-regulated and needed the approval of the Guyana Natural Resources Agency. The unreliability of telecommunication system and almost non-existent external link service (in some areas) can frustrate and jeopardize production. Water woes, transportation cost and the centralised decision-making with respect to land allocation are acute problem areas for small businesses. For example, the group cited the cost of providing water for transporting skills and products as inhibiting factors and are sources of concern. In these circumstances, the hinterland and rural communities are at a distinct disadvantage.

The group suggested the process of ancillarisation (i.e. using the resources of large companies to move into specific areas of interest and piggy backing on those resources), as a likely successful mechanism to alleviate some of the problems identified. Another was to implement infrastructural entrepreneurship i.e. to identify persons who have an interest in providing services of this nature thus relieving the producer of fending for this service thereby enhancing production.

Professional Services

These were identified as engineering, accounting, marketing, managing and disseminating information. These services were inextricable from those of social infrastructure.

The group recognised the tremendous void in the professional services in the rural and hinterland areas. This factor was linked to the social infrastructure where there is dire need for training and basic education programmes to be implemented. As a result of lack of institutional support (eg distance education for cost effective delivery), low productivity becomes evident and customer dissatisfaction increases. These deficiencies gave rise to the need for constructive, relevant and regulated institutional support and attitudinal change. The enhancement of organisational strengths should become a priority. The suggestion was that perhaps the BEEP project could create skill bases for deficiencies with special emphasis on rural and hinterland areas. The group noted that it is important that those who give assistance (project officers), understand and appreciate the culture of the people they are supposed to serve.

In providing a catalyst for improvement, the group recommended ¹⁾ the concept of a Business Incubator in which small businesses are given a period of apprenticeship during which technical services can be provided and all other needs can be addressed thus allowing for the business to blossom and providing the environment to bear fruit ¹¹⁾. Industrial estates could be initiated whereby the provision for a common set of services is made possible. It was felt that this strategy could be particularly beneficial for those interested in acquiring land at a cost effective price. Serious attention ought to be given to ware-housing ¹¹⁾ in order to facilitate effective distribution. The group acknowledged the major deficiency in the form of capital cost penalties but urged that with institutional support and the introduction of an industrial development agency to dispense responsibilities, these problems can be alleviated.

GROUP 6 - Marketing and Related Issues

It was felt that in marketing, there is some form of individualism but that it is necessary to sacrifice one thing for another therefore there was the need for "a coming together" of resources and ideas. The group identified the entrepreneurial capability of the people and their will to achieve and adopt new recommendations as a strength which should be boosted. The major weakness was of an institutional nature. While marketing is a key issue without which nothing or little is possible (i.e. the need for each entrepreneur to be market oriented), it is perceived that lack of institutional support is its debilitating factor with the major threat being inadequate government policies. Specific issues which point to inadequate institutional support were

- the cost, source and quality of raw materials
- inadequate information about competitors, products and price which can jeopardise decision making
- lack of standards relating to finished products
- inadequate advertising and promotion
- inadequate involvement of beneficiaries in planning

The major trading blocks were identified as the EEC, NAFTA, and ASEAN

The following recommendations were made

- the need to implement standards for raw materials and finished products

- the need to establish interest groups e.g. craft associations etc particularly with respect to advertising, promoting and disseminating information
- the need to establish local and regional links with small businesses and larger organisations
- the need to institute regulations against sub-standard imported products
- the need to publish a directory of small businesses
- the need to establish an umbrella organisation

Already covered

PART IV

PAPERS AND STATEMENTS

OPENING ADDRESS

- The Hon. Prime Minister, Mr Samuel Hinds

Thank you Mr Chairman, Dr Boodhoo, members of the head table, presenters, Mr Pat Thompson, Dr Clive Thomas, Capt Stoll, Mr, Van Sluytman and Ms Bancroft

Our GDP has been growing, growth rates have been good (6-8%), but when we look at our GDP per capita and GNP per capita numbers, these are still too low Our GDP per capita is approaching US\$500 per person per year which is still quite small in comparison with the US\$2000-US\$4000 for many of our fellow members of Caricom

Our President has been pointing out recently that there is a need for even faster growth to satisfy our aspirations for material things and to maintain hope in all of our people that better things would be coming to them The President has been reiterating the need for us to break through to the 12-15% that many Asian countries have obtained during their periods of growth How can we get those growth rates? Today's deliberations should make an essential contribution to this question

Mr Chairman, we all know that growth and development are not only economic issues but very much social and political ones The first of the three lessons pointed out to me by a former Director of the World Bank, was that growth and development must be such as would narrow the spreads of income and standards of living rather than widening them We must have growth and development - we have no choice Therefore, we as a government favour arrangements that bring about convergence on our society

Mr Chairman, I want to reflect on our GDP numbers For us to grow from US\$500 per capita to say US\$5000, we must have an economy with productivity of at least ten times what it is today Not only is there room for all sectors in this process but there is a necessity for them to participate and become involved It is a necessity for us as a country to have everyone apply him or herself to some virtuous work

In thinking of an economy that is ten times as big, we must be aware that there must be significant changes in the structure of the economy. While we must maintain growth in our traditional-based industries of sugar, bauxite and rice, there must be economic activities developed that are new and developing. While we can do it all on our own, it would probably take us quite a long time. It would be very daunting.

There are possibilities for us to receive assistance from others who have gone before us. In this we can talk about welcoming foreign investors and privatization. Our position is that we cannot ignore the concerns of Guyanese of being overwhelmed by others coming in with better access to financing and so on. There is that fear that we could lose our economic independence and that decisions important to us are being taken by other people in other places. I think that the only way that we can counter that fear is if we take the major role on our economy's growth. The rate of foreign participation in our economy would be set by the rate by which each of us Guyanese grow. For that reason, it is important that a Symposium, like this today, should seek to find ways to maximise the participation of our Guyanese in our economy.

Mr Chairman, since a rapidly growing Guyana would also be a rapidly restructuring economy, entrepreneurial skills would be at a premium, that is, the ability to continuously sense needs and opportunities that are arising and arranging to satisfy such. I would like to recommend the book "Innovation and Entrepreneurship" by Mr Peter Drucker which provides guidance in searching for new productive services and service-delivery opportunities and the management of them.

We in Guyana have lots of potential for Entrepreneurship. It is only a question of releasing it. Our economic difficulties of the 1975-1988 period, unleashed in many of us innovations and entrepreneurial abilities never dreamed of.

Mr Chairman, we are well aware of the tremendous success of IPED which started as ISED (the Institute of Small Enterprise Development). This institution is a model for us. It has been growing in an exponential way permitting production in nearly all sectors -farming, livestock, fishing, food processing, furniture, metal fabrication, repairs and maintenance of equipment, garment making, photography, charcoal production and so on.

These small businesses have shown several desirable features - the low capital cost per person employed, the short time into production, utilising materials and other resources which otherwise would be wasted, and utilising people at the level of competence at which they are thus provided with opportunities for them to work, earn and learn. They also socially exemplify that new people can step on the first rung of the ladder which might lead to them becoming important entrepreneurs in our economy and society.

How can we multiply the successful experience of IPED many-fold? The question of collateral has been recognised. Financing costs, interest and service fees must be dealt with. Perhaps, service fees can be subsidised and there could be a change in the way loans are considered. Rather than focus on individual loans, other types of loans should be considered.

Looking quickly at the programme, I see that many of the issues to which I have alluded will be discussed in greater detail in the papers to be presented. Let me therefore, in closing, extend my gratitude to the British Government, the USAID and the BEEP Project for supporting this Symposium.

Thank You

BRIEF BACKGROUND OF SBCI
- Mr Lincoln Van Sluytman,
Executive Director - SBCI Inc

Good Morning Honourable Prime Minister, members of the diplomatic corps, distinguished guests, good morning and welcome

The Small Business Credit Initiative emerged out of the visit to Guyana in 1991 by a small UK-based NGO called Cooperation for Development International Ltd. They had been asked by the British High Commissioner in Guyana to look at the capacity of NGOs at a time when there was evidence of great change in the way in which the society had been organised. Their mission was to assign a leading role to the local private sector and to allow for the spatial opportunity for the emergence of local NGOs to play an important role in the future development of Guyana.

I met with them and was asked to help design a project for Guyana since they had just conducted a study concerning the capacity of NGOs. They were of the opinion that the small microenterprise credit programme might be of interest to the British Government and get its support.

In November 1992, Cooperation for Development sponsored an international conference on **Financial Instruments for the Development of Third World Economies in Transition**. The President, Dr Jagan and the former Minister of Finance, Mr Asgar Ally were speakers at that meeting. During that period, we had approached other possible donors for support of the programme. The European Union expressed the greatest enthusiasm for the project which had in its design what, in fact, we hope is manifesting itself here today. That is, it sought to involve several actors. We were able to bring together a host government (the Government of Guyana which had supported the initiative), an international donor agency or community (the European Union) and an international NGO (Cooperation for Development). We built into our concept the notion of working with a development bank (the-then GAIBANK).

We thought that situating a small unit in this bank, which brought a new high-tech approach to development credit, was an exciting initiative. We also included participation by two local community-based NGOs in our

implementation strategy These two NGOs were the Guyana Rice Producers Association and the Red Thread Women's Development Group

The European Union released funds in December 1993 and staff were in place by February 1994 We began operations in a one-room office at GAIBANK and in April 1994, we made our first loan Today, we have 250 loans on the books and have made a total of \$43 million in loans We have \$23 million outstanding and a repayment rate of 87.3% We think that we are on the right track and that this initiative and effort will make the track that much more secure especially if there can be a sharing of resources with technical resources, financial resources and skills resources

**ENTREPRENEURSHIP AND SMALL ENTERPRISE
DEVELOPMENT IN GUYANA ISSUES AND PROPOSALS FOR REFORM**

by

Martin Jagdeo Boodhoo*

“Give a man a fish
and he gwine call you for more
Teach a man to fish
And he gwine bring you fish galore”

Mr Prime Minister, other Ministers of Government, members of the Diplomatic Corps, distinguished guests, ladies and gentlemen Let me as Chairman of the Small Business Credit Initiative also extend a warm welcome to you all I trust that this Symposium would provide a ‘solid jumping-off-ground’ to a concerted and systematic approach to Entrepreneurship and Small Enterprise Development in Guyana As indicated in our letter of invitation this Symposium “aims to provide an opportunity for all agencies, state and private, donor agencies, entrepreneurs in the sector itself, et al, to discuss problems constraining the development of the sector and to begin to formulate a consensual approach to resolving them” I am of the view that your participation in this meeting is indicative of your willingness to join us in a partnership approach in Entrepreneurship and Small Enterprise Development in our country

PURPOSE OF PAPER

The purpose of this paper is to examine some of the critical institutional and operational problems as well as policy issues affecting Entrepreneurship and Small Enterprise Development with a view to identifying current needs and suggesting ways and means of ameliorating and stimulating the process of development in the Small Enterprise Sector The opinions and suggestions

* Dr Boodhoo is currently Chairman of the Small Business Credit Initiative and Pro Chancellor of the University of Guyana

mentioned here should be regarded as a basis for discussion at this Symposium so that in the light of your own experience and knowledge, participants could enunciate some general principles and guidelines which could be adapted for application for the further development of Entrepreneurship and the Small Enterprise Sector

BACKGROUND TO DEVELOPMENT STRATEGY

While it is generally recognised that the greatest asset of nearly all developing countries is their human resources, full mobilisation and effective utilisation of this asset leaves much to be desired in terms of employment and self-employment opportunities * (1) Fortunately, it is slowly dawning on us that one of the most effective ways of utilising the dormant but vigorous energies of our people is through the Small Enterprise and Informal Sectors of the Economy Perhaps, the colonial heritage with its lingering undertones in various forms still impels us consciously or unconsciously to feel that we must "Think and Act Big", regardless of the socio-economic or geo-political context in which we find ourselves No doubt the gigantic task of economic and social reconstruction in the post-independence period in developing countries has fanned the flames of this so-called "THINK BIG" syndrome This is due in some measure to the desire for quick economic emancipation which was fuelled by the international demonstration effect of industrialised societies It is gradually being recognised however, that many developing countries such as Guyana do not possess the necessary physical, technological and managerial infrastructure to support the anticipated "big take-off" Many countries now accept that "small is beautiful" and, in fact, is an engine of growth that could be used as a successful strategy as shown by Japan, South Korea, Sri Lanka, India, Malaysia, Philippines, Puerto Rico and some Caribbean countries

Partly as a result of unfavourable trends in the economic growth in the Caribbean Region over the past decade and the search for alternative strategies and options, there has been increasing interest in and recognition

* See for example (a) 'The Nassau Understanding Structural Adjustment and Closer Integration for Accelerated Development in the Caribbean Community' Nassau The Bahamas July 7 1984 (b) Lagos Plan of Action for Economic Development of Africa, 1980 2000 International Institute for Labour Studies Geneva, (1981) p 37

of the present and potential contribution of small enterprises to the process of national development

Potential Contributions of Small Enterprises to Development

It is not often appreciated that the development of Small Scale Enterprises (SSEs) is an integral part of socio-economic development. Let us briefly review the salient characteristics of these enterprises. Almost invariably they directly or indirectly

- promote employment particularly self-employment mainly through low capital-cost investment;
- develop indigenous entrepreneurial skills and improve performance capability,
- intensify labour utilisation,
- provide backward and forward linkages to medium and large-scale enterprises,
- mobilise domestic savings and attract foreign investors,
- utilise local raw materials,
- expand the spread of investment capital,
- encourage decentralisation and rural development;
- adapt technology to local conditions,
- enhance export promotion and import substitution,
- create various forms of multiplier effects to widen the ripples of socio-economic development; and
- enhance managerial and technical capabilities

- act as leaders in some manufacturing subsectors like wood products, garment and sewn goods and handicraft items,
- play a lead role in construction, equipment repairs and maintenance, technical service activities and in the retail trade,
- fill a major gap in providing goods and services as traders, hugglers and middle-men (and women)

Nearly all Caribbean countries suffer from a low growth rate, high net rate of population growth, escalating unemployment, disturbing migration trends to urban areas or the industrialised countries (especially North America) and severe pressures on the delivery capacity of welfare-oriented agencies in the public, private and voluntary sectors. Coupled with these problems, there is an acute shortage of capital, technical skills and qualified manpower. In spite of these constraints, there are tremendous possibilities for the small entrepreneur both in the urban and rural areas. One of the major obstacles, however, is either the absence or the fragmentary nature of infrastructural and related back-up services to motivate, assist and sustain the small man until he can stand on his own feet. IT IS NECESSARY TO RECOGNISE THESE INDIGENOUS CONSTRAINTS WITHIN THE FRAMEWORK OF DEVELOPING A NATIONAL PROGRAMME FOR THE SMALL ENTREPRENEUR IN GUYANA

Problems of Small Enterprise Development

Let us briefly review some of the major problems of small enterprises before suggesting a strategy for rationalising the situation

General Problems

- (1) The inheritance of a dualistic economy in which on the one hand several large foreign investments dominated the major economic sectors while on the other hand, a subsistence economy in the rural areas supported the majority of the population. As a result economic and social infrastructure was

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concentrated around the locus of the foreign investments with few opportunities for the small man and woman in the rural areas

- (ii) the absence of a strong central institutional framework with adequate resources to formulate and implement policies, programmes and projects, and to coordinate the development of the small enterprise sector at the national and regional levels. Quite a number of countries have set up or are in the process of setting up Small Industry Development Agencies of one type or another, e.g. Antigua and Barbuda, the Bahamas, Barbados, Grenada, Guyana, Jamaica and Trinidad and Tobago

Operational and Related Problems

A comprehensive catalogue of problems facing small entrepreneurs in the Caribbean not dissimilar to those in other developing countries can be summarised as follows *

- (iii) insufficient individual capital for risky ventures,
- (iv) lack of knowledge of principles of business management which has crippled efficiency of many small private enterprises as well as inadequate systematic programmes for the identification, selection, training and development of entrepreneurs,

These problems have not changed in any substantial way and still exist in Guyana with slight variation

- (v) inability to afford a large payroll, low job security, lack of career opportunities and hence failure to attract good managers,

* See for example (a) Report on Small Enterprise Development Workshop Dominica, November 18-22 1985 ILO Caribbean Office (1986) (b) George F Mbowe, Report on a Survey of Development of Industrial Entrepreneurship in Africa A Synthesis presented at E C A Seminar of African Businessmen on Development of Industrial Entrepreneurial Capabilities in Africa, Addis Ababa 9-14 November 1981 pp 64-65

- (vi) inability to raise adequate initial investment capital as well as working capital,
- (vii) inability to organise markets, sales and production, weak organisational and management structures and inability to plan profit and use of reserves and apply management analysis techniques,
- (viii) financial limitations which create constraints to improve capability of staff through training,
- (ix) cumbersome legal and institutional procedures which can be discouraging for potential entrepreneurs,
- (x) high risk in the establishment of new ventures which have often gone bankrupt, thus militating against indigenous capital formation by individuals and groups,
- (xi) custom and traditions including some religious beliefs which have acted as deterrent factors in the promotion of new entrepreneurs,
- (xii) social and institutional values which tend to assign low status to any activities outside the traditional sector and consequently potential entrepreneurs have not been encouraged to come forward,
- (xiii) absence or inadequacy of basic statistical information, together with limited and imperfect markets, have frustrated many entrepreneurs in the small industry sector,
- (xiv) absence or lack of essential services and facilities such as electricity, transport and telephone services in rural areas where cheap labour and land, raw materials, local demand and the opportunities for industrialisation exist in abundance for small scale enterprises to develop and expand,

- (xv) shortage of foreign exchange and inadequacy of the facilities for importing raw materials and machinery,
- (xvi) lack of Advisory and Consultancy Services - economic, technical, managerial - or the inability of entrepreneurs to pay for those services,
- (xvii) inability of entrepreneurs to comprehend various regulations, incentives, etc , which they could use to their advantage,
- (xviii) family-owned and operated businesses have occasionally suffered because of family squabble or poor and weak management;
- (xix) other constraints include lack of guidance on raw materials or suppliers, creditworthiness being always questionable, absence of willing trainers, inability to obtain big discounts by bulk purchase, constant machine breakdown and poor back-up support

The list of problems, at first, is stultifying but not insurmountable in the medium and long term. What is urgently required is the political administrative will, backed-up with the required policy-institutional framework as well as financial, technical and training resources, to transform these problems into viable management challenges in order to galvanise existing and potential Caribbean entrepreneurs into more small enterprise ventures *

Suggested Strategies for Small Enterprise Sector

As indicated earlier, many developing countries have already set up or are in the process of creating Small Business Agencies or Units of one kind or another. The creation of these bodies is certainly a step in the right direction and encouraging results have already been seen in Guyana. There

See ILO Report on Dominica Small Enterprise Development Workshop for some specific suggestions in respect of the Caribbean

is, however, a long road ahead to maximise the utility of human and material resources which are still lying idle in our country

It is well known that the mere setting up of national or regional institutions would not per se lead to the solution of the multifarious problems facing small enterprises in any region. In addition to the creation of Small Business Agencies of the type referred to above there is need for more positive policy, institutional and concrete proposals to be formulated, agreed and implemented AT THE NATIONAL LEVEL. Furthermore, there is a strong case for the re-examination of current approaches to the development of small-scale industries. The lethargy of traditional approaches should be reviewed by all countries and positive decisions taken to revamp existing strategies. Furthermore, adequate resources should be allocated to energise* the small enterprise and informal sectors of the economy in each country.

There is need for adopting new approaches in the light of changing socio-economic conditions. Participants in this Symposium are accordingly invited to consider various options and make recommendations especially in the Working Groups.

Some Specific Suggestions for Small-Scale Industry and Entrepreneurial Development

In the light of the problems facing developing countries, the undermentioned suggestions are put forward to accelerate the process of re-orientation and the drawing up of an Action Plan in Guyana.

- (i) A policy framework should be formulated for identifying, monitoring and developing entrepreneurial talent for the small enterprise sector and a practically-oriented body, either governmental or non-governmental should be set up to assist in

*The word energise is used in the context of motivating people in the rural areas especially the un- and under employed to apply their skills, labour and other resources for productive purposes.

the provision information and related services to small scale industries at the national level. This suggestion was in fact considered at a Workshop on Research Management and Administration for light Industry sponsored by the Commonwealth Secretariat*. That Workshop not only accepted the above suggestion but went further and enunciated the functions of such a body. These are reproduced in full in Annex 1. Here again participants in this Symposium may wish to examine the relevance and impact of such a body in Guyana.

- (ii) a pre-condition for the promotion and development of small enterprises is the provision of appropriate infrastructural facilities. Governments of developing countries should therefore ensure that these basic facilities are provided in the right proportion and geographical areas in their respective countries,
- (iii) there is urgent need for re-examination and restructuring of the legal procedures and laws that pertain to small and medium-scale industrial enterprises,
- (iv) appropriate Advisory Councils should be set up to assist business and trade associations. The private sector should make use of these institutions and Information Centres should be set up for use by the public, private and cooperative sectors,
- (v) existing business associations should help with the development of small and medium scale industrial/agricultural entrepreneurial capabilities at rural and village levels,
- (vi) appropriate specialised financing institutions for small enterprises should be set up, where they do not exist, and should not limit themselves to the granting of soft loans but should also undertake follow-up actions which include appropriate

*Workshop on Research Management and Administration sponsored by the Commonwealth Secretariat and held in Balantyre, Malawi, 17-22 May 1982. It is instructive to note that Trinidad and Tobago has set up such a body with similar functions.

assistance at all stages of project implementation. Such assistance should include, where relevant, feasibility studies, planning, selection and procurement of equipment, consultancy services, etc ,

- (vii) training schemes should also be developed for systematic development of small-scale entrepreneurs. Such schemes should include mobile workshops, local group seminar, demonstrations, modular learning programmes, on-the-job training, etc. In this connection institutions of learning in developing countries should devise systems of training, e.g. visual aids, etc , which would encourage the generation of indigenous rural entrepreneurs in industry/agriculture in an effective manner, e.g. local language/ dialects. The Commonwealth Youth Programme has recently initiated such a programme in Guyana.
- (viii) appropriate information mechanisms should also be developed to assist small entrepreneurs to be well informed not only of national activities in their sphere of business but also regional/ international activities whereby they can be in contact with their counterparts and exchange experiences to their mutual benefit;
- (ix) governments should jointly or individually prepare directories on project profiles, indicating broad technical and financial parameters of projects including approximate capital cost, return on investment, availability of raw material, size of market, source of equipment, etc, for use of entrepreneurs at the small scale level,
- (x) special institutions should be created to act as marketing agencies for the products of small-scale entrepreneurs.

With these back-up support services small entrepreneurs could become a more vibrant vehicle for socio-economic development in the Caribbean.

Case for New Institutional Framework

One of the urgent issues in the promotion, development and coordination of the small enterprise sector, as previously indicated, is the lack of a suitable institutional framework at the national level. This would seem to be a pre-requisite in the initial state of developing a strategy and obviously a necessity at the operational state. It is accordingly suggested that Guyana should set up a National Advisory Council for Entrepreneurs and Small Enterprise Sector to carry out the functions set out in Annex 1. The organisation structure of body is set out in Annex 11 and its functions could be summarised as follows

- (1) to assist in policy formation and coordination of activities of the various bodies which provide Advisory and Consultancy as well as Research and Development Services to small-scale business and industries with a view to avoiding duplication of efforts
- (2) to review from time to time the activities of these institutions and to advise whether new activities should be undertaken and by which bodies,
- (3) to ensure that these bodies work together in supplementing and complementing their service for small-scale business and industries against the background of the national objectives, especially in relation to indigenous enterprises,
- (4) to review from time to time the criteria to be adopted for identifying small-scale industries in the various sectors of the economy

The establishment or reinforcement of such a policy formulation and coordination body in Guyana would not only enhance the promotion and development of small enterprises at the national level but would also be a stepping stone to better regional cooperation in the Caribbean

Summary and Conclusions

This brief review of problems and needs of small scale enterprises in developing countries, with specific reference to Guyana has attempted to identify strategies for the development of the small enterprise and informal sectors. The paper has alluded to the many constraints facing the small entrepreneur and made a number of suggestions with a view to rationalisation by the responsible bodies.

The main thesis of this discussion paper is (that) notwithstanding the many problems facing small enterprise development, it is important to analyse the situation in Guyana with a view to restructuring the policy and institutional framework and the preparation of a coordinated programme based on the maximum utilisation of the available human and material resources in the existing agencies. For too long our country has remained dependent on paternalistic handouts or inflated and unrealistic expectations from "fairy-tailed" benefactors. One of the current challenges facing Guyana is how to re-orient the process of development in order to provide a higher level of employment and particularly self-employment as well as and a better standard of living especially for those in the rural areas through a vibrant programme of entrepreneurship development.

In the light of the unique historical and current situation prevailing in Guyana, participants in this Symposium may wish to suggest alternative strategies and approaches to enhance the development of small-scale enterprises and in so doing, create a new breed of entrepreneurs.

Without doubt the existing agencies have made and continue to make a valuable contribution to Small Enterprise Development. The support given by international, regional and bilateral agencies as well as organisations in the private sector, augurs well for the future. What is now required is a coordinated approach so that the available resources could be maximised in order to galvanise small entrepreneurs to play an even bigger role in the development of Guyana.

ANNEX 1

**RECOMMENDED FUNCTIONS
OF
NATIONAL ADVISORY COUNCIL
FOR
SMALL/LIGHT INDUSTRIES**

1 The National Advisory Body for Small/Light Industries should be responsible for the following functions

- (i) Making itself widely known to the industrialist or entrepreneur in trade journals, newspaper adverts, radio, television, etc
- (ii) The body should participate in trade fairs and exhibitions in order to explain its functions. It should organise visits to growth centres and co-operatives to demonstrate projects undertaken and completed by itself or R & D institutions such as easily constructed windmills or solar heat devices - A Showhow Knowhow Technique
- (iii) The body should identify needs and develop projects, to demonstrate their viability. This technique can overcome the difficulty often encountered by the entrepreneurs needing sufficient samples in order to test market response. The entrepreneur should be brought in at an early stage
- (iv) The body should conduct surveys on imported materials and goods by large companies. This would then be followed by visits to selected small industries with suggestions for possible initiation of local supply and manufacture (project identification unit)
- (v) The body should encourage the formation of industrial/trade associations and if possible organise study tours for selected

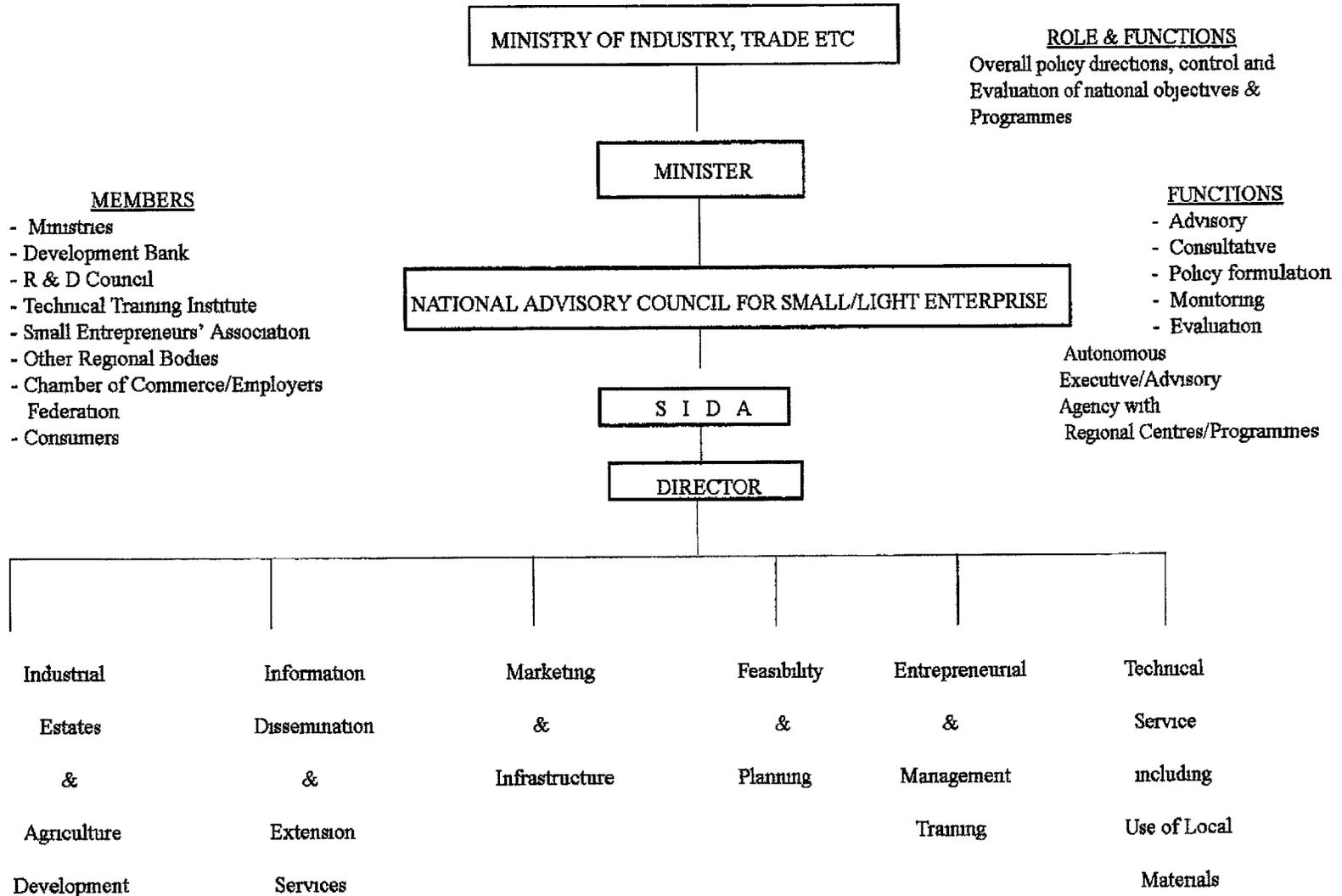
individuals to companies in foreign countries to initiate ideas of improving home methods and for the manufacture of new home products

- (vi) The body should select certain industries and send suitably qualified people to these industries to study their methods and offer solutions to problems This would sensitise industry to the benefits of R & D
- (vii) The body should encourage R & D institutions to provide engineering design services to assist in the "Downscaling" of production methods in order to adapt them for small scale producers This should be widely publicised
- (viii) The body should monitor the performance of each new enterprise/company for a period and gradually encourage these companies to make direct use of the R & D institutions
- (ix) The body should have the means to encourage small industry with incentive and related measures e.g. advice on procedures for registration, technology choice to develop new projects
- (x) The body should be linked to the available information services and have its own Management Information System

JUNE 26, 1996

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SUGGESTED ORGANISATIONAL STRUCTURE FOR SMALL ENTERPRISE DEVELOPMENT



NATIONAL ECONOMIC POLICY AND MICRO- ENTERPRISE DEVELOPMENT IN GUYANA*

by

Clive Thomas
Director, IDS

- 1 This Symposium appropriately focuses on the specific issues affecting Small and Micro enterprises in Guyana. The temptation here is to focus only on sectoral issues, policies and activities, and to **overlook the major roles which national macroeconomic policies**, (i.e. economic policies applied to the economy in general), play in impeding or encouraging the growth of this sector.

- 2 If we reflect on it we would observe that such national macroeconomic policies cover a wide range of policy instruments
 - exchange rate management and foreign exchange regulations,
 - the promotion of financial markets and credit, interest rate and liquidity management;
 - money supply behaviour and inflationary/deflationary actions,
 - wage, salary and income policies,
 - the pattern and incidence of taxation,
 - consumer regulations,
 - education and training,
 - publication of economic and financial data, market forecasting and economic intelligence reporting,
 - laws pertaining to taxation, commercial practices and so on,
 - land use policies and zoning,
 - environmental regulations

- 3 Our own historical experiences show clearly the impact of these general policies. To take two examples

**Notes on a Presentation made to the Symposium on Small and Micro enterprises in Guyana, July 3, 1996*

- (i) Up to the early 1990s, economic decline, state control and direction of the economy together with public mismanagement fostered the development of a micro enterprises sector characterised with
- underground, hidden and illicit features,
 - a bias towards the systematic evasion of regulation and control by the public authorities,
 - non-recognition of its performances in official economic statistics,
 - continuous harassment, because of its illicit character,
 - tendencies towards the systematic evasion of formal sources of finance and foreign exchange, and as a result extensive reliance on informal sources of finance and foreign exchange
 - corruption,
 - dependence on political favouritism
- (ii) Since the early 1990s, the ERP has managed to reduce, but by no means obliterate, some of these irregular features. In doing, it has emphasised the importance of the sector, as
- an agent of capitalist change and development,
 - a source of entrepreneurship,
 - a supporting structure for the development of markets and market based economic activities and resource allocation,
 - a legitimate demander of finance from the organised financial system
- 4 Having made these observations, the question which arises is: **which features of the small and micro enterprises sector in Guyana should we bear in mind when designing general or macroeconomic policy?** I have identified **six rules** which should guide the authorities

Rule 1 Certain characteristics of the small and micro enterprises sector in Guyana stand out and should always be borne in mind when framing national policies (These have been supported by survey data) The sector is

- relatively **more intensive in its use of local resources and equipment** than larger enterprises,
- **more labour intensive** than larger enterprises,
- generates **higher returns on its capital** than larger firms,
- more **widely and evenly dispersed** across the country than larger firms,
- constitutes an **important outlet for new entrants to the labour force** (This is critical with an unemployment rate of nearly 37 percent in the 15-19 age group and 20 percent in the 19-24 age group),
- heavily **concentrated among the poor** It serves the poor by being flexible and adaptive in its marketing arrangements,
- in light of the foregoing, an important source of **“empowerment”** for significant sections of Guyanese society

Rule 2 Because of these features of small and micro enterprises it is tempting for governments and other agencies to **over-burden the sector with unreasonable expectations** From statements made, it is expected to solve every social ill, besides poverty and creating jobs whether it be juvenile delinquency, teenage pregnancy, drugs, prostitution, crime, homelessness or lack of caring and civic mindedness

Rule 3 The authorities should always bear in mind that no micro enterprise, **chooses** to remain a micro enterprise All firms want to grow, develop and transform themselves The state of being a micro enterprise is produced by systematic factors National macroeconomic policy should therefore neither glorify nor romanticise the small

and micro enterprises sector as then it risks becoming an agent that reinforces the systemic deformations which perpetuate enterprises in this condition

Rule 4 Rule 3 emphasises the importance of seeing micro enterprises as a **category of capitalist enterprise, within a continuum**. When put this way, it is also readily recognised that this category of enterprise exists in all societies. The fundamental differences between them in a developed economy and one such as Guyana's, is that in the former firms in the entire continuum, from smallest to largest, basically have the same **access** to services of all types which are available in the society. In Guyana however, there is a sharp and qualitative difference between micro enterprises and larger firms in terms of access to services, especially in areas such as entrepreneurial skills, marketing expertise, technical know-how and financing.

Rule 5 The Authorities should bear in mind that Rule 4 underscores the fact that in Guyana micro enterprises are the least able category of enterprises to access business services. This makes it the most **vulnerable** sector of all. This vulnerability is particularly acute in the area of marketing, and national macro-economic policies should bear this in mind.

Rule 6 Finally, the logic of Rules 4 and 5, supports a call for **special designed facilities** to meet the circumstances of small and micro enterprise development. **Justice cannot be assured by treating unequals, equally**. National macro-economic policy would be self-defeating if it adopted a "one-size fits all approach" to the development of the business sectors of Guyana.

While these rules are not exhaustive, "we need to bear them in mind constantly, throughout our deliberations today."

CONSTRAINTS IN FOOD PRESERVATION AND MARKETING

**Presented by Capt Fedna Stoll
Food Preservation Specialist
Board Member of SBCI Inc.**

Ladies and Gentlemen Guyana is predominantly an agriculture country yet we do little to assist in agricultural preservation and marketing

Our laws suppress agriculture preservation as we cannot make anything in our kitchen for sale to the public and yet we all eat from kitchens

Sugar, rice and flour produced by the rich can be sold loosely but plantain flour, corn flour and cassava flour has to be sold sealed by an electric sealer and they all have to have the same standard and license **They tell of health standards but how can hungry people be healthy?**

The laws are created in Georgetown for all of Guyana but what it will cost the outlying people to comply with these laws makes it impossible to be part of the system

A joiner or boat builder in the outlying areas is required to come to Georgetown register with customs and establish a bond at a bank so that the customs can get their consumption tax Immediately on hearing this, the man ceases to operate as many has never been to Georgetown

Shrimp produced by dehydration cannot get an export licence because it was not produced to the GAHEF specifications which allows fly & bird doudng to enter into the products while shrimp done by dehydration has no contamination There is only one man with a shrimp drying floor licence so he has a monopoly while the shrimp produce the same old way goes into the system

Duncan Heinz, Aunt Jamina, Coonel Saunders they all started in their kitchens and are household names today but our law only allow millionaires to be part of the preservation system to make jams, sugar cake, tamarind balls etc And those who have the money to comply with the factory act

All the developed countries started with cottage industries to get where they are today

Cassareep and cassava bread which have been here since the beginning of time must be produced in a factory before we can get an export certificate while Belize and Jamaica produces them in a most primitive condition and exports to the U S A

All the Caribbean Islands assist cottage industry Every supermarket has a shelf for home-made products and I am told that market forces is what determines good from bad

In Guyana cottage industry is not allowed, so our produce has to go to waste

This law I call social apartheid as it discriminates between the rich and poor, urban and rural people If this conference cannot help to correct that it is a waste of time as our agricultural waste will continue We are talking of eliminating poverty but the laws encourage poverty by making it financially impossible for the poor to take part in production ***Poverty breeds crime***

The world is growing short of food, this year the world will be short of 58 million tons of cereal and the price has gone up 50% but our agricultural waste goes on at the same rate

With the return of so much drug deportees who will not be able to get gainful employment cottage industries will certainly assist them to assist themselves but as the law stands they will have to return to drugs or start forcefully taking from other people A workable choice therefore is the promotion of Cottage Industries

Develop & Developing countries have used cottage industry to encourage small and micro business growth within their economy. This sector of a country's business community is always necessary.

- To offer alternative to self sufficiency
- To maintain and create competition normally amongst local producers but also with foreign imports
- To utilise that which would have otherwise been wasted or dumped e.g. agriculture produce
- To contribute in a total way to the economic well-being of the country. In principle cottage industry offers the opportunity to the masses to be innovative and productive within the scope of their personal and prevailing economic state. Flexibility, creativity and economics must be the guiding principles to production rather than stringent laws, regulations and unachievable Government Standard.

INSTITUTIONAL SUPPORT FOR SMALL BUSINESSES

prepared by Ms Elaine Walcott

The small business sector needs to be given serious consideration, if it is to develop into a meaningful contributor to the national economy. Although its potential has been recognised, it has not been given the attention it deserves.

Institution connotes a formal organisation established by law or custom to give support and order to any person or activity. This being so, there tends to be great dependency on formal establishments for support in various ways.

Small businesses, therefore, need institutional support to develop and grow, through sustainable nurturing for their successful existence. They provide employment and produce goods and services for the benefit of their owners and members of society.

Emile Durkheim in one of his writings about the institution, conceded that

without production, there would be no social life - we all have to eat, and raw materials have to be converted into goods. It is equally obvious that what is produced, how it gets produced and who gets it at the end of the day depend upon social arrangements and cultural values which do not arise directly or solely from the way production itself is organised.

This being so, there is need for institutional support in terms of planning, implementation, co-ordination and evaluation of small business activities to make sure that those who are involved get the desired economic returns.

Some inhibiting factors

- 1 There are many agencies in Guyana which provide financial support and other forms of assistance as their objectives dictate.

Some of these agencies are -

- Institute of Private Enterprise Development
- Scotia Enterprise
- Small Business Credit Initiative Inc , and recently added to the list
- Commonwealth Youth Credit Initiative

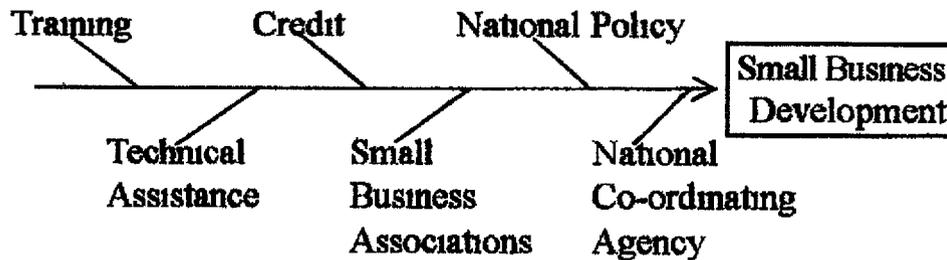
All these initiatives are commendable, but they tend to duplicate and overlap This makes it impossible to measure the impact these interventions have made on small business development

- 2 One of the fundamental characteristics of small business is that very few entrepreneurs have been exposed to higher education, yet they are required to know about business management This is a great deficiency in the economic viability of many small businesses which led to the demise of many promising enterprises
- 3 The lack of a **Small Business Development Policy** has greatly inhibited the growth and importance of this section to national development This has resulted in the ad hoc manner in which this sector is progressing
- 4 The absence of a co-ordinating agency, be it Governmental or Non-governmental with responsibility for the promotion and development of small business has created a void This creates frustration to entrepreneurs who may wish to have information and/or assistance in resolving issues relating to their economic pursuits

Initiatives to be taken

The following are suggestions that can be considered to boost institutional support initiatives -

- (iv) A vibrant and forward looking **Small Business Association** comprising of operators in every aspect of this sector This will assist greatly in the organisation of assistance for financial, business and human resource development
- (ii) A **National Co-ordinating Agency** to give support in accessing technical assistance and intervening in matters which demand government's attention in areas of legislation and fiscal incentives This agency can also act at liaison between Small Businesses and the more organised Private Sector Companies
- (iii) A **Small Business Policy** to aid and guide the orderly development, efficiency and sustainability of this sector
- (iv) The diagram shows at a glance, the areas necessary for consideration in **institutional support** of Small Businesses



INSTITUTIONAL SUPPORT

In conclusion, it must be pointed out that Durkeim's observation should be given consideration especially where he opined that

Who gets what is produced depend on the arrangements made for its distribution and sale and not directly or solely on the way production is organised

This means that there must be **institutional support** for the development and sustainability of **Small Businesses**

References

- (1) New Introduction to Sociology Ed By Peter Worsley, 1992 P 348
- (2) Republic of Columbia, Ministry of Economist Development, **National Plan for Micro enterprises 1994 - 1995**

LEGISLATION AND FISCAL INCENTIVES

Prepared by Mrs Marva Bancroft

Definition

While it is generally felt that Small Scale Enterprises (SSE's) have a place and an important role to play in the development of Guyana, there is no **Legislative framework** which provides the sine qua non for achieving these objectives

Promulgation of a 'Small Enterprise Basic Law' necessitates that specific denominators be identified for the definition of 'SMALL' so that basic policy measures can be adopted for the growth and development of SSE's. Generally, definitions of Small/Micro enterprises in Guyana, are governed by the interest of the perceiver and usually upper and lower limits are set to such parameters as the **volume of labour**, the **value of capital employed or annual sales figures**. The Guyana Small Business Association (GSBA), for example, defines a Small Business as an enterprise with the following features -

- (A) Less than 25 employees
- (B) Less than G\$15 million in annual sales, and
- (C) Owner-managed

At a symposium hosted by the now defunct Guyana Manufacturing and Industrial Development Agency (GUYMIDA) to review the status of SSE's in Guyana, it was recommended that -

- A Small Business be classified as one with a minimum capital investment of between US\$5,000 to US\$200,000 and employing less than 20 employees
- A Medium Sized Enterprise should be one with a capital base of US\$200,000 to US\$2 million
- A Large Scale Enterprise should be one with a capital investment in excess of US\$2 million

- With respect to a Micro Enterprise, the business should be owner-managed utilising a capital outlay of less than US\$5,000 and employing five (5) or less employees
- Periodic review of these figures should be undertaken to ensure pragmatic approaches to the development of the sector

Fiscal Incentives

To encourage and stimulate investment and development fiscal incentives are available to investors where foreign or local. The Fiscal Incentives Regime include the following

- (i) Import duty remission, waiver or refund is granted under Section 12 of the Customs Act, Chapter 82 01
- (ii) Consumption tax exemption or refund under Section 18 of Consumption tax act Chapter 80 02
- (iii) Duty and consumption tax remissions which are granted for the establishment of new businesses or the development of existing ones under section 3 of the Industries Aid and Encouragement Act, Chapter 95 01

However, the SSE's do not benefit from such concessions mainly because -

- (A) They do not satisfy stated criteria
- (B) The incentives offered often apply to registered companies where the recipient must be incorporated under the Companies Act Chapter 89 01
- (C) Sourcing and procurement arrangements make it difficult for them to benefit from duty free concessions, and
- (D) Ignorance of the availability of such concessions and the procedure to appropriate them

Moreover, the Ministry of Finance has no standard guidelines for the granting of incentives to the small business sector. Presently, applications for

concessions are made by all levels of businesses to the Secretary to the Treasury and review is done on a case by case basis. In this regard decisions are in the main subjective, thereby depriving many SSE's from enjoying fiscal incentives benefit.

Prior to 1988, small/micro enterprises producing goods to the value of G\$50,000 (in the case of furniture, gold and silver) and G\$10,000 (other goods) were ineligible for registration under the Consumption Tax Act and thus were exempted from paying Consumption Tax. However, these concessions were removed by Order Number 21/88 dated 15-06-88 which states that all businesses must be registered under the Consumption Tax Act Chapter 80:02 for consumption tax purposes.

A comparative study of the Consumption Tax (Amendment) Orders made over the last three years (1993 - 1996) shows a significant decrease in the rate charged for several products used in manufacturing and agriculture. In many instances the rate moved from 30% to zero base. For example, by Order Number 20/96 dated 29-03-96 machinery for the extraction and preparation of animal or vegetable fats or oils, preparation of jams, jellies, marmalades, fruit or nut puree or paste (to name a few) now enjoy zero base (free) consumption tax.

In light of the foregoing, it would be useful to -

- (1) Define SSE so that specific targets (objectives) can be established for them. Furthermore, such targets should be clearly articulated in the form of a policy statement.
- (2) Establish a set of criteria for 'Approved Small Scale Enterprise'. Such criteria would form the base for providing a special regime of incentives for SSE's, and
- (3) Establish a system for granting of Fiscal Incentives to SSE's (see appendix for possible work approach for establishing such a system).

CREDIT SUPPORT FOR THE SMALL AND MICRO ENTERPRISE SECTOR AN ARGUMENT FOR INTEGRATION

by

Lincoln Van Sluytman

AN OVERVIEW OF CREDIT

Credit is essentially a relationship wherein one party provides the other with access to the consummation of a physical asset or service and which further permits the consumer to defer payment for a period of time agreed to by both *Future payment for current value*

Commercial Credit is the term used when both parties are registered as commercial entities. One as a banker, factor, etc., registered in other words to enter into financial relationships which include the making of loans and the other legally registered to carry out activities as a commercial entity in manufacturing, service provision, agriculture, etc. In societies where commerce has had at least decades (in older examples, centuries) of development and perfection, and where consequently there is a highly developed commercial environment and culture, upwards of 40% of all commercial loans are unsecured. That is not supported by the transfer to the creditor of the bankable assets of the debtor. Additionally, unsecured credit has become such a key ingredient to the smooth running of production, distribution and consumption that it has been estimated that should commercial credit be suspended for instance in the United States of America for as little as thirty days, the impact on the production and free flow and goods and services would be dramatic if not catastrophic.

Unsecured Credit is however no gift. It is based on keen and critical analysis of both the condition of a business as reflected on a balance sheet, plus whatever trends are reflected in the overall financial statements of the entity. The frequency of production of these statements themselves are both logical to and reflective of the level of development of the ambient business culture. In more highly organised productive societies, they are produced by

businesses, even small businesses, on a routine basis to allow management in the first instance the opportunity to assess the direction in which a company is moving and to allow for immediate changes should either positive or negative trends be reflected in the latest financial information. These figures are also key for the creditor. They reveal the level of effective deployment of assets controlled by a company, management's ability to respond quickly to changes in the market as well as to changes in the internal workings of their business. Figures reflect key ratios, the extent of balance of which determines the financial health of an entity and consequently the level of risk a potential credit is exposed to in any given situation.

Secured Credit or collateralised credit come in a variety of forms. In the first instance collateral may be used as a means of enhancing the credit potential of an applicant. While an analysis of the financial information as produced by an applicant, together with the antecedent history of management, or owner still form the primary basis for consideration to grant credit or not, a creditor may be encouraged to a more supportive view of a particular application if there were some collateral enhancement to the situation under review. Financial statements may reflect a slow cash flow, limited working capital as it relates to turnover, or to level of inventories etc. In such an instance a creditor may ask for even temporary support in the form of some business asset before agreeing to extend credit.

Another form of *secured credit* is one in which the creditor is prohibited, either by law or by inclination, from extending credit unless it is fully collateralised by assets of an applicant. These may be both personal, as well as business assets. The use of the term *credit* in such a situation is debatable, as risk is practically non-existent. Since by definition, credit asserts the existence of risk, the term *collateral financing* has found more favour recently in discussions within the credit industry. *Collateral Financing* essentially removes the element of risk from the creditor, and places it onto the borrower. The borrower risks his already acquired assets by assigning them to a potential creditor in order to induce the latter to become a creditor. Carried to its logical conclusion *collateral financing* denies the centrality of financial analysis in determining credit worthiness since the financial or economic viability of an applicant is merely incidental to the decision. If the applicant has *Bankable Assets* several times the value

of the application, and these assets are pledged as collateral to a potential creditor, what pressing need is there to rigorously assess the efficiency of an operation, or indeed to ensure that such efficiency is brought about

DEVELOPMENT CREDIT

Contemporary *Development Credit* emerged in a formal sense in several societies in the late 1960's and early 1970's. This was so in both developed and underdeveloped societies and shared a commonality of response to social conditions that were produced by exclusion, discrimination, endemic poverty and marginalisation, structurally produced poverty, on the one hand, and mass protest on the other. So in the United States, for instance, Federal Government response to protests by mainly African-Americans to levels of poverty they argued derived from structural discrimination and neglect was not only the passage of the Civil Rights Act. This Act was buttressed by several related initiatives including the establishment of the Small Business Administration which sought to provide access to credit and technical assistance for small, minority owned businesses. In Latin America and Asia, where structurally produced marginalisation resulted in major social upheavals, there also emerged strong arguments for poverty alleviation programmes which focused on the possibility of self-development of the poor by encouraging the merging of their survival skills and activities with the culture of commerce. Access to credit was identified and implemented as a key element in the release of the productive energies of the poor. In most instances of the earlier examples of such programmes the target was the micro-enterprise sector and credit was mainly on an unsecured basis. The requirements of self-sustainability did not assert themselves in the earlier periods, and there were high levels of failure of such credit delivery mechanisms. Experience on the part of the specialist agencies, and the growing demands for self-sustainability on the part of funders of such programmes, had as one consequence the expansion of the target group to include those who while no longer micro, still could not access the traditional banking system. Here, exposure was higher, the risk was higher, but the target now came to encompass those with some capital at work who needed to expand, and whose collateral base was still not enough to qualify them for consideration by the tradition banks. The higher level of

loans required by this sector, and justifiable on the basis of their higher level of productivity, essentially provided the basis of self sustainability for these specialist programmes. There have emerged over the years exciting alterations to this including what has come to be called *social collateral* or the concept of the *solidarity group*. Other features of change over the years is that in many instances access to credit has come to be supplemented with the provision of skills training to the sector. The history of the development of these programmes, and their impact on global poverty, is still being written. But the following can be said.

THE IMPACT OF SMALL AND MICRO ENTERPRISE CREDIT PROGRAMMES

While it would not be full justifiable at this point to make a claim for the unadulterated success of small and micro enterprise credit programmes in the almost impossible task of poverty alleviation, or even their success as social mechanisms for the task, even their most consistent detractors have come to realise the value of their contribution in terms of their developed social technology. This social technology has come to be a key catalyst in the development of more complex forms of social partnership especially between SME credit programmes and commercial banks which in turn have spawned the emergence of such services as the *Guarantee Fund*, the *collateral fund*, *credit insurance*, *crop insurance* etc. It has also by now been objectively established that assessment of the importance of small and micro enterprise programmes cannot be real if such an assessment is not informed by the phenomenon of rapidly expanding global poverty. The positive impact of small and micro enterprise credit projects is constantly eaten up and overshadowed by growing numbers of poor and marginalised especially in the underdeveloped world.

It has also belatedly come to be recognised that the "poor" is probably the majority population in most of the world, and certainly so in the underdeveloped world. In Guyana for instance the estimates of what percentage of the population can be classified as poor ranges from 60 to 80%. In no instance it is any lower than 50%. Given this, it would seem that there is at least a common-sense, and certainly a patriotic

imperative to ensure that such a large sector of our population at least has an opportunity to be productive, and more essentially to contribute positively to national economic development. Small and Micro Enterprise Projects make this possible by providing the opportunity for small producers to enter into the world of scientific commerce. The process of accessing credit for a sector of the population who have been historically acculturated to the notion that such access does not exist for them, lifts the level of the business culture for both sides, *and can be so structured that this is so for the applicant whether their application is successful or not*. It would seem that this is one of the challenges for those engaged in the sector, if "engaged" is defined as contributing to the level of development of a business culture in the society.

THE GUYANA CONTEXT

Additionally, given the highly deficient level of the formal education system in Guyana it is a truism that at the end of their years of schooling, be it at the level of completed secondary schooling or at some point before such completion, which is the case for the great majority of our children Guyanese youth can only with great generosity be considered to be functionally literate. Supplementary skills training for those out of the schooling system is only marginally less important than the improvement of the schooling itself. Business skills training provided by specialist agencies who also provide credit for the development of commerce is essential to the development of a business culture in Guyana. The emergence of such a culture in turn is critical for the successful engagement by a small underdeveloped society in a world more and more dominated by the demands of commerce and competition. The discussion in Guyana therefore as it relates to support for specialist agencies providing credit and skills training is beyond the point of their relative or even absolute importance or non-importance. The discussion now turns essentially on two considerations. Firstly, the question of the efficiency of SME credit programmes. Their ability to deliver what the commercial banks and other traditional institutions cannot deliver and to do so in a way which is both cost effective and self-sustaining. Secondly, it is a question of the depth of relationships that can be

crafted between the specialist agencies who bring mainly a developed social technology and the commercial institutions including but not limited to the banks who bring other strengths including capital. That these relationships need to be developed is also not an arguable point. The question here is, is there, or can there emerge an environment which spawns organically the development of such relationships. For small societies, with small populations such as Guyana, the task of creating such an environment is a social responsibility which falls on all sectors including the State, especially in so far as legislative options are concerned.

CLOSING REMARKS

by

Bevereley Rodrigues

Mr Chairman, other members of the head-table, honourable members of the Diplomatic Corps, Ladies and Gentlemen

It has been a long, but rewarding day. Our work and contributions today, form the foundation for the organisation of the operations of small and micro enterprises here in Guyana.

You have made a worthy contribution, not only by participating in this symposium today, but even more importantly, by the goods and services you offer through your businesses.

It is very important to emphasise that the institutionalisation of small and micro enterprises in Guyana is long over due. At the ninth meeting of the Standing Committee of Caricom responsible for Labour, held in Belize in April, 1987. A consensual suggestion was made to designate 1988 as "Small Business Year". At this Conference, it was agreed that during 1988, a suitable programme or activities would be prepared to stimulate and sustain action programmes for Small Business Development at both the national and regional levels.

Subsequently, at a meeting in St Lucia in July, 1987, Heads of Government endorsed that suggestion and declared the year 1988 "Caricom Year of Small Business".

Several member states of Caricom took this initiative to establish and institutionalise Small Businesses in their respective territories. For example, in Grenada a Small Enterprise Development Unit was established, in Trinidad and Tobago, a Small Business Development Unit; in Jamaica, a Micro Investment Development Agency, and in the Eastern Caribbean, an Entrepreneurial Development Agency.

Ladies and Gentlemen, nine (9) years have passed since the Caricom proposal and moreover, several years since small businesses have made a significant contribution to the Guyana economy, albeit in a disorganised manner

As I stated before, your contributions through the goods and services you offer, is worthy and deserves the necessary action that the management of SBCI and the USAID BEEP Project have undertaken to augment

The consensus is, that there should be appropriate legislation to govern Small Businesses, you have seen the need for a formal co-ordinating agency to address the many needs and constraints of Small/Micro Enterprises. You have seen how disastrous it could be if we continue to neglect training for your entrepreneurs. The answers to these issues lie with us. **Remember** you have raised these issues here today. **WE NEED ACTION**. We must be proactive rather than re-active. Let us commit ourselves to the task ahead.

VOTE OF THANKS

by

Beverley Rodrigues

Mr Chairman, other members of the Head-Table, the Diplomatic Corps,

- Our gratitude is expressed to the USAID-BEEP Project Special mention and thanks to Mr Pat Thompson who so willingly listened and supported the idea for this symposium from the initial stages Our appreciation and thanks to you
- The many institutions and agencies that contributed and participated in today's workshop Kindly permit me to mention a few
 - 1 Red Thread Women's Development Group - SBCI has a memorandum of understanding with Red Thread
 - 2 Secondly the RPA that has over the past months played a pivotal role in mobilising prospective clients for SBCI and supporting this symposium
 - 3 The Institute of Private Enterprise Development, GNCCB and the other commercial banks
- For their worthwhile contribution of background information and facts pertaining to Small Businesses, I would like to say thanks to the Guyana Volunteer Consultancy Services, the Canadian Executive Services and Caricom
- The Linden Chamber of Commerce

- The New Amsterdam Small Businesses Association in helping to promote this symposium and the operations of SBCI
- The Private Sector Commission

To all who played a meaningful role in guiding today's activities and facilitating specific sessions Special mentions to the presenters who set the tone for today's activities and to the group leaders who willingly accepted the roles thrust on them The management and staff of Embassy Club The staff members of SBCI and last but not least the participants for being very vocal, incisive and decisive in their deliberations Your participation has undoubtedly made today's sessions a very rewarding experience

Have a pleasant evening!

PART V
APPENDICES

APPENDIX 1

LIST OF PARTICIPANTS AT SYMPOSIUM

- (1) Vert Neid
European Union
- (2) Daniel Wallace
United States Agency for International Development
- (3) Charles Greenwood
Inter American Development Bank
- (4) Ian Stewart
British High Commission
- (5) Kathrine Duffy
United States Embassy
- (6) Joseph Sehbatu
Canadian International Development Agency, Programme Support
Unit
- (7) David Ross
Canadian International Development Agency
- (8) Sorella Jacobs
Canadian International Development Agency, Programme Support
Unit
- (9) William Huth
Parkway University, Canada
- (10) Rosmarie Terborg
Canadian Executive Services Organisation

- (11) Harry Dyett
Guyana Volunteer Consultancy
- (12) Everton Joseph
Institute of Private Enterprise Development
- (13) Shelia Holder
Guyana Consumers Association
- (14) Nizam Hassan
New Guyana Marketing Corporation
- (15) Dennis Griffith
Scotia Enterprises
- (16) Kelvin Craig
Consultant (Marketing)
- (17) Dell Williams
Rice Producers Association
- (18) Noan Verasammy
New Cosmetologist & Barbers Association
- (19) Monica Trotz
New Cosmetologist & Barbers Association
- (20) Patricia Helwig
New Cosmetologist & Barbers Association
- (21) Derek Moore
New Cosmetologist & Barbers Association
- (22) Paul Gonsalves
Guyana Craft & Arts Association

- (23) Lancelot Mc Pherson
Guyana Craft & Arts Association
- (24) Denzil Hollingsworth
Private (Wood - Craft)
- (25) Michelle Chung
Guyana Crafts & Arts Association
- (26) Amanda Austin
Social Impact Amelioration Programme
- (27) Abdul Gaffer
GO-INVEST
- (28) Shirley Sohan
Private (Seamstress)
- (29) Patrice La Fleur
Commonwealth Youth Programme
- (30) Patrick Zephyr
Georgetown Small Business Association
- (31) Cyril Walter
Georgetown Small Business Association
- (32) Lennox Cordis
Georgetown Small Business Association
- (33) ^{Joseph} Joyslyn Dow
Red Thread
- (34) Wanda Radzik
Red Thread

- (35) Stacey Alves
Food, Drugs & Analyst Department
- (36) Serene Seepersaud
National Bank of Industry & Commerce
- (37) Samantha Singh
Guyana National Bureau of Standards
- (38) Balwant Algu
Guyana National Bureau of Standards
- (39) Vipin Kumar Jam
Guyana National Bureau of Standards
- (40) Kingsley Mingo
Globe Trust & Investment Company Limited
- (41) Herban Singh
German Hotel
- (42) Jerry La Gra
Inter American Institute for Co-operation on Agriculture
- (43) Cromwell Crawford
Inter American Institute for Co-operation on Agriculture
- (44) Peter Ramsammy
Inter American Institute for Co-operation on Agriculture
- (45) Norvell Fredericks
Linden Chamber of Commerce
- (46) Winston Saunders
CARIVEST

- (47) Zena Bruce
CARIVEST
- (48) Ben Sankar
Kayman Sankar & Company Limited
- (49) Gerard Duarte
Specialist Keyshop
- (50) Martin Boodhoo
Chairman, Board of Directors, SBCI
- (51) John Worrell
Privatisation Unit
- (52) Peter Tomlinson
Private Sector Commission
- (53) John Kissoon
Caricom
- (54) Pat Thompson
BEEP
- (55) Ian Jordan
Guyana National Co-operative Bank
- (56) Clem Duncan
C K Newbridge
- (57) Carole Herbert
Ministry of Finance
- (58) Fedna Stoll
Organic Juices

- (59) Roy Warren
Organic Juices
- (60) Rampersaud Singh
East Bank Essequibo Development Project
- (61) Sharadanand Persaud
East Bank Essequibo Development Project
- (62) Jean Sahadeo
Women's Progressive Organisation
- (63) Yvonne Harewood-Benn
National Congress of Women
- (64) Clarence Gravesande
Youth Services - Ministry of Labour
- (65) Merdith Arnold
Peace Corps
- (66) Compton Hindes
Guyana School of Agriculture
- (67) Paul Can-A-Sue
Aircraft Owners of Guyana
- (68) Edward Luke King
Eddie's Leather Craft
- (69) Bruce De Barros
Private
- (70) Marva Bancroft
Small Business Credit Initiative

- (71) **Lincoln Van Sluytman**
Executive Director, Small Business Credit Initiative
- (72) **Savitri Van Sluytman**
Small Business Credit Initiative
- (73) **Beverley Rodrigues**
Small Business Credit Initiative
- (74) **Molly Minoo**
Small Business Credit Initiative
- (75) **Elaine Walcott**
Red Thread
- (76) **Nirmala Ramroop**
Small Business Credit Initiative
- (77) **Manesh Seeram**
Small Business Credit Initiative
- (78) **Mark Macklingam**
Small Business Credit Initiative
- (79) **Peter Ferreira**
Small Business Credit Initiative
- (80) **Clive Thomas**
University of Guyana
- (81) **Desmond Nicholson**
Guyana School of Agriculture
- (82) **Orland Copeland**
Private - Linden Businessman

PROGRAMME

- | | | |
|---|---|------------------|
| 1 | Registration | 8 30 - 08 45 a m |
| | Opening Session - Chairman - Dr Martin J Boodhoo
Chairman Board of Directors
SBCI Inc | |
| 2 | Arrival of Guest Speaker - Hon Prime Minister
Mr Samuel Hinds | 08 55 a m |
| 3 | NATIONAL PLEDGE | 09 05 a m |
| 4 | Welcome & Introduction- Mis Marva Bancroft
Operations Manager - SBCI | 09 10 a m |
| 5 | Brief Background of Agency Mr Lincoln Van Sluytman
Executive Director - SBCI | 09 15 a m |
| 6 | Opening Address Hon Prime Minister
Mr Samuel Hinds | 09 25 a m |
| | COFFEE BREAK | |
| | Presentations - Chairman - Mr Pat Thompson
Consultant, BEEP | |
| 7 | Presentation #1- Entrepreneurship and Small Enterprise
Development in Guyana, Issues and
Proposals for reform
by Dr Martin J Boodhoo
Chairman - Board of Directors - SBCI | 10 15 a m |
| 8 | Presentation #2 National Economic Policy and Micro-
enterprise Development in Guyana
by Prof C Y Thomas - Director
Institute of Development Studies UG | 10 30 a m |
| 9 | Presentation #3- Constraints in Food Preservation and
Marketing
by Capt Fedna Stoll
Managing Director - Organic Juices | 10 45 a m |

10	Questions and Answers Sessions		11 00 a m
11	Introduction to Workshops-	Mrs Marva Bancroft Operations Manager SBCI	11 30 a m
	LUNCH		12 00 noon
11	Workshop Session	Chairman Mr Harry Dyett Consultant Guyana Volunteer Consultancy Ltd	
	TEA - BREAK		02 30 p m
12	Report from Group Leaders		02 40 p m
13	Plenary -	Panelists - Dr Martin J Boodhoo Prof Clive Thomas Capt Fedna Stoll Mr Lincoln Van Sluytman Mr Pat Thompson	03 40 p m
14	Recommendations and Resolutions		04 45 p m
15	Closing Remarks and Vote of Thanks	Mrs Beverley Rodrigues Programme and Planning Manager SBCI Inc Co-ordinator-Symposium	05 00 p m

APPENDIX 111

Principal Speakers1 **Dr Martin J Boodhoo**

Dr Boodhoo is at present the Chairman of SBCI's Board of Directors, Executive Secretary and Head of the Privatisation Unit - Ministry of Finance and Pro-Chancellor of the University of Guyana. Dr Boodhoo has significant years of experience locally, regionally and internationally in the areas of Business and Public Sector Management, Privatisation, Entrepreneurship and Enterprise Promotion, Training and Manpower Development, Industrialisation, Migration and Productivity Improvement.

2 **Professor Clive Y Thomas**

Professor Thomas is the Director of the Institute of Development Studies at the University of Guyana. He is a renowned economist who has made significant contributions to Guyana on macro-economic issues. Prof Thomas has several publications, serves as an economic advisor/consultant to international organisations and lectures at universities regionally and internationally. He is currently a member of SBCI's Board of Directors.

3 **Capt Fedna Stoll**

Capt Stoll is a private businessman and currently a Board Member of SBCI. He has conducted research on the preservation of fruits and vegetables in Guyana for several years and serves as a consultant in this respect. His expertise is utilised both locally and regionally. Capt Stoll is an advocate of entrepreneurial development and a strong supporter of the development of sustainable cottage industries in Guyana.