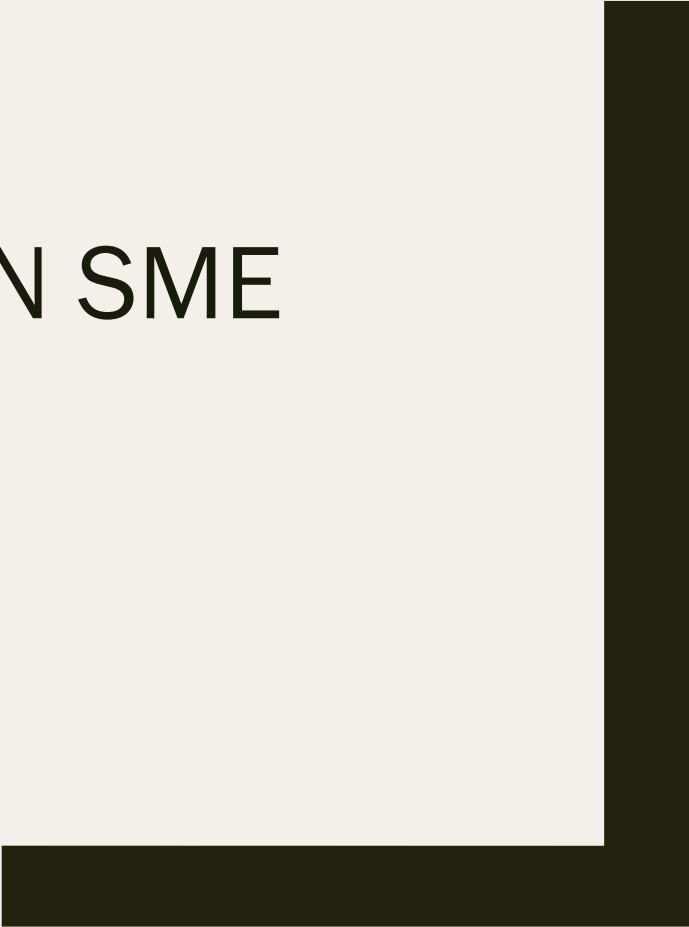




ROLE OF GOVERNMENT IN SME DEVELOPMENT

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Few Findings

- SME's absorb more labor compared to Large Scale Manufacturing
- Human resource development particularly improved skills impact rather significantly economic growth and the productivity levels.
- In open economy multiplier is low thus more competition. SMEs with lower transaction cost are better than large scale enterprises.
- A dynamic SME sector is an important complement in open economy if it is an export oriented economy
- One solution does not fit all – Heterogeneous Group

Problems and Solutions

- Lack of information
- Inter personal communication
- Shopping Services
- Virtual Experience
- Lack of skill development
- Electronic Commerce is necessary
 - *Increase Efficiency*
 - *Enhance Manufacturing supply chain*
 - *Better Networks – better utilization lead to more potential customers*
- In ICT Firms Operational Risk Management (ORM) is important
 - *improves Performances of a Financial SME*

Possible and Solutions

- Role of SME in models is absent to design economy policy
- No Political Voice
- Bargaining power of the sector is lower compared to others
- Lack of Entrepreneurship

Problems and Solutions

- Lagging in the overall quality of its support systems for SMEs – Value Chain
- One policy which is good for SME is “exchange rate management”
- Lack of proper Exports facilitation
- Horizontal networks
- Vertical Netowrks
- Broad-based collective support