

A Reviewing of The Roles of Government Policies Toward Entrepreneurship to Develop Small- Medium Enterprises (SMEs)

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Abstract—This paper discusses a reviewing the role of government policies toward entrepreneurship in developing small and medium enterprises (SMEs) for both developed and developing countries. Entrepreneurship is a beneficial option that governments should promote as a means of improving the economy and increasing its competitiveness. While the significance of government policies in SME development has been recognised as critical in the international business literature, earlier research focused primarily on the overall link between government policies and SME performance. Additionally, the analysis of the literature reveals that there are few studies that evaluate the impact of government entrepreneurship policies on the development of SMEs and the ways in which those policies promote and support entrepreneurship in higher education systems. Thus, the purpose of this research is to ascertain the relationship between various types of government policies geared toward entrepreneurship and the development of SMEs' capacities. In this regard, government policies pertaining to entrepreneurship can have an indirect or direct effect on the growth of entrepreneurship. Policies at the macro-micro level, such as taxation, financing schemes, bureaucratic procedures regulation, market access and infrastructure, and other support mechanisms, are all areas where the government can interfere to encourage and promote entrepreneurship. Additionally, through investments, rules, regulations, and other government policies, a large influence on where SME choose to build their new firms, implying a high possibility of success and long-term growth. Such policies and regulations from the government, in order words, can help boost the growth of the business or otherwise. Therefore, Government's support for SME and entrepreneurs have emerged over the past two decades to develop solutions that are innovative in filling society's service delivery gaps and improve developmental outcomes. Governments have been known to help SMEs through different means including, but not limited to the financing of their ideas and also encouraging institutions (i.e., through accelerators, NGOs, incubators, etc) to play a substantial role to assists SME and improve their rates of success.

Keywords— *Government Policies; Entrepreneurship; Developing; Small and Medium Enterprises (SMEs)*

I. INTRODUCTION

The majority of developing countries, a small percentage of the population enjoys all social and economic privileges, making genuine progress difficult to attain without substantial changes to the government's policies and institutions (Siddiqui, 2019). As the government is at the heart of any country's administration, they are tasked with the obligation of formulating policies relating to the sponsorship of any programme. In developing countries, in particular, if

government policies supporting entrepreneurship development already exist, it may be considered that entrepreneurial survival in that country is ensured in the long run. Support for entrepreneurship can have a long-term impact on the development of a region's economy by fostering the formation of several new firms on a medium, small, and micro size, as well as by creating jobs and so reducing unemployment (Siddiqui, 2019). Entrepreneurship studies and SMEs are gaining growing attention from both academics and policymakers alike, partly due to their positive effects on income, employment, and productivity growth. For example, available data suggests that SMEs in the UK make up over 99% of all companies in 1998 offering over 50% of the UK's total jobs (Bacon and Hoque, 2005). The benefits of a growing economy and job creation have prompted governments in both rich and developing economies, such as APEC to intervene in entrepreneurial activity. It has been emphasised that SMEs are the engines of innovation, entrepreneurship and technology that has thus increased general productivity. Similarly, empirical investigations indicated that SMEs were responsible for about half of all entrepreneurial operations. Due to their greater adaptability and extremely extensive R&D expenditures, SMEs are regarded as more entrepreneurial. A close examination of the literature in entrepreneurial studies reveals that several countries implement diverse policies to foster the development of entrepreneurship and innovation in SMEs (Bacon and Hoque, 2005).

A. *Small and Medium-Size Enterprises (SMEs)*

According to North et al., (2001) emphasise the distinctions between SMEs and large businesses based on ownership, life pattern, scope of activities, and managerial style. Thus, when giving assistance, policymakers should take into account the unique characteristics of SMEs and give tailored assistance. Policy makers should keep in mind while formulating and implementing regulations that SMEs cannot be considered as smaller replicas of major firms. A precise definition is important for recognising SMEs; otherwise, policies may be applied inconsistently across countries, which can potentially distort competitiveness. To begin, the next section will define SMEs in Europe and several other countries that represent the world's most developed economies North et al., (2001).

B. *Definitions and scope*

SMEs are often seen as unquestionably contributing to economic and social advantages and growth on a global scale. They are critical for increasing employment and social stability, as well as the overall economic activity of the private

sector. There is no universal definition of SMEs in general owing to their amorphous structure and numerous applications. Rather than that, the term has been applied to a variety of circumstances and with a variety of interpretations. According to McMahon et al. (1993), there is "a vexing enduring difficulty" in defining SMEs. The writers noted that small and medium-sized enterprises are easier to describe than to define precisely.

In SMEs, the term "personal or direct management" refers to individuals who typically own and control the enterprise without receiving compensation for the services they provide to the SMEs. In this context, quantitative criteria have aided in establishing a foundation for SME definitions by allowing for a variety of definitions based on two things: individual judgments of SME and personal experiences, as correctly asserted by Peterson. While the most frequently used qualitative characteristics to define the word include an SME's geographical scope or operations, management style, and degree of independence (Intarakamnerd et al, 2002). However, quantitative criteria tend to be the preferred format for classifying SMEs, as they facilitate assessment (Von Potobsky, 1992). SMEs are defined differently in each country, with distinct definitions in developed, developing, and least-developed countries. SMEs are defined by the European Union (EU) according to their staff count and annual revenue. According to the European Commission (EC), a small business should have annual revenue of no more than ten million euros and no more than fifty employees, while a medium-sized business should have annual revenue of no more than fifty million euros and no more than 250 people. Additionally, the EU defines micro-enterprises as those with a maximum annual revenue of two million euros and fewer than ten employees as shown in Table 1. (European Commission, 2015).

Table 1: Standard Definitions of SMEs in Europe

Criterion	Micro Firm	Small Firm	Medium Firm
Maximum number of employees	9	49	249
Maximum annual turnover	Less than 2M	2M-10M Euros	10M-50M Euros
Maximum balance sheet total	Less than 2M	2M-10M Euros	10M-43M Euros
Maximum percentage owned by one, or jointly by several enterprise(s) not satisfying the same criteria.	-	25%	25%

Source: European Commission Enterprise and Industry, 2011

SME's have grown in importance in Europe. They control a sizable piece of the global market and have established themselves as international competitors. SMEs accounted for more than 50% of manufacturing employment in Europe between 1988 and 2001, and about two-thirds of service employment during the same timeframe (Baranano et al., 2005). In the United Kingdom, the Companies Act 1985 established a guideline about SME definition (Lukács, 2005) that is based on the number of employees, annual revenue, annual balance sheet total, and the percentage held by one firm in Europe. Between 1988 and 2001, SMEs accounted for more than 50% of manufacturing employment in Europe and around two-thirds of service employment (Baranano et al.,

2005). In the United States of America, SMEs (also defined by employee count and revenue) are designated by the Organization for Economic Cooperation and Development as having less than 500 employees (Baranano et al., 2005). While SMEs are formally classified in Australia using quantitative criteria. According to Australia's Bureau of Statistics, small businesses employ fewer than 20 people, whereas medium-sized businesses employ between 21 and 200. SMEs, as defined by the Asia-Pacific Economic Cooperation, are typically businesses with fewer than 250 employees. Additionally, technical definitions vary by country in the Asia-Pacific area but are typically based on either employment or assets or in some cases based on a combination of the two. The following Table 2 depict the diversity of SME definitions used in the Asia-Pacific area.

Table 2: Definitions of SMEs in the Asia-Pacific Region

Country	Definition of SME	Measurement
China	varies according to industry, but often less than 100 employees	Employment
Singapore	Manufacturing – fixed assets worth SGD 15 million or less Services – less than 200 employees	Employment and Assets
Hong Kong	Manufacturing- 100 or fewer.	Employment
Taiwan	Manufacturing – with a paid-in capital of less than TWD 80 million or fewer than 200 employees Other – annual sales income of less than TWD 100 million or fewer than 50 employees	Sales Revenue and Employment
Malaysia	Manufacturing- less than MYR 25 million or 150 employees Services- less than MYR 5 million or 50 employees Different for enterprises	Shareholders, Funds and Employment
Thailand	Manufacturing and services businesses with fewer than 200 employees and less than THB 200 million in assets Wholesale – with fewer than 50 people and less than THB 100 million in assets Retail – less than 30 employees or assets of less than THB 60 million	Employment and Assets

source:

<http://www.apdip.net/publications/iespprimers/eprimer-sme>.

Likewise, in China, the State Economic and Trading Commission defines SMEs as those with a revenue of less than RMB 50 million or assets of less than the same amount. A business is considered medium-sized if its annual revenue is between RMB 50 million and RMB 500 million or if its assets have the same net worth. However, in China, a business is also defined as small or medium if it has fewer than 300 active employees (Project of the Asian Development Bank, 2002). The World Bank defines an SME in terms of employee count and maximum asset value; an SME is defined as a manufacturing or service provider that has an employee count of no more than 300 people and an asset value of \$15 million or less. However, the USAID believes that small businesses typically have fewer than 50 employees; while UNIDO contends that small businesses have between 10 and 49 employees and registered capital of \$42,300 or more, while medium businesses have between 50 and 249 employees and registered capital of \$42,300 or more. However, financial organisations classify SMEs using a variety of different

definitions and measures. For instance, the MIGA (Multilateral Investment Guarantee Agency) and the IFC (International Finance Corporation) see small businesses as those with fewer than 50 employees, fewer than USD\$3 million in total assets, and fewer than USD\$3 million in total yearly sales. The ADB (Asian Development Bank) prefer, instead, to rely on national government definitions and, therefore, has no official definition (Gibson & Van der Vaart, 2008). On the other hand, based on the analysis of sale data, experts characterised a business as small if its annual sales are between 0.5 and 2.5 million USD, and a business as a medium if its annual sales are between 2.5 and 16 million USD (Lopez-Gracia and Aybar-Arias, 2000). Acceptable definitions and metrics vary in each country, depending on the economic level. In the United States, for example, a medium business is defined as "an entity with average annual gross revenues of less than \$7 million over the preceding three years" and a very small business as "an entity with average annual gross revenues of less than \$250,000 over the preceding three years" (US International Trade Commission, 2010). Small businesses in Libya are characterised by their paid-up capital, which must exceed Birr 20,000 (\$2,500) but not exceed Birr 500,000 (\$62,500). (Woldu, 2011).

C. SMEs in the Developing and Developed Economies.

The governments of developed and developing countries have grown increasingly interested in the SMEs business sector over the last four decades due to its importance in low-cost job creation, income generation and distribution, labour absorption, and economic growth (Kongolo, 2010, Falkner & Hiebl, 2015). In the advanced world, including the (European Union), SMEs accounts for around 99% of the economic activities, which adds up to almost 66% of the entire private sectors jobs (Gama & Geraldés, 2012). SMEs existence can contribute also to tax-incomes increase for the government and in the long run, enables the government to invest the money. According to the OECD, SMEs represent the majority of production in manufacturing and an even greater share in services in both developing and developed countries." In high-income nations, SMEs continue to account for more than 65 percent of total employment and more than 55 percent of GDP (OECD, 2004). For example, the United Kingdom has around 4.3 million enterprises, which equates to one for every 10 persons of working age (see also Barrett and Burgess, 2008). In the United Kingdom, small firms have made a substantial contribution to the creation of nearly 44% of new jobs and 37% of revenue, and it is widely believed that they have a decisive role to play in the creativity of new ideas inside the country (DTI, 2006).

Similar, in the United States, small businesses are critical to the economy's progress. In 2003, small businesses employed about half of the private sector employment in the United States of America (OECD, 2005). Small firms added around 1.15 million new jobs in the United States of America between 2000 and 2001. On the other hand, huge firms lost about 151, 000 employees (OECD, 2005). In 2006, 99 percent of firms in the United States of America were SMBs. In 2006, the number of small and medium-sized businesses was projected to be 26 million; they employed over 50% of all private sector workers, accounted for more than 70% of the workforce, and accounted for nearly 97 percent of exporting

enterprises (Marchetti & Kozar, 2007; Asiedu & Freeman, 2006). In Austria, almost 99 percent of industrial and service industries are classified as small enterprises, employing over 65 percent of the labour force as OECD (2005) reported. Additionally, between 1995 and 2005, the number of small firms expanded by more than 11%, and the number of their employees climbed by more than 8%. The number of new businesses has increased in recent years. Austria has the greatest rate of newly founded businesses survivability, with over 82 percent of enterprises remaining operational after three years (OECD, 2005). According to APEC, SMEs accounted for more than 90% of all firms in East Asia in 2010. The SME International Malaysia (2013) note that some advanced economies succeeded because SMEs have been a critical component of their economies, accounting for more than 98 percent of total establishments, employing more than 65 percent of the private sector workforce, and contributing more than 50 percent of GDP. Small firms in East Asia contribute significantly to the exporting industry, contributing for over 56% of all businesses (OECD, 2002). In 2000, for example, small enterprises accounted for over 49 million businesses and employed 300 million people across the Asia-Pacific Economic Cooperation (APEC) region (APEC, 2002). Small firms in APEC member nations account for over 50% of value added or sales and 30% of direct exports.

Thailand's business population expanded from 844,562 in 1997 to 1,645,530 in 2002. Over 98% of these organisations were SMEs (Kapoor, 2004). According to various researchers, when compared to other nations, Hong Kong's small businesses are by far the most successful in terms of market orientation and international competitiveness (Al-Kharusi et al., 2003). SMEs in China account for over 95% of industrial enterprises with independent accounting systems and account for around 59% of total industrial output value and about 56% of total sales revenue. Additionally, small businesses contribute significantly to China's social stability. Al-Kharusi et al., (2003) notes that between 1978 and 1996, almost 230 million workers transitioned from rural to urban settings. He further notes that In Brazil, 99 percent of enterprises are classified as micro or small, which are credited with creating about 60% of all jobs, and In Colombia, small enterprises accounted for more than 30% of all jobs in 2005, with a ratio of 19, 22, and 59% for, commerce, industrial, and service sectors, respectively. In comparison, there were 57,000 small businesses registered in 2004 based on their asset size, 81 percent of which were small firms. Stephanou & Rodriguez (2008) added further that Colombia's informal economy accounted for about 44% of GDP.

Small and medium-sized enterprises (SMEs) also play a significant role in Arab countries. In Egypt, for example, 99 percent of all private economic entities (non-agricultural) are small companies, employing approximately 70% of the workforce. SMEs accounted for nearly 80% of total added value (Alasrag, 2009). Small firms account for around 95% of all businesses in the (UAE), employ more than 60% of the workforce, and contribute nearly 75% of GDP. Additionally, small firms employ nearly 90% of the private sector workers in Kuwait and account for more than 90% of all jobs (Alasrag, 2009). SMEs are thus considered as a critical indicator of a

healthy and developing economy, regardless of the nation's development stage.

II. ENTREPRENEURSHIP ACTIVITY

The preceding section emphasised the critical capability of SMEs to achieve development and a sustainable economy of the countries. Entrepreneurship, however, has long been regarded as a critical component of government policy (Drucker, 1985). As such, this section will define entrepreneurship and discuss entrepreneurs' role in economic progress. Additionally, the entrepreneurship and small and medium-sized enterprise policies in the Libyan economic environment will be investigated.

A. The Concept of Entrepreneurship

There is no widely agreed definition of entrepreneurship that is deemed acceptable, and there is still considerable disagreement over its precise meaning (Mokaya, Namusonge, & Sikalieh, 2012). Numerous studies and research produce a variety of definitions of entrepreneurship, which vary according to on the scholar's perspective or emphasis. Certain definitions base it on the quantification of entrepreneurial activities or the outcome of entrepreneurial operations (Audretsch, 2003). This is demonstrated in Ahmad and Hoffman's (2007) study, which examined the definitions of entrepreneurship, entrepreneurs, and entrepreneurial activity through the lens of a framework for entrepreneurship indicators comprised of two categories: (1) entrepreneurship determinants (such as level of technology, regulatory framework, research and development, local culture, entrepreneurial capabilities); and (2) entrepreneurship indicators (e.g., job creation and poverty reduction). On the other hand, some scholars attempt to compartmentalise the field of entrepreneurship into opposing camps: one that emphasises individual behaviours and another that emphasises external factors. While neoclassical theory accentuates opportunity and implies that everyone can see entrepreneurial chances, psychology theory emphasises the relevance of individual qualities and the entrepreneurial process being dependant on individuals' willingness and ability (Shane, 2000). The most current theory is the Austrian business cycle theory, which asserts that entrepreneurship results from the interplay between the exterior (opportunity) and interior (resources) factors (i.e., attributes of people). It is believed that not all possibilities are visible to everyone (Shane, 2000). Entrepreneurship is the process by which individuals bring new ideas to market. Thus, entrepreneurship is synonymous with business innovation. Various definitions of entrepreneurship and entrepreneurs have been proffered based on this work, with some modifications to Schumpeter's concept. It was expanded upon by scholars as they attempted to offer additional background and context. Audretsch (1995), for instance, defines entrepreneurship as follows:

"Entrepreneurship can be meant as a change". Because entrepreneurs are change agents, entrepreneurship is intrinsically linked to the process of change.

B. Entrepreneurship and Economic Growth

Entrepreneurship is viewed as the driving force behind economic progress in emerging economies, since it creates employment possibilities, fosters innovation, increases competitiveness, and assists small businesses in coping with

recessions and economic crises, thus it is a critical component of national economies' dynamics (Kim-Soon, et al., 2018). Entrepreneurship is a critical driver of regional economic development. By speeding innovation and maximising the use of human, financial, and other resources, new firms and the operations of SMEs contribute to job creation and economic growth (OECD, 2005). Entrepreneurship is critical for socio-economic development because it helps promote existing business models to enhance their market offerings and performance, as well as attracting new entrants and assisting them in improving their effectiveness, mobilising idle public savings, and supporting the transformation of new knowledge and ideas into practical applications (Welter, et al., 2017). Additionally, entrepreneurship is a worldwide phenomenon that is not confined to the developed world. Promoting entrepreneurship is widely seen as a crucial policy for increasing employment and economic development and appealing viable career or lifestyle option (Kim-Soon et al., 2018).

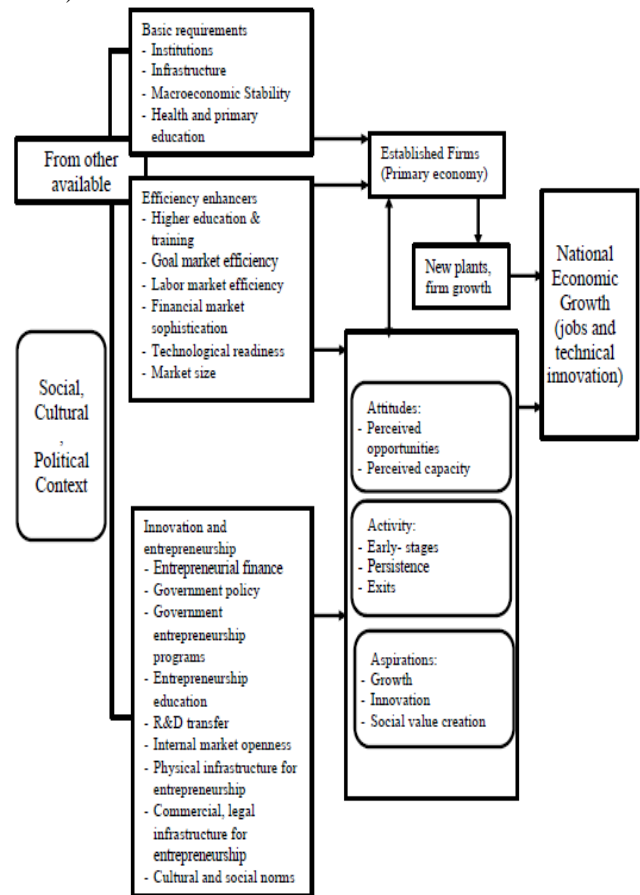


Fig. 1: Entrepreneurship and economic growth, Kelley, et al. (2011).

As illustrated in Figure 1, entrepreneurship contributes to economic growth in three critical areas: innovation and entrepreneurship (i.e., fostering an entrepreneurial culture and education, financing innovative ideas, transferring research and development, and openness to markets); fundamental requirements (i.e., infrastructure, economic stability, and so on); and efficiency-related activities (i.e., labour market efficiency, higher education & training, technological readiness, market efficiency, etc.). In this context, the basis for a definitive economic theory connecting entrepreneurship and

economic growth may be traced back to Schumpeter's early articles. Schumpeter regarded entrepreneurs as vital players in the economic cosmos. Acts asserts that small businesses are crucial to the economy because they are change agents through their entrepreneurial activities and a source of significant inventive activity, encouraging industry growth and creating new jobs. Additionally, Audretsch writes, "Entrepreneurship has become the engine of economic and social development throughout the world" (Audretsch 2003). Other recent attempts have been made to include entrepreneurship into growth models (Aghion and Zilibotti 2003). According to the knowledge spillover theory, entrepreneurship is crucial in the process of economic growth because it acts as a knowledge spillovers channel (Audretsch et al., 2006). There appears to be a considerable consensus that entrepreneurship is necessary for the virtuous cycle that promotes economic advancement (Salgado-Banda 2005). Later, entrepreneurs and the creation of SMEs have made important contributions to the Chinese economy's growth. "All sorts of small enterprises boomed in the countryside as if a strange army appeared suddenly from nowhere," (Zhao, 1996). These new businesses boosted the emerging market economy by creating jobs, selling consumer goods, mobilising savings, and disrupting state-owned industries' monopolies.

The Global Entrepreneurship Monitor (2000 and 2004) found a strong association between entrepreneurial activities and economic development. This notion of entrepreneurship, the report asserts, is the main factor influencing economic growth. Similarly, a study of producers of computers and process control instruments in the United States reveals that new entrepreneurial companies contribute significantly to the innovation process. Additionally, additional empirical research has proven a positive association between venture entrepreneurship and the rate of GDP growth ((Belitski et al. 2019). Also, it has been observed that a large portion of India's current success may be attributed to entrepreneurs switching from a state-controlled to a market-based environment (Lal, Anil; Clement, Ronald, 2005). According to the Commission of the European Committees (2006), if Europe aspires to continue its social model effectively, it must enhance economic development, create more new businesses, attract more entrepreneurs willing to pursue innovative ideas, and expand high-growth SMEs.

III. ENTREPRENEURSHIP AND SMEs POLICY

There is a wide range of government policies that have an impact on entrepreneurial activities, including labour market regulations, trade policies and also economic, social, political and cultural aspects, among others (Audretsch, Grilo and Thurik, 2007). As a result, in this context, a variety of criteria such as entrepreneurship level, existing SMEs, and workforce structure influence the choice of these policies or strategies. Typically, entrepreneurship policy has been considered a critical component of SME policy, but the two policies are nevertheless distinct in several ways. For instance, individuals, particularly entrepreneurs are more likely to be the focus of entrepreneurship policy. Furthermore, this policy mainly uses soft instruments, such as training, and education. While, SME policy is more reliant on "hard" policy tools such as financial subsidies (Lundström and Stevenson, 2005). Clearly, the

entrepreneurial policy is the foundation of a small and medium-sized business policy. Hence without efforts from entrepreneurial policy to provide a stable environment, the economic influence of SMEs will be restricted. Moreover, the entrepreneurship policy seeks to have a beneficial influence on the social and social entrepreneurship context and enhance the entrepreneurship environment. On the other hand, SME strategy strives to promote the growth of small and medium-sized firms at the company's level for long-term economic advantages.

A. Government policy

The term policy like some other words is a complex term that may not have a definite definition. However, it is an agreed plan of action which is designed and accepted by an organisation made up of a group of people and a political party. In the field of business, policies are classified as either internal or external policies which strategically guide and spell out how business activities in different organisations are run. The internal business policies are those policies enacted by the owners and management of the business organisation and it aims at determining the scope of the operations of such business organisation (Oviatt & McDougall, 2005). This in effect means that internal policies are the programs and plans that guide the day to day running of an organisation and it can be without external interference. Nevertheless, the business policies are reliant on and frequently shaped by the overall government policies within the economy in which the business operates. Hence, the need to define external or government policies has emerged. Government policies can be defined as those external policies which are not within the direct control of the entrepreneurs within the economy.

In this vein, the term policies toward entrepreneurship can be seen as a course of action vividly spelt out by the government so as to influence entrepreneurship decisions and regulate their actions (Amit, & Guillén, 2010; Audretsch, et al., 2007). With this one can argue that government policies have to do with the laid down regulations geared towards the effective establishment/start-up of the activities of the SMEs. It is important to state that while some policies affect the SMEs directly as some of these policies are unique to some businesses other policies do affect them indirectly. A good example of this is what happens in the agro-allied sector in Libya when most entrepreneurship policies do not affect some SMEs directly because, during the first five years of venture, such businesses enjoy frequent exemption from tax (OECD,2016). While small businesses enjoy tax exemption, some other businesses are also being subsidized. Also, there are policies executed to dissuade the importation of manufactured goods, these policies are often geared towards the protection of indigenous industries and the encouragement of entrepreneurial activities. This act can be said to be a laudable approach by the Government to encourage indigenous industries.

Notwithstanding, there are other important actions that the government need to take namely, promoting and implementing efficient policies such as trade policies, policies that have to do with finance, budgets and fiscal policies as these policies can enhance healthy competition. Further to this, Government can also use its diverse policies and programs to reduce corrupt practices and punitive tax evasion.

This can be facilitated by ensuring political stability in the country. Especially so because some scholars have shown that with political stability in any country, people can enjoy justice, civil service, and equity (McMahon, 2001). Importantly, it can be argued that there are some policies that can support SMEs capabilities, such these factors are good management practices, concentration in the employment of skilled labourers as well as funding schemes, tax, routine (red tape) regulations and market's access and other mechanism policies for support are areas where the government can intervene in such R&D and Training transfer, economic stability, infrastructure and essential services as water supply, energy supply, healthcare facilities, high standard and quality education, good road networks and investment in technological advancement can facilitate the effective functioning of the entrepreneurial activities (McMahon, 2001).

1. Entrepreneurship government Policy

Governments have a vital role in promoting entrepreneurship and SMEs development. Furthermore, it has an essential economic part in the creation of new jobs and the preservation of economic competitiveness (Blackburn, 2016). According to the SMEs literature, entrepreneurial government policies towards SMEs and economic development are favourably associated. In this regard, governments intervention performs three critical functions: planner, regulator and economic actor. Policies aimed promotion of SMEs development have long been an essential part of industrial strategy and international aid programmes in developing nations. While for developed nations, entrepreneurship, firm establishment are especially significant for economic development and competitiveness capabilities (Dallago, 2012). There is scant evidence that government policies have an impact on entrepreneurship. Nevertheless, many authors argue that policies at the macro level are more successful in encouraging entrepreneurship than micro policies.

In order to offer direct support to entrepreneurship in SMEs with the aim of achieving business boom and increased competition most national, regional or local agencies have created policies that directly support entrepreneurship for SMEs (Amit, & Guillén, 2010). There are numerous Government policies but for this study mainly will centre on macro-level policies such as taxation, economic stability and regulations aimed at the development of entrepreneurship and usage, as well as regional and local policies which focuses on markets access, advice, physical infrastructure, training, finance, technology transfer and the entrepreneurship education. The rationale behind this is that, in most developing economies, such policies directly affect the activities of the SME. Scholars reveal that in emerging economies, entrepreneurial activities are mostly carried out on both small and medium levels (Sriram and Mersha (2010). Indeed, the importance of Government policies in regulating and facilitating SME /entrepreneurial activities cannot be over-emphasized. Sriram and Mersha (2010) have argued on the factors that can cause the thriving of new businesses performance in Africa with special reference to the start-up's report that to encourage successful business enterprises, there is a need for effective government policy.

Extant research has been conducted on the role of government policies in the development of entrepreneurship (Minniti, 2008; Friedman,2011; Mason and Brown, 2013). While the arguments raised by some of the scholars are contradictory, others are supportive. For example, Minniti (2008) argues that government policies encourage entrepreneurship, that it actively facilitates the development of an institutional setting capable of encouraging productive entrepreneurship. Friedman, (2011) argues otherwise, according to Friedman, government policies have a significant negative impact on entrepreneurship up to the national level. The above has shown diverse opinions on the importance of Government policies in facilitating entrepreneurship activities and supporting the national economy. Minniti (2008), however, put forward an argument that policy and the activities of entrepreneurship have differing relationships in different countries of the world. The discussion above has shown various views on the role of government policies in promoting entrepreneurship activities and scaling up entrepreneurs.

2 Micro and macro policies

There are numerous (SMEs) faces various a number of drawbacks in comparison to large businesses, including limited financial access, informal structures and weak market power (Vlados et al.,2020). It is the government programmes responsibility to "balance" these disadvantages at all levels of government intervention. The contrast between horizontal and vertical policies is a typical distinction between micro and macro policies. The horizontal or (Micro -strategy) relates to policies that strive to improve the business environment, on the other hand, vertical or (Macro-strategy) policies seek to encourage certain policies skills in particular sectors for specific enterprises. The distinction between micro and macro policies might encompass the distinction of -diagonal policies in today's complex international environment, where interactive governmental methods are prominent and where various government organisations can share information and knowledge. (Vlados et al.,2020). The analytical focus of underdevelopment and development appears to be on the foster and stimulation of integrated entrepreneurship and innovation, particularly at the micro-level company policy, this in the context of the present restructuring of globalization (Vlados, 2019c). Nowadays, government policies that support the development of SMEs through entrepreneurship are unquestionably vitally important, however, these policies must be backed by sensible macroeconomic management and micro-level strategies that boost the local competitiveness capabilities (Andreou et al., 2017). Thus, policies at both the macro and micro levels policies must be coordinated to generate the positive elements required for the development and growth of SMEs. Nevertheless, based on these opening remarks, it becomes necessary to investigate the unique function of micro and macro policies in boosting economic development.

3. Government Micro levels Policies.

Micro (local) government policies are aimed at offering assistance to people or organisations, particularly SMEs, in order to resolve business-related or economic challenges s. (Fotopoulos and Storey, 2019). The micro-policy determines the capacities with which players participate in the economic

field, which implies that micro- strategies simply do not involve only local enterprises, but also research and development policy, local educational institutions, infrastructure, and market access, to name a few (OECD,2017). The next section explains these policies in more detail.

3.1. Government Financial Policies

Government financial policies refer to government policies towards providing financial resources - equity and debt - to SMEs including grants and subsidies (Omar, et al, 2020). Generally, it is presumed that the government should be able to provide the resources needed to support the business activities since they are in the lead of entrepreneurial development. These resources among other things include the provision of a conducive and suitable environment for entrepreneurship that will promote entrepreneurship to a great extent (Omar, et al, 2020). Therefore, government policy in this context can be seen as any course of action or plans aimed to enhance the entrepreneurship condition of works of both SMEs which includes support, government conducive policies, and funding. In fact, one of the substantial factors for the continued existence of most of the newly SME and entrepreneurship practice is the Government financial support policies and monetary services. This is because the lack of consistent financial capital has remained a barrier to SMEs and entrepreneurs who have to generate their personal capital with which they established their businesses and work towards its expansion (Eton, et al., 2017). In this context, there are ways through which the government invests resources in entrepreneurial activities.

3.2. Research Development and Training System Policy

Research development (R&D) and innovation in all facets of a business, whether technological or non-technology, are critical components of increasing its productivity and competitiveness. Thus, SMEs must invest more in research and development in order to improve their product and service development and operational processes, as well as their use of ICTs and management information systems (OECD, 2016). Because generating new concepts and transforming them into financially viable ventures is both costly and risky, governments invest extensively in R&D -a related activity that covers the costs of prototype development, patent acquisition, market research, and related operations (Audretsch, et al, 2019). Loans and subsidies are fundamental mechanisms used to promote commercial R&D. Economic studies reveals that few public monies are used to subsidise private spending rather than industry R&D. Without this financial assistance, which may also take the shape of tax advantages, many innovative SMEs and start-ups would be unable to secure the resources necessary to bring their inventions to market. in this context, a recent study conducted in Spain by Jong & Eric (2008) revealed that public financing has a greater favourable influence on R&D in SMEs than on large firms. Additionally, they concluded that results were enhanced in low-technology businesses, such as light industrial or lumber, when compared to high-tech ones. In this regard, they believe that public funding enables SMEs to do research that would not have occurred otherwise. Government assistance for R&D is dispersed through loans and grants to universities and institutes and is referred to as a technological push for an

innovation policy. Recent years have seen an increased emphasis on the use and development of various forms of demand-based policy tools in addition to more traditional measures (Jong and Eric, 2008).

3.3. Utility & Facility factors (Infrastructure)

In order to foster the growth of small and medium-sized enterprises the government should devote sufficient resources and take the lead in making investments in infrastructure development (Seddiqi, 2015; GEM, 2019). As SMEs grows, the quality of its infrastructure plays an important part in its success in the long term. Therefore, SME productivity and competitive advantage could be boosted by a wide variety of factors encompassing the quality of communication networks, transportation supply, the quality of utilities, and water and electricity supply (GEM, 2018). Electricity and telecommunications networks, roads, and airports are important, and all play a role in the growth of the private sector development, particularly SMEs. The reliability and provision of high-quality infrastructures make it easier for the effective movement of products and services to the local markets. Furthermore, it facilitates the speedy flow of information, which is critical to reducing transaction and trade costs, enhancing competitiveness in the economy (Czernich et.al, 2011; OECD, 2016).

The infrastructure comprises several facilities that can create an effective atmosphere for SME owners to run their businesses. One of the most significant features is the transportation system, because a site with easy access to multiple transit systems may save manufacturers time and money on transit (Moosa and Cardak, 2006). Infrastructure quality has been studied extensively and several measurements of this factor's level of importance have been found to have a positive association with SME capabilities. In this respect, according to empirical research in the macroeconomic endogenous growth literature, physical infrastructure enhances an economy's long-term productivity, income levels in an economy and SME development such as: Hussain et al., (2019) which demonstrate that nations with better-established infrastructure have a greater proclivity for private sector development including SMEs. In the same line, nations with stronger and more modern telecom infrastructure are fast becoming information-based, post-industrial, development-oriented economies that have a beneficial impact on the productivity of corporations. As a result, telecommunications lower transaction costs, improves company operations efficiency, enhances the market's scope, and can therefore encourage the development of SMEs (OECD, 2016).

4. Macro (National) level Policies

While introducing the idea of financial stability to their research, Hoogduin et al. (2011) assert that the macro-policy interactions are mainly limited to regulations, debt management and economic policies on a large scale. Thus, macroeconomic policy is primarily concerned with issues within the country that aim to achieve particular macro-economic measurements. Consequently, in the short to medium term, taking into consideration the probable developments in the global economy and domestic limits. Vlados and Chatzinikolaou, (2020) has defined macro-policy as "Policy analysis is frequently based on a set of quantitative

forecasts of how the economy is possible to develop". The macroeconomic policy typically influences macroeconomic sizes through employing projections on the short to medium-term anticipated future growth of the national economy, which includes economic stability and government regulations - taxation policies geared towards boosting and developing SMEs (Vlados and Chatzinikolaou, 2020).

4.1. Government Regulations

In a market-based system, the creation of a suitable environment for entrepreneurship businesses one of the key roles of government policy as this will significantly lead to the generation of employment opportunities as well as economic development. The state also has an essential regulatory function to perform which is to ensure that businesses operate within the confine of government regulations; this is to balance the need to boost and promote enterprise with a necessity to shield broader social interests of the public (Smallbone & Welter, 2010). In this context, Sathe (2006), argues that the regulatory system of the government has the capacity to prohibit the business activities of the entrepreneurs as well as the ability to facilitate it. According to him, most rules that regulate business activities are enacted by Governments such that can also affect new businesses positively/negatively. Therefore, ordinarily, businesses would adjust their operations in line with the changes that are made in the policies of the government. Hence, SME owners need to follow these rules provided by the national, state, and local government depending on the area of jurisdiction of these businesses. In this vein, the government has all it takes to execute a rule that is capable of altering societal actions in businesses. For instance, the government can decide to place a tax on fuels and at the same time approve of financial support for businesses using energy, they can likewise support the advancement of technology in order to make positive change. However, the imposition of additional tax on any sector of the economy than necessary can negatively affect the interest of investors in that sector (Akinyemi & Adejumo, 2018). On the other hand, the regulations placed on trade can affect internal and international trade as well as the rate of foreign exchange (Bolaky & Freund, 2004; Aliyu, 2010). These policies usually have regular impacts on the business of the SME. Therefore, to enhance business activities, it becomes necessary to ease off the strict business registration procedures, and to offer capital for business start-ups (Bowale & Akinlo, 2012; Fatai, 2011). Based on the above, some authors highlight the need to reduce the regulations of the government and their control over businesses (Bannock and Peacock, 1989; Harris, 2002), while others maintained a position of being less convinced of the negative effects of the regulations (Storey, 1994).

4.2. Economic Stability policy (Macroeconomic policy)

SME owners frequently view the country's economic stability to be a critical component in their company's business developments. The importance of economic growth, exchange rates, inflation, privatisation and the degree of government intervention in economic activities has been emphasised in numerous studies, including those by Tambunan (2008), Bellak et al. (2009), Arratibel et al. (2011), Rogman and Ebbers (2013), Wang (2018), Cornella (2020) and Sadeh et al. (2021) to name just a few. SMEs development that services domestic, regional, and global markets rely heavily on

macroeconomic policies that support entrepreneurship. These policies are reflected in all of the above indicators in various ways. Without a doubt, economic stability can encourage the growth and development of SMEs capabilities (Manzoor et al, 2021). Earlier research has discovered a considerable beneficial association between economic stability and SME development. According to empirical evidence, the economies of the fastest-growing countries are the most economically stable (UNCTAD, 1998; Onyeiwu, 2020).

IV. GOVERNMENT POLICIES DIRECTED TOWARDS PROMOTE ENTREPRENEURSHIP IN EAST ASIA

A. The Hong Kong (HK) Government policy towards Entrepreneurship

The government policy in HK is seen as the least interventionist in the world when assessing their responsibility and involvement in their economy contrasting it with Japan, Taiwan and other Asian countries (Haggard and Cheng, 1987, Partick, 1991). To the neoclassical economist, the success of Hong Kong is predominantly ascribed to an "automatic corrective mechanism ... changes internal costs and prices to rapidly bring (the economy) in line with costs and prices in the rest of the world" (Rabushka, 1979, p. 2). In honour of the notion of the non-intervention positivism, the role of the government is perceived as that of a coordinator and facilitator rather than the role of an intervener whose duty is to intervene affairs of the market. Following the facilitating and coordinating role, the HKSAR offers a helpful administration to enable simple business start-ups in Hong Kong. It has been identified by Global Entrepreneurship Monitor (GEM) project that simplified procedures and responsive government administration as one of the strengths that fosters entrepreneurship in the country e (Chua, 2003). In this context, an organisation called the Invest Hong Kong, is one the government created offices for the provision of up-to-date data on businesses in Hong Kong. The creation of a section that specializes in sending out information on the nature of funding as well as other financial supports that are made available by the government for the expansion and smooth running of these businesses such supports as funding, reduced tax, favourable regulations on import/export, favourable regulations on job creations and the requirements for immigration requirements. Also, the availability of a body that specialises in recognising and connection prospective investors with the right partners for business, a body that helps investors to set up businesses successfully in the cities. With the initiatives the attempts of HKSAR's establish a promising atmosphere where the entrepreneur businesses can thrive becomes apparent.

The above reveals that SMEs that embrace entrepreneurship and entrepreneurs in Hong Kong's entrepreneurs are noted for their substantial business acumen and entrepreneurial skills, the HKSAR has also endeavoured to protect its entrepreneurial environment. The major role of the government in this regard is creating an environment that is conducive for prosperous entrepreneurial business activities. As rightly state by Hau (2001), the excelling ability of SMEs and entrepreneurs in Hong Kong emanates from their robust faith on the four outstanding freedoms, namely:

- Free distribution of streams of information.
- Free movement of people.
- Free and efficient flow of funds.
- Free flow of goods and services resulting from free ports.

It is worthy of note that the above philosophy of Hong Kong which also fuels its philosophy of free market contributed to its attainment of an enviable world reputation in the sphere of trade and finance. The success of Hong Kong significantly rests on such factors as its low and simple tax system, a comprehensive framework that regulates business activities, a supportive rule of law emanating from the availability of an independent judiciary and a good geographical city location are factors that earned HKSAR its development (Chua, 2003). The HKSAR strongly recognizes that both small and medium size businesses are an important part of its development and a prosperous economy. Thus, its various programs and plans are founded on the following:

B. Singaporean and Malaysian government policy on entrepreneurship

The economy of East Asian countries like Japan, South Korea, China and Malaysia, it has progressed well with favourable intervention policies that helped to increase its productivity rapidly as well as transformed their economy greatly (Siddiqui, 2019). The government of Singapore also has been an active contributor to the achievement of entrepreneurship and economic development in Singapore. Foreign investment was the greatest priority of the government of Singapore within the period of 1980s and 1990s, and they put in considerable labours geared towards the attraction of diverse multinational companies (MNCs) with the aim of creating the R&D centres in Singapore; to ensure that there is also the availability of technology and entrepreneurship in the local enterprises (Wong, 2016).

In the late 1990s, to overcome poor over-reliance on foreign capital and lack of local entrepreneurship and innovation made the government begin a 5-year nationwide programs that centres on science and technology (Yeung, 2000). Further to this, to promote high technological advancement, the government set up what is termed Techno-partnership Innovation Fund majorly to promotes investment in entrepreneurship and innovative businesses (NRF, 2015). Singapore becomes one of the leading banking centres with a very viable environment and adaptable tax policies. For instance, it was documented that in Singapore, the Government of L. K. Yew substantially decreased the burden that tax exacts on foreign businesses and this singular measure made private investors as well as foreign corporations to enjoy tax exemption for 5 years. In fact, this policy triggered transnational corporations to commence research and development (R&D) and more entrepreneurship with adequate funding that fuels the innovation of new lines of businesses as well as increased productivity in the country thereby enlarging their industrial activities (Property tax 2008). It was the growth in foreign and public investments in Singapore, as well as growth in its economic sector that provided a further rate of 1/3 of the GDP growth of the country resulting to an industrial explosion of the country. Importantly, government intervention in Singapore mostly affected the clearing levels of the market with the measures termed the Employment and Industrial regulations (Siddiqui, 2010). It is noteworthy that

Singapore alongside London, New York and Tokyo is one of the leading financial centres in the international monetary exchange market (Niels, 2007). In the same context, Malaysia also adopted an Entrepreneurship-oriented policy and gradually removed the various protective measures. A good example of this is what happened from the period of 1970 and 1987 when there was a reduction in the tax placed on industrial chemicals from 160% to 16%, fertilizers reduced from 300% to 8% and tobacco reduced from 125% to 26%. Within these periods, many exclusive export firms were given financial supports with an increase from 28% to 131% (Rasiah & Shari, 2001). The establishment of an act termed Employment and Export Oriented Investment Incentives Act resulted in the offering of tax holidays of up to a maximum of 8 years to authority firms. Also, there were tax exemptions on import duties on raw materials for industries that specialize in exports and materials for technological advancement and these measures led to economic growth and job generation (Siddiqui, 2012).

V. INTERNATIONAL CONTEXT OF GOVERNMENT ROLE IN PROMOTING ENTREPRENEURIAL CULTURE THROUGH HIGHER EDUCATION.

A. China

Although entrepreneurship is relatively new in Chinese higher educational institutions, nonetheless, it has gain momentum over the past few years (Jun Li et al, 2003). The entrepreneurial perception among Chinese people has changed significantly after China's economic reformations of 1978 as a large number of the Chinese populace had been encouraged and supported to become entrepreneurs. The emergence of village and township enterprises as the first form of entrepreneurship during the mid-1980s has greatly contributed to Chinese economic dynamism, enhancing the progress of the private sector, and promoting sustainable economic growth (Jun Li et al, 2003). The second type of entrepreneurship was demonstrated by private entrepreneurs who established either small family firms (fewer than six employees) or private enterprises (employing six individuals or more). While some entrepreneurs acquired minor state-owned firms through "subcontracting" or "management buy-outs," other small-scale entrepreneurial activity such as joint ventures and shareholder cooperatives continued to thrive concurrently. Thus, entrepreneurship has grown in China very rapidly since the 1980s, expanding both in scope and dimension (Jun Li et al, 2003). With the recognition of the crucial role of entrepreneurship in both regional and national development and the need to expand employment chances to the growing number of Chinese university graduates, the Chinese government saw it imperative to install entrepreneurship programmes in the Chinese higher educational institutions by making series of friendly entrepreneurial reforms (Jun Li et al, 2003).

This development came as a result of the decision taken by China's ministry of education in 2001 to introduce an entrepreneurship curriculum in selected universities at the undergraduate level as a pilot study. However, with the impressive outcomes recorded from this initiative, there is greater hope of expanding and promoting entrepreneurship education on a wider scale. Indeed, during the Ministry of

Education's National Working Conference on Entrepreneurship Education in Beijing in April 2002, various emergent models centred on the personal quality development approach were discovered and included to the effort (Jun Li et al., 2003) The Renmin University of China has adopted this model of entrepreneurship with the aim of raising and developing students' awareness of entrepreneurship and improving their adaptive, creative, and innovative personal qualities through the application of tailor-made training and coaching to teach of entrepreneurship business skills. Entrepreneurship, venture capital, and business venture management are some of the optional modules available to students at this university.

B. Malaysia

A growing number of academic courses are offered in Malaysian universities and higher education institutions either as core or optional modules (Mahmood & Ali 2008). At first degree levels, entrepreneurship is offered as a core module for the business students. Co-curriculum activities and/or programmes such as graduate entrepreneurship training and basic entrepreneurship courses are also offered by some other Malaysian higher institutions in conjunction with the Malaysian Ministry of entrepreneurship and corporation development (Mahmood & Ali 2008). These courses aim to expose university and college students to the concepts and theories of business management which consist of four aspects: understanding and analysing business situations, understanding the various operation of the business environment, understanding and adapting analytical planning and communication skills, understanding and applying problems solving techniques. In addition, by the incorporation of entrepreneurial programmes, the Malaysian government keeps promoting entrepreneurial culture at all levels of learning in its effort to create an entrepreneurial and innovative society. Like in China, there are also professional advice and supports (e.g. Young Entrepreneurs Program) given to a vast array of Malaysian graduates to promote self-employment (Mahmood & Ali 2008). Contrary to China, students in Malaysia are exposed to many entrepreneurial activities instead of being taught as academic courses as core or optional modules. Entrepreneurship development centres often organise activities on entrepreneurship with support from some universities (Mahmood & Ali 2008).

C. United Kingdom (UK)

Entrepreneurship in the UK is regarded as an important field of service which, according to Matlay and Carey (2007), has witnessed some growing number of practitioners, specialists, and even entrepreneurial centres of excellence. In the UK, Entrepreneurship Education (EE) is now an established integral part of the UK higher education landscape which has taken place for decades because of different reasons including political, ideological, and educational factors (Hannon, 2006). The teaching of EE in the UK business schools dates back to the period of late 1970s, and particularly with the establishment of Higher Education initiative in 1987 (Watkins & Stone, 1999) with the purpose of providing undergraduate students with the opportunity to develop competence in enterprise/entrepreneurship. A year later (i.e. in 1988), universities and polytechnics in the UK were invited to participate in the programme for a holistic implementation.

About 133 Higher Education Institutions (HEIs) joined the programme, and by 1998, about 275 HEIs became part of the programme from which 50 already had courses in entrepreneurship.

As at today, almost all HEIs offer courses/programmes in entrepreneurship in the UK, including significant institutions likes London Business School, Universities of Durham, Manchester, Cranfield, Warwick, Ulster, etc. Recently, the University of Huddersfield also offers the course/programme. The University of Stirling was perhaps the first to establish a department of entrepreneurship in 1997 (Khan & Almoharby, 2007). The overall aim of EE in the UK is to provide interventions primarily focused on supporting behaviours, learner's attributes that are likely to have a significant impact on the individual students, enhance their successful careers, which, in the long-run, should add economic, social and cultural values to the UK. By extension, these should include such things as inclusiveness, support, and wider participation, increasing students' creativity and innovation processes, extending career opportunities, and enhancing employability, and to significantly increase business start-up rates. Thus, in the UK, EE is governed by the principle of fairness, importance and participation which requires that all students must have the opportunity to engage with enterprise/entrepreneurship in line with their subjects of choices to enable them to identify and seek out new opportunities (Lilischkis, 2017). Despite this overall aim, however, there is a considerable disparity within the four parts of the UK. In England, for example, EE is recognised explicitly as part of subjects (i.e. personal, social and health education) as well as economic wellbeing and financial stability (Matlay, 2009). In the Northern Ireland, EE is seen and taught within personal development, learning for life and work. In Scotland, it is mostly recognised as a cross-curricular objective that cuts across all levels of school education. In some schools, EE in Scotland is delivered within the curriculum, and at other schools, it is part of extracurricular activity. Perhaps, this is due to high autonomy within the Scottish educational system. EE in Wales, however, is regarded as being part of subjects (personal and social education) at primary school levels, while at the secondary level, it is a compulsory subject which exposes students to "careers and works". Nonetheless, EE has also been taught at HEIs of the UK, and although there is disparity in the curriculum content of EE across the different universities in the UK, the EE curriculum in the UK's HEIs is set to give "students alternative perspectives on their career options and ultimately, the confidence to set up their own business or social enterprise" (Quality Assurance Agency, QAA, 2018, p. 3). Within this level, the UK EE curriculum is designed to focus on developing entrepreneurial awareness, entrepreneurial mindset, entrepreneurial capability, and entrepreneurial effectiveness.

For their entrepreneurial awareness, students are made to develop knowledge and understanding of enterprising and entrepreneurial activities. This includes the understanding of professional significance and position of Enterprise and Entrepreneurship in the wider world and meaning and relevance of these two to them as students. For instance, students may be exposed to learn and appreciate the pace of

change and the need for them to understand and apply the principle of adaptability to situations, understand the role of small firms in an industry as well as social enterprises in their respective localities (Syden and Shaw, 2014). More importantly, students are also made to learn, understand, and appreciate the value of ideas and intellectual property. Within this scene, teaching the students about Enterprise and Entrepreneurship in society and their relevant underpinning theories, relationship between enterprise/entrepreneurship and employment opportunities, particularly within small businesses, among other things, are the major curricular activities designed to shape students' entrepreneurial awareness in the UKs HEIs (Lilischkis, 2017). To develop their entrepreneurial mindset, EE curriculum in the UK enjoined students to develop self-awareness of their own enterprising and entrepreneurial capabilities, self-enthusiasm and self-discipline that will enable them to recognise themselves as creative and resourceful persons who can translate ideas into actions by applying flexibly in different contexts to achieve their desired results. Thus, to develop their entrepreneurial mindset, the QAA (2018) states that students are trained to becoming:

- Self-aware of personality and social identity
- Motivated to achieve personal ambitions and goals
- Self-organised, flexible, and resilient
- Curious towards new possibilities for creating value
- Responsive to problems and opportunities by making new connections
- Able to go beyond perceived limitations and achieve results
- Tolerant of uncertainty, ambiguity, risk, and failure
- Sensitive to personal values, such as ethical, social, diversity and environmental awareness.

Finally, entrepreneurial effectiveness comes into play when students complete their study and prepare for the transition into self-employment or other options. Here, students may proceed to actualise their entrepreneurial ideas by either starting their own businesses or extending to more formal opportunities. Therefore, from understanding what entrepreneurship means to students up to taking entrepreneurship, the EE curriculum in the UK can be illustrated in Fig. 2, which represents the journey towards entrepreneurial effectiveness. However, in each stage, the activities outlined in Fig 2. are only an exemplification of potential EE activities. The UK EE curriculum is so more comprehensive that it merged curricular, co-curricular, and extracurricular experiences as well as subject specialisms and potential career opportunities enable students engage in a better entrepreneurial effectiveness. Curricular activities are those set of activities that focus on the content and knowledge of entrepreneurship which must be covered within the duration of course in schools and/or HEIs. These may include coaching and support offered by schools and HEIs. The co-curricular activities include such things as engagement with careers, start-up centres, enterprises, unions, and clubs, etc. that are not explicit in the core curriculum contents but are required to be taken while learning at schools/HEIs. That is,

those activities within the system that are taken concurrently with the curricular activities. The extracurricular activities are those activities beyond the first two (i.e. curricular and co-curricular) which include such things as external engagement. Fig. 3. below further explains these three learning pipelines. The ultimate target of interconnecting the three aspects is to strike a balance between learning in the curriculum and learning beyond the curriculum.

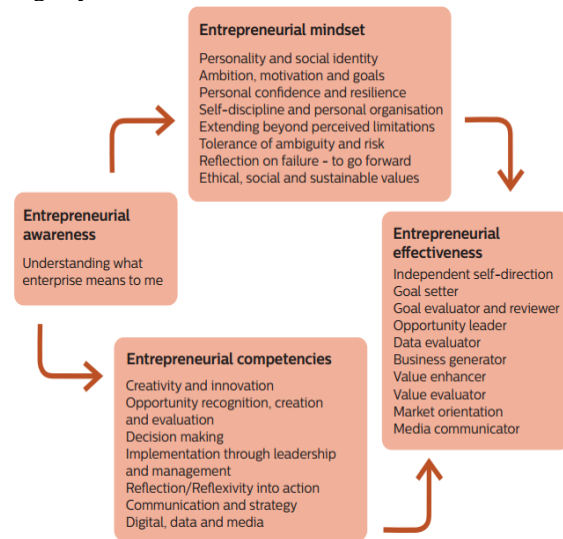


Fig. 2: Journey to entrepreneurial effectiveness.

Source: Carved from QAA (2018)

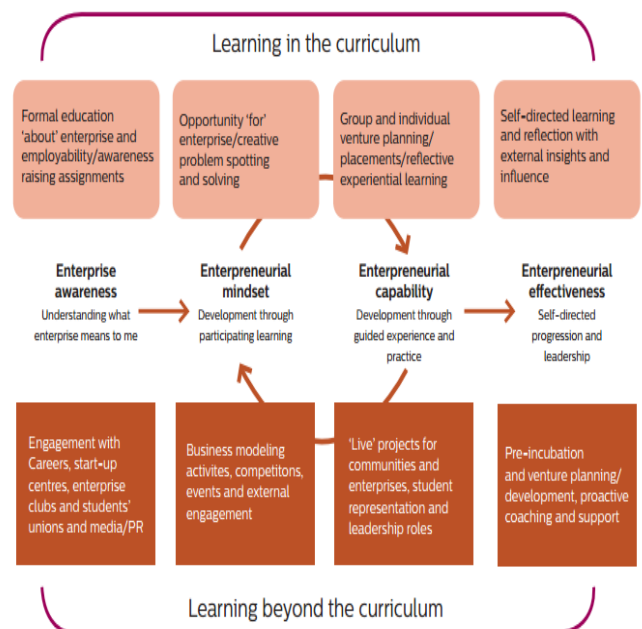


Fig. 3: Curricular, Co-curricular, and Extracurricular learning pipelines.
 Source: carved from QAA (2018)

Table 3: Number of EE courses at undergraduate and postgraduate levels (Matlay & Carey, 2007)

HEI type	Undergraduate		Postgraduate		Table I. Research sample, 1995-1999 (n = 40)
	Full-time	Part-time	Full-time	Part-time	
"New" University (n = 20)	11	8	4	6	
"Old" University (n = 20)	6	5	2	4	
Total	17	13	6	10	

HEI type	Undergraduate		Postgraduate		Table II. Research sample, 2000-2004 (n = 40)
	Full-time	Part-time	Full-time	Part-time	
"New" University (n = 20)	19	14	16	16	
"Old" University (n = 20)	17	11	13	12	
Total	36	25	29	28	

Perhaps, this interconnection as illustrated in Fig 3., is the primary motivation why a growing number of students at both undergraduate and postgraduate levels participate in the enterprise/entrepreneurship courses. The offering of these activities within the school systems in the UK, particularly at HEIs level is also another significant milestone in EE in the UK. But some recent studies seem to provide a contrary opinion to this. For example, a study conducted by Matlay & Carey (2007) over the period of 1995 – 2004 on EE in UK HEIs reveals that during the said period, 40 universities in the UK provide at least some small business and EE courses. The results further show that during the 1995 – 1999 period, new universities in the UK were keener and more proactive than older universities in their offering of small business and EE courses as shown in Table 3. Of their 20 sampled new universities, 11 offered full-time undergraduate courses in small business and enterprise development as compared to only 6 out of 20 old universities. During the period of 2000 – 2004, there is a considerable increase, however. By the end of the 2004, majority of HEIs in their sample offer EE at both undergraduate and postgraduate levels (see Table 3). Still, the new universities were still ahead of the older ones with 19 out of 20 universities providing relevant full-time undergraduate courses and 14 offering part-time modules. Matlay & Carey (2007) further cited a lack of demand for EE amongst the under-graduate and postgraduate students as the main reason why both the new and old universities do not offer the EE courses. Other complementing factors include lack of interest in entrepreneurship amongst staff, shortages of relevant funding, and non-provision. On the contrary, however, with the increase in perceived “fashionable” nature of EE and funding from the UK government through local and regional agencies, a considerable number of universities in the UK and other HEIs now provide courses in the EE. Despite the above scenarios, however, the rate of students’ participation in entrepreneurship in the UK is relatively lower compared to other European countries such as Germany and Italy.

A letter written by Council of Science and Technology on 21st October, 2016 to the then UK’s Prime Minister on the state of entrepreneurship in the UK and the need for the UK to strengthening its entrepreneurship education to boost growth, jobs, and productivity notes that, although existing data has no comprehensive records of the exact number of students engaged in entrepreneurship via their entire degree course, data still show that only 1% to 3% of the undergraduates of

biological and physical sciences, medicine, and mathematics participate in formal entrepreneurship education between 2014 and 2015. In law, social sciences, and creative arts and design, only 5% to 7% are involved, while business-related courses such as engineering, and computer sciences have about 10% to 16% participation rate. In terms of gender distribution, female undergraduates are under presented with only 3% compared to men with 6%.

CONCLUSIONS

This review paper explained in detail the theoretical literature on SMEs and the development of entrepreneurship and economic theories. The majority of studies on government policies related to entrepreneurship conducted in developed or developing nations have employed cross-sectional data. In comparison, single-country studies examining government policies supporting entrepreneurship and the development of SMEs in emerging and transitional economies. This research study builds and expands on prior empirical research on government policies affecting entrepreneurship, including macro-level policies (taxation, economic stability, bureaucracy, and regulations related to entrepreneurship) and micro- or local-level policies on finance, training, market access, infrastructure and technology transfer connected to entrepreneurship, which has an impact on the growth and development of SMEs in the market. As discussed in this paper, the neoclassical growth model dominated mid-twentieth-century economic thought. Entrepreneurship has been largely ignored, and no function has been ascribed to the entrepreneur. The neoclassical growth model, growth is dictated by capital and labour augmentation, and long-run growth is driven only by exogenous technological development. But, in the emerging endogenous growth literature, theories in which entrepreneurs play a central role are examined, most notably the knowledge spill-over theory of entrepreneurship, which views the entrepreneur as the channel for spill-overs from pre-existing firm R&D to economy-wide productivity. This theory advocates for the elimination of policy-induced constraints to entrepreneurship, including as regulatory burdens, excessive bureaucracy, taxation, and labour market barriers, all of which increase the entrepreneur's operational costs and uncertainty. However, more recent stress the importance of information in bringing about new market developments. According to these theories, knowledge and information enable innovation, which is critical for enterprises to enter markets, grow, and ultimately inject fresh positive vitality into economic life. Knowledge and knowledge can inspire new ideas, which are subsequently implemented and promoted by potential entrepreneurs, some of whom may even quit their day jobs to pursue new business opportunities. entrepreneurial activity has a threefold effect on economic growth:

- (1) Increases competition by entry of new business ventures.
- (2) Acts as an effective channel of knowledge spill-overs, enabling the transmission of newly generated knowledge to the market and utilised by new and potential entrepreneurs.
- (3) Generates economic diversion.

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