

**Publisher: Asian Economic and Social Society**

Journal of Asian Business Strategy



**Impact Analysis of SMEs Sector in Economic Development of Pakistan: A Case of Sindh**

**Anwar Ali Shah G. Syed** (Pro-Vice Chancellor Sindh University Dadu Campus, Pakistan)

**Muhammad Muneer Ahmadani** (Ph. D Scholar-University of Sindh-Jamshoro, Pakistan)

**Naveed Shaikh** (Assistant Professor-Shah Abdul Latif University Khairpur Mirs, Pakistan)

**Faiz Muhammad Shaikh** (Assistant Professor, SZABAC-Dokri, Pakistan)

**Citation:** Anwar Ali Shah G. Syed., Muhammad Muneer Ahmadani., Naveed Shaikh and Faiz Muhammad Shaikh (2012). Impact Analysis of SMEs Sector in Economic Development of Pakistan: A Case of Sindh. Journal of Asian Business Strategy, Vol. 2, No.2, pp. 44-53.



**Author(s)**

**Anwar Ali Shah G. Syed**

Pro-Vice Chancellor-Sindh University  
Dadu Campus, Pakistan  
Email: [dr\\_anwarshah@yahoo.com](mailto:dr_anwarshah@yahoo.com)

**Muhammad Muneer Ahmadani**

PhD scholar-University of Sindh-  
Jamshoro, Pakistan

**Naveed Shaikh**

Assistant Professor, Department of  
Economics SALU-Khairpur, Pakistan

**Faiz Muhammad Shaikh**

Assistant Professor, SZABAC-Dokri,  
Pakistan  
Email: [faizanmy2000@hotmail.com](mailto:faizanmy2000@hotmail.com)

**Keywords:** SMEs, economic development, Pakistan and province of Sindh

**Introduction**

Small and Medium Enterprises (SMEs) played a very vital role in the economic development of the underdeveloped as well as developed countries. The abbreviation SME is commonly used in the European Union countries and also in international organizations, such as the World Bank, the United Nations and the World Trade Organization (WTO). The term Small and Medium Business (SMB) is also prevailing in a few other countries of the world. EU Member countries conventionally had their own definitions of the term SME (Wikipedia, 2008). Small and Medium Enterprises (SMEs) are known as the solution of economic progress, modernization and the development of employment, employment potential, creation of income and scientific progression in most advanced economies. (Acs and Audretsch, 1990; Neck and Dockner, 1987; Kotey and Meredith, 1997, Bhutta and Asad, 2008). Also maintained by Hamid and Abaidullah (2006) that the participation of SME sector to the economy is significant and this is probably to be a feature of SME sector around the world.

**Impact Analysis of SMEs Sector in Economic Development of Pakistan: A Case of Sindh**

**Abstract**

This study examines the role of SMEs for the economic development of Pakistan. A comprehensive international literature study was undertaken. The data were collected from the 100 owners/managers and 200 employees of the SMEs of textile industry by using five point Likert scale through the survey of 50 small and medium-sized textile units. The data were analyzed by using descriptive statistics, paired sample t-test and Pearson's product moment correlation analysis. The results of this study revealed that SMEs are playing a positive and significant role for the economic progress of Pakistan, fundamental role in foreign exchange earnings and GDP of Pakistan. The present study further suggested that SMEs are also providing job opportunities in the country and have a major contribution in export sub-sector of Pakistan.

**What are SMEs?**

SMEs are usually enterprises that employ not more than 250 workers. The technical definition varies from country to country in the Asia-Pacific region but is usually based on employment, assets, or a combination of the two. Some countries have different definitions for SMEs in the manufacturing and services sector (Kotelnikov, 2007). SMEs are defined by various ways some authors have given very important definitions of SMEs Fong (1971) defined that SME is a business which does not exceed the 100 employees. Businesses in the SME sector generally turn around the owner/entrepreneur (Carson et al., 1995; Nooteboom, 1994). The same point raised by the Verhees and Meulenberg (2004) that small firm is a business which is controlled and managed by the owner himself.

**SME definition approved by SME policy 2007**

Pakistan does not have a single definition of Small and Medium Enterprises. Various Government agencies, e.g., State Bank of Pakistan (SBP), Federal Bureau of Statistics (FBS), Provincial Labor Depts., etc. use their

own definition. Absence of a single SME definition makes it difficult to identify target firms, align development programs, collect data and monitor progress (SME Policy, 2007). Government of Pakistan may implement a single SME Definition that is accepted by all

public and private agencies. On the other hand, different organizations may be allowed a two-year time frame to harmonize their existing SME definition in line with the SME Definition proposed in this Policy (SME Policy, 2007).

**Table 1: SME Definition Recommended by SME Policy 2007**

Enterprise Category	Employment Size	Paid Up Capital	Annual Sales
Small & Medium Enterprise (SME)	Up to 250	Up to Rs. 25 Million	Up to Rs. 250 Million

Source: SME Policy 2007

### Review of literature

SMEs have historically taken as a significant part in contributing to economic progress of many countries around the world (Kongolo, 2010). There is no growth when the advantages of economic improvements are utilized only by a small number of people, whereas the greater parts are being expelled (Todaro and Smith, 2003). The unconstructive effects of current economic turn down have seriously influenced the socio-economic conditions of many people universally. As a reply to these negative conditions, it is necessary that the small, medium and large entrepreneurs improve their employment formation capabilities (Barakat, 2001). It was also pointed out by the Advani (1997) that from the socio-economic development point of view, SMEs provide a variety of benefits. A well-supported and enhanced small business sector is likely to continue contributing to the economic development process in the same way as a large business (Abraham, 2003). One of the noteworthy distinctiveness of a prosperous and emergent economy is a booming and blooming small and medium enterprises (SMEs) sector (Feeney and Riding, 1997).

Feeney and Riding (1997) further argued that small and medium enterprises play an important role in the development of a country. According to Fida (2008) SMEs contribute to economic development in various ways: by creating employment for rural and urban labor force, providing desirable sustainability, and innovation in the economy as a whole. In addition to that, large number of people relies on the small and medium enterprises directly or indirectly. Cook and Nixson (2000) also gave

arguments in favor of SMEs and maintained that the growth of SMEs is seen as the way to accelerating the accomplishment of wider socio-economic objectives, including poverty mitigation. The growth and efficiency of small enterprises have also become famous (Mazumdar, 1997). Using the case of Northern Italy, Piore and Sabel (1984) have argued that small enterprises are more efficient because they have adopted a flexible specialization approach. In the same way, there has been growing interest in whether this model has or can be replicated in developing countries (Schmitz, 1989; Pederson, 1994; Schmitz and Musyck, 1994; Schmitz, 1995). Considerable attention has been paid in the last decade to the problem of poverty-reduction in developing countries (World Bank, 1989, 1997). It is generally agreed that the development of micro and small-scale enterprises (MSEs) can be a key ingredient in poverty-reduction (Sen, 1980 and Green et al, 2002). On the other hand, evidence shows that small-scale enterprises contribute significantly to household incomes (Liedholm *et al.*, 1994; McPherson, 1996; Kapoor *et al.*, 1997; Perks, 2004; McDade & Spring, 2005). It is also globally experienced that a well-organized SME sector is favorable to rapid industrial intensification (Hill, 2001, Llyod 2002).

### Role of SMEs in economy

The strategic importance of small and medium enterprises in the development of the economy is widely recognized in both developing and developed countries (Abdullah 2000a). SMEs play an important role in the development of national economy of any country. UK economy is 99 % SMEs, so out of the 4.8 million UK businesses less than 1% are large corporations

i.e. over 250 employees (Rowe 2008). (Lee 2000) suggest that in South Korea the share of employment accounted for 70% of total employment and the product share for over 46%. In Malaysia SMEs accounted for about 48% of manufacturing establishment (Abdullah 2000b). There are about 118,648 SMEs in Thailand representing around 98% of total firms in manufacturing sector (Suthiphand 2000). China is fast becoming the largest economies in the world and SMEs are key element in China's economy accounting for 99% of total number of firms and about 70% of overall employment (Tang 2007).

Participation of small and medium enterprises (SMEs) in economic progress in developed and developing countries is to be considered backbone of the economy. SME sector of Pakistan is playing a very important part in the economic development and succession of technical improvement, sourcing to large scale industrial sector and promote economic renewal and social development. Similarly to other developing countries, largely the economy of Pakistan is also SME based economy Minniti, Bygrave and Autio (2005), Hodges and Kuratko (2004), Schlogl (2004). As argued by Ahmad, Rani and Kassim (2011) that SMEs have a major participation to the growth and competitiveness of the economy. As indicated by the Small and Medium Enterprises Development Authority (SMEDA) that SME sector of Pakistan represent approximately 90% of all the enterprises in Pakistan. SMEs almost employed 80% of the non-agricultural work force; and shared about 40% in the annual GDP of the country (Malik, Khan, Bhutto and. Ghouri 2011). The significance of SMEs in economy cannot be underestimated because SMEs are the most important source to reduce poverty, growth in the national economy, basic source of employment and social uplift (Akhtar, Raees and Salaria 2011).

There is evidence that SME sector is performing a historic role in the development of economy. However, on the other hand, the failure ratio of SMEs is alarming for developing as well as developed countries. It was identified by the previous studies that a large numbers of newly established SMEs fail

within first five years of their business operation (Zimmerer, Scarborough and Wilson 2008; Hodges and Kuratko 2004). Most of the studies from Australia, USA and England proved that almost 80-90 percent of the SMEs fails within 5-10 years (Zimmerer et al. 2008; Hodges and Kuratko 2004; Peacock 1985; Ahmad et al. 2011. correspondingly, as far as Malaysia is concerned there is a shortage of literature and information, therefore, the expected failure rate of SMEs is roughly 60 percent (Portal Komuniti 2006; Ahmad and Seet 2009). on the other hand, in Pakistan the failure rate of SMEs is approximately 90 percent to 95 percent at the preliminary periods (Ullah, Shah, Hassan and Zaman 2011).

### **SME sector of Pakistan: an overview**

As far as Pakistan is concerned the small and medium enterprise (SME) sector is the spine of Pakistan's economy. According to current estimation, there are roughly 3.2 million business projects in Pakistan. Enterprises employing up to 99 persons and over 90 percent of all private enterprises in the industrial sector and employ nearly, 78 percent of the nonagricultural labors force. They represent 30 percent of national GDP, 25 percent of exports of manufactured goods, and 35 percent of manufacturing value added (Bhutta et al. 2007, SMEDA, 2007, International Finance Corporation, 2008, Kureshi et al. 2009 and Memon et al 2010). It is reported by the Pakistan Economic Survey (2008) that more than 93 percent of the 3.2 million entities fall in the category of SME. The Economic Census of Pakistan (Also called Census of Establishments), published in 2005, reports this figure to be approximately 99 percent. Moreover this sector of economy offers a major share of total value addition and industrial employment in about every part of economies, its participation in the industrial growth and development remains incontrovertible (Kureshi et al, 2009). SMEs today are widely considered as solution of many economic problems. They are considered as great source of reducing unemployment and poverty in the economy. In Pakistan the manufacturing is the largest sector of the economy and has 18.4% contribution to the

GDP (Pakistan Economic Survey, 2009-10 and Ahmad et al, 2009).

**Hypotheses**

Following are the main hypotheses of the study:

- H<sub>1</sub> SMEs are playing a very major role in the economy of Pakistan
- H<sub>2</sub> SMEs are the major source of foreign exchange earnings
- H<sub>3</sub> SMEs have a major contribution in Pakistan’s GDP

**Research methodology**

This study follows a quantitative research design using a survey questionnaire method pooled with a statistical management. A questionnaire was used to obtain responses from the owners/managers and employees of SMEs in textile industry of Pakistan. The sample was selected from the SMEs in textile industry.

**The sample**

As it is impossible financially and physically, to survey all the Small and Medium Enterprises (SMEs) in all the categories i.e. manufacturing, trading and service sector. Therefore, researcher has randomly selected SMEs in textile industry for the purpose of this study. According to the list provided by the Department of Industries Government of Sindh, the total textile industries in Sindh are 655. While scrutinizing of the list in the light of general definition of SMEs given by the Small and Medium Enterprises Development Authority (SMEDA) there were hardly 400 textile industries which were treated as SMEs out of 655 textile industries. The researcher surveyed 50 SMEs in textile industry that become 12.5% of 400 SMEs in textile industry. The District wise break up is given in the following table 2

**Table 2: District wise break up of SMEs in textile industries which were surveyed**

S.#	Name of District	No. of industries surveyed
1	Karachi	18
2	Hyderabad	07
3	Sanghar	20
4	Matiari	05
<b>Total</b>		<b>50</b>

The sector wise break up is given in the following table 3

**Table 3: Sector wise break up of SMEs in textile industry were surveyed**

S.#	Name of sector	No. of industries were surveyed
1	Cotton Ginning Sector	25
2	Weaving Sector	10
3	Readymade Garments	15
<b>Total</b>		<b>50</b>

**The managerial sample**

The managerial sample includes 100 owners and managers drawn from three sectors of SMEs in textile industry at various worksites two from each industry. Table 4 shows the distribution of participants under this study according to SMEs sample. Thus the ginning factories represented 50 percent, weaving industries 20 percent and garment factories 30 percent of the management sample.

**Table 4: Distribution of managers sample (N=100)**

Sr. No.	Name of Sector	Number of respondents	Percentage
1	ginning factories	50	50%
2	weaving industries	20	20%
3	garment factories	30	30%
<b>Total</b>		<b>100</b>	<b>100%</b>

**The Employees Sample**

The employees sample numbered 200 (four from each industry) which were drawn from three sample SMEs in textile industry at the same worksites as in the managerial sample. Table 5 indicates the distribution of respondents under this study. Therefore ginning factories contributed 50 percent, weaving industries accounted for 20 percent and garment factories contributed 30 percent of total employees’ sample.

**Table 5: Distribution of employees sample (N=200)**

Sr. No.	Name of Sector	Number of respondents	Percentage
1	ginning factories	100	50%
2	weaving industries	40	20%
3	garment factories	60	30%
<b>Total</b>		<b>200</b>	<b>100%</b>

**Survey instrument**

The survey instrument was based on the study by Syed (1988). The survey instrument asked questions about the firms’ economic importance. All the questions were asked using the five-point Likert scale (ranking from strongly agree-----strongly disagree).

**Statistical analysis of data**

The methods of analysis used in the present study were smoothly progress with the help of computer programs available in the Statistical Package for the Social Sciences (SPSS) package (Nie et al. 1983). This package was also used by Syed (1988).

The data were coded, inputted and subjected to statistical analysis in the following manner:

1. Descriptive Statistics
2. Pearson Product-moment correlation
3. T-test

**Results and discussions**

A paired sample t-test was used to examine the differences of opinion between the managers and the employees groups of the samples of SMEs in textile industry. In this respect a significant difference was found among both the groups relating to all the seven items of economic importance of SMEs these items were: SMEs play a very major role in the economy of Pakistan; foreign exchange earnings, create the best rising export sub-sectors, major contribution in Pakistan’s GDP, create jobs opportunities, maintain the poverty alleviation activities through creating employment, and finally, consider employees as their most important resources, which indicated that there appeared to be a positive and significant impact of SMEs on the economy of Pakistan as shown in the following table 6

**Table 6: Economic importance of SMEs comparison of perceptions between two groups (managers and employees)**

Items	Managers (n=100)		Employees (n=200)		t	p
	Mean	SD	Mean	SD		
a. SMEs play a very major role in the economy of Pakistan.	20	11.423	40	19.196	-5.484	0.005
b. SMEs are the major source of foreign exchange earnings.	20	9.219	40	17.818	-4.576	0.010
c. SMEs create the best rising export sub-sectors	20	9.137	40	13.564	-7.845	0.001
d. SMEs have a major contribution in Pakistan’s GDP	20	8.803	40	18.520	-4.495	0.011
e. A known feature of SME sector is its ability to create jobs.	20	9.565	40	19.065	-4.216	0.014
f. SMEs maintain the poverty alleviation activities through creating employment.	20	11.067	40	18.801	-4.808	0.009
g. SMEs in general consider employees as their most important resources	20	6.708	40	13.416	-5.216	0.006

Coefficient and correlation of economic importance of SMEs items showed a positive and significant relationship of the views of

Managers and employees among the six items out of seven items which indicated that SMEs are playing a positive and significant role in the eco-

onomy of Pakistan, foreign exchange earnings, exports, GDP, job creation, poverty alleviation. However, the opinions of managers and the

employees on the issue of SMEs in general consider employees as their most important resources were not positively and significantly correlated as shown in the following table 7

**Table 7: Economic importance of SMEs coefficient of correlation between two groups (managers and employees)**

Paired Samples Correlations				
S. #	Items	N	Correlation	Sig.
1	a. SMEs play a very major role in the economy of Pakistan.	5	0.986	0.002
2	b. SMEs are the major source of foreign exchange earnings.	5	0.934	0.020
3	f. SMEs create the best rising export sub-sectors	5	0.948	0.014
4	c. SMEs have a major contribution in Pakistan's GDP	5	0.986	0.002
5	d. A known feature of SME sector is its ability to create jobs.	5	0.939	0.018
6	e. SMEs maintain the poverty alleviation activities through creating employment.	5	0.936	0.019
7	g. SMEs in general consider employees as their most important resources	5	0.842	0.074*

\* Not significant

### Proof of hypotheses

This section presents the results from the empirical studies. The findings were evaluated by considering the different formulated hypotheses one by one in the managers' perspective.

#### Hypothesis 1

Hypothesis 1 assumes that SMEs are playing a very major role in the economy of Pakistan. The paired sample t-test and coefficient of correlation were carried out to test this hypothesis which shows  $t=-5.484$  and  $p=0.005$  which indicates that there is a positive impact of SMEs on the economy of Pakistan. Also the findings of the coefficient of correlation revealed that there is a positive and significant impact of SMEs on the economy of Pakistan, where  $r=0.986$  and  $p=0.002$ . Consequently the hypothesis one under study is accepted.

#### Hypothesis 2

Hypothesis 2 purported that SMEs are the major source of foreign exchange earnings. In order to verify this assertion. The paired sample t-test and Pearson Product-moment correlation were used to test this hypothesis which indicates that SMEs have a positive and significant impact on foreign exchange earnings of Pakistan, where  $t=-4.576$  and  $p=0.010$ . The results of the coefficient of

correlation also showed positive and significant role of SMEs in foreign exchange earnings, where  $r=0.934$  and  $p=0.020$ . Hence, the hypothesis two under study is also accepted.

#### Hypothesis 3

Hypothesis 3 states that SMEs have a major contribution in Pakistan's GDP. To examine this proposition, the paired sample t-test and Pearson Product-moment correlation were used to test this hypothesis, which revealed that there is a major contribution of SMEs in the GDP of Pakistan. As a result hypothesis three under study is accepted on the basis of  $t=-4.495$  and  $p=0.011$ . The findings of coefficient of correlation also endorsed the positive role of SMEs in Pakistan's GDP, where  $r=0.986$  and  $p=0.002$

### Conclusions and implications

The study results revealed that Overall, there was a strong measure of agreement among the two responding groups. The similarity of opinion across these two groups was remarkable. In relation to perceived economic importance of SMEs, the significant difference of opinion was noted in all the seven items. While as far as coefficient of correlation among both the groups was concerned, the six statements were seemed to be significantly correlated whereas only one statement was not

**Journal of Asian Business Strategy, 2(2): 44-53**

Significantly correlated. This preceding analysis has demonstrated sufficiently that Pakistan's small and medium enterprises (SMEs) owners'/managers' and employees' decisions to enter in the process of economic development of the country by expanding export sub-sector, providing job opportunities and also poverty reduction from the country is not free of problems. This is an issue of highest importance in the exporting business, since the way these problems are perceived by SMEs often determines their future involvement in international business activities. SME sector of Pakistan being the largest economic sector in the country has a great contribution towards employment generation, domestic employment, reduction of un-employment in the country and provides job opportunities in rural areas of Sindh, province of Pakistan. Therefore, the Government, Small and Medium Enterprises Development Authority and SME Bank needs to take measures for the expansion, and development of the SME sector of Pakistan, which can play an important role in socio-economic development of the country.

**References**

Abdullah, M. A. (2000a). Small and Medium Enterprises (SMEs): Some Pertinent Issues. Small and Medium Enterprises in Asian Pacific Countries. M. A. Abdullah. NY, Nova Science Publisher, INC.

Abdullah, M. A. (2000b). Myths and Realities of SMEs in Malaysia, Small and Medium Enterprises in Asian Pacific Countries. M. A. Abdullah. NY, Nova Science Publisher.

Abraham, D. (2003). Local Economic Development (LED) in South Africa: A useful tool for sustainable development. Urban Forum, 14: 185-200.

Acs, Z. J. and Audretsch, D. B. (1990). The determinants of small-firm growth in US manufacturing. Applied Economics, 22(2): 143-54.

Advani, A. (1997). Industrial clusters: A support system for small and medium-sized enterprises, the private sector development. World Bank Occasional Paper No. 32, Washington DC.

through Rapid Prototyping to Meet Future Challenges Why & How"? In Jag Srai and Yongjiang Shi (ed), The 14th Cambridge International Manufacturing Symposium on Configuring Manufacturing Value Chains - Responding To An Uncertain World, Sep 24 2009. Cambridge, United Kingdom: Institute for Manufacturing, University of Cambridge.

Ahmad N. H. and Seet, P. S. (2009). Dissecting Behaviors Associated with Business Failure: A Qualitative Study of SME Owners in Malaysia and Australia. Asian Social Science, 5(9): 98-104.

Ahmad, S. Z., N. S. A. Rani and S. K. M. Kassim (2011). Business Challenges and Strategies for Development of Small and Medium Sized Enterprises (SMEs) in Malaysia. Int. J. Business Competition and Growth, 1(2): 177-97.

Akhtar, S., R. Raees and M. R. Salaria (2011). The Impact of Firm, Location and Ownership Specific Factors on Foreign Market Performance of Pakistani SMEs, International Conference on Technology and Business Management, (March 28-30): 513-521.

Barakat, N. Y. (2001). The role of small and medium enterprises in the economy. Jordan Times, Thursday, October 1.

Bhutta, et al. (2007). SCM practices and the health of the SMEs in Pakistan. Supply Chain Management: An International Journal, Emerald Group Publishing Limited.

Bhutta M. K. S. Rana A. I. and Asad U. (2008). Owner characteristics and health of SMEs in Pakistan. Journal of Small Business and Enterprise Development, 15(1): 130.

Carson, D., Cromie, S., McGowan, P. and Hill, J. (1995). Marketing and Entrepreneurship in SMEs: An Innovative Approach. Prentice Hall, London.

Cook P, Nixon F. (2000). Finance and small and medium-sized enterprise development. IDPM, University of Manchester, Finance and Development Research Program Working Paper Series No 14.

Feeney, L. S., Riding, A. L. (1997). Business owner's fundamental tradeoff, Finance and the vicious circle of growth and control. Canadian Business Owners.



- Fida, B. A. (2008). The Importance of Small and Medium Enterprises (SMEs) in Economic Development. Free Online Library.
- Fong, H. D. (1971). Small Industry in Singapore, Singapore University Education Press, Singapore.
- Green, C. J., Kimuyu, P., Manos. R. and Murinde, V. (2002). How do Small Firms in Developing Countries Raise Capital? Evidence from a Large-Scale Survey of Kenyan Micro and Small Scale Enterprises (MSES). Finance and Development Research Program Working Paper Series No 47, Institute for Development Policy and Management, University of Manchester, Crawford House, Precinct Centre, Oxford Road, MANCHESTER M13 9GH, p-1.
- Hamid K. and Abaidullah (2006). Financing the Small and Medium Scale Enterprises in Faisalabad, Pakistan. *Journal of Agriculture & Social Sciences*, 2(2): 106.
- Hill Hal (2001). Small and Medium Enterprises in Indonesia: Old Policy Challenges for a New Administration. *Asian Survey*, 41: 248-270.
- Hodges, H. E. & Kuratko, D. (2004). Entrepreneurship theory process and practice, (6th Ed.) South-Western College Publication, Canada.
- International Finance Corporation (2008). Pakistan: Microfinance and Financial Sector Diagnostic Study Final Report. International Finance Corporation (IFC) Pennsylvania Avenue, NW Washington, DC 20433 USA, pp-4-5.
- Kapoor K., Mugwara, D. & Chidavaenzi, I. (1997) Empowering small entrepreneurs in Zimbabwe. World Bank Discussion Paper no. 379. Washington DC: The World Bank.
- Kongolo, M. (2010). Job creation versus job shedding and the role of SMEs in economic development. *African Journal of Business Management*, 4(11): 2288-2295.
- Kotelnikov V. (2007). Small and Medium Enterprises and ICT. United Nations Development Program–Asia-Pacific Development Information Program (UNDP-APDIP) and Asian and Pacific Training Centre for Information and Communication Technology for Development (APCICT) – 2007.
- Kotey, B. and Meredith, G. G. (1997). Relationships among owner/manager personal values, business strategies, and enterprise performance. *Journal of Small Business Management*, 32(2): 37-64.
- Kureshi, N. I., Mann, R., Khan M.R. and Qureshi, M. F. (2009). Quality Management Practices of SMEs in Developing Countries: A Survey of Manufacturing SME in Pakistan. *Journal of Quality and Technology Management*, 5(2): 63-89.
- Lee, Y. J. (2000). Role and Experience of SMEs in South Korea Small and Medium Enterprises in Asian Pacific Countries. M. A. Abdullah. NY, Nova Science Publisher INC.
- Lied Holm, C., McPherson, M. & Chuta, E. (1994). Small enterprise employment growth in rural Africa. *American Journal of Agricultural Economics*, 76: 1177-82.
- Lloyd H. R. (2002). Small and Medium Enterprises (SMEs): Instruments of conomic Growth and Development in a South African Regional Dispensation, European Regional Science Association.
- Malik, M. A., I. A. Khan, S. A. Bhutto and A. M. Ghouri, (2011). Managerial Skills and Organizational Learning in SMEs of Pakistan. *Indian Journal of Commerce & Management Studies*, 2(4): 60-68.
- Mazumdar, D. (1997). Size-Structure of Manufacturing Establishments and the “Productivity Differentials between Large and Small Firms: A Comparative Study of Asian Economics. University of Toronto, Mimeo.
- McDade BE & Spring A. (2005). The new generation of African entrepreneurs: networking to change the climate for business and private sector led development. *Entrepreneurship and Regional Development*, 17(1): 17-42.
- McPherson, M. A. (1996). Growth of micro and small enterprises in Southern Africa. *Journal of Economic Development*, 48, 253-77.
- Memon S. B., Rohra C. L. and Lal Parkash (2010). Critical Analysis of the Performance Management System (PMS)

- in SMEs of Karachi. Australian Journal of Basic and Applied Sciences, 4(6): 1495-1503.
- Minniti, M., W. D. Bygrave and E. Autio (2005). Global Entrepreneurship Monitor 2004. Executive Report. London: Babson College and London Business School
- Neck, R. and Dockner, E. (1987). Conflict and cooperation in a model of stabilization policies: a differential game approach. Journal of Economic Dynamics & Control, 11(2): 153-59.
- Nie, N. H. et al. (1983). Statistical Package for the Social Sciences. users guide, McGraw-Hill Book Company, New York. New York.
- Nooteboom, B. (1994). Innovation and diffusion in small firms: theory and evidence. Small Business Economics, 6(4): 327-47.
- Pakistan Economic Survey (2008-09). Ministry of Finance, Government of Pakistan, Islamabad
- Pakistan Economic Survey (2009-10). Ministry of Finance, Government of Pakistan, Islamabad
- Peacock, R. (1985). Finding the Causes of Small Business Failure. Management Forum, 17(2): 1-25.
- Pedersen Poul Ove (1994). Structural Adjustment and the Structure of the Economy of Small Towns in Zimbabwe, in Pedersen P Ove *et al* Flexible Specialization: the Dynamics of Small-Scale Industries in the South, London. IT Publications, 21-41.
- Perks, S. (2004). The entrepreneurial skills necessary for growth of micro entrepreneurs: An empirical study. Proceedings of the International Conference on Entrepreneurship in Africa: Sustainable Globalization, Tshwane University of Technology, Pretoria.
- Piore, M. and Sabel, C. (1984). The Second Divide: Possibilities for Prosperity. New York, Basic Books.5.
- Portal, K. (2006). Keusahawanan: PUNB Perkenal Skim Usahawan Pemborong. [Online] Available: <http://www.idesa.net.my/modules/news/article.php?21> January, 2006.
- Rowe, J. (2008). SME Value and Contribution to UK Economy. Retrieved 18 Aug, 2009.
- Schmitz, H. (1989). Flexible Specialization: A New paradigm of Small-Scale Industrialization. IDS Discussion Paper, 261, IDS, Brighton.
- Schmitz, H. (1995). Collective Efficiency: Growth Path for Small-Scale Industry. Journal of Development Studies, 31(4): 529-66.
- Schmitz, H. and Musyck B. (1994). Industrial Districts in Europe: Policy Lessons for Developing Countries? World Development, 22 (6): 889-910.
- Schlogl, H. (2004). Small and Medium Enterprises Seizing The Potential. Organization for Economic Cooperation and Development. The OECD Observer, No. 243: 46-48.
- Sen, A. (1980). Labor and Technology. in Cody, J, Hughes, H and Wall, D (eds) Policies for Industrial Progress in Developing Countries, Oxford, Oxford University Press.
- SME Policy (2007). SME Led Economic Growth – Creating Jobs and Reducing Poverty, Ministry of Industries. Production & Special Initiatives Government of Pakistan.
- SMEDA (2007). SMEDA SME Definition. Ministry of Industries and Production, Govt. Of Pakistan, Lahore
- Suthiphand, C. and Nathavit C. (2000). Experience of SMEs in the Financial Crisis in Thailand. Small and Medium Enterprises in Asian Pacific Countries. NY, Nova Science Publishers INC: P86.
- Syed A. A. S. (1988). New Technology, Employment and Industrial Relations in Developing Countries: A Study of the Pakistan Banking Industry. PhD Thesis Cardiff Business School, University of Wales Collage of Cardiff (UWCC).
- Tang, Y., Paul W. and Yuli Z. (2007). Marketing and Business Performance of Construction SMEs in China. Journal of Business & Industrial Marketing 22(2): 118- 25.
- Todaro, M. P., Smith, S. C. (2003). Economic development. 8th edition, Pearson.
- Ullah, H., B, Shah, F. S. U. Hassan and T. Zaman. (2011). The Impact of Owner Psychological Factors on Entrepreneurial Orientation: Evidence from Khyber Pakhtunkhwa-Pakistan. International Journal of Education and Social Sciences, 1(1)
- Verhees, F. And Meulenbergh, M. (2004). Market orientation, innovativeness, product innovation, and performance in small firms. Journal of Small Business Management, 42(2): 134-54.

- Wikipedia (2008). Small and Medium Enterprises. Free Encyclopedia.
- World Bank (1989). World Development Report. Washington DC.
- World Bank (1997). Taking Action to Reduce Poverty in Sub-Saharan Africa. Washington, DC
- Zimmerer, T., N. Scarborough and D. Wilson (2008). Essential of entrepreneurship and small business management. (5th Ed.). New Jersey: Prentice Hall, Upper Saddle River.