Financing Small and Medium Enterprises and its Role in Academic Development

(Applied Research in the State of Kuwait)

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Abstract

The development of the small and medium size enterprise SME’s is the concern of all countries of the world because of its effective role in strengthening the countries macroeconomy in addition to the importance of insuring a diversified sources of income.

This study presents some of the problems and obstacles that SME’s in the State of Kuwait face in general, while study the financial and funding obstacles in more details. The financial problems might not be related to the amount of financial funding, else might be related to the complexity of the funding mechanism which is associated with a range of other factors such as legislation, laws and policies, economic environment and the funding agencies.

Through our study we found a big gap between government funding programs and entrepreneurs. Where lack of transparency in the funding mechanism lead them to distrust and rejection of the decisions of funding agencies. Moreover, other entrepreneurs believe that the government is unable to provide the necessary funding to support their projects.
This study presents a number of recommendations which generally emphasize on the importance of forming a dedicated and specialized institute which aims to serve the SME’s by solving their problems and assisting them to overcome obstacles in addition to updating them with required information related to their business and the overall economy.