

A Review of the Impacts of SMEs as Social Agents of Economic Liberations in Developing Economies

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Abstract

The benefits of a booming SME sector can be seen in the creation of a sound industrial base for an emerging economy. It ranges from the provision of employment, sources of subsistence, equitable distribution of incomes to its citizens, to deployment of domestic savings for investments. It also include, but not limited, to the increase in capital financial gains, important contribution to Gross Domestic Product (GDP), harnessing of native raw materials, curtailing rural-urban migration and efficient utilization of a nation's resource, as can be seen in the case of Taiwan, South Korea, Singapore, etc. These are countries that were built on a dynamic SME sector. However, many less developed economies have not been able to fully utilize the many benefits of this sector, perhaps due to ignorance. This review examined the extent to which these social agents (SMEs) which have liberalized several economies of the developed countries, such as the United States, United Kingdom, Wider Europe and the BRICS countries (Brazil, Russia, India, China and South Africa) is being treated with levity within the developing economies. The study however, focuses on the SMEs operating within the Nigerian state. It employed in its entirety the review of secondary data. And findings revealed a plethora of issues. Of note was the fact that despite the benefits of this vibrant sector to the Nigerian economy, the government policies, infrastructures, finances amongst others are not favorable for its growth and sustainability. The authors recommend that the Nigerian government as well as government of other developing economies must invest substantially to the growth, development and sustainability of SMEs through the provision of essential infrastructures, manpower, microfinance, security and adequate policy framework.

Key Words: *Small and Medium Scale Enterprises, Entrepreneurship, Economic development, Nigeria, BRICS.*
