

DEPARTMENT OF ECONOMICS
UNIVERSITY OF COLOMBO

The Role of Government Policies in SMEs Development: A Systematic Literature Review

DoE-UoC Working Paper

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ABSTRACT

This systematic literature review comprehensively examines the impact of government policies on the development of small and medium-sized enterprises (SMEs) over the past two decades. By synthesizing 103 selected studies, it analyzes the effectiveness of various policies in areas like financing, innovation, and internationalization. The review focuses on 21 articles that meet stringent inclusion criteria, including relevance to the core topic, use of empirical research methods, and publication in high-quality academic journals. The selection process involves multiple stages, such as initial screening, data extraction, and quality assessment using the Joanna Briggs Institute Critical Appraisal checklist. The main finding of the SLR reveals that while policies generally have positive impacts on SMEs, there are significant regional and industry-specific variations. Moreover, the study highlights the lack of in-depth research on policy synergy. The findings provide valuable theoretical and practical implications for policymakers, researchers, and SME managers, aiming to optimize policymaking and promote the sustainable development of SMEs.

Key Words: Small and medium-sized enterprises; Government policies; Financing support; Innovation incentives; Policy synergy; Enterprise development

JEL Classification Numbers: L26; E61; O31

FOREWORD

Small and Medium Enterprises (SMEs) play a critical role in driving economic growth, fostering innovation, and generating employment opportunities. Recognizing their significance, governments worldwide have implemented various policies to support SME development through financial assistance, regulatory frameworks, capacity-building programs, and market access initiatives. However, the effectiveness of these policies remains a topic of ongoing research and debate, necessitating a systematic review of existing literature to identify key trends, challenges, and policy implications.

This working paper, titled "The Role of Government Policies in SME Development: A Systematic Literature Review," is part of the Department of Economics Working Paper Series, which aims to contribute to the academic and policy discourse on economic development. The study synthesizes existing research on government interventions in the SME sector, examining their impact on business sustainability, innovation, and competitiveness across different economic contexts. By systematically reviewing and analyzing prior studies, this paper provides a comprehensive understanding of how policy frameworks have influenced SME growth, highlighting best practices and areas for further improvement.

The Department of Economics is committed to fostering rigorous research that informs evidence-based policymaking and enhances economic resilience. We hope this working paper will serve as a valuable resource for academics, policymakers, and industry stakeholders interested in strengthening SME ecosystems through effective policy design.

We extend our gratitude to the authors for their scholarly contribution and to all those who have supported this research initiative. We look forward to continued discussions and further research that will enrich our understanding of SME development and the role of government policies in shaping their success.

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LIST OF ABBREVIATIONS

Abbreviation	Definition
GSP	Government Support Policies
OECD	Organisation for Economic Co - operation and Development
R&D	Research and Development
SLR	Systematic Literature Review
SME	Small and Medium - sized Enterprises

The Role of Government Policies in SMEs Development: A Systematic Literature Review

1. Introduction

Small and Medium-sized Enterprises (SMEs) are the backbone of the global economy. They play a crucial role in driving economic growth, creating job opportunities, fostering technological innovation, and contributing to sustainable development (Ayyagari, Demirgüç - Kunt, & Maksimovic, 2011; Organisation for Economic Co-operation and Development [OECD], 2020). In emerging economies such as China, SMEs are significant contributors to employment and GDP. However, they often encounter numerous obstacles in their development, including financing difficulties, limited innovation capabilities, and intense market competition (Beck & Demirguc - Kunt, 2006; Sun, Li, & Wang, 2024).

To address these challenges, governments at all levels have introduced a wide range of supportive policies. These include financial subsidies, tax incentives, innovation-promoting policies, and intellectual property protection measures, all aiming to provide a boost to SMEs. Nevertheless, the actual effectiveness of these policies remains a subject of debate. The efficiency and fairness of policy implementation vary greatly across different countries, regions, and industries, attracting extensive attention (Zhang & Wang, 2023; Chen, Li, & Zhang, 2022).

SMEs possess unique characteristics. They are known for their flexible operation but often suffer from relatively scarce resources. Although they have great innovation potential, they face many restrictions. Their development is influenced by a combination of internal and external factors. Internal factors involve aspects like management level and technical reserves, while external factors include market competition, the financing environment, and policies and regulations. Government policies are designed to correct market failures, create a more favorable development space for SMEs, and enhance their positive role in economic growth, employment generation, and innovation (Acs, 1999).

In the realm of economic theory development, early classical economic theories mainly concentrated on enterprise production and cost analysis, paying little heed to the development of SMEs and the impact of policies. With the deepening of research, new institutional economics emerged. This school of thought emphasizes the crucial role of the institutional environment, especially policy institutions, in enterprise transaction costs and behavioral decisions. For instance, North (1990) posited that government policies, as an integral part of institutional arrangements, can shape the institutional framework in which enterprises operate, thereby affecting their operational efficiency and development trajectories. In the field of SME financing, the theories of "financial repression" and "financial deepening" proposed by McKinnon and Shaw (1973) offer a theoretical basis for understanding SMEs' financing dilemmas and corresponding policy interventions. In terms of innovation incentives, Schumpeter's (1934) innovation theory laid the foundation for government support of SME innovation. Many empirical studies based on this theory continuously explore the impact mechanisms of different policy tools on the innovation performance of SMEs (Czarnitzki, Riedel, & Ter Wal, 2011).

In the past decade, the Chinese government has been proactive in introducing policies to support SME development in financing, innovation, and sustainable development. Regarding financing support, Chinese policies have explored the role and limitations of financial subsidies, loan guarantees, and tax incentives. For example, Sun *et al*. (2024) found that China's government subsidy policy has significantly enhanced the financing capabilities of SMEs, particularly in capital-intensive industries. However, the policy effects vary remarkably across different regions. In contrast, in Zimbabwe, due to ineffective implementation, policies failed to effectively alleviate SMEs' financing difficulties (Prasannath, Rajan, & Zingales, 2024). In the area

of innovation incentives, Chinese policies have been promoting the innovation capabilities of SMEs through innovation subsidies and intellectual property protection. He et al. (2022) discovered that the innovation subsidy policy has a significant promoting effect on technological innovation, especially in high - tech industries.

However, it has also been shown that a combination of multiple government policy tools is more effective in promoting enterprise innovation behavior than a single policy (Zhao & Li, 2024). In terms of internationalization and sustainable development, Chinese policies have been supporting SMEs from multiple perspectives. A case study of Portuguese SMEs (Ribau & Alves, 2023) indicated that government-promoted market access and export support policies have significantly improved the internationalization capabilities of enterprises, especially in the B2B environment. Nevertheless, a study (Nurfarida & Suryani, 2022) emphasized that many SMEs find it difficult to fully utilize these policies due to limited enterprise resources and fierce international market competition.

Despite the numerous studies on the impact of policies on SMEs in different regions, there are still significant research gaps. In particular, the analysis of policy synergy is insufficient. Although some existing literature mentions different policy tools, there is a lack of systematic and comprehensive research on how Chinese government policies work together and how to achieve the optimal combination of different policies for SMEs at different development stages, in different industries, and in different regions. This study aims to fill these gaps by conducting an in-depth exploration of the synergistic effects of various Chinese policies and seeking to construct a more reasonable and effective policy portfolio system.

2. Research Background

2.1 Core Concepts

This research centers on the impact of policies on the development of SMEs. The key concepts involved are SMEs, government policies, and the relationship between them. The definition of SMEs varies across countries and industries. According to the World Bank, SMEs are typically defined based on the number of employees and annual turnover. In China, the National Bureau of Statistics defines SMEs as enterprises with less than 1,000 employees and an annual operating income of less than 400 million yuan.

2.2 Theoretical Foundation

Early classical economic theories predominantly focused on enterprise production and cost analysis, largely overlooking SMEs and the influence of policies. The new institutional economics, however, emphasizes the importance of the institutional environment in enterprise behavior. North's (1990) institutional change theory points out that government policies can influence the institutional framework within which enterprises operate. In the context of SME financing, the "financial repression" and "financial deepening" theories (McKinnon & Shaw, 1973) help explain SMEs' financing difficulties and the rationale for policy interventions. Schumpeter's (1934) innovation theory provides a theoretical basis for government support of SME innovation. These theories, intertwined, offer a multi-dimensional perspective for understanding the complex relationship between government policies and SME development, and also form a solid theoretical foundation for this study.

2.3 Research Significance

Systematically examining the impact of government policies on SMEs holds great theoretical and practical significance. Theoretically, it can further uncover the complex interaction mechanisms between policies and SME development, filling the gaps in the current literature regarding policy dynamics and situational applicability (Sun *et al*., 2024; Zhao & Li, 2024). Practically, this research provides a scientific basis for policymakers to optimize policy design and implementation. It also offers valuable references for countries around the world in promoting SME development. Moreover, by emphasizing the fairness and efficiency of policies in the process of SME development, it can promote more inclusive and sustainable policy innovation.

2.4 Research Gaps and Improvements

Previous research on the impact of policies on SMEs has several limitations.

First, the impact of policies on SMEs is closely related to enterprise characteristics such as scale, industry type, and development stage. However, the adaptability of policies to different enterprises has not been thoroughly explored. For example, Zhang and Wang (2023) pointed out significant inequalities in the access of Chinese small and micro-enterprises to government support, with larger medium-sized enterprises being more likely to obtain policy resources. Yang and Wang (2023) also proposed that enterprises with a strong entrepreneurial orientation are better at utilizing government support policies, while traditional conservative enterprises may struggle to benefit.

Second, policy effects are influenced by regional economic development levels and government implementation capabilities. Although studies like Chen *et al.* (2022) found that during the COVID-19 pandemic in China, policy implementation efficiency differed between developed and underdeveloped regions, leading to varying benefits for SMEs, there is a lack of in-depth analysis of these differences. A study in Zimbabwe (Musabayana & Mabvuure, 2022) showed the importance of policy implementation transparency and fairness, but further exploration is needed.

Third, existing studies mostly focus on the short-term effects of single policies, neglecting the synergistic effects of policy combinations and their long-term impacts. Zhou (2022) noted that the combination of innovation-funding policies and financing support policies may have a greater promoting effect on enterprise growth, but its specific mechanism remains unclear. This study aims to address these gaps by conducting in-depth research on enterprise-policy adaptability, regional differences in policy implementation, and policy combinations and their long-term impacts.

2.5 Theoretical Foundation of Policy Synergy

In addition to the theories mentioned above, policy synergy also has its own theoretical basis, which is crucial for understanding how different government policies interact to affect the development of SMEs. Policy synergy refers to the phenomenon where multiple policies work together in a coordinated manner, and the combined effect is greater than the sum of the individual effects of each policy. This concept is closely related to the Policy Mix Theory and System Dynamics Model.

The Policy Mix Theory posits that different policy tools can be combined in various ways to achieve specific policy goals. For example, in the context of SME development, a combination of financial subsidy policies and tax-incentive policies can be used to alleviate SMEs' financial burdens and promote their growth. The choice and combination of these policies depend on the specific situation of SMEs, such as their industry type, development stage, and regional characteristics. Different policy combinations can have different impacts on SMEs. Complementary policy combinations, for instance, enhance each other's effects. A policy providing financial subsidies for R&D activities in combination with a policy offering tax breaks for innovative products can jointly encourage SMEs to invest more in innovation. Substitute policy combinations, on the other hand, can replace each other to some extent in achieving certain policy objectives. For example, in some cases, direct financial support and loan guarantee policies can be substitutes for solving SMEs' financing problems. However, there may also be conflicting policy combinations. An overly strict environmental protection policy might conflict with a short - term economic stimulus policy for SMEs in polluting industries, as the former may increase the compliance costs of SMEs, while the latter aims to promote their rapid growth with fewer restrictions.

The System Dynamics Model can be used to analyze the complex interactions and feedback loops within policy systems. It takes into account the dynamic relationships between different policies, the external environment, and the behavior of SMEs. In this model, policies are seen as a system where changes in one policy can trigger a series of reactions in other policies and the overall economic environment. For example,

an innovation-promoting policy may lead to increased R&D investment by SMEs, which in turn may increase their demand for capital. This will then influence the effectiveness of financing policies. By using this model, we can better understand the long-term and dynamic impacts of policy synergy on SME development.

The role of policy synergy in SME development is achieved through several paths. First, it can improve resource allocation efficiency. Different policies can target different aspects of SME development, such as financing, innovation, and market expansion. When these policies are coordinated, resources can be allocated more effectively to meet the diverse needs of SMEs. Second, policy synergy can enhance policy effectiveness. Complementary policies can strengthen each other's functions, for example, innovation-incentive policies and talent-introduction policies can jointly promote the innovation capabilities of SMEs. Third, it can help to adapt to complex and changing economic environments. As the economic situation and market conditions change, a coordinated set of policies can better respond to various challenges and opportunities.

To evaluate the policy synergy, several indicators can be used. One important indicator is the impact on SME performance. This can be measured by changes in financial performance indicators such as profitability, growth rate, and market share. For example, if a combination of innovation and financing policies leads to a significant increase in an SME's profit margin and market share, it indicates positive policy synergy. Another indicator is the degree of resource utilization. Efficient policy synergy should lead to a higher utilization rate of resources, such as a more efficient use of government subsidies and financial support. Additionally, the adaptability of SMEs to the policy environment can also be an indicator. If SMEs can quickly and effectively respond to a set of coordinated policies, it shows that the policy synergy is working well.

3. Research Methods

3.1 Literature Analysis Methodology

This study employs the Systematic Literature Review (SLR) method, which is distinct from meta-analysis and bibliometric analysis in its systematic and scientific approach (Dansese & Romano, 2018). The SLR method can effectively reduce subjective bias in literature retrieval and construct a knowledge framework for the target research field based on existing literature. The process of SLR involves several steps: first, clearly defining the research objects and setting conceptual boundaries according to the research objectives; second, formulating search and exclusion rules in terms of research subjects, time, published journals, etc.; third, filtering samples based on these rules by searching and quickly reviewing literature titles and abstracts; fourth, conducting internal coding and analysis of the retained samples from multiple angles, including basic information and main research contents; and finally, presenting the results and discussions, evaluating the literature from the perspectives of discipline and research focus.

Figure 1: Systematic Literature Review Method

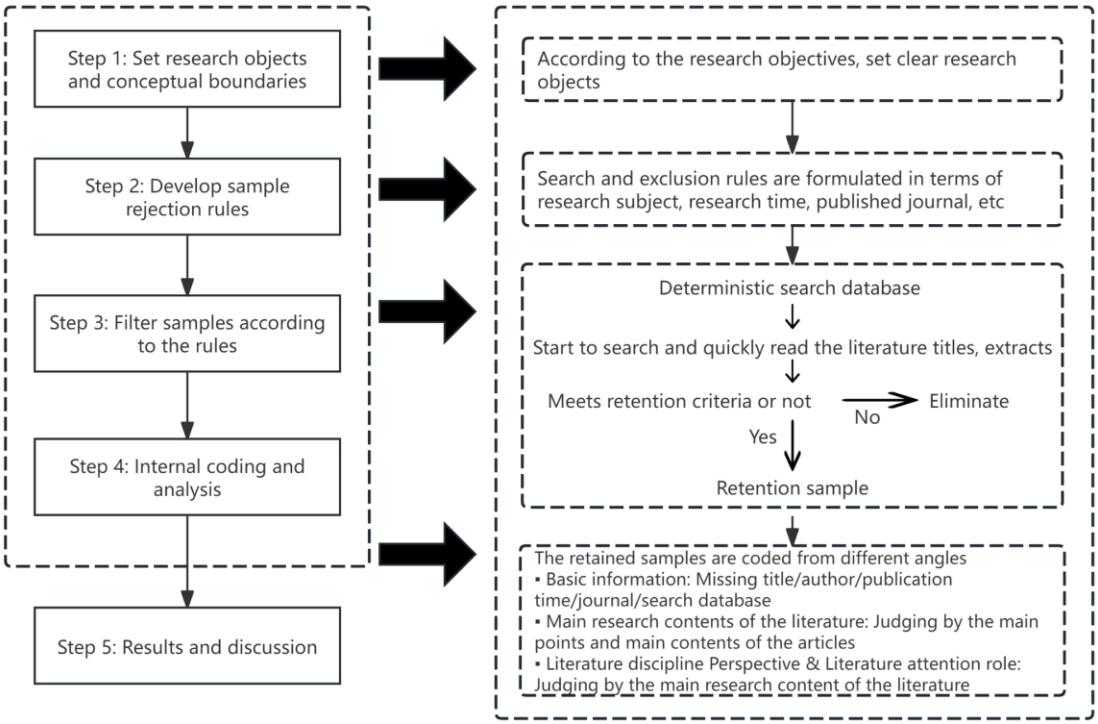


Table 1: Search Strategy

	Operator	**Keyword Grouping**	**Operator**	**Keywords**
Small and Medium-sized Enterprises	AND	Government Policies	AND	Financing Support Policies
Small and Medium-sized Enterprises	AND	Government Policies	AND	Innovation-Incentive Policies
Small and Medium-sized Enterprises	AND	Government Policies	AND	Sustainable Development Policies
Small and Medium-sized Enterprises	AND	Policy Synergy	AND	Policy Mix
Small and Medium-sized Enterprises	AND	Policy Synergy	AND	Policy Interaction
Small and Medium-sized Enterprises	AND	Policy Synergy	AND	Policy Effectiveness

3.1.1 Study Selection and Data Extraction

This study conducted literature retrieval in multiple large-scale academic journal databases, including Web of Science, Scopus, EBSCOhost, and CNKI, covering the period from 2004 to 2024. A series of keywords and their combinations were used, such as "small and medium-sized enterprises", "government policies", "financing support policies", "innovation-incentive policies", "sustainable development policies", "policy synergy", "policy mix", "policy interaction", and "policy effectiveness". To ensure the quality, convergence, and reliability of the research literature, only journals in the Q2 and above partitions of SSCI/SCI/JCR, as well as CSSCI and CSCD journals, were selected for screening. After a meticulous process of reading each retrieved result and excluding duplicate literature, book reviews, and non-academic research literature, a total of 103 academic papers on the impact of policies on SME development were obtained. Considering the comprehensiveness and representativeness of the research, the languages of the literature were restricted to English and Chinese, with 85 English-language and 16 Chinese-language literatures. The data collection was carried out in an orderly manner from November to December 2024. During the preliminary screening of literature, multiple key criteria were used to evaluate and screen the retrieved literature, such as the relevance of the research topic, the scientificity of the research method, the reliability of the data source, and the rationality of the research conclusion, to ensure that the included literature were of high quality and had significant research value.

3.1.2 Quality Assessment

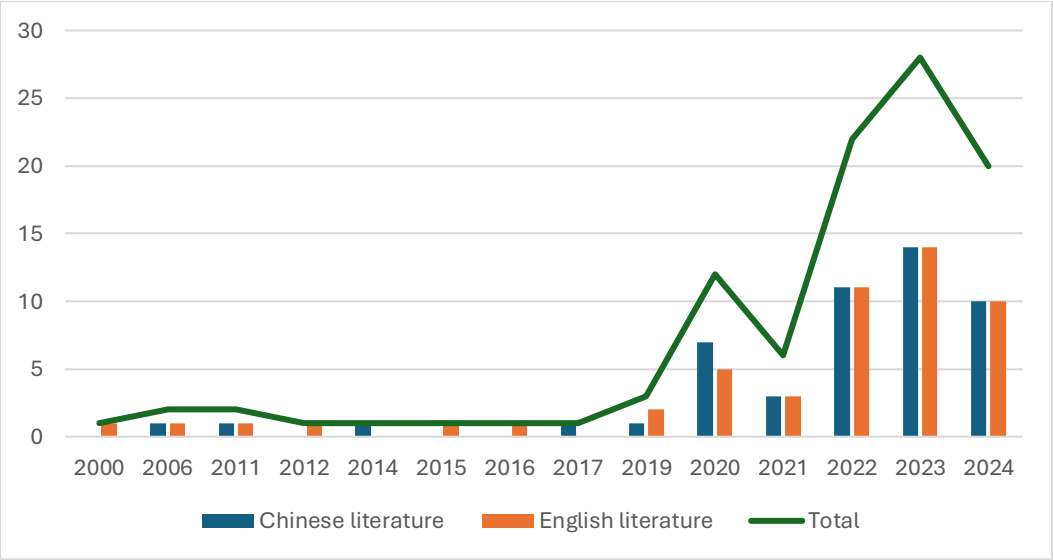
The quality of these thirty-one papers was selected using the Joanna Briggs Institute Critical Appraisal checklist of systematic reviews. Two reviewers made decisions on their eligibility and quality and disagreements that arose were solved through negotiations. Finally, 21 papers gained the required quality score of 6.5 from 103 research articles. This study excluded review articles, pilot studies, working papers, reports or unpublished Ph.D. dissertations, books, symposiums, supplementary, prospective, or intervention studies, and those published in other languages.

3.2 Literature Retrieval

The selected literature focuses on exploring the specific impacts of government policies on the financial status, operational performance, technological innovation, and market competitiveness of SMEs. They also pay attention to the differential responses of SMEs in different industries, scales, and regions to policies, as well as how the regional economic development level, industrial structure, and institutional environment moderate the impact of government policies on SME development. A variety of research methods are employed in this literature, including quantitative analysis, case studies, and questionnaires. The comprehensive use of these methods provides rich evidence and in - depth understanding for researching the impact of policies on SMEs. Literature studies cover multiple policy tools, such as financial subsidies, tax incentives, financial policies, and industrial policies, and explore how these tools individually or jointly affect the development of SMEs. Generally, the literature finds that government policies have a positive impact on SMEs, especially in providing financial support, promoting technological innovation, and enhancing market competitiveness. However, they also point out issues in policy implementation, such as resource misallocation, ownership and scale discrimination, and unbalanced regional development.

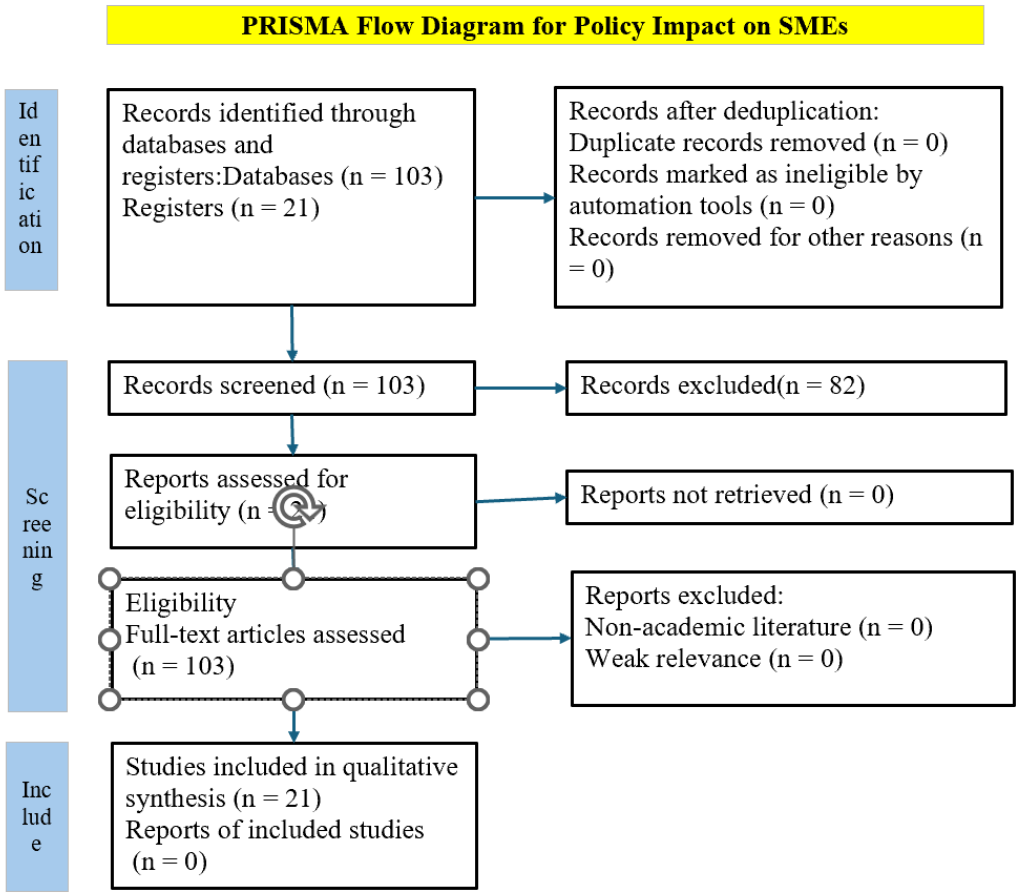
Judging from the publication time of the retrieved papers, the earliest English-language literature on the impact of policies on SMEs dates back to 2000. Since 2016, the number of related studies has increased rapidly, and the number of publications in 2022 reached a certain level, showing an obvious upward trend. The earliest Chinese-language literature appeared in 2016, lagging behind the English-language literature by about 5 - 6 years. There was explosive growth around 2019, and the number of publications in 2022 also reached a notable level, with a significant upward trend.

Figure 2: Searching Literature publishing trend chart



Source: Compiled by the author based on the analyzed literature

Figure 3 PRISMA flow diagram for the impact of government policies on SMEs.



Source: (Page *et al*., 2021)

This PRISMA flow diagram outlines the process of identifying, screening, and selecting studies for inclusion in the systematic literature review on the impact of government policies on Small and Medium-sized Enterprises (SMEs). The process began with the identification of 103 records from academic databases. After deduplication, all 103 records were screened for eligibility. No records were removed during this stage, indicating a high relevance to the research topic.

In the eligibility stage, all 103 full-text articles were assessed. No articles were excluded based on non-academic literature, weak relevance, or duplicate publication, suggesting that the initial screening criteria were effective in identifying relevant studies. Ultimately, 21 studies were included in the qualitative synthesis, providing a robust foundation for the analysis of policy impacts on SMEs.

This systematic approach ensures that the review is comprehensive and methodologically sound, allowing for a thorough examination of the effectiveness of various policies in areas like financing, innovation, and internationalization for SMEs.

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This systematic approach ensures that the review is comprehensive and methodologically sound, allowing for a thorough examination of the effectiveness of various policies in areas like financing, innovation, and internationalization for SMEs.

3.3 Inclusion Criteria

Literature included in this study must meet the following criteria: First, they must clearly and precisely focus on the core topic of the impact of government policies on the development of SMEs, covering but not limited to policy effects and influences on SMEs in key areas such as financing, innovation, internationalization, and sustainable development. Second, in terms of research methods, preference is given to literature that adopts empirical research methods, such as rigorous quantitative analysis, detailed case studies, and representative survey research.

At the same time, qualitative research literature with profound theoretical insights and strong theoretical depth are also included. Third, the definition of SMEs in the research should conform to the standards generally recognized in the academic and practical fields at home and abroad to ensure the consistency and comparability of the research objects. Fourth, the sources of literature are limited to academic journals with high academic reputation and influence, professional conference proceedings, working papers issued by authoritative research institutions, and other literature platforms with certain academic value and authority to ensure the academic quality and credibility of the literature.

The types of literature to be excluded mainly include non-academic news reports, general commentary articles, publicity materials lacking substantial research content, etc. This literature cannot provide valuable information for this research due to the lack of rigorous research methods and in-depth theoretical analysis. Also excluded are literature with weak relevance to the theme, which only mentions the relationship between government policies and SME development indirectly or fail to explore it deeply and systematically. Such literature are difficult to make substantial contributions and offer targeted insights to the core research questions. Additionally, duplicate-published literature and those with serious data quality problems (such as inaccurate data, unreasonable sample selection, and obvious defects in research methods) are excluded to

avoid misleading influences and unnecessary interference with the research results. In addition, this study also refers extensively to various reports, policy documents officially released by the government, and professional statistical data to supplement and improve the policy background information, the actual policy implementation situation, and relevant data details, ensuring that the research can be conducted based on a comprehensive and accurate information foundation for in-depth analysis and comprehensive elaboration.

The details are as shown in the following table:

Table 2: Inclusion Criteria

	Standards	Specific Contents
Inclusion Criteria	Theme Focus	The literature must clearly and precisely focus on the impact of government policies on the development of small and medium-sized enterprises, covering but not limited to the policy effects and influences on small and medium-sized enterprises in key areas such as financing, innovation, internationalization, and sustainable development.
	Research Methods	Priority is given to literature that adopts empirical research methods (such as rigorous quantitative analysis, detailed case studies, representative survey research, etc.), while qualitative research literature with profound theoretical insights and strong theoretical depth is also included.
	Definition of Small and Medium-sized Enterprises	The definition of small and medium-sized enterprises in the research objects needs to conform to the standards generally recognized in the academic and practical fields at home and abroad to ensure the consistency and comparability of the research objects.
	Literature Sources	The sources of literature are limited to academic journals with high academic reputation and influence, professional conference proceedings, working papers issued by authoritative research institutions, and other literature platforms with certain academic value and authority to ensure the academic quality and credibility of the literature.
Exclusion Criteria	Non-academic Literature	Exclude non-academic news reports, general commentary articles, publicity materials lacking substantial research content, etc. Such literature cannot provide valuable information for this research due to the lack of rigorous research methods and in-depth theoretical analysis.
	Weak Relevance	Exclude literature with weak relevance to the theme, which only mentions indirectly or does not deeply and systematically explore the relationship between government policies and the development of small and medium-sized enterprises. Such literature is difficult to provide substantive contributions and targeted insights to the core research questions.
	Duplicate Publication	Exclude duplicate published literature and literature with serious problems in data quality (such as inaccurate data, unreasonable sample selection, obvious defects in research methods, etc.) to avoid misleading influences and unnecessary interference on the research results.

3.4 Research Screening and Data Extraction

A comprehensive, meticulous, and stringent screening process was implemented for the 103 retrieved literature to guarantee the fairness of the screening and the reliability of the outcomes. During the data extraction phase, key information was carefully culled from each included literature to underpin subsequent analysis.

The selection of the 21 included literature was guided by two primary factors. In terms of theme relevance, this literature was chosen as it closely centered on the impact of government policies on SMEs, with a strong focus on policy synergy, a core aspect of this study. They comprehensively explored how various policies interacted with and influenced SME development in areas like financing, innovation, and internationalization. For example, several of this literature specifically examined the combined effects of innovation-support and financing-related policies on SME growth, aligning directly with the research questions.

Research method representativeness was also a crucial factor. The 21 literatures employed a diverse array of empirical research methods, including in-depth quantitative analysis, detailed case studies, and comprehensive surveys. This methodological variety enabled a multi-dimensional exploration of the research topic. Some studies utilized econometric models for quantitative policy-effect analysis, while others offered qualitative insights through case studies of SMEs in different regions and industries. This combination provided a more holistic understanding of the policy- - SME relationship.

When comparing the included and excluded literature, notable differences emerged in regional distribution and policy types. The 21 included literature had a broader and more balanced regional coverage, encompassing regions such as China, the US, Europe, and Asian emerging economies. This wide-ranging regional scope was essential for capturing the varied impacts of policies across different economic and institutional settings. Conversely, many excluded literatures were region-specific, often focusing on a single country's policies, which limited their suitability for a comprehensive, global-scale analysis.

Regarding policy types, the included literature covered a comprehensive range of policies relevant to SME development, including financial subsidies, tax incentives, innovation-promotion, and internationalization - related policies. They also investigated policy interactions, in line with the study's focus on policy synergy. In contrast, excluded literature often concentrates on one or two policy types. For instance, some only analyzed financial subsidies in isolation, neglecting the interaction with other policies, making them less relevant for understanding the complex policy - SME dynamics.

In conclusion, the 21 included literatures were carefully selected for their high - relevance themes and representative research methods. Their broader regional distribution and wider policy - type coverage, compared to the excluded literatures, minimized potential sample bias, ensuring a comprehensive and accurate exploration of the impact of government policies on SME development.

3.5 Literature Synthesis by Establishing an Excel Research Database

To systematically manage and analyze the extracted data, 21 articles closely related to the direction of research of this paper were selected from the 103 retrieved literature, and an Excel research database was re-established. This database not only stores the key information of each literature but also enables comprehensive evaluation and comparative research of the literature through data organization and analysis functions. It also provides solid data support for subsequent theoretical construction and policy recommendations.

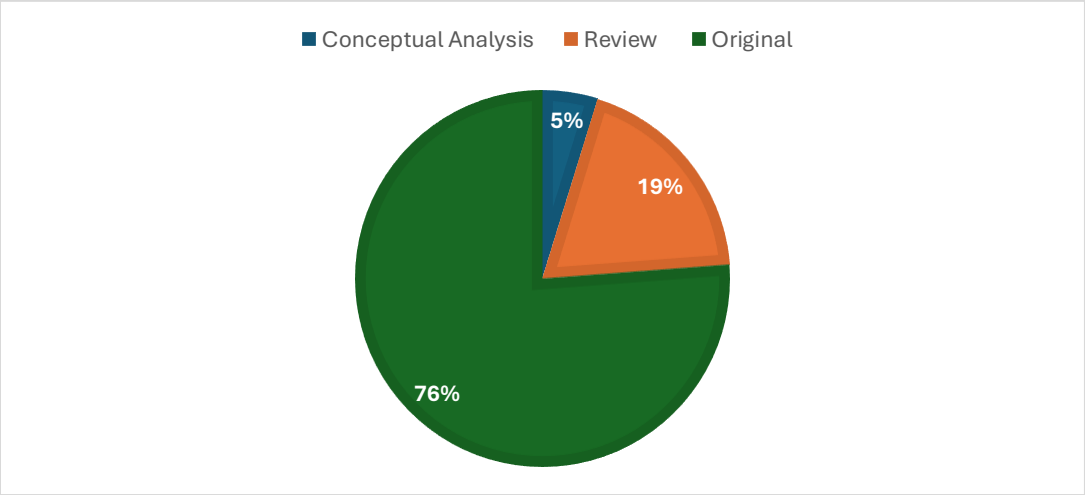
First, key information such as the author, year, research region, research method, research design method, and variable types was extracted from these 21 articles and entered into an Excel table. Then, the entered data was classified and organized to facilitate subsequent analysis and comparison. In particular, policy types, SME characteristics, and policy-effect indicators were classified and summarized. Subsequently, data analysis was performed. Using the data-analysis functions of Excel, such as sorting, filtering, and pivot tables,

a multi-dimensional analysis of the data was carried out. For example, pivot tables were used to analyze the impact of different policy types on the performance of SMEs, or to compare the differences in policy implementation effects in different regions. Finally, the analysis results were presented in the form of charts, tables, etc., intuitively showing the multi-dimensional impact of policies on the development of SMEs. For instance, a trend chart of the change of policy-effect indicators was drawn, or a comparison table of the effects of different policy types was made.

3.5.1 Distribution of Research Methods

Based on the statistical results, the number of times of original research is the largest, reaching 16, which is much higher than the number of times of conceptual analysis and review. This may indicate that in the research field of the impact of policies on SMEs, researchers tend to carry out innovative original research to explore new viewpoints, theories, or empirical results. The number of times of conceptual analysis is the least, probably because this method focuses more on theoretical construction and concept exploration. In the current research environment, the demand for actual data and empirical results is more urgent. Review-type research has a certain number of uses, which helps to summarize and sort out the existing research results and provide references for subsequent research.

Figure 4 : Distribution of Research Methods



Source: Compiled by the author based on the analyzed literature

3.5.2 Distribution of Main Research Fields

From these data, it can be inferred that in the research on the impact of policies on SMEs, the impact of policies themselves is the most popular research field. This indicates that researchers pay great attention to how policies act on SMEs and the various effects they produce. Policies are important external factors influencing the development of SMEs. Understanding the specific impacts of policies can help the government formulate more effective policies and enable SMEs to better adapt to the policy environment. For example, research on the impact of tax policies and subsidy policies on the financial status and market competitiveness of SMEs.

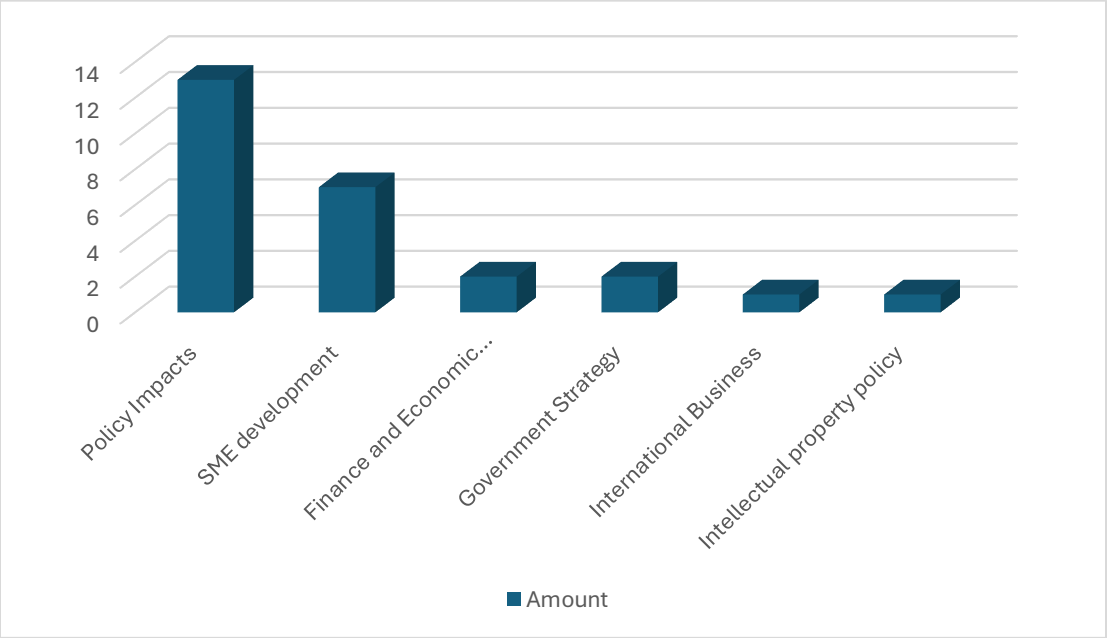
The development of SMEs is also a relatively concerned field. After all, one of the ultimate goals of policies is often to promote the sound development of SMEs. Research in this field may involve the growth paths of SMEs, the improvement of innovation capabilities, market expansion, etc., in order to explore how to promote the sustainable development of SMEs through policy guidance and support.

However, the number of studies in fields such as corporate governance, international business, and intellectual property policies is relatively small. This may mean that these fields have not been fully explored

in the current research system. Corporate governance is crucial for internal management and decision - making efficiency of SMEs.

Due to the scale and characteristics of SMEs, it may be easily overlooked in research. The relatively small number of studies in the international business field may be because the degree of participation of some SMEs in the international market is relatively low, or the difficulty of conducting relevant research is relatively high, such as involving cross - border data collection and policy comparison in different countries. The relatively few studies on intellectual property policies may be because the awareness and ability of SMEs in intellectual property protection and utilization are relatively weak and have not attracted sufficient research attention.

Figure 5. Distribution of Main Research Fields



Source: Compiled by the author based on the analyzed literature

3.5.3 Analysis of Key Factors Affecting the Impact of Policies on SMEs

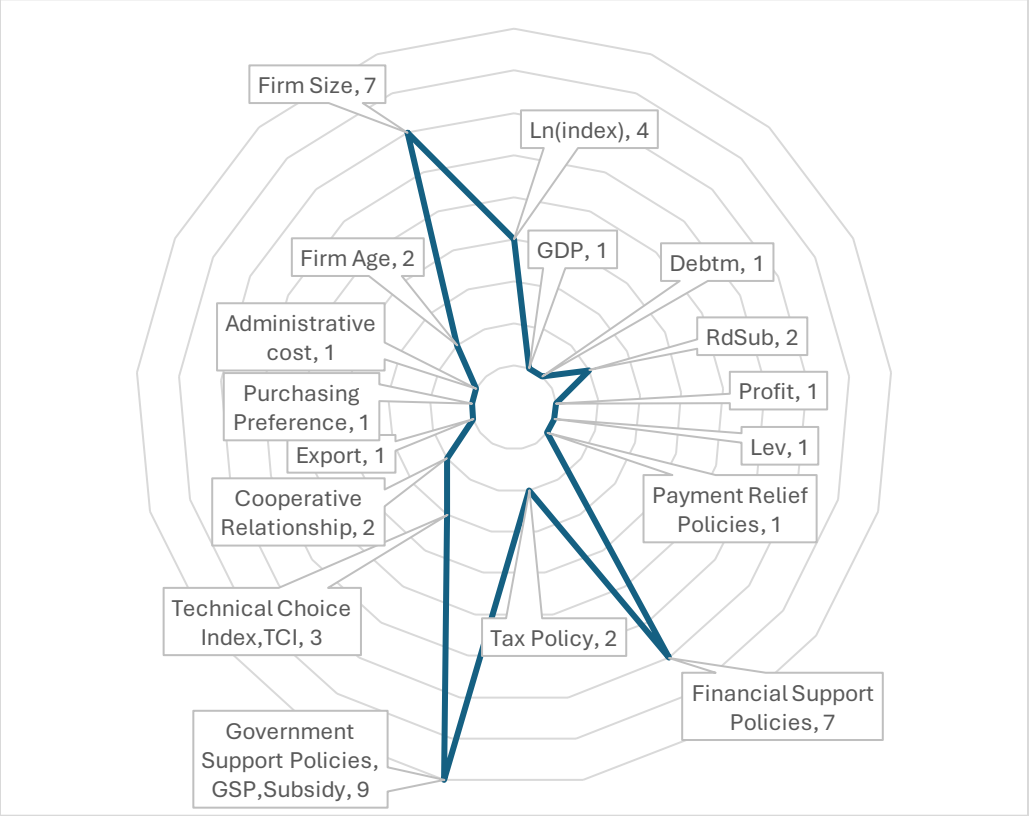
1. Analysis of Key Independent Variable Factors

Judging from the factors with a relatively high number of mentions among the independent variables, firm size is mentioned the most (Zhang & Wang, 2023; Yang & Wang, 2023). This indicates that when studying the impact of policies on SMEs, the scale of the enterprise itself is a very crucial consideration factor. SMEs of different sizes vary in resource acquisition, market competitiveness, etc., and the impact of policies on them may be completely different (Zhang & Wang, 2023). For example, large-scale SMEs may be more likely to obtain government subsidies and financial support, while small-scale SMEs may need more targeted policy support to break through development bottlenecks (Yang & Wang, 2023).

Government subsidies (Government Support Policies, GSP, Subsidy) and financial support policies also have a relatively high number of mentions (Sun *et al*., 2024; Boschmans *et al*., 2020). This shows that the government's financial support and financial policies play an important role in influencing the development of SMEs and are key policy factors that researchers focus on. Government subsidies can directly relieve the

financial pressure of SMEs and promote enterprise technological innovation and equipment upgrading (Sun [et al]., 2024); financial support policies can help improve the financing environment of SMEs and enhance the enterprise's capital liquidity (Boschmans et al., 2020).

Figure 6. Distribution of Independent Variables



Source: Compiled by the author based on the analyzed literature

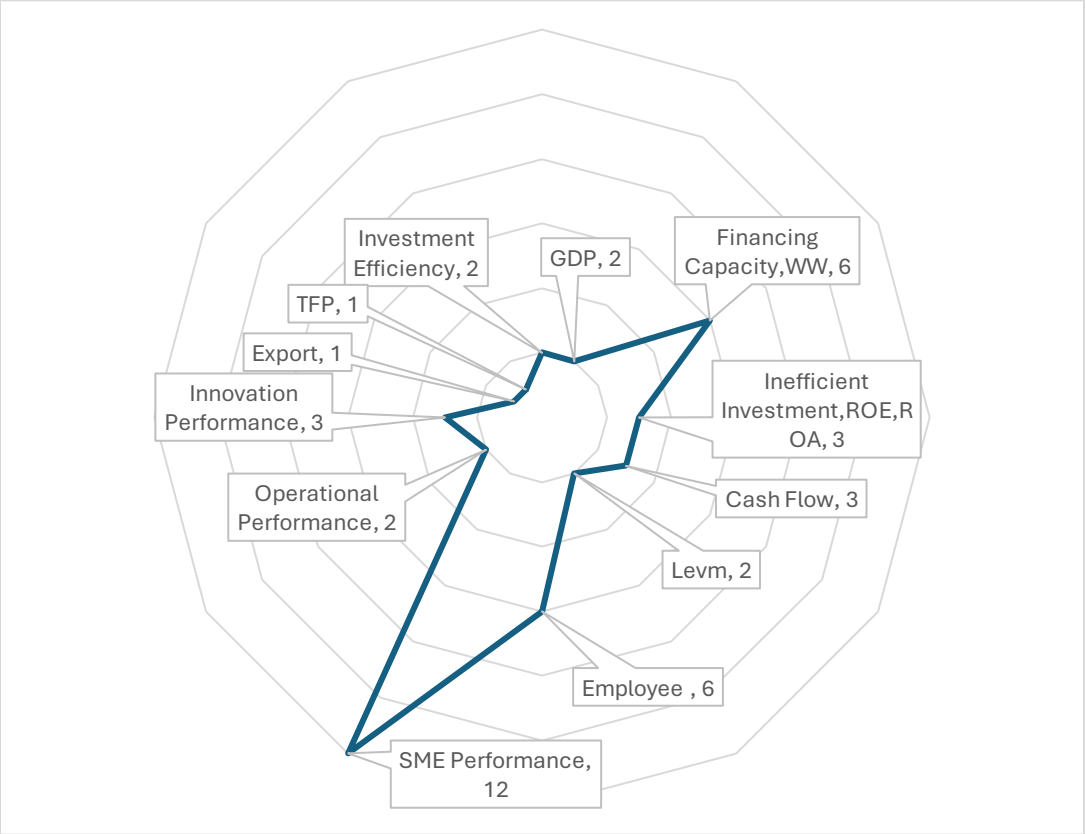
2. Analysis of Key Dependent Variable Factors

Among the dependent variables, SME performance appears the most frequently. This reflects that the core concern of the research is how policies affect the business performance of SMEs. The ultimate goal of policies is often to improve the performance of SMEs. As Beck and Demirguc-Kunt (2006) pointed out, the development of SMEs is of great significance for economic growth and employment creation, and policies play a key role in promoting the performance improvement of SMEs. Therefore, researchers analyze the relationship between policies and enterprise performance through various methods.

Financing capacity and employee situation rank second in the number of mentions, indicating that the impact of policies on the financing of SMEs and their role in the enterprise's human resources are also research focuses. The financing problem has always been a key issue plaguing the development of SMEs. As the "financial repression" theory proposed by McKinnon (1973) and Shaw (1973) states, developing countries generally have problems such as imperfect financial markets and interest rate controls, resulting in financing difficulties for SMEs. The improvement of the financing environment by policies can directly affect the survival and development of enterprises. For example, measures such as providing financing guarantees can create more favorable financing conditions for SMEs (Boschmans *et al*., 2020). Employees are the core resources of an enterprise. The impact of policies on employee recruitment, training, benefits, etc. will indirectly affect the enterprise's performance. This is in line with Schumpeter's (1934) innovation theory.

SMEs have unique advantages in innovation due to their flexibility and sensitivity to market changes, and employees are the core driving force of innovation. Policy supports for employees helps to enhance the enterprise's innovation ability and performance.

Figure 7. Distribution of Dependent Variables



Source: Compiled by the author based on the analyzed literature

3.6 Discovering New Insights through the Analysis of Research Themes

1. Summary of the Research Status

Judging from the current data analysis, the current research on the impact of policies on SMEs shows the following characteristics. In terms of research methods, original research is highly favored, while conceptual analysis is relatively less used, and review-type research plays a role in sorting out existing results. The main research fields focus on policy impacts and SME development, and other fields such as corporate governance and international business are relatively less studied. In the analysis of key factors, firm size, government subsidies, and financial support policies are more concerned among the independent variables, and SME performance, financing capacity, and employee situation are the research focuses among the dependent variables.

2.Suggestions for Future Research Directions

Expand Research Fields: Strengthen research in fields such as corporate governance, international business, and intellectual property policies. Although these fields have relatively few studies at present, they are equally important for the long - term development of SMEs. For example, study how to guide SMEs to improve their corporate governance levels through policies to enhance their competitiveness; explore how policies can help SMEs better participate in international business activities and expand overseas markets; analyze the incentive effect of intellectual property policies on SME innovation, etc.

Comprehensively Use Research Methods: On the basis of mainly relying on original research, appropriately increase the proportion of conceptual analysis, strengthen theoretical construction, and provide a more solid theoretical foundation for empirical research. At the same time, multiple research methods can be combined. For example, combine empirical research with case analysis to more deeply analyze the impact mechanism of policies on SMEs.

Pay Attention to Emerging Policy Factors: With the development of the economy and society, new policy factors will continue to emerge, such as policies related to the digital economy and green development. Future research should pay timely attention to the impact of these emerging policies on SMEs and provide more forward-looking suggestions for policy-making and enterprise development.

Overall, the current policies for SMEs lack long-term follow-up research. Current research mostly focuses on the short-term impact of policies on SMEs and lacks future-oriented and long-term follow-up research. For example, observing the continuous impact of policies on SMEs at different time stages and how SMEs adapt to policy changes to achieve sustainable development.

4. Findings

4.1 Research Identification

Through extensive and systematic literature retrieval, this study obtained a total of [101] pieces of literature related to the impact of government policies on the development of SMEs. After a rigorous screening and evaluation process in accordance with the established criteria, 21 high - quality and highly relevant literatures were finally carefully determined as the objects of in - depth analysis. These research literatures comprehensively cover the research results from 2003 to 2023. Their research regions widely involve many countries and regions around the world, including but not limited to China, the United States, European countries, other emerging economies in Asia, and some African and Latin American countries with different economic development levels. Among them, the research results of China and developed economies such as Europe and the United States are relatively more abundant and in-depth. This not only reflects the important position of SMEs in the economic structure of these regions but also highlights the high attention and emphasis of academia and policymakers on the development of SMEs and the role of government policies. In the construction of the research framework, through a rigorous and progressive exclusion process, literature that does not meet the inclusion criteria, such as non-academic literature, literature with weak research topic relevance, and literature with data quality problems or research method defects, were effectively excluded. This ensures that the finally included literature have a high degree of pertinence, representativeness, and reliability, providing a solid and reliable foundation for subsequent in - depth and detailed analysis work and guaranteeing the accuracy and credibility of the research results.

4.2 Research Characteristics

From the perspective of research methods, quantitative research methods dominate in this field. Empirical research based on large-scale data collection, statistical analysis and research using econometric models to accurately evaluate policy effects are relatively common. In the exploration of the impact of government policies on the development of SMEs, many scholars have carried out rigorous research. Zhang and Wang (2023) analyzed 517 policies from 2000 - 2020 and used methods such as fixed-effects regression to clarify the impact of China's fiscal and financial policies on the investment efficiency of SMEs and their action mechanisms; Chen et al. (2022) used ESIEC data and multiple analysis methods to quantify the impact of policies on the operations of SMEs during the epidemic; Sun et al. (2024) used database data and, through multiple models, analyzed and clarified the impact and mechanisms of different subsidy policies on the financing of SMEs; He et al. (2022) based on A - share data, through regression models, etc., quantified the impact of innovation subsidy policies on enterprise technological innovation and revealed the policy effects and the moderating role of financing constraints (Zhang & Wang, 2023; Chen, Cheng, Gong, & Li, 2022; Sun, Wang, Huang, & Li, 2024; He, Shan, & Zhong, 2022).

Through rigorous experimental designs, scientific data collection and processing, these studies can accurately quantify the degree of impact, direction, and action mechanisms of government policies on the development of SMEs. For example, regression analysis and other statistical means are used to clarify the causal relationship and elasticity coefficients between policy variables and enterprise performance indicators, providing a solid quantitative basis for policy-effect evaluation. At the same time, the case-study method has also been widely used. By deeply analyzing the detailed development process, coping strategies, and actual effects of specific SMEs in a specific policy environment, it provides rich and vivid micro-situational information for in - depth understanding of the actual implementation effects, action details, and real-world challenges of policies at the enterprise level. For example, an in-depth case analysis of representative SMEs in a specific industry in a certain region can clearly show the transmission path, action mode of policies in the actual operation process of enterprises, and the feedback and adaptation mechanisms of enterprises to policies, providing strong practical support and real-world case verification for theoretical research.

In terms of research objects, the types of SMEs show significant diversity, widely covering different industry fields such as manufacturing, services, high-tech industries, and agriculture, as well as enterprises at different development stages such as start-up, growth, maturity, and transformation stages, and enterprises of different scales such as micro, small, and medium-sized enterprises. This diversity enables the research results to comprehensively and meticulously reflect the differential impacts and action effects of government policies in different enterprise situations, revealing the enterprise heterogeneity factors that need to be fully considered in the process of policy formulation and implementation, and providing rich empirical evidence and practical reference for formulating more precise and effective SME support policies.

4.3 Research Summary

In the field of financing support, research has found that financial subsidy and tax - preference policies have alleviated the financing difficulties commonly faced by SMEs to a certain extent. Especially for SMEs in some capital-intensive industries, the government subsidy policy can significantly enhance their financing capabilities and the availability of funds (Sun *et al*., 2024). However, there are significant differences in policy effects among different regions. In some regions, due to factors such as insufficient policy implementation strength, imperfect market environment, or limitations of enterprises have not been able to fully benefit from relevant financing support policies (Prasannath *et al*., 2024), which highlights the importance of regional adaptability and supporting measures in the policy implementation process.

In terms of innovation incentives, innovation subsidies and intellectual - property protection policies have a positive promoting effect on the innovation capabilities of SMEs, especially in high-tech industries. These policies can effectively stimulate enterprises to increase R&D investment and promote the output and transformation of technological innovation achievements (He et al., 2022). However, a single innovation policy often fails to achieve the best results. The coordinated combination and application of multiple government policy tools have shown more significant results in promoting enterprise innovation behavior (Zhao & Li, 2024), which provides a clear direction for further optimizing the innovation-incentive policy system, that is, paying attention to the combination and synergistic effects of policy tools.

In terms of policy synergy, although the existing literature has explored different policy tools to a certain extent, there is still a lack of comprehensive, systematic, and in-depth analysis and understanding of the coordinated cooperation mechanisms and action effects among numerous Chinese government policies. This indicates that there is still a large research space and practical challenges in optimizing the design of policy combinations, giving full play to synergistic effects, and enhancing the overall effectiveness of the policy system. It is urgent to further explore how to construct a more scientific, reasonable, and effective policy combination system to better meet the diverse actual needs of different types of SMEs at various development stages, maximize policy synergy benefits, and thus provide more powerful policy support for the sustainable development of SMEs.

4.4 Classification of Existing Policy Synergy Research and Specific Manifestations in China

In existing policy synergy research, various policy combinations like complementary, substitute and conflicting ones have been identified. However, current analyses typically only conclude that "policy combinations are more effective," lacking in-depth exploration of synergy mechanisms and boundary conditions. To fill this gap, we conduct a qualitative analysis of policy synergy cases, extract key success factors, and utilize the network analysis method (such as policy - tool co - occurrence networks) to reveal common policy-combination patterns.

1. Qualitative Analysis of Policy Synergy Cases

Take the interaction between innovation and financing policies in China. In Shenzhen's high-tech SME clusters, the local government offers innovation-incentive policies, including patent - application subsidies and R & D project approvals. These policies inspire SMEs to invest in R & D. Meanwhile, in line with financing policies, financial institutions provide preferential loans to these innovative SMEs. This combined approach has significantly spurred the growth of high - tech SMEs in the area.

The key success factors of this synergy are as follows:

Policy Timing: Innovation policies are rolled out first to ignite SMEs' innovation drive. Once SMEs show innovation potential, financing policies are promptly implemented to meet their capital demands. This sequential execution ensures that policies support each other at different enterprise-development stages.

Coordination among Implementing Agencies: Effective communication and coordination are essential between the government departments overseeing innovation policies and the financial institutions implementing financing policies. In Shenzhen, there might be information-sharing platforms or mechanisms between the science and technology department and financial regulatory authorities. This enables financial institutions to quickly identify and support innovative SMEs.

2. Network Analysis of Policy Combinations

Using the method by Flanagan *et al*. (2011), we construct a policy - tool co-occurrence network based on data from the Excel research database. In this network, each policy tool is a node, and co - occurrences in the same literature form edges. Edge thickness indicates co-occurrence frequency.

The analysis reveals several common policy-combination patterns:

Innovation - financing - talent - related policies: Innovation - subsidy, financing - support (like low-interest loans and venture-capital support), and talent-introduction policies frequently co-occur. Innovation demands capital and talent. Financing policies supply funds, and talent-introduction policies ensure SMEs have the human resources for innovation. For instance, in some high-tech industrial parks, the local government provides R&D subsidies, encourages financial institutions to offer innovation-related loans, and has talent-attraction policies for SMEs.

Market - access - export - promotion - international - cooperation policies: For international-oriented SMEs, market - access, export - promotion (such as export subsidies and exhibition support), and international - cooperation - promoting policies often appear together. These policies help SMEs enter international markets, expand overseas businesses, and boost their international competitiveness.

In conclusion, understanding policy-combination types, their manifestations in China, key synergy success factors, and common combination patterns through network analysis is crucial for optimizing SME policy systems and promoting sustainable development.

5. Discussion

5.1 Importance of Research Results

This study aims to deeply explore the impact mechanisms, action effects, existing problems, and challenges of government policies on the development of SMEs through a comprehensive and systematic literature review, to provide valuable information and basis for policymakers, researchers, and SME managers, promote the deepening of academic research in this field and the optimization of practical applications, and promote SMEs to achieve more stable and sustainable development with the support of policies, thereby contributing to the prosperity and progress of the overall economy.

The importance of the research results is reflected at multiple levels. For policymakers, clarifying the advantages and disadvantages of existing policies in the implementation process helps to accurately identify the directions and key points of policy optimization, optimize policy design, adjust resource allocation strategies, and improve the pertinence, effectiveness, and synergy of policies. For example, in terms of financing policies, based on the differential feedback of policy effects in different regions, policymakers can targeted improve the policy implementation methods, increase supervision and support for regions with ineffective policy implementation, or customize and adjust financing policy tools and parameters according to the characteristics of regional industries and enterprise demand characteristics to ensure that policies can effectively benefit SMEs and improve the utilization efficiency of policy resources and social benefits (as Zhang and Wang pointed out in their 2023 study, the precise implementation of policies is crucial for the development of SMEs).

For SME managers, a deep understanding of the impact mechanisms and action effects of policies on enterprise development helps them keenly capture policy opportunities, formulate development strategies that are more in line with the actual situation of the enterprise and the market environment, and make full use of policy support to enhance the core competitiveness and sustainable development capabilities of the enterprise. For example, according to the orientation and incentive measures of innovation policies, reasonably plan the direction and intensity of the enterprise's R&D investment, optimize the internal innovation management mechanism, and improve the enterprise's utilization of policies (this is consistent with the research conclusion of He *et al*. in 2022, that is, innovation policies have a significant promoting effect on the technological innovation of SMEs).

5.2 Research Limitations

In terms of research limitations, although we strive to follow the rigorous process of systematic literature review, some inherent problems cannot be completely eliminated. First, although the literature retrieval covers multiple authoritative databases, there may still be some relevant literature that are not included, especially some research results in emerging fields or literature written in languages other than English and Chinese. This may lead to an incomplete understanding of the policy impacts in certain specific regions or niche research directions (as Lerner mentioned in 2009, research in different languages and fields may have certain limitations). Second, in terms of research methods, most literature focuses on quantitative and qualitative analysis, and there are relatively few studies using innovative research methods such as those based on complex system theory or behavioral economics experiments. This limits, to a certain extent, our in-depth understanding of the policy impact mechanisms. Third, due to differences in data collection and indicator measurement in different studies, the comparability of research results is affected to a certain extent, which also brings challenges to our comprehensive analysis and extraction of unified conclusions (this is consistent with Zhou's research view in 2022, that is, policy research requires more comprehensive and diversified methods).

5.3 Research Contributions

However, the contributions of this study are also remarkable. At the theoretical level, the characteristic theoretical model constructed in combination with China's national conditions and development stage provides a new perspective for explaining the unique mechanism of government policies on the development of SMEs, filling the gaps in previous theories in this regard, helping to promote the development of academic research in a more practical - oriented direction, and providing a basic framework for subsequent scholars to further explore the relationship between policies and enterprise development (as North emphasized in 1990, the importance of the institutional environment for enterprise development, and our research provides new theoretical support for this field). At the practical level, through in-depth analysis of policy synergy, we provide valuable references for constructing a policy combination system that adapts to the characteristics of different development stages, industries, and regions of SMEs. Policymakers can formulate and adjust policies more precisely based on our research results, improve the allocation efficiency of policy resources, avoid waste and misallocation of resources, so as to better meet the diverse needs of SMEs, promote the healthy growth of SMEs, and enhance the vitality and stability of economic development.

SME managers can also obtain inspiration from research, better understand the policy intentions, optimize enterprise strategic decisions, and actively align with the policy orientation to enhance the competitiveness and survival ability of enterprises in the market, achieve the sustainable development of enterprises, play a greater role in promoting employment growth, technological innovation, and industrial upgrading, and contribute to the prosperity of the social economy. It also provides Chinese experience and practical models with reference significance for the development of SMEs worldwide, enhancing China's international influence and discourse power in this field (this is consistent with the research findings of Ayyagari *et al*. in 2011, that is, the importance of SMEs to the global economy, and our research provides more powerful support for their development).

This systematic literature review comprehensively sorts out and deeply analyzes the relevant research on government policies and the development of SMEs in the past decade. Through rigorous research methods, it reveals the effectiveness and deficiencies of policies in the financing, innovation, etc. of SMEs, as well as the lack of research on policy synergy. The research results highlight the urgency and importance of optimizing policy combinations and enhancing policy precision and synergy. It provides a basis for decision-making for policymakers and enterprise managers and has a certain value in both theoretical and practical fields. However, the research also has limitations. Future research can start from directions such as expanding literature sources, innovating research methods, and strengthening interdisciplinary research to further deepen the understanding of this field, provide more powerful support for the sustainable development of SMEs, promote more scientific and effective government policy-making and implementation, help SMEs move forward steadily in the complex and changeable economic environment, contribute more to the continuous prosperity of the national economy, and offer more wisdom and solutions to the global research on the development of SMEs.

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Appendix

NO.	Sources	year	Country/ies	Objective	Methodology	Key finding
1	PLoS ONE.	2023	China	To measure the implementation effect of SMEs' fiscal and financial policies at the micro level and analyze their impact on investment efficiency. Examine the conduction mechanisms (investment opportunities and financing capacity) through which these policies affect investment efficiency and explore the differences in these mechanisms based on enterprise property rights and size. Provide suggestions for improving policy design and implementation to enhance the support effect on SMEs.	Collected and analyzed 517 SME financial and fiscal policies issued by multiple institutions from 2000 - 2020 to construct a fiscal and financial policy index for SMEs using quantitative and narrative approaches. Selected A-share listed SMEs as the research sample, classified them based on property rights and size, and used fixed effects regression models for empirical analysis. Employed Tobin's Q as a proxy for investment opportunity and built a cash-cash flow sensitivity model to test the financing capacity mechanism. Conducted robustness tests including redefining and measuring explained variables, using instrumental variables (U.S. Economic Policy Uncertainty), and deleting special samples.	SMEs' fiscal and financial policies enhance investment efficiency, but the effect is stronger for state-owned and medium-sized SMEs. Non-state-owned and small enterprises are less sensitive to these policies and face "ownership" and "scale" discrimination in financing, limiting their investment efficiency improvement. Investment opportunities and financing capacity are the two mechanisms through which policies affect investment efficiency. State-owned SMEs' investment opportunities are not significantly improved by policy support, and the financing capacity of private SMEs and small enterprises is not enhanced as much as that of state-owned and medium-sized enterprises. Targeted fiscal and financial policies for small (micro) enterprises can alleviate their financing constraints.

NO.	Sources	year	Country/ies	Objective	Methodology	Key finding
2	China Economic Review.	2022	China	To assess the immediate impact of local policy interventions on SMEs' activities during the COVID - 19 pandemic. Examine the medium - run effects of national stabilization policies on SMEs' operations. Provide insights for policymakers on how to improve policy responses to support SMEs during the pandemic.	Utilized data from the "Enterprise Survey for Innovation and Entrepreneurship in China" (ESIEC) which includes a national survey and two waves of COVID - 19 special surveys. Collected hand - collected policy schedules on local and national policies. Employed a combination of descriptive statistics and regression analysis. For short - run policy effects, used the February wave of the survey and included firm - level control variables. For medium - run effects of stabilization policies, applied a propensity - score - matching (PSM) method using the May wave of the survey.	Stabilization policies: Payment relief policies (social security deferrals, rent reductions) improved SMEs' cash flow and increased the probability of reopening in the short run, with social security deferrals also having a positive impact on reopening expectations. Financial support policies (credit guarantee support, loan support) had little impact on SMEs' cash flow and reopening decisions. In the medium run, payment relief policies continued to have positive effects, while financial policies remained ineffective. Lock - down policies: Provincial highway closures and city - wide social - distancing negatively affected SMEs' reopening decisions and expectations of reopening within one month, likely due to reduced consumer demand. Heterogeneity analysis: Skill - intensive firms benefited more from social security deferrals in terms of cash flow and reopening. SMEs relying on non - local customers were more affected by highway closures, and offline sellers were more affected by social distancing.

NO.	Sources	year	Country/ies	Objective	Methodology	Key finding
3	PLoS ONE.	2024	China	To assess the effectiveness of the Chinese government's subsidy program in improving SMEs' financing accessibility. Analyze how different subsidy policies impact SMEs' external financing in terms of equity and debt financing. Examine the mechanisms through which government subsidies affect SMEs' financing decisions and provide insights for more effective subsidy policy design.	Collected data from the CSMAR database (for government subsidy policies) and the Wind database (for other firm-level variables) from 2011 to 2020, excluding financial sector firms and abnormal data. Categorized government subsidies into unconditional and conditional forms through a combination of computerized and manual methods. Employed a baseline regression model with individual and time fixed effects to analyze the impact of subsidies on financing. Used propensity score matching (PSM) and difference-in-differences (DID) method (PSM-DID) to address selection bias and estimate causal effects. Conducted robustness tests using generalized propensity score (GPS) and instrumental variables (IV) approach. Constructed a mediation effect model to analyze the internal mechanisms.	Under low-intensity subsidy policies, both unconditional and conditional subsidies contribute to equity and debt financing. Under high-intensity subsidy policies, unconditional subsidies negatively impact equity financing but positively impact debt financing, while conditional subsidies positively impact debt financing. The mechanisms include signaling effects, financing crowding-out effects, and development incentive effects. Under low-intensity subsidies, unconditional subsidies have all three effects, while conditional subsidies have signaling and development incentive effects. Under high-intensity subsidies, unconditional subsidies mainly have a financing crowding-out effect, and conditional subsidies have a development incentive effect. Over-reliance on a single subsidy type may reduce its effectiveness, and the government should consider the balance and intensity of subsidy policies.

NO.	Sources	year	Country/ies	Objective	Methodology	Key finding
4	International Entrepreneurship and Management Journal.	2024	The studies included in the review cover multiple countries, with a particular focus on developing economies such as Nigeria, Malaysia, Indonesia, China, and Tanzania. Developed countries like Australia, Germany, and Spain are also part of the research.	To synthesize the current understanding of how different forms of GSPs relate to and impact the EO and performance of SMEs. Categorize GSPs and identify the relationships and pathways between GSPs, EO, and SME performance. Provide recommendations for policymakers to develop more effective support policies.	Conducted a systematic literature review using the PRISMA methodology, searching databases (ABI/INFORM, ScienceDirect, Scopus, and Web of Science) in October 2023. Applied inclusion and exclusion criteria to select papers. Analyzed the selected articles using NVivo 12 and Leximancer 4.5 for thematic and semantic analyses.	GSPs can directly influence SME performance, change SMEs' EO, mediate or moderate the EO-performance relationship, and have a performance relationship mediated by EO. Direct GSPs like grants, loans, and training, and indirect GSPs such as regulatory policies and institutional environment, impact SMEs differently. The effectiveness of GSPs varies depending on institutional context, type of GSP, EO level of SMEs, and SME characteristics.

NO.	Sources	year	Country/ies	Objective	Methodology	Key finding
5	OECD		The report covers 48 countries including Australia, Austria, Belarus, Belgium, Brazil, Canada, Chile, China, Colombia, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Korea, Latvia, Lithuania, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Peru, Poland, Portugal, the Russian Federation, Serbia, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, the United Kingdom, and the United States.	To provide a comprehensive framework for policymakers and stakeholders to monitor access to finance by SMEs and entrepreneurs. To support the design and evaluation of policy measures and to monitor the implications of financial reforms on SME financing. To document and analyze the trends and developments in SME and entrepreneurship finance over the 2007 - 2018 period, including debt, equity, asset-based finance, and framework conditions.	Data collection from experts in participating countries, including supply-side data from financial institutions and statistical offices, and demand-side surveys. Construction of core indicators to describe and monitor key dimensions of SME financing, such as bank credit allocation, public support for finance, credit costs and conditions, and non-bank sources of finance. Use of descriptive statistics and regression analysis to analyze trends and relationships. For example, regression models are used to analyze the impact of policies on SME investment efficiency and the determinants of SME financing patterns. Case studies and examples from different countries are provided to illustrate policy initiatives and their effects.	SME lending growth has been sluggish in many countries, with a decline in the median growth rate of new SME loans and outstanding SME loans in 2018. However, the use of alternative financing instruments, such as leasing, factoring, venture capital, and online alternative finance, has continued to grow. Interest rates for SMEs vary across countries, with some countries experiencing a decrease and others an increase. The interest rate spread between SMEs and large firms has narrowed in some countries. Collateral requirements and rejection rates have declined in many countries, but payment delays and non-performing loans remain a concern. Policy responses to the financial crisis included the expansion of credit guarantee schemes and direct lending programs. In recent years, policies have shifted towards supporting equity finance, promoting Fintech developments, and addressing specific SME segments' needs. The regulatory environment for SME financing has changed, with the introduction of measures such as the Basel III framework and regulations for online alternative finance. However, challenges remain in ensuring effective implementation and coordination of policies.

NO.	Sources	year	Country/ies	Objective	Methodology	Key finding
6	Journal of Banking & Finance	2006	The research covers multiple developed and developing countries, although specific countries are not individually listed in this regard. The data used includes firm-level surveys conducted in over 80 countries (such as the World Business Environment Survey).	To review and present recent research on SMEs' access to finance and related issues. To analyze the factors that influence SMEs' growth constraints and their access to formal sources of external finance. To discuss the implications of the findings for policymakers and identify potential strategies to improve SME financing.	Use of cross-country firm-level surveys, such as the World Business Environment Survey (WBES), to collect data on firm characteristics, financing obstacles, and growth. Regression analysis to explore relationships between variables, such as the impact of firm size, age, and ownership on financing obstacles, and the effect of institutional development on firm financing and growth. Comparative analysis of different countries and industries to study the variation in SME financing patterns and growth constraints. Historical analysis of the financing patterns of SMEs in the past (e.g., in the North Atlantic economies during the 19th and early 20th centuries) to draw lessons for current policymakers.	SMEs face larger growth constraints and have less access to formal sources of external finance compared to large firms. Small firms report higher financing obstacles and finance a smaller share of their investment with formal sources. While there is a positive relationship between SMEs' share in manufacturing employment and economic growth, the causal impact of SMEs on growth is not established. A competitive business environment, including access to finance, is important for firm entry, exit, and growth. Financial and institutional development helps alleviate SMEs' growth constraints and increase their access to external finance. It also helps close the gap between small and large firms in terms of growth and financing. Specific financing tools like leasing, factoring, and credit scoring can be useful in facilitating SME financing, even in the absence of well-developed institutions. The banking market structure and regulatory policies also impact SME financing availability.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
7	A Policy Research Working Paper by the World Bank.	2011	The study covers 99 developing economies and also includes data from 44 other countries (mostly high income) for additional analysis. The countries are from various regions including Africa (AFR), East Asia and Pacific (EAP), Europe and Central Asia (ECA), Latin America and the Caribbean (LAC), Middle East and North Africa (MNA), and South Asia (SAR).	To present a comprehensive cross-country database on the contribution of SMEs and young firms to employment, job creation, and growth. To analyze and compare the roles of SMEs and young firms in different economies and understand the factors that influence their contributions. To provide evidence and insights for policymakers to formulate appropriate policies related to SMEs and entrepreneurship.	Use of the World Bank Enterprise Surveys (ES) database, which samples formally registered firms from over 100 countries. The surveys use stratified random sampling with replacement to generate a representative sample of the non-agricultural private economy. Construction of various measures and indicators, such as SME employment share using different size cut-offs (SME100, SME150, etc.), job creation as the change in permanent full-time employment over two years, and firm age. Regression analysis to examine the relationship between firm growth (employment growth, sales growth, and productivity growth), size, and age. Different regression specifications are used, including controlling for country, industry, and year fixed effects, and conducting sub-sample analyses by income group, size of the informal sector, and type of establishment (stand-alone or part of a larger firm).	SMEs are important contributors to total employment and job creation, with small firms (especially those with 5 - 100 employees) and mature firms (older than 10 years) having the largest shares of total employment and job creation. Young firms (less than two years old) contribute relatively little to overall employment but have higher employment growth rates (though subject to survivorship bias). Small firms have higher employment growth but lower productivity growth than large firms, and this relationship holds even after controlling for firm age. The relationship between firm size and growth is different in developing economies compared to the US, with size remaining a significant predictor for employment growth in developing countries after controlling for age. The size of the informal sector does not significantly change the results regarding the contribution of firm size and age to growth.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
8	Journal of Hohai University (Philosophy and Social Sciences Edition).	2021	China	To explore the micro impact of government development strategy on enterprise employment. To provide empirical evidence and policy implications for promoting employment by formulating appropriate government development strategies.	Data source: The data of industrial enterprises above the designated size in China from 1998 to 2013 is used. Data processing includes excluding enterprises with missing important financial indicators, abnormal values that do not conform to accounting standards, and enterprises with fewer than 8 employees. Measurement of development strategy: The degree of deviation of the actual technology choice index (TCI) of each province from the optimal technology choice index (TCI*) is used to measure the local government development strategy. TCI is calculated in two ways: one is based on the ratio of industrial per capita capital stock to provincial per capita capital stock, and the other is based on the ratio of industrial per capita added value to provincial per capita GDP. TCI* is assumed to be constant over time or vary with time and region. Empirical model: A two-way fixed effects model is used for the benchmark regression. The dependent variable is the logarithm of the number of enterprise employees, and the independent variable is the development strategy index. Control variables include enterprise-level variables (such as profit margin, establishment years, export situation, market share, capital intensity) and provincial-level variables (such as per capita GDP growth rate, fiscal expenditure share, industrialization degree, and openness). Robustness tests are carried out by changing the measurement indicators of the core explanatory variables, adjusting the sample, and conducting sub-sample regressions. Instrumental variable regression is used to address endogeneity issues, with provincial population density as the instrumental variable.	The development strategy that deviates from the local comparative advantage has a significant negative impact on the number of enterprise employees, and this conclusion is robust. The negative impact is mainly borne by non-state-owned enterprises, and the employment of state-owned enterprises is less affected. In regions with a lower degree of marketization, the negative impact of the government's heavy industry-oriented catch-up strategy on enterprise employment is stronger.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
9	PLoS ONE.	2014	China	To explore the mechanism through which enterprise network embedding and government policy supply affect the transformation of small and micro enterprises. To analyze the relationship between network structure, government policies, and enterprise behavior in the context of small and micro enterprise transformation. To provide theoretical and practical insights for promoting the innovation and transformation of small and micro enterprises by matching policy supply with network embedding.	Sample and data collection: The study uses small and micro enterprises in small and micro parks in Zhejiang, Hubei, and Guangdong provinces as the sample. Data is collected through a questionnaire survey, which is distributed via email to randomly selected enterprises and through a snowball sampling method with the help of local committees and on-site surveys. A total of 850 questionnaires are distributed, and 735 valid questionnaires are collected, with an effective recovery rate of 86.4%. Variable measurement: Network embedding is measured by communication frequency (for relational embedding) and relative position and influence in the network (for structural embedding). Enterprise transformation performance is measured from the dimensions of operation and innovation. Government policies are divided into funding support policies and public service policies, and are evaluated by enterprise owners' subjective perception. Control variables include industry category, enterprise size, enterprise age, entrepreneur age, entrepreneur education level, and network size. Data analysis: The study uses methods such as Harman single-factor analysis to test for common method bias, factor analysis to ensure the reliability and validity of the scale, and multiple linear regression to test the hypotheses.	Structural embedding of small and micro enterprises in the park is beneficial to their transformation performance, while the relationship between relational embedding and transformation performance is an inverted U-shaped curve. Public service policies are more effective than funding support policies in promoting the transformation of small and micro enterprises. Funding support policies can strengthen the positive relationship between structural embedding and transformation performance, and public service policies can flatten the inverted U-shaped relationship between relational embedding and transformation performance.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
10	Journal of Central University of Finance & Economics.	2022	The research focuses on Chinese enterprises operating in countries along the "Belt and Road Initiative", covering multiple countries involved in this initiative.	To explore whether the external audit governance in "Belt and Road Initiative" countries can enhance the information disclosure quality of Chinese enterprises and fulfill the information supervision requirements. To analyze how the legal rules in these countries affect the role of external audit governance in information disclosure.	Sample selection: The sample includes A-share listed companies with subsidiaries in "Belt and Road Initiative" countries from 2014 to 2019. Data is screened and processed, and continuous variables are Winsorized to avoid the influence of extreme values. Model construction: Two models are built. Model (1) is used to test the impact of the external audit governance level (AUDIT) of the subsidiary's country on the company's information disclosure quality (KV), controlling for company governance and macro factors. Model (2) adds the legal rule level (LAW) of the country and the interaction term (AUDIT×LAW) to test the moderating effect. Variable measurement: The information disclosure quality is measured by the KV index calculated based on previous studies. The external audit governance level is calculated as the mean proportion of external audits in the sampled enterprises of the subsidiary's country. The legal rule level is measured by the mean value of the global governance indicator (WGI). Empirical analysis: Descriptive statistics and correlation analysis are conducted on the variables. Regression analysis is performed using the clustered robust adjustment method to test the hypotheses. Sensitivity tests are carried out by using alternative measures of independent and dependent variables. Endogeneity is controlled by using the difference model and two-stage instrumental variable regression method. Group tests are conducted considering the diplomatic relations between China and "Belt and Road Initiative" countries.	The external audit governance level in "Belt and Road Initiative" countries is significantly positively associated with the information disclosure quality of Chinese enterprises, supporting Hypothesis 1. The legal rules in these countries strengthen the positive effect of external audit governance on information disclosure quality, supporting Hypothesis 2. The results are robust after a series of sensitivity tests and controlling for endogeneity. The positive relationship between external audit governance and information disclosure quality is mainly observed in the subsample where there is no important diplomatic relationship between the "Belt and Road Initiative" country and China.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
11	Economic Survey.	2022	China	To evaluate the effectiveness of innovation subsidy policy in promoting technological innovation by combining its resource welfare and resource curse effects. To analyze the impact of financing constraints on the effectiveness of innovation subsidy policy. To provide evidence and suggestions for improving the effectiveness of innovation subsidy policy.	Sample selection: Using 2010 - 2019 data of A-share listed companies in Shanghai and Shenzhen, with data screening and Winsorize treatment for extreme values. Variable definition: Defining variables such as enterprise technological innovation (using R&D investment and number of invention patent applications), innovation subsidy intensity, financing constraints (using WW index), rent-seeking behavior, and over-investment. Model design: Establishing multiple regression models to test hypotheses, including models to test the resource welfare and curse effects of innovation subsidy policy, its overall effectiveness, and the heterogeneity of effectiveness under different financing constraints. Also using an intermediary effect model to test the mechanism. Empirical analysis: Conducting regression analysis on the models, with descriptive statistics and robustness tests including using instrumental variables and replacing variable measurement methods.	Innovation subsidy policy has both resource welfare effect (relieving financing constraints) and resource curse effect (causing rent-seeking and over-investment), but overall it is effective in promoting technological innovation with the resource welfare effect dominating. Financing constraints can inhibit the resource curse effect of innovation subsidy policy, and the higher the financing constraint level, the more effective the innovation subsidy policy is. The effectiveness of innovation subsidy policy is heterogeneous, and financing constraints play a moderating role by suppressing rent-seeking costs and over-investment.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
12	PLoS ONE.	2022	China (as the study focuses on the policies of the Chinese central government regarding SMEs' intellectual property).	To analyze the implementation of intellectual property policies for SMEs in the context of the national intellectual property strategy. To identify the strengths and weaknesses of the current policies and provide suggestions for improvement. To understand the policy focus and trends in SMEs' intellectual property development.	Data collection: Gather 1,382 policy texts related to SMEs' intellectual property from 2009 - 2020 through manual retrieval and web crawling from databases and official websites. Policy external feature analysis: Use Python for annual policy issuance volume analysis and Ucinet6.0 for social network analysis of issuing departments, including cooperation network analysis and evolution analysis. Policy internal feature analysis: Employ Textrank algorithm for extracting policy theme words, construct a co-occurrence matrix, and use Ucinet6.0 for clustering and evolution analysis of theme words.	Policy trends: The overall policy issuance volume shows a fluctuating upward trend, with a shift from government guidance to market and innovation drivers. Indirectly relevant policies are more comprehensive and have a higher issuance volume. Issuing departments: Single-issuing is common, with the State Intellectual Property Office being the main issuer. Cooperation in policy issuance is relatively low, although information monopoly is minimal. Policy themes and measures: Policy themes cover all aspects of intellectual property, but lack specific implementation details. Policy measures focus on supply-side measures like financial subsidies, with a need for more balanced and diverse measures.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
13	Foreign Economics & Management.	2023	China (as the study uses data from Chinese industrial enterprises and focuses on Chinese "SRDI" enterprises).	To empirically test the effectiveness of industrial policies on "SRDI" enterprises' innovation and productivity. To provide theoretical and practical implications for the design and implementation of industrial policies.	Data sources: Combine the Chinese Industrial Enterprise Database and the "SRDI" enterprise directory to form a sample from 1998 - 2007. Also use data from the World Bank's WITS database, the National Intellectual Property Administration of China (CNIPA), and the China Marketization Index Report. Variable measurement: Use total factor productivity (TFP) to measure enterprise innovation. Calculate the Lerner index to measure competition. Define and measure industrial policies such as subsidy dispersion (PolicyDisp) and policy targeting (PolicyTarget). Model specification: Employ a two-way fixed effects model with Herfindal and Lerner indices to test the relationship between industrial policies and TFP.	Industrial policies based on fair competition (such as more evenly distributed fiscal subsidies, tax preferences, and credit support within industries and towards more competitive industries) significantly improve the TFP of "SRDI" enterprises. The effects of industrial policies are heterogeneous. They have a more significant impact on small and medium-sized and young "SRDI" enterprises. In regions with higher marketization and better intellectual property protection, the promoting effect of industrial policies is more significant. These policies also promote the R&D input and output of enterprises.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
14	Applied Economics.	2022	China	To examine the effect of government subsidies on the operating performance of Chinese SOEs. To explore how ownership structure affects the relationship between government subsidies and SOE performance. To provide policy suggestions for the mixed ownership reform of SOEs and the rational allocation of government subsidies.	Data sources: Use data from the China Stock Market and Accounting Research (CSMAR) Database for publicly listed non-financial SOEs from 2009 - 2019. Model design: Set up regression models to analyze the direct effect of government subsidies on SOE operating performance (Equation 1), and measure the moderating effect of ownership structure (Equation 2). Use the SA index to measure financial constraints and incorporate R&D investment in the model for mechanism analysis. Variable measurement: Define variables such as the ratio of net profit to total assets (Roa) to measure operating performance, the amount of government subsidies, the proportion of state-owned shares, and various control variables including debt, stockholder, creditor, employee, board, independence, duality, and size. Empirical analysis: Conduct baseline regressions, endogenous tests (using one-period lagged subsidy as an instrumental variable in 2SLS estimation), mediating effect analyses (for financial constraints and R&D investment), moderating effect analysis, robustness tests (using alternative proxy variables for subsidies, ownership structure, and operating performance, and the system GMM model), and heterogeneity analyses (by geographical region, administrative level, and R&D level).	Government subsidies generally improve the operating performance of SOEs, mainly by easing financial constraints and stimulating R&D investment. A higher proportion of state-owned shares has a negative moderating effect on the positive impact of subsidies on SOE performance. Heterogeneity exists: Subsidies have a stronger positive effect on SOEs in eastern China, and for SOEs with higher R&D levels. Tax-based subsidies have a positive effect on SOE performance with a negative moderating effect of state-owned shares, while non-tax-based subsidies do not show such a clear effect.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
15	Journal of Digitainability, Realism & Mastery (DREAM).	2023	China	To identify and understand the key factors that significantly influence SME growth performance in China. To generate insights into the relationships between these factors and SME growth performance. To inform policy formulation, guide empirical research, aid entrepreneurial decision-making, and facilitate international knowledge exchange regarding SME growth in China.	Literature review: The author reviews and consolidates relevant literature on SME growth in China, citing numerous studies to support the analysis of each factor. Conceptual analysis: Examines various dimensions such as government policies, access to finance, market opportunities, innovation, human capital, supply chain, regulatory environment, internationalization, networking, and infrastructure to provide a holistic perspective on the factors influencing SME growth.	Government policies and support (tax incentives, financial support, etc.), access to finance (loan programs, venture capital), market opportunities (rising middle class, e-commerce growth), innovation and technology adoption, human capital and talent (employee training, industry-academia partnerships), supply chain integration, regulatory environment, internationalization and export, networking and business support services, and infrastructure development all play significant roles in SME growth in China. The relationships between these factors and SME growth performance are complex and interrelated. For example, government policies can enhance access to finance and create a favorable environment for innovation, which in turn can help SMEs leverage market opportunities and grow.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
16	Business Policy & Governance.	2023	The research involves multiple countries. It cites studies from various regions such as West Africa (Mallett and Wapshott, 2015), the United States (Lin *et al.*, 2022; Peter *et al.*, 2018), Korea (Disi, 2021), Germany (Peter *et al.*, 2018), different countries in a meta-analysis (Musabayana *et al.*, 2022), low- and middle-income countries (Piza et al., 2016), and Georgia (Sophiko Skhirtladze et al., 2022). The survey in this study was conducted with geographically unique SMEs, but the specific countries are not detailed.	To provide a comprehensive and critical analysis of the literature regarding the impact of government support programs on SME development and growth. To conduct a survey to understand the perception of SMEs about government support programs and identify areas for improvement. To discuss the challenges and limitations of existing research and provide recommendations for future research and practice.	Literature review: Analyzed multiple empirical studies on government support programs and SME performance, including studies using randomized controlled trials (Mallett and Wapshott, 2015), quasi-experimental designs (Lin et al., 2022), propensity score matching (Disi, 2021), difference-in-differences (Peter et al., 2018), meta-analysis (Musabayana et al., 2022), and systematic review (Piza et al., 2016). Survey: Conducted a questionnaire-based survey with 68 geographically unique SMEs to examine the role of government support programs in fostering small business success.	Most SMEs (76.5%) in the survey stated that government assistance programs have aided their growth, while 8.8% said they have not, and 14.7% were neutral. Government support programs can have positive effects on SME performance, productivity, innovation, and resilience, but there are also limitations and challenges such as lack of awareness, eligibility issues, bureaucratic hurdles, and dissatisfaction with support quality. The impact of government support programs varies depending on program design, SME characteristics, and other factors. Some studies found positive impacts on certain aspects like patenting activity (Lin et al., 2022; Disi, 2021) and private R&D investment (Peter et al., 2018; Musabayana et al., 2022), while others found no impact on sales (Lin et al., 2022) or innovation input (Disi, 2021).

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
17	Journal of Business and Strategic Management.	2020	Kenya (specifically Samburu County). The study focuses on the impact of the county government's procurement practices on SMEs in this region, and data is collected from SME owners and government officers in Samburu County.	To establish the influence of the county government's procurement practices on SMEs' growth in Samburu County. To identify the specific procurement practices that have an impact on SME growth and the areas where improvements can be made.	Research design: Descriptive design. Sampling: The target population consisted of 2,546 SME owners and 15 Government officers. A sample of 255 SME owners was selected using simple random sampling, and 15 government officials were chosen through purposive sampling. Data collection: Questionnaires were used for SME owners, and schedules for interviews were used for government officials. A pre-test was conducted with 26 SME owners (10 percent of the study sample) selected by simple random method and 3 county government officer's secretaries in charge of SMEs selected by purposive sampling. Data analysis: Descriptive analysis for qualitative data from open-ended questions. Quantitative data analysis involved descriptive statistics (frequencies, percentages, means) and inferential statistics (Pearson Correlation and Regression Processing) using SPSS Version 24.	There is a positive significant relationship between procurement practices and the growth performance of SMEs. Procurement practices predicted 64.2 percent of the growth performance variable, with an R value of.801 and an R-square value of.642. The regression coefficient for procurement practices was and a p - value of 0.001. SMEs owners were generally satisfied with the county government's procurement practices, especially regarding open access to contract opportunities. However, they complained about the lack of efforts to ensure SMEs' competitiveness compared to other businesses. The growth performance of SMEs in Samburu County was relatively low, with mean values for employment growth (2.84), sales growth (2.83), profit growth (2.21), and physical growth (2.84). The low profit growth was attributed to factors like high operational costs and potentially poor government policies.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
18	International Journal of small and medium enterprises	2022	Nigeria, specifically the Federal Capital Territory (FCT), Abuja. The study focuses on small and medium enterprises (SMEs) in this region.	To identify the socioeconomic characteristics of the sample SMEs. To examine the relationship between performance assessment and investment decision of SMEs. To investigate strategies for effective financial performance among SMEs. To determine the factors influencing financial performance and investment decisions of SMEs in the study area.	Research design: Survey design. Population: SMEs registered with the Small and Medium Enterprises Development Agency of Nigeria in Abuja (total population of 482,365). Sampling: Multi-stage sampling technique (purposive sampling to select Abuja, stratified sampling by business category, proportionate sampling, and simple random sampling to select respondents). A total sample size of 400 was calculated using Yumane's formula. Data collection: Primary data was collected through structured questionnaires from SME owners/managers. Data analysis: Descriptive statistics (frequency distributions, percentages, means, and standard deviations) to describe socioeconomic characteristics and assessment strategies. Correlation Matrix to test the association between financial performance and investment decisions. Logit Regression Model to determine the factors influencing investment decisions. Data was analyzed using SPSS version 20 and Stata version 14.	Majority of sampled SMEs had male owners, with many having tertiary education. Most were sole proprietorships with relatively low initial investment capital and annual returns. Many SMEs had access to some external funds and were willing to invest more. Different forms of investment decisions (new property acquisition, new plant establishment, etc.) had varying levels of preference among SMEs. Financial performance assessment strategies included liquidity levels, sales turnover, etc. There was a positive correlation between annual return (financial performance) and new property acquisition, old asset replacement, business portfolio diversification, and capital acquisition. A negative correlation existed with new plant and acquisition. Factors influencing investment decisions included education level (positive), information technology capabilities (negative), competition level (negative), initial investment capital (positive), managerial skills (negative), market information (negative), and infrastructure (positive).

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
19	Victoria University of Wellington.	2009	The study focuses on micro, small, and medium enterprises (MSMEs) in the Philippines, specifically in two cities in the southeastern region (Tagum City and Panabo City).	To examine the perceived formal and informal institutional factors that influence the strategic posture of MSMEs in two cities in the Philippines. To study the influence of strategic posture on the organizational performance of MSMEs. To determine the mediating role of strategic posture within the institutions - organizational performance relationship. To explore the influence of other external and internal factors (managerial, firm, and industry characteristics) on the strategic posture of MSMEs.	Research design: Empirical-deductive research design with a survey research method (one-time cross-sectional study). Sampling: The sample was selected from MSMEs in the manufacturing and service sectors (excluding trading/retail and government services) in Tagum City and Panabo City. A total of 1400 questionnaires were distributed, and 900 usable responses were obtained. Data collection: A self-administered questionnaire was used. The questionnaire consisted of multiple parts measuring formal institutions, informal institutions, strategic posture, organizational performance, and other related variables. Data analysis: Descriptive statistics, factor analysis, hierarchical multiple regression analysis, analysis of variance (ANOVA), and mediation analysis were conducted. Statistical software such as SPSS, Stata, and EQS were used.	All five formal institutions (rule of law, protection of property rights, government policies, regulatory quality, and government assistance) and two of the five informal institutions (performance orientation and future orientation) were positively related to an entrepreneurial strategic posture. Strategic posture was shown to be positively associated with higher levels of product/service, strategic, and financial performance. Strategic posture partially mediated the relationships between three formal institutions (rule of law, protection of property rights, and government policies) and two facets of organizational performance.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
20	Business and Management.	2015	Indonesia	To review the marketing aspects and government policies related to MSMEs in Indonesia. To analyze the performance of MSMEs and their contribution to the economy using qualitative and quantitative approaches. To identify the government's role in promoting and developing MSMEs and the need for effective policies.	Qualitative approach: Used to describe government policies in marketing according to relevant laws and the marketing strategies of the Cooperation Ministry and MSMEs. Quantitative approach: Analyzed secondary data from the Cooperation Ministry and MSMEs in 2010 - 2011, including enterprise unit growth, GDP data, employment, and non-oil export data.	MSMEs in Indonesia face marketing problems such as competition, access to market information, and limited marketing expertise. The government has implemented various policies and programs to support MSMEs, including in marketing research, infrastructure development, partnerships, and product promotion. MSMEs contribute significantly to the Indonesian economy in terms of GDP, employment, and non-oil exports. For example, in 2011, they accounted for 57.94% of GDP at current prices, 97.24% of employment, and 16.44% of non-oil exports.

NO	Sources	year	Country/ies	Objective	Methodology	Key finding
21	Foreign Economics & Management.	2023	The paper discusses SMEs in various countries including developed countries like Germany and Australia, developing countries in general, and specific countries like UAE, Oman, Egypt, Tunisia, Morocco, Bahrain, Kuwait, and countries in West Africa and South Asia (India, Pakistan, and Sri Lanka are mentioned in the context of research findings related to SMEs). It also focuses on Gulf Cooperation Council (GCC) countries.	To analyze the economic impact of SMEs on various economies globally. To identify the challenges faced by SMEs and suggest solutions, especially regarding financial support and government policies. To emphasize the importance of SMEs in economic development and the need for government intervention to promote their growth.	Literature review: The author cites multiple research studies and data sources to support the discussion on the economic impact of SMEs, their challenges, and the role of different factors. For example, data on SME employment in different countries and research on credit access problems are used. Comparative analysis: Compares the situation of SMEs in developed and developing countries, as well as among different regions (like GCC countries), to highlight differences in their economic impact and the challenges they face.	SMEs contribute significantly to employment creation (about 40% of the population in some countries like Germany and Australia in 2009), economic wealth generation, and innovation in many countries. SMEs in GCC countries play a crucial role in economic stability and development, e.g., in Oman, the SME sector is a major contributor to economic progress. SMEs face challenges such as difficulties in accessing credit due to low resources and collateral, high interest rates charged by banks (especially in developing countries like Africa), poor saving practices, lack of information and skills for proper financial management, and regulatory issues. Government policies and support are crucial for SME development. This includes providing a conducive business environment, financial support through tax concessions and participation in Open Market Operations, and enhancing technological competitiveness. Macroeconomic factors (government expenditures, inflation, exchange rates), education level, and the business environment (including corruption and political stability) affect SME development.

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