

The role of small and medium enterprises in development in Palestine

Hasan Makkawi¹,

¹(*Business Administration, Faculty of Economics and Business/
The Academy of Economic Studies of Bucharest, Romania*)

Abstract: The study aimed to know the role played by small and medium enterprises in the development process in Palestine and its importance, through a study of the development of the case of risk management and innovation, In this study a literature review has been employed in order to understand the subject matters in small and medium enterprises and managing business risks and innovation Where the results give importance in the development and development of risk management and high interest in innovation, Where the study recommended to support small and medium enterprises to reach comprehensive development in all aspects through increasing focus and attention to risk management and innovation continuously and keep pace with global development, in addition to the development of employees in companies, which supports the role of small and medium enterprises in the development process.

Keywords: Development, Improvement, Innovation, Risk management, small and medium enterprises.

1. INTRODUCTION

After the emergence of many economic crises and the recent COVID -19 crisis, small and medium enterprises had an important role in development, especially in developing countries, through risk management and innovation, as these projects in Palestine constituted 90% of the Palestinian economy.

According to the World Bank report in 2020, which looks at the field of project progress, which ranks 190 countries globally, Palestine ranked 117 in doing business, and in terms of starting projects, it ranked 173 globally.

This is due to the existence of a problem that must be solved, addressed, and focused on small and medium enterprises, as they are the backbone of the Palestinian economy, leading to the development

Based on the foregoing, where the problem of the study lies in the role of small and medium enterprises in Palestine in improving development through a study of risk management and innovation in order to support these projects and progress in the developmental and economic field, which has a positive impact on the Palestinian economy.

The researcher will study this problem by answering the main question:

What is the role of small and medium enterprises to reach development through improving risk management and innovation?

2. OBJECTIVES

This study mainly aims at the following:

1. Knowing the role of managing small and medium enterprises in Palestine through identify the reality of risk management in small projects to reach development.
2. Identify the reality of innovation in small and medium enterprises to reach development.
3. Identify how small and medium enterprises develop to improve risk management and improve innovation to reach development.
4. Provide a set of recommendations that help the economy in the development process.

This study attempts to clarify the role of small and medium enterprises in development. Improving the previous conditions would make the work more innovative, and reduce risk management, in order to reach a field of development in this field.

3. METHODOLOGY

The current study uses a theoretical presentation of previous literature that shows the improvement of development through the study of small and medium enterprises in Palestine and the management of their lathes innovatively.

The researcher followed the qualitative approach in reviewing previous literature and collecting data and information from books, journal articles, Internet research, and annual reports.

The technique used by the researcher in this study was based on a series of research questions designed to explore the role played by small and medium enterprises in development.

Based on the available literature, this study was conducted in a way that uses descriptive research to shed light on the role of small and medium enterprises in development through innovative risk management in Palestine.

An extensive search was conducted using search keywords based on online history, and target publications were selected based on the keywords they had in common with the current study.

Twenty-five papers related to the topic under study were reviewed, ten papers were included in the literature view and referred to in the study, only papers that discussed the role of small and medium enterprises in development or those that dealt with the same topic in the context of risk management and innovation were selected.

The data was analyzed and collected from the papers that were referred to in line with the objective of the study, which is to educate decision-makers in all aspects through increasing focus and attention to risk management and innovation continuously and keep pace with global development, in addition to the development of employees in companies, which supports the role of small and medium enterprises in the development process.

4. LITERATURE REVIEW

[1] Indicates that small and medium-sized companies at the global level are characterized by fierce competition, as the main feature in them at the global level is flexibility and continuous adaptation to innovation, keeping pace with dangers and technology, which affects the economy positively and strongly, despite the distinction of large companies with more features that are not available In small and medium ones, financial resources, time, staff, expertise, and sound structure are provided.

Despite what was mentioned, as small and medium-sized companies are able to adapt innovatively and manage their risks in a way that helps them to develop.

[2] Indicates that small and medium enterprises help sustainable development in Asia, and they are the engine of the economy, especially in the emerging Asian economy, and indicate that they should focus on innovation in addition to environmental innovation and entrepreneurship, as Asia has made huge leaps in its economic growth in the past three decades, thus helping to reach prosperity societal and environmental. lately.

Table.1: classifying of companies according toThe Palestinian Ministry of Economy

Classification	Number of employees	Annual Turnover
Micro	1-4	provided that turnover does not exceed USD 100.000
Very Small	5-9	provided that turnover does not exceed USD 200.000
Small	10-19	provided that turnover does not exceed USD 500.000
Medium	20-49	provided that turnover does not exceed USD 2.000.000
Large	50+	More than USD 2.000.000

The Ministry indicates that small and medium enterprises constitute 98.6% of the Palestinian economy, from here came to focus on small and medium enterprises and manage their risks innovatively.

[3] Indicates that small and medium enterprises must keep pace with technology, but there are major obstacles that stand in the way of the development of small and medium enterprises. The lack of development in Palestine, in addition to the barriers that had an impact on the financial side of the losses, thus interest in risk management and innovation adapted to the difficult situation in Palestine.

[4]Which is based on an analysis of the obstacles and challenges facing small and medium enterprises in Palestine, in order to reach the outcome of financing, it is the most important obstacle that threatens the project.

Therefore, the investigation helped to identify the main challenges in financing small and medium enterprises and what needs to be done to overcome these obstacles.

It was also shown that small projects are one of the most important elements for achieving economic development in all countries of the world, as they represent the highest percentage among all types of economic projects of all sizes.

The results showed that the obstacles facing the growth of small projects in Palestine by the respondents were double the challenge. Financial representative organizations for small and medium enterprises that defend the interests of small businesses, as well as the lack of legal frameworks and incentives for small businesses.

[5] Indicates that in order to reduce the failure of small projects, which are the most failed projects in the world, as there are many challenges that help them in the success of projects, and there is a degree of importance by focusing on important factors, thus increasing the probability of their success and avoiding the process of failure and collapse and using companies better Resources that contribute to economic growth.

[6] This study indicates that attention should be paid to the strengths and weaknesses of small and medium enterprises and focus on the following aspects from the researcher's point of view such as employment, income generation, work skills, technology affordability, gender, information, access to markets and financing, and experience. And the infrastructure to reach the development of small and medium enterprises in Palestine.

[7] Indicates that the accumulated learning by small and medium enterprises seeking international expansion is enhanced by a number of factors.

This study refers to the factor of connections and networks of social capital, thus increasing interest in structural and cognitive mechanisms. And interest in the effects of chance in a manner that is not frivolous, and interest in entering foreign markets with high degrees to help reach a development process in this field.

5. CONCLUSIONS

The conclusions in all the research papers that have been closely studied indicate an increase in interest in risk management and innovation in small and medium enterprises to reach development in this sector and develop as all factors in companies are linked in managing their risks and innovation to solve persistent problems

Therefore, great attention must be paid to the innovative situation in small and medium-sized companies, whether by motivating the employees present in the company to reach innovative ideas and solve risks, whether in the risk management department facing the Palestinian case in particular due to the weakness of the representative organizations that defend it and the absence of political and economic stability and keeping all crossings the same controlled export and import is the Israeli occupation, and consequently on small and medium-sized companies.

Attracting innovative and professional people and the innovative culture is important in small and medium-sized enterprises, as it leads to the provision of distinctive products and services, as well as creating a variety of new business and ideas. When applying the innovative case, you may face a set of risks, and this requires us to provide solutions and proposals to avoid them, adapt them, or adapt them through proper risk management.

This result agreed with many previous studies, as the study found that there is a relationship between small and medium enterprises between improving risk management and innovation with the state of development and continuity of small and medium enterprises.

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