

Identifying the Barriers Facing Chinese SMEs and Evaluating the Effectiveness of Public Supports

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Abstract : This study aimed to identify the barriers to the development of small and medium-sized enterprises (SMEs) in China and build a theoretical framework to evaluate the support provided by the authorities and institutions. A grounded theory approach was adopted to collect and analyze data. 32 interviews were conducted with SME managers, and open, axial and selective coding was utilized to develop themes. Based on institutional theory, grounded theory models were used to present findings. The findings showed that the main barriers in the business environment were defaulting on contracts, bureaucracy in procedures, lack of financial and legal support, limited intermediaries and channels, and poor quality of products and services. This study found that many programs were provided to support SMEs. A theoretical framework was developed to evaluate the performance of the programs from the managers' perspective. The concepts of economy, efficiency and effectiveness were used to evaluate the perceived value of the programs. This study suggests that specialized programs are needed to suit sector-specific requirements, and creative packages are helpful in supporting SMEs' growth.

Keywords : business support, public economics, public programme, SME

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