



INTERNATIONAL JOURNAL OF
TRANSFORMATIONS IN BUSINESS MANAGEMENT

e-ISSN: 2231-6868, p-ISSN:2454-468X

SMALL AND MEDIUM-SIZED PROJECTS AND THEIR
ROLE IN ECONOMIC AND SOCIAL DEVELOPMENT
(INTERNATIONAL EXPERIENCES AND THE IRAQI
EXPERIENCE)

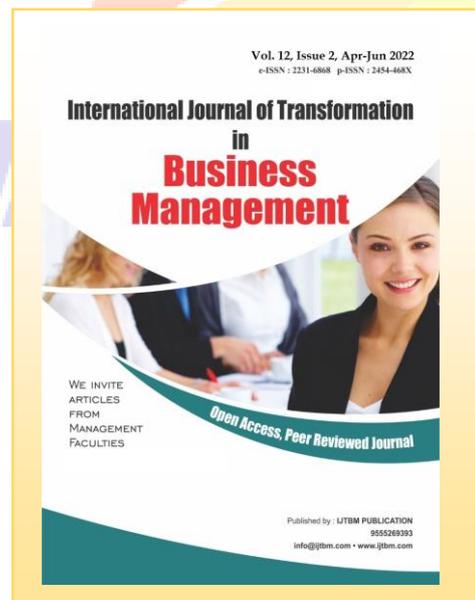
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Paper Received: 15th March, 2022; **Paper Accepted:** 20th April, 2022;
Paper Published: 30th April, 2022

How to cite the article:

Mann Thabit Arif, Small and
Medium-Sized Projects and Their
Role in Economic and Social
Development (International
Experiences and The Iraqi
Experience), IJTBM, April-June
2022, Vol 12, Issue 2; 98-131, DOI:
[http://doi.org/10.37648/ijtbm.v12i02.
006](http://doi.org/10.37648/ijtbm.v12i02.006)



ABSTRACT

Currently the world is heading to the scope of market economies where limited role of the state in the development of different strategies, plans and policies that emphasize the participation of large and small private sector in the overall development of this in addition to the continuous follow-up and evaluation. And to encourage a greater number of members of the community on the management of small projects and the transformation of society from a functional community government to a market economy society, and gradually transform some of the activities carried out by the State of offline and governmental activities by government officials to private sector activities.

And it occupies a small and medium enterprise sector a privileged position within the economic and social development priorities in the next phase, to provide employment opportunities Avenue and productive for young people in the coming years, in addition to creating a new generation of young people will remain in the fields of self-employment and constitute the vanguard of economic and social development procession continued.

It is expected the small and medium enterprises to be an engine of economic and social growth in the coming decades, and to contribute to providing many jobs needed to increase the population steady.

The SME more than 90% of the total projects in most countries of the world, as well as it has now become the driving force behind a large number of inventions, as they contribute to the development of economies through job creation, investment and export, as well as characterized by these projects' ability Half the employment of skilled and unskilled, they also give an opportunity for job training to raise the capacity and skills.

The aim of this study is to study the future of small and medium enterprises in some countries in view of the increasing interest in them by identifying the concept of small projects and their place in the industrial structure, the experiences of some countries and the strategic and political goals behind the development of these projects and the most important challenges facing their development, with the proposal of a number of axes to develop this important sector and to recommend the role that can be played by all the actors in the economic and social development in many countries

Keywords: *Small and Medium Enterprises, Challenges, Strategic and Political Objectives, Economic and Social Development, International experiences*

INTRODUCTION

It is easy to describe small and medium projects, but it is difficult to define it as acceptable define at the international and regional levels. This is due to the difference in social and economic structures from one

country to another, as well as the difference in criteria in determining the bases on which the form of the project is determined, including the statistical data that are used in its definition, where there is a lack of this data, so the definition of small and medium

projects will remain different, but specialists see that there are two methods that can be used, the first of which depends on the qualitative characteristics that show the basic differences between the different sizes of projects such as the style of management, ownership and production arts used, and the second: by taking quantitative indicators such as employment and capital Money.

The steps of economic development in many Arab countries Includes :

- 1 . The transition to a free market economy or the use of economic theory appropriate to the reality of the economy in which you live.
- 2 . Supporting the private sector as it is an influential force in economic development.
3. Privatize industrial projects that have no economic feasibility from their continuation, and their continuation will be a burden on the state.
- 4 . Supporting small and medium enterprises by providing financial and advisory support.
- 5 . Amending the policies of granting loans and banking facilities, and that the loans are not based on in-kind guarantees only.
- 6 . Enact appropriate economic, financial and tax policies, including full or partial exemption for small projects from income tax for an appropriate period to allow capital formation.

7 . Encouraging the establishment of institutions that provide advisory, informational and financial support.

8. Emphasizing that the Chambers of Commerce and Industry have a role in supporting development projects and developing local industries.

9 . Work to encourage export and liberalize foreign trade.

10 . Activating the role of quality control for imported products.

Small and medium projects play an important role in economic development in the Arab countries, due to the fact that they are the nucleus around which most major industries revolve, and the starting point in the industrialization movement, as they are able to develop and modernize production processes in a less time and at an appropriate cost, and produce goods and services that cannot or accept projects It can also be a source of innovation and innovation and contribute to the creation of administrative and technical cadres that can move to work in large projects, and preserve heritage works, whether artisanal or manual.

In fact, small and medium projects constitute about 90% of the total industrial sector projects, which absorb about 40% of the total workforce in this sector, and the situation is

not much different in developing countries than in developed countries.

THE FIRST TOPIC: THE CONCEPT AND CHARACTERISTICS OF SMALL PROJECTS

The term small projects is a broad term that has recently spread in use. This term includes activities ranging from self-employed or in a small project that employs a certain number of workers. This term is not limited to private sector projects and their owners, business owners and users, but also includes cooperatives and family or household production groups. Opinions are unanimous

on the growing importance of small projects in the national economy, whether in Arab, developed or developing countries, especially in light of the growing need to generate productive job opportunities. Some statistics indicate that small and medium projects represent about 90% of the total companies in most economies of the world. They also provide between 40% - 80% of the total job opportunities, and contribute a large percentage to the GDP of many countries. For example, small projects contribute The average is about 85% and 51% of the gross domestic product in both England and the United States of America, respectively.

Table (1) Intensity of the presence of small and medium projects in some Arab and foreign countries (Number of establishments per thousand population)

Foreign Countries		Arabic Countries	
27.4	Brazil	18.8	Algeria
6.3	China	26.8	Egypt
43.3	France	26.8	Jordan
38.3	Germany	47.2	Lebanon
73.8	England	15.2	Morocco
20.0	USA	2.9	Oman

Source: The table was organized by the researcher from different sources

FIRST: INTERNATIONAL CLASSIFICATIONS OF SMALL PROJECTS:

Small business units can be classified into three categories:-

A- Activities of earning a living or self-employment:-

These are activities carried out by the poorest people to obtain their livelihood in the absence of protection under the umbrella of social security.

B- Crafts or craftsmen projects:-

Some of them defined handicraft as that which includes only the craftsman or the owner himself, and the number of workers in such projects rarely exceeds 10 workers who usually carry out craft activities.

C - Small projects:-

It can be said that small enterprises are those private individual or family activities that aim at economic profitability, increase

income and provide job opportunities, through the production of a variety of goods and services.

SECOND: INTERNATIONAL STANDARDS FOR DEFINING SMALL ENTERPRISES (1):

It should be noted that opinions differ from one country to another - and may even differ within one country - about the definition of small projects, due to the different criteria used in the definition. Except for land and buildings (fixed assets + operating capital), business volume (a weighting element for commercial, service and non-industrial projects), and the size of the technology used, and more than one standard can be used in one definition. The following are examples of the definition of small projects in some countries:

Table (2) International Standards for Defining Small projects

Country	Number of Employment	Other Criteria
United State: -small projects	-Less than 500 workers	- Sales of less than 5 million dollars annually
European Union: -Micro projects. -small projects -Medium projects	-Less than 10 workers -Less than 50 workers -From 50 to 250 workers	-Small projects (sales of less than 7 million euros per year or 5 million euros in asset size. -Medium projects (sales of less than 40 million euros per year or 27 million euros in assets)
Turkey: -Micro projects -small projects -Medium projects	-Less than 10 workers -From 10 to 49 workers -From 50 to 199 workers	-----
Thailand:		-Small business (less than 50

-small projects -Medium projects	-From 15 to 50 workers -From 51 to 200 workers	million baht size of assets) -Medium Enterprises (asset size less than 200 million baht)
Yemen : -small projects . -Medium projects. -Big projects. This definition applies to the industry sector	-Less than 4 workers -Less than 10 workers - More than 10 workers	-----
Jordan: -small projects . -Medium projects -Big projects	-Between (2-10) workers -Between (10-25) workers - More than 25 workers	-----
Sudan: -Small Projects	Less than 10 workers. (Definition of the Ministry of Industry)	-----
Sultanate of Oman: -small projects -Medium projects	- Less than 10 workers -Between 10 - 100 workers	-The invested capital is less than 50 thousand riyals. -The capital is between (50-100) thousand riyals.
Egypt: -Small projects	-Less than 50 workers	Its capital ranges from 50 thousand pounds to one million pounds
Algeria: -Micro projects. -small projects -Medium projects	-Less than 10 workers -Less than 50 workers -From 50 to 250 workers	-----
Saudi Arabia: -small projects -Medium projects	-Between (1-20) workers -Between (21-100) workers	The invested capital does not exceed 20 million riyals, and this definition is valid for the industrial sector
Kuwait : -small projects -Medium projects	-Less than 10 workers -Between (10-50) workers	Provided that its capital does not exceed 200,000 Kuwaiti dinars
Bahrain: -small projects -Medium projects	-Between (5-19) workers -Between (20-100) workers	-----
Iraq: -small projects -Medium projects	-Between (1-9) workers -Between (10 - 29) workers	The invested capital for small projects is within 100 thousand dinars
The Cooperation Council for the Arab States of the Gulf: (Gulf Organization for Industrial Consulting Classification) -small projects -Medium projects	-It employs less than 30 workers -It employs less than 60 workers	-The invested capital does not exceed \$2 million -The invested capital is between (2-6) million dollars.
Classification of the Arab Project to Support Capacities in Establishing and Developing Small and Medium Enterprises (Al-Riyadi) -Very small project. -Small project: -Medium project:	-Between (1 - 4) workers -Between (5-19) workers -Between (20-99) workers	-----

Source: Arab Labor Organization, Small and Medium Enterprises as an Option to Reduce Unemployment and Youth Employment in Arab Countries, Arab Labor Conference, Thirty-fifth Session, Sharm El Sheikh / Arab Republic of Egypt, February 23 - March 1, 2008 pp. 13-15

THIRD: CHARACTERISTICS OF SMALL PROJECTS:

Small projects are characterized by many characteristics, perhaps the most important of which are:-

1. Low production capacity
2. Low wages
3. Low absolute amount of capital
4. Relying on local raw materials
5. The ability to spread geographically and its impact on mitigating migration from rural to urban areas.
6. Reducing the industrial concentration.
7. Training centers where labor is the source of supplying skilled labor to large projects

FOURTH: THE EXPERIENCES OF SOME COUNTRIES IN THE FIELD OF DEVELOPING SMALL PROJECTS:

The following is a brief presentation of some successful international experiences in this field (2):

1- The Canadian Experience:

The Canadian government realized that small projects are the largest sector of job creation in the country (about 80% of the total job opportunities), so it created a number of structures and financial and technical assistance programs to support them in their

activities to ensure the correct growth of their organizations in order to contribute to increasing the general wealth of the country and facilitating the process. Creating new jobs. It has chosen a working mechanism to implement this policy under the name of the General Department for Regional Operations, Business Services, Trade and Cooperatives headed by an Assistant Minister, and its responsibilities are determined as follows:-

1. Providing small and medium projects with technical and financial guidance and assistance.
2. Coordinating the activities of all partners located in one area to support them in the stage of starting projects and assist them in the expansion and development of existing facilities.
3. Gathering the necessary information related to the needs and requirements of business communities to help them in a better way to plan their strategy and solve their problems in the light of the previous information.

Among the most important activities of the administration are the following: -

1. Introducing the business community and partners to government organizations and programs that help them achieve their goals.

2. Assisting small projects to support their technical components and introduce them to financing opportunities.

3. Helping newcomers to start their projects.

4. Work to simplify procedures with governmental organizations.

5. Coordination between the demands of the business community and the government.

There are three organizations to help small businesses finance their projects with loans or guarantees, which are:

A. Small Projects Assistance Fund, covering various regions.

B. Industrial Development Company, covering industrial development services.

C. The Federal Bank for Small and Medium projects Development, covering all parts of Canada.

2- The Korean Experience:

The South Korean government has prepared a project for the development of small and medium enterprises, as follows: -

1. Tax exemptions for small companies from taxes for a period of four years after their formation, and an exemption from 50% of taxes for a period of two years after that.

2. Reducing the value of taxable income, as there are certain types of income that are not

included in the tax base, including income from technology transfer and technical services.

3. Tax credit, where a specific percentage of the cost of investments or certain expenses is deducted from the tax base. Examples of this are investment in technology, resource development, introduction of new technology and research and development services.

4. Reserves: Various reserves are seen as expense accounts for taxes.

5. Korea has established the Small Industries Development Authority to carry out a number of tasks, perhaps the most important of which are:-

A. Providing up-to-date information on local and foreign technology through publications and telephone information networks.

B. Total customs exemption or 80% for all imported equipment and devices for research institutes and industrial technology cooperatives, or for research and development departments in industrial establishments.

C. Imported samples for use in the manufacture of a new product or technology are exempted from the special consumption tax.

3- The Japanese experience:

The Japanese government has set a fixed policy for the development of small and medium industries, to make these projects highly competitive. This policy was represented by the government taking the following measures:-

1. Issuing a law for small and medium projects and another law for cooperative societies.
2. Practical diagnosis of the problems of small and medium industries and the provision of technical guidance from research institutions for small and medium enterprises.
3. Establishing a special institute for education and training of workers in small and medium projects.
4. Establishing a national media center for small and medium projects.
5. Issuing a law on improving employment management aimed at providing manpower for small and medium projects.
6. Issuing a law on exceptional procedures to increase the technological development of small and medium projects.
7. Issuance of a law to develop subcontracting with small and medium projects.

4-The Italian experience:

The Italian experience is one of the most important and most successful global experiences, which confirmed that achieving economic development is not necessarily through large companies. Of high quality, especially in the field of food commodities, agricultural machinery and others, and the number of small projects in Italy, which amounts to about 750,000 projects - each employing less than 10 workers - reflects the control of these projects on the productive structure of the Italian economy, and many governmental and non-governmental agencies in The Italian economy provides the necessary support for small projects. For example, the Ministry of Finance in Italy provides financial aid to purchase equipment necessary for the production process, the Ministry of Scientific Research supports scientific research projects and the development of production means, and the Ministry of Foreign Trade sets export support policies.

Despite the competition of about 250 companies in Italy in a specific field of production, they cooperate with each other and each group of these companies specializes in a specific part of that industry, which resulted in the production of a high quality product capable of competing globally.

5-The Malaysian Experience:

Malaysia has a population of 28.2 million and its GDP is still an average of \$13.3 billion.

The latest census of projects in Malaysia (2005) indicates that there are 52.3 thousand projects, of which 86% are small projects. These three types of projects contribute 31% of the GDP, 56% of the total operation and 19% of the value of exports.

The service activity dominates these projects, as it represents 86.5% of them, to remain 7.3% and 6.2% for industry and agriculture, respectively. The service activity is concentrated in sales (55.5%), restaurants and hotels (14.7%), liberal professions and businesses (8%), and transportation and communications.(%6.5)

Thus, the case of Malaysia is similar in terms of expansion in the services sector to the countries of the Gulf Cooperation Council in particular, and the care of these projects has been integrated into comprehensive development plans since the fifties. These plans focused on economic and rural development (1957 - 1970), then on development with justice, national unity and the fight against poverty (1971 - 1990), then comprehensive development (1991 - 2020), which branched into balanced development (1991 - 2000) and building flexibility and competitiveness.(2010 - 2001)

In the context of increasing the ability to compete in terms of quality, there were 48.6% of projects in Malaysia in 2007 that had obtained the ISO certificate, and this percentage has no equivalent except in a few other developing countries, including Lebanon.

What distinguishes the Malaysian experience is the government's interest in small and medium enterprises, incorporating this care into development plans, and making exceptional efforts to improve quality, increase export opportunities, and develop technological capabilities.

In addition, this experience is characterized by business incubators, especially technological ones, where incubators have begun to be adopted by universities, research centers and large technology companies, and most of the incubators are related to information technology, multimedia and biotechnology.

The government is the sponsor of these efforts, especially through the Center for Technology Business Incubators SIMIM, which is in fact the Malaysian Institute for Standardization and Industrial Research. Finally, the stage of marketing and linking with large companies, suppliers, and the local and international business community. The sources of financing for establishments of all kinds were in 2009 mainly banks

(59.4%), then stocks (29.5%), then friends and relatives.(%19.1)

Government grants and programs cover 18.4%, and microfinance contributes only 2.6%, while the contribution of cooperatives is very limited (1.8%), and Malaysia, thanks to its efforts in comprehensive and integrated development, has occupied a good position in all indicators and measures compared to other countries of the world .

: 6-The Indian Experience

India has adopted small and medium enterprises as a major means of development since 1951 and it is still considered the engine of its growth. In 2007, the Ministry of Small and Medium Industries was transformed into a Ministry of Micro, Small and Medium Enterprises, after the Ministry of Food and Rural Industries merged with it .

And the new ministry concerned with the policies, programs and plans related to those projects, coordinating with state governments to develop these projects and ensuring the provision of funding for them from financial institutions and banks, developing their technological capabilities, providing infrastructure for them, quality control of their products, granting certificates in this regard, providing modern management for them, developing entrepreneurship, and developing skills. Supporting the improvement of production, its design and

packaging, improving the lives of craftsmen and workers, supporting entry into the internal and external markets, and taking measures to build the capabilities of these projects.

This ministry supervises a national company for small industries and three independent national institutions concerned with development, training and organization. A national council supervises all projects (NBMSME), and this council has a relationship with the National Committee for Projects in the Unorganized Sector (NCEUS) and this committee submits its reports to the Prime Minister and there were 11 reports until the end of April 2009. India represents the second human mass in the world with 1.18 trillion people, which is three times the population of all Arab countries, but the total GDP in them does not exceed two-thirds of the GDP of Arab countries (1.23 trillion dollars). It is not surprising that India is of this size that these projects occupy 59 million Indians. The number of these projects is estimated at 26 million production units.

These projects produce 45% of the industrial production and contribute 40% to the value of the exported products. These projects are characterized by their great diversity, as they produce six thousand goods and services ranging from traditional industries to high-tech products. These projects are found in the countryside as well as in urban areas (45.4%

projects in the countryside). But almost all of them are micro-enterprises (95%), and small enterprises represent only 4.7% of the community, while the medium-sized enterprises do not exceed 0.21%. The strange thing in India's experience is that industrial enterprises dominate (66.7%), while services are 17% is the opposite of Malaysia's experience. There is an important percentage that carries out maintenance and repair operations (16.3%). Most of these projects are within the unorganized sector. The projects that keep organized accounts do not exceed 28.2%.

Studies in India have proven that micro-enterprises are the biggest generator of job opportunities. These have achieved an average employment growth rate of 7% annually during the period 1992-2009, with a growth spurt during 2006 in which the employment growth rate reached 42.5% and a lesser boom in 2005. It reached 12.3%.

7 - The Turkish Experience:

The state played the main role in economic development in the past, and with the beginning of the nineties new challenges emerged, especially the necessities of economic reform and more openness to trade and service exchange, and the consequent increase in competition intensity and the necessities of increasing quality and productivity together.

Among the features of Turkish regulation and policies on small and medium enterprises, we include:

1- An early industrial development organization for small enterprises was established KUSGE, then a center for training and industrial development SEGEM. The center merged with the organization in 1990 to become KOSGEO or the industrial development organization for small and medium enterprises.

Among the functions of this organization are:

- Spreading knowledge and information.
- Adaptation with technological developments.
- Supporting individual initiatives and developing the business climate.
- Interdependence, integration and industrial interlocking.
- Improving and controlling quality and setting specifications.
- Training for industrial establishments within special programs.

2- The previous organization depends in particular on:

The Small Industries Development Center is one of its components.

- Turkish Technology Development Center.

Information and Documentation Center for Small and Medium Enterprises.

It also benefits from related centers and institutes, including:

- Regional Institute for Entrepreneurship Development
- Turkish Institute for Market Studies and Export Development.
- National Institute for Standardization and Metrology.
- The National Center for Productivity.

Export Development Center.

3- Cooperatives contribute to supporting these projects, especially craft industries and housing. These cooperatives contribute to guaranteeing loans, negotiating loan terms, and helping to solve the problems of defaulting borrowers. Finally, in Turkey (2010), the Small and Medium Industries Assistance Center (NASAC) was established.

An information network was also established about these industries, which included trade via the KOBİ-Net network, and these projects are still facing difficulties in Turkey.

8- Arab countries and small and medium enterprises:

Technological progress and the transformation of Arab markets into consumer markets for what the Western

industrial machine produces has led to the decline of the rural and urban craft sector.

The craft employment centers were limited and the number of workers in their fields was reduced due to the lack of equivalence in the capabilities, means and ways of working, and professional communication was less, as the acquisition of skill in craft industries is often done through inheritance through the network of the same family or relatives.

These industries were encouraged, especially in the context of building tourism capabilities. The interest in them came in parallel with the interest in tourism projects such as hotels and the like. Therefore, this industry is often linked to ministries or tourism authorities.

Tourism in our countries has developed to nearly sixty million tourists annually, including inter-tourism, and this number did not exceed 39 million in 2003. Nevertheless, its share in global tourism still does not exceed 5.1% despite the comparative advantages of Arab countries and the degree of interest of countries varies. Arab Small Enterprises and Industries:

In Egypt, the number of sponsors for small industries is close to forty, yet there is no legitimate father who sponsors these projects; Until a law on small projects issued in 2004 entrusted the order to the Social Fund for Development to play the role of

coordinating between all those parties, the law also came to establish a one-stop-shop system to receive licensing requests for projects in the governorates, and to establish special funds to finance small projects in the governorates.

In the countries of the Gulf Cooperation Council, a research paper by the Federation of Council Chambers indicated that the GCC countries do not have specific economic policies and incentives for small projects; Policies and procedures are of a general nature. Indeed, they - especially foreign investment policies - are biased against small projects, and the privileges and incentives offered to projects are subject to many conditions and controls, many of which do not apply to small and medium industries.

In Yemen, the Social Fund for Development, which was established in 1997, has implemented a unit for the development of small and micro enterprises. There has been a project for microfinance to finance small projects since 2000, affiliated with the Ministry of Social Affairs; So that a single loan does not exceed about three hundred dollars, and the repayment rate has reached 100% despite the high interest rate of about 20%, and the loans were distributed between 50% for trade, 43% for industry, and 7% for services. Women constituted 86% of the borrowers, and a fund was established to finance industries and small

projects in 2002, working under the supervision of the Minister of Industry.

In Lebanon, the National Employment Corporation directs young job seekers to receive training in a professional path in which human labor opportunities are available, and the National Employment Corporation undertakes the cost of training to facilitate the integration of graduates into the labor market.

In Morocco, the National Council for Youth and the Future was established in 1991, which prepared a national charter for youth employment and human resource development, and officials were appointed for youth employment in the provinces, and local committees were formed for the same purpose.

In Algeria, youth employment centers were established in the provinces, which receive young people, provide guidance and information services on various operational programs, and give interest-free loans to cooperatives that establish them, but the limited financial resources limited their activities in 1996.

Hence, national agencies to support youth employment were established in the same year, especially in the field of small projects established by young people, which depend for their financing on the resources of the

National Fund to support youth employment and the assistance of international bodies.

In Tunisia, there are several tracks, including the National Fund for the Promotion of Light Industries and Small Industries. The Single Window System for receiving applications for establishing companies, and the Tunisian Solidarity Bank, which specializes in providing loans to university graduates with a ceiling not exceeding 10,000 dollars to establish small industries.

In Sudan, the Industrial Bank allocated a department to finance small units and established a private company affiliated with the bank to bring equipment for these projects, in addition to providing production inputs. It also allocated 15% of the bank's credit ceiling for small projects, and also exempted small business owners from the requirement to contribute to a third of the cost. The total of the project as stipulated in the bank's regulation and the first installment paid immediately in the case of Murabaha financing, and the funding pattern is distributed between 78% for Murabaha financing, and 22% for Musharaka financing.

In the Kingdom of Saudi Arabia, medium and small enterprises represent 88-90% of the total establishments operating in the Kingdom.

In Iraq, the Iraqi economy is dominated by the rentier economy resulting from hydrocarbon revenues from oil and gas. This source represents nearly 40% of the Arab GDP in recent years. This total output fluctuates dangerously according to the price of a barrel of oil, which is determined by the world market.

The Iraqi Strategic Commission for Reconstruction indicated in the National Development Strategy the importance of encouraging the establishment of small and medium industrial projects and finding appropriate financing mechanisms for them among what it referred to as the measures required to develop the industrial sector in Iraq, after this sector witnessed a long period of decline and technological obsolescence that began since The beginning of the series of wars and sieges led to the aforementioned sector remaining small and weak, not contributing to the GDP by more than (10%) and not occupying more than (4%) of the size of the workforce.

Small and medium industries in Iraq play a very important role in the Iraqi economy through the space they occupy at the level of industrial projects as a whole. The total number of small projects amounted to (11,131) industrial projects in 2010, which constitutes (95%) of the total industrial projects.

As for the percentage of workers in small industries, it constituted about (16%) of the total workers in the industrial sector in Iraq, as the total number of workers in small industrial projects reached (36,898) workers, despite the limited and ineffective support for the growth and development of this important sector, whether by overcoming obstacles or Monitoring the quality of production, increasing production capacity, or supporting the ability of these industries to compete with their foreign counterparts. As this neglect led to the decline of its role in the process of development and development and its dependence on the available local production requirements, and this reality led to the concentration of small industries in general in narrow and limited industrial areas such as the manufacture of food products, printing and publishing and the manufacture of non-metallic minerals products.

The number of operating medium industrial projects reached 56 in 2010, or 30% of the total number of medium industrial projects due to the suspension of many of these projects. As these projects employ about 0.4% of the total workforce in the industrial sector, compared to the year 2005, the number of projects was (76) industrial projects and employs about 0.8% of the total workforce in the industrial sector, but in the year 2000 there were (156) industrial

projects It employed 0.8% of the total workforce in the industrial sector.

We note the decline in the number of projects and the reason for this is due to several factors, including the lack of a plan to develop the industrial sector, the dangerous security situation, the lack of infrastructure and the expansion of routine that leads to obstruction of industrial activity, uncontrolled import and loss of quality control. These are some of the factors that led to the sector's decline The industrial sector has gradually decreased, and the best proof of this is that its contribution to the GDP is limited.

Small and medium enterprises and their role in operation:

The Arab countries suffer from the problem of unemployment, whose rates are estimated at about 24%. In some countries, estimates rise to 32%. In Iraq, the general rate of unemployment rises to 11%, according to the expanded definition in 2011. The challenge facing Arab countries increases by noting that more than 100 million Arab youth will enter the labor market.

The number of workers in small projects increased at an annual rate of 3.2% during the period 1988-2001, due to an increase in the number of small projects at a rate of 4.1%, which means a decrease in the average number of workers for a single industrial

project from 2.3 to 2 between 1988 and 2001, which indicates the individuality of these projects and formed Small projects in Iraq are about 99% of the total small and medium enterprises during the period 1988-2001, and Basra, for example, included 13% of the total number of small enterprises in Iraq. The number of small industrial projects in Iraq reached 17,929 in 2003, in which about 50,207 workers worked, 753 projects Basra, ie 4.2%, and 2155 workers, 4.3%.

THE SECOND TOPIC

MACROECONOMIC INDICATORS AND THE ARAB COUNTRIES FOR THE PERIOD(2017-2020)

Macroeconomic indicators are real economic indicators through which we can identify the

economic vision of the country concerned in comparison with other countries by measuring the performance of different economic sectors, and then evaluating the economic situation of the country and identifying the strengths and weaknesses in that economy through the use of A set of economic data for the countries that we want to study their economic situation, and therefore we are heading to study the available data on the macroeconomics of that country and linking them to small and medium projects in our current study.

Through Table (3), we can get acquainted with some of the macroeconomic indicators of the most important Arab country and their relationship to small and medium enterprises.

Table (3) Some macroeconomic indicators for the Arab countries (2022-2017)

Country Name	Real growth rate	per capita real GDP	Inflation rate	Unemployment rate
Jordan	0.466	-0.630	0.478	-1.279
UAE	0.173	1.549	0.512	0.987
Bahrain	0.122	0.460	0.448	0.854
Tunisia	-0.051	-0.679	0.176	-0.850
Algeria	-0.035	-0.653	0.182	-0.307
Saudi	-0.027	0.356	0.411	0.443
Sudan	-0.338	-0.830	-4.337	-1.440
Iraq	-0.580	-0.572	0.466	-0.492
Amman	-0.041	0.030	0.480	0.963
Qatar	0.054	2.575	0.556	1.283
Kuwait	-0.621	0.794	0.327	1.045
Lebanon	-1.627	-0.469	-1.155	0.517
Libya	-3.897	-0.518	-0.423	-1.334
Egypt	1.376	-0.707	-0.681	-0.111
Morocco	0.310	-0.694	0.432	-0.006
Mauritania	0.736	-0.777	0.351	-0.048
Yemen	-0.278	-0.826	-0.928	-0.488

Source: Arab Monetary Fund, Economic Database, and World Bank Database.

1- Real growth rate:

Here we will try to address the real growth rate indicator and compare some Arab countries that achieved the highest growth rate and among other countries that achieved the lowest growth rate because the real growth rate as a percentage shows the rate of change that occurs in the gross domestic product of the country concerned and the extent of its change from year to year Other countries have achieved important and successful heights, as follows:

Egypt :- We note from the above table that Egypt recorded the highest growth rate during the past four years by (1.376%). It was able to recover as a result of the revival of the tourism sector and its opening to various countries of the world, as well as the continuation of the extractive industries sectors, and what accompanied that period of the return of the increased activity of the maritime traffic of international ships, and significantly in the Suez Canal.

Mauritania: Where its economy recorded a real growth rate of approximately (0.7%) as the second high real growth rate among the Arab countries, where this improvement came due to the great dependence on the agricultural sector and the increase in the cultivated areas in the field of irrigated crops and rice, where the cultivated area increased by (51%) in the first half of 2019, in

addition to the increase in revenues from marine fishing, on which the Mauritanian economy depends a lot, by 9%, as well as the increase in the production of gold-producing companies.

As for the countries that failed to achieve any progress in their growth rate, such as:

Libya: - Its economy recorded the worst decline in the real growth rate in the Libyan economy due to its facing many challenges as a result of the successive disturbances of the oil and gas sector, which is the main sector in financing the state budget, where the military conflict and attempts to seize from the armed militias the oil fields and the Especially near the coasts, it caused disruption and sabotage of many oil fields, which made the Libyan economy record the worst performance in recent years as a result of the decline in the extraction and export of crude oil, as well as the blockade imposed by the international community in January 2020 for a period of 9 months, which made Libya suffer significantly also due to its main dependence on the financial revenues generated from the sale of oil and the bad economic effects that accompanied the same period of the siege of the Corona pandemic, which affected all countries of the world. The significant impact, in addition to the economic deterioration, in worsening the situation in Libya, which caused a decrease

in the Libyan GDP and caused a decrease in the real growth rate Significantly .

Lebanon :- whose real growth rate recorded the second worst growth rate due to repeated economic and financial crises over the years, as well as the economic effects of the Corona crisis and the great economic losses it imposed on the Lebanese economy. To a significant decline in the real growth rate and what was accompanied by the successive collapses of the Lebanese pound against the US dollar and the Lebanese banking crisis, which caused inflation rates to rise to more than 100% and led to a sudden stop in incoming capital flows, which in turn led to the depletion of foreign currency reserves At the Central Bank of Lebanon.

The researcher believes that small and medium projects are among the important tools that greatly help in the process of economic growth for any country by activating the work of these projects if it is in the service sector, as well as the industrial sector, which plays an active role in its development despite the modesty of some projects Therefore, these types of projects are often considered the main and influential player in the economies of all countries, whether they are advanced or developing, because these projects have a high ability to provide job opportunities in various fields, which do not essentially require high capital invested in operating them. Sometimes the

capital is low enough to start running some types of small projects, in addition to the availability of skills and specialization, it is not necessary to run any of these small projects because working in these projects is able to provide learning and training opportunities for unskilled and unspecialized workers, which Thus, it raises the capabilities and technical skills of these workers.

One of the important things that characterize the role of small projects in economic growth is that they operate with low rates of risk due to their small size and the capital invested in them if they are compared to large projects, as well as the ability of small projects to contribute to improving production capabilities and creating income for many of the forces capable of work .

2-Real GDP per capita:

The per capita gross domestic product (GDP) expresses the average of what a person obtains from the gross domestic product, and this indicator is widely used by researchers, governments and even international organizations as one of the important metrics for measuring indicators of progress or delay in economic development in any country in the world, as it shows the extent The ability of the individual in the community to obtain consumer goods and services, and the average income of the

individual, whether monthly, quarterly or annually, and then knowing the level of social welfare that the individual can live in his community.

There are some Arab countries that have achieved advanced ranks in this indicator, including:

Qatar:-

It ranked first in the Arab countries, where the average per capita income at the end of 2020 and the beginning of 2021 amounted to about 250 thousand Qatari riyals, equivalent to approximately (69,000 US dollars), where the non-oil sector in Qatar accounted for about (64%) of the gross domestic product. The total, while the oil sector accounts for (34%) of the total GDP and the accompanying rise in domestic liquidity and the rise of international reserves in foreign currency to more than (209 billion riyals) supported by increased investment in foreign treasury bonds.

UAE :-

The per capita GDP increased, reaching 38 thousand dollars in 2020, where the contribution of the non-oil GDP of the state increased to (83%), while the contribution of the oil GDP amounted to (17%) as a reflection of the successful policy taken by the UAE in Diversifying its economic sources in a way that creates sustainable

development. This sectoral change in contributing to the gross domestic product came in the interest of increasing growth in other non-oil economic sectors, at the forefront of which was the manufacturing sector, the wholesale and retail trade sector, the real estate trade sector, insurance, and the construction sector. Construction and others, and the above was achieved through the high percentage of the private sector's contribution to comprehensive development processes in general, and the development of economic sectors with high added value in particular.

There are also some Arab countries that were suffering from a significant decline in the per capita GDP, including:

Sudan :-

The per capita income of the Sudanese GDP is considered one of the lowest rates for the Arab countries, where, due to the (Coved-19) crisis and its effects on the global economy as a whole, the average per capita income of Sudan in 2020 was about (650 dollars annually), as many economic analysts attribute That decline led to the weakness of the Sudanese total national income, the large increase in the population, the decrease in the annual economic growth rate, the deterioration of the Sudanese pound exchange rate, as well as the high inflation rates in the country, as Sudan's revenues from gold production and the accompanying

badness decreased significantly. Economic management in the country and a great loss in Sudanese oil revenues after the southern part of Sudan seceded and became the state of South Sudan, which had the largest volume of oil production fields since 2011. All of the above caused a significant decrease in the per capita income of the Sudanese person gross domestic.

Yemen :-

The decline in the average per capita income of the Yemeni gross domestic product to about (364 dollars annually) came as a result of many factors that affected it, including the effects of the spread of the Corona pandemic in many Yemeni cities, as well as the continuation of the grinding civil war and the destruction it caused to the infrastructure Completely and the life facilities in most of the conflict cities and the accompanying economic crisis caused by the wave of floods that struck Yemen, where the value of the Yemeni national currency has decreased by (19%) and has continued to decline since 2019, as well as the decline in expatriate remittances after the warring militias took control of the bank The Central Bank of Yemen, as well as the accompanying decline in oil exports by (18%) in the first half of 2020, which contributed to the deterioration and the significant decline in job and income opportunities in both the public and private sectors, and the complete cessation of social

safety programs and the foregoing It contributed significantly to the sliding of more people under the poverty line and the accompanying deterioration of development efforts and the destruction of infrastructure and the failure of health and education programs and others.

And the researcher believes that small and medium projects are among the important tools that greatly help in the process of economic growth for any country, by activating the work of these projects if the service sector, as well as the industrial sector, which plays an active role in its development, the modesty of some small projects. Therefore, these types of projects are often considered the main and influential player in the economies of all countries, whether they are developed or developing, because these projects have a high ability to provide job opportunities in various fields, which do not primarily require high capital invested in operating them. The capital is low enough to start running some types of small projects, in addition to the availability of skills and specialization, it is not necessary to run any of these small projects because working in these projects is able to provide learning and training opportunities for unskilled and unspecialized workers, which thus increases capabilities And the technical skills of these workers.

One of the important things that characterize the role of small projects in economic growth is that they operate with low rates of risk due to their small size and the capital invested in them if they are compared to large projects, as well as the ability of small projects to contribute to improving production capabilities and creating income for many of the forces capable of work .

3- Inflation rate:-

During the study period, many Arab countries suffered from a deterioration in inflation rates, which had a significant impact on increasing the burdens on their already tired economies, such as Sudan, Yemen and Libya. This was preceded by a decrease in the local currency values of the countries concerned, as this deterioration was accompanied by a decrease in income levels, in addition to the fact that the largest proportion of food is imported from abroad and the decline in oil prices, in addition to the accumulation of indebtedness, the size of which increased, for example, in Lebanon (150%) of GDP. The total, as well as reached (90%) in Jordan and this is what led to the reduction of cash reserves in hard currencies and then led to the decline of the national currency, as happened also in Iraq and Algeria.

Where the Corona pandemic had a profound negative impact on the economies of the

Arab countries, as the sectors affected by the closure of the markets, in whole or in part, in those countries contribute to the gross domestic product of up to (70%), and the most affected were the small and medium enterprises whose contribution to the GDP is By about (45%) and it operates more than a third of the forces prepared for work.

On the other hand, some Arab countries witnessed an improvement in inflation rates, led by Qatar, the Emirates and the Sultanate of Oman.

The researcher believes that there is an inverse relationship between the rate of inflation and the operation of small projects, as high inflation rates will lead mainly to a rise in prices within any country, and this rise will certainly include the prices of raw materials that small and medium projects can use in their work, as well as The increase in inflation rates will raise the cost of working in these projects, and then this will lead to higher operating costs.

4- Unemployment rate:-

Where the statistics of international organizations indicate that unemployment rates in the Arab world are deteriorating more and more since the beginning of the world affected by the Corona pandemic, as it reached in late 2021 to about (22%) in Libya, as well as in Tunisia and Jordan, where unemployment rates approached (21%), This

is because neither the public sector is able to provide sufficient job opportunities for the armies of the unemployed, nor is the private sector able to maintain job opportunities that have been hit and greatly affected by the repercussions of the Corona pandemic, in addition to the conflicts and political turmoil in the Middle East and North Africa region came as an additional obstacle. In addition to the obstacles to the outstanding performance of companies, the fact that the capital is cowardly, and any disturbances that could shake the confidence of investors in the future of their projects in countries that suffer from turmoil, and this limits the flow of investments and reduces job opportunities.

The researcher believes that as we mentioned earlier that small projects are one of the factors affecting the economic development process and the domestic product of most countries of the world, which calls for attention to these projects, as they play a major role in reducing unemployment rates through many indicators, including that these projects use simple production methods in many cases, and this increases their role in absorbing all types of workers, meaning that they are able to provide job opportunities in all cases, making them able to absorb the increase in manpower capable of working and then contribute in one way or another to alleviating pressure on the demand to fill jobs in the public sector, and this helped

governments reduce the pressure of high costs to find solutions to the problem of unemployment, in addition to the ability of small and medium enterprises, as previously, to provide job opportunities for all types of workers, including the uneducated rural workers. In particular, the developed countries pay great attention to this sector of projects due to its ability to raise the rate of employment and raise the percentage of contribution to the gross domestic product.

THE THIRD TOPIC

STRATEGIC OBJECTIVES FOR DEVELOPING SMALL PROJECTS AND THE CHALLENGES THEY FACE IN IRAQ.

The general objectives for the development of small and medium enterprises can be divided into three strategic groups as follows (3):

First:- the set of economic objectives:

It is divided into several objectives as follows:-

The first goal: diversification and expansion of the assortment of products and production services in the economic structure

The second goal: the development of domestic savings

The third goal: to create capital accumulation and revitalize social mobility

Fourth goal: Maximizing the use of local raw materials

Fifth goal: Contribute to the realization of the import substitution policy

Sixth goal: export development

Seventh goal: To develop re-export activity

Second:- Social Objectives Group:

This group is divided into several objectives as follows:-

The first goal: combating the problem of unemployment and providing real productive job opportunities

The second goal: to provide job opportunities for semi-skilled and unskilled workers

The third goal: Spreading positive industrial values in society

Fourth goal: Contribute to the realization of the spatial development strategy

Fifth goal: improve quality and increase productivity

Third:- Technological Objectives Group:

This group is divided into several objectives as follows (4):

The first goal: the use of local technologies

The second goal: Maximizing the use of by-products and waste

The third goal: balance the structure of industrial activity

Fourth goal: Providing industries that support large and medium industrial activities

Fifth goal: Encouraging the entry of small industries into the use of advanced technologies

As for the challenges faced by the small business development process, the most important challenges can be summarized in the following two groups:

The first group: challenges from the perspective of owners of small projects (5)

First: **Taxes:** the tax system and the social insurance system that does not stimulate production.

Second: **Marketing and Export:** The difficulty of marketing products and services and entering the market.

Third: **Funding:** Lack of funding and the difficulty of obtaining it from official sources.

Although banks are considered the best candidates for providing financial services to small enterprises, the reality of the experiences of many countries indicates that banks have not expanded lending to small and medium enterprises for a number of reasons, perhaps the most important of which are:

1. The high cost of lending to small businesses
2. High risk of lending to small businesses
3. Inadequate standards and conditions for lending small projects

Countries are ranked according to ease of doing business among 183 countries in the world. And if the best ranking for 2008 is Singapore, USA, Hong Kong and New Zealand.

Fourth: Technical Support: Lack of technical, training and technological support and low product quality, as the competitiveness of the small enterprise sector decreases.

Fifth: The scarcity of trained workers: This problem is divided into two parts:

A - Lack of trained labor and insufficient supply to meet the needs of small business owners.

b- The rapid turnover of labor and its instability for long periods in the workplace.

Sixth: Governmental procedures: The complexity of governmental and administrative procedures and the high cost of their implementation.

Seventh: The multiplicity of bodies supervising small, medium and micro enterprises.

Group Two: Challenges from a Macroeconomic Perspective (6):

In addition to the negatives observed by the owners of small projects, from a macroeconomic perspective, it is noted that the small project still lacks many of the ingredients that make it able to compete, whether in the local market or the foreign market. submitted to him.

The natural result of this situation was that the small project became unable to compete with the imported product in the global markets, so that an increasing number of projects decided to close and dismiss workers in light of their inability to compete locally.

On the other hand, the role of small enterprises in exporting is still very limited, as the percentage of their exports of industrial products does not exceed 3% of the total exports in the Arab countries, while this percentage ranges in some developing countries such as Korea, Taiwan, India and China between 35%-50 percent of their total industrial exports.

In addition to the above, the industrial intertwining relations between the small and large project are almost non-existent and take place in the narrowest of limits, depriving the small project of the ability to benefit from the technical expertise that the large project

can provide and the market that it can open to it.

At the same time, it deprives the national economy of benefiting from existing small projects as industries feeding the large project or as industries capable of replacing an increasing number of imports.

Through the survey carried out by the Directorate of Industrial Statistics in Iraq, it is possible to identify some of those difficulties and problems facing medium and small industrial projects. followed by in terms of importance in the second place, the unavailability of fuel and oils, where the percentage reached for the medium establishment (64.6%) and for the small establishment (54.9%). The deterioration of the security situation was ranked third in the ranking, reaching (48.6%). As for the problems that have less impact, the indicator of communications and information problems was for medium enterprises, as for small enterprises, the indicator for external transfer difficulties.

THE FOURTH TOPIC

POLICIES FOR THE DEVELOPMENT OF THE SMALL ENTERPRISE SECTOR IN THE ARAB COUNTRIES (IRAQ EXPERIENCE)

Small and medium industries play a major role in providing job opportunities, in

addition to their contribution to a large share in the total value added and their provision of goods and services at affordable prices to a large segment of people with limited income. They are also able to support innovation and innovation and conduct experiments that are essential for structural change from During the emergence of a group of efficient, ambitious and energetic entrepreneurs (7).

The following is a presentation of the most important policies that help develop the small enterprise sector in Iraq:

First: Adopting a clear policy for the development of small projects and its consistency with the general framework of the state's economic policy

Second: Developing and innovating new financing tools that suit the nature of small projects

Also, the following is a presentation of the most important financing tools that small and micro enterprises resort to to obtain financing:

First: Long and medium term borrowing:

Long and medium-term borrowing is one of the most important tools that small enterprises resort to to obtain financing. By studying the structure of interest rates offered to small enterprises, it becomes clear that the interest rates granted by banks and granted by the Social Fund for Development are

different. The interest on the Fund's loans is usually 7% for the new project and from 9% to 11% of the existing project.

Second: Risk Capital:

Developed countries and many emerging markets, in an attempt to enhance the competitiveness of their small and medium enterprises, have encouraged venture capital, and venture capital means providing capital that participates in ownership to establish and develop enterprises, and venture capital is usually collected from investors in the form of a fund used to finance Investments in private businesses through equity participation (usually 20%-40% of the equity).

Third: Financial Leasing:

Financial leasing is an innovative way for small and medium enterprises to obtain medium-term capital. A financial leasing is a contract whereby a small project is allowed to use an asset in return for making periodic payments to the lessor, who retains ownership of the asset.

Fourth: Small Business Stock Exchanges:

Entities that provide capital through equity participation may wish to liquidate their investments in order to reinvest them in a new group of small, viable enterprises. This is through offering its shares on the stock

exchange or through the initial offering of shares to the public.

Fifth: Studying the application of some Islamic financing methods:

The following is a presentation of the most important forms of Islamic financing that can be used to develop the small enterprise sector and enhance its competitiveness (8):

1- Profit:

It is an exchange process whereby the merchant buys a specific commodity and then sells it at an agreed profit margin as a result of the cost he bears. This method is used when the project needs to purchase a specific commodity such as machinery and other equipment needed to start the activity.

2- Speculation:

It is a contract between two parties whereby the owner of the money (the beneficial owner) gives an amount of money to the other party (the speculator or the small business) in order to use it in an agreed manner.

3- Participation:

It is usually specified for a specific period and for the implementation of a specific project. Participation is either in a new project or by providing additional funds for existing projects. Profits are divided in a pre-

agreed manner and losses are shared in proportion to the capital contribution.

4- Lease:

It is a process whereby the right of usufruct of a certain property is transferred from a person (which may be a company specialized in leasing the assets needed for small projects) to another person (the small project) in return for an agreed upon rent.

5- Ladder:

It is the sale of a commodity in which the seller undertakes to supply some of the relevant commodities to the buyer at a future date in return for a specified amount in advance and paid in full immediately.

In Iraq, there is not a single institution for financing small projects (in the manner of personal guarantees), and this sector awaits the establishment of the necessary partnerships between microfinance institutions, the private sector, the commercial banking sector and international organizations supporting microfinance, and the establishment of microfinance units in the Ministry of Trade and the Central Bank of Iraq to provide the necessary advice for the work Small projects. Addressing these requirements achieves building financial sectors in Iraq that are able to provide small loans to small projects, which represents one of the effective means in providing new job

opportunities in a wide range of sectors and providing the appropriate framework for the growth of the private sector, thus reducing unemployment and underemployment levels and reducing Poor preparation.

After April 2003, the Coalition Provisional Authority made available an initial grant of \$5 million to be provided as microcredit for the development of small businesses in the urban centers of the southern regions of Iraq and another \$5 million for the northern regions. Operations for the southern region began in Najaf, managed by the Cooperative Housing Corporation (CHF), which provided loans For owners of small projects worth 3000 dollars and with personal guarantees (sponsorship system) and not in kind.

Iraq's lack of financing institutions for small and medium projects is not commensurate with the huge resources Iraq possesses and is not compatible with the way in which the Iraqi economy is intended to be transformed from a directed economy to a market economy, because this transformation should be subject to many conditions, including building the capabilities of the private sector at all levels. , From creating a sound regulatory environment to building the skills of entrepreneurs in the private sector, and to providing the necessary financing for small projects, so that diversification can be achieved in the Iraqi economy away from total dependence on the oil resource.

Third: Encouraging small, informal enterprises to enter the formal sector:

There is no doubt that the informal sector constitutes a serious obstacle to the development of the formal small enterprise sector and deprives the economy of maximum benefit from it, whether directly or indirectly. Manufacturers or traders that work in secret, and their first goal is to obtain quick profit without committing to any financial burdens, whether insurance or tax. The informal sector is characterized by a number of features, perhaps the most important of which are:-

- The absence of the establishment's registration in the official records of the state of all kinds.
- The establishment in the informal sector is characterized by its small size of operation.
- The establishment in the informal sector is characterized by limited invested capital.

Here, it must be emphasized that the practices of the informal sector cannot be abandoned because their negative consequences lead to the closure of official establishments, which can no longer bear fierce competition with smuggled foreign products on the one hand, and counterfeit and unknown goods on the other hand, which are sold without committing any financial burdens, which is Which, of course,

negatively affects the sectors that operate officially and abide by all their responsibilities towards the state.

Fourth: Expanding the establishment of organic industrial clusters and incubators for small projects:

A grouping is a conglomerate of companies working in similar fields, and the group can contain a small or large number of establishments as well as small and large companies in different proportions. There are many types of groupings ranging from informal groupings to export processing areas, and special export areas, Industrial zones and science parks. In theory, clusters can be either vertical (where firms specialize in different stages of the value chain) or horizontal (where firms specialize in the same stage or link in the value chain).

On the other hand, it is necessary to expand the establishment of incubators for small and medium enterprises, which is a complex provided by the state in a place with a license for a specified period of time "3-5 years", and small projects are grouped in it with the presence of a central administration to serve these projects. Helping small and medium-sized enterprises until they leave this incubator after gaining experience and writing success, and can move to a place of their own. Owners of workshops and small projects join the membership of the incubator

for an annual subscription to benefit from its services, so that the incubator is self-financed to continue performing its role.

Fifth: Create and update a database on small projects

The following are a number of recommendations regarding the data set on small projects:-

1. Challenge the data set: it is necessary to periodically update the information contained in the project census (for example, every two years), and this regular update will be of great benefit, not only in the framework of sample surveys, but also as a follow-up and monitoring system.

2. Facilitating access to data: The issue of obtaining data sets collected by governmental and non-governmental organizations on small projects should receive special attention. Therefore, a protocol must be prepared, agreed upon by various stakeholders, to set general guidelines and a more flexible approach to reach this.

3. Compatibility of data: the unification of the data set received from various sources should be considered, and a database structure should be agreed upon to be applied by the concerned authorities, despite the fact that the information differs from one user to another.

4. Working through networks: There is an urgent need for networking between those involved in small projects, and this could be through the creation of a WEB page that provides information for small projects.

5. Benefiting from non-traditional data sets: Many agencies have data sets created to serve their own purposes. These sets may contain useful information if they are carefully extracted from the data files.

Sixth: Continuing to reform the educational and training system:

There is no doubt that the reform of the education system is of vital importance to developing the competitiveness of investors and workers, and thus establishments, as moving up to higher value chains and chains requires focusing on a set of skills that differ from the prevailing ones.

THE FIFTH TOPIC

THE ROLE OF THE GOVERNMENT, BODIES, ORGANIZATIONS, UNIVERSITIES AND SCIENTIFIC RESEARCH CENTERS IN DEVELOPING THE SMALL AND MEDIUM ENTERPRISE SECTOR IN IRAQ

It must be a national issue in which all the active forces in the economy participate, and this can be summarized as follows (9):

A-The Government's Role in Developing Small Enterprises:

1. It is necessary to conduct surveys at the level of the industrial sector (through specialized organizations) in order to determine the available industrial opportunities.
2. Establishing a data bank in relation to the economic and social activities of small and medium enterprises.
3. Small and medium enterprises must obtain any data they need free of charge or at reasonable costs.
4. Emphasizing the importance of both local and export markets.
5. Reducing customs duties on raw materials used by small and medium enterprises.
6. Solve the various tax problems facing these projects and work to reduce tax rates.
7. Focusing on training small and medium enterprises, especially cluster ones, by specialists to reach globally competitive levels through a medium-term plan (three years).
8. The goal of developing the small and medium industries sector must be clear at the macroeconomic level.
9. Urging business organizations and entities specialized in enhancing the role of small

and medium enterprises to create a specialized electronic market for these projects.

10. Paying all chambers in the member states to cooperate with the executive management of the market to enter it, in addition to how to use and benefit from the facilities and services provided.

B-Role of Universities and Research Centers:

1. These institutions must be associated with small and medium enterprises to provide technical assistance to them, whether through donor organizations or the percentages allocated by these institutions to support these projects.
2. Emphasis on the development of technology that is applicable and used by these projects and not technology that is theoretical or not suitable for these projects (10).

C- The role of banks:

1. Encouraging banks to allocate part of their resources to lending to small and medium enterprises on concessional terms.
2. Encouraging banks to change the purely commercial view to adopting a developmental view in their dealings with these projects.

D- The role of large projects:

1. Encouraging the establishment of large enterprises to establish contractual relations with small and medium enterprises to serve as feeding industries for them.
2. Considering small and medium-sized enterprises in the implementation of sub-contracts and preparing the organizational support for that.
3. Establishing venture capital companies with small and medium enterprises.

E- The role of investors in small and medium enterprises:

1. Establishing commercial companies with investors as shareholders to bring the raw materials needed by small and medium enterprises while giving them the authority to sell direct and helping them to market the final products of these projects.
2. Organizing the collected market research, whether at the internal level or at the external level, through an institution specialized in this.
3. Urging non-governmental organizations to encourage small industries in light of their successes in the world.
4. Emphasis on the importance of feeding industries.

5. Urging small and medium enterprises to use engineering value and develop cost awareness in order to reduce their cost and enhance their competitiveness.

F- The role of international donors:

1. Enhancing small and medium enterprises in developing countries.
2. Facilitating governments and limiting requirements that may lead to a conflict in their national plans.
3. Facilitating the conditions for lending small and medium enterprises.
4. Emphasis on the importance of vocational training for these projects.
5. The technical assistance provided by local or foreign experts should be at reasonable prices and should be realistic.
6. Urging businessmen to invest in developing countries on the grounds that these countries are good markets and enjoy an attractive economic, political and social environment.

G- Role of Information and Trade Centers:

1. Expanding the provision of data that allow for efficient comparisons of innovation, innovation, competitiveness and small and medium enterprises.

2. Work to strengthen networks that help revitalize communities of small and medium enterprises and improve access to information related to market expansion, skills development, and the use of appropriate technology.

3. In order to achieve these goals, conditions must be improved for organizers and the development of small and medium-sized enterprises across borders, including rural and urban areas, as well as modern and traditional industries, and each of the organizers is a man or a woman.

H- The role of civil society organizations:

1. Promoting interaction and exchange of visits between business delegations and holding exhibitions and seminars.

2. Complete the system of small and medium enterprises by appointing international marketing companies to market the products of these projects globally.

3. Creating databases and exchanging information by activating the role of chambers of commerce and industry.

CONCLUSION:

Successful international experiences of small and medium-sized enterprises indicate that there must be a clear approach and specific objectives for the development of these

projects by following the following policies, especially in Iraq:

1- Adopting a clear strategy for the development of small projects and its consistency with the general framework of the state's economic policy.

2- Developing and innovating new financing tools that suit the nature of small and medium enterprises.

3- Encouraging informal small and medium enterprises to enter the formal sector.

4- Create and update a database on small and medium enterprises.

5- Providing a comprehensive guide to the laws that small and medium enterprises deal with, while facilitating the procedures, legislation and laws that govern the registration and operation of small and medium enterprises.

6- Activating the role of banks as financing institutions that contribute to providing soft loans at appropriate interest rates for small investors and manufacturers.

7- Stimulating small and medium enterprises by making the necessary tax adjustments by exempting the profits achieved by these projects that are not funded by the Social Fund for Development from taxes for a period of five years.

8- Expanding the establishment of business incubators and specialized technology centers to encourage the establishment of companies specialized in developing small and medium enterprises.

9- Establishing centers for training workers in small and medium enterprises and assisting them in developing their administrative, technical, accounting and marketing systems.

10-Developing exports of small and medium enterprises.

11- Work to increase the number of exhibitions in the governorates and cities to display the products of small and medium enterprises at a reduced cost.

12- Increasing cooperation between ministries and local administrations so that services provided to small and medium enterprises are provided with high efficiency.

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