Underlying the International Business Direction, Assessing the Role of Government Intervention and Management in Africa facilitating SMEs' Development

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***Hongwei Cao**
Queens Management School, Queens University of Belfast, Belfast, UK
***Corresponding author, Email: winterchw@163.com**

Abstract

This paper aims to provide some insights for SMEs in the West African subregion to obtain human capitals and financing in terms of how government intervention and management facilitate SEMs' development, especially to determine whether the determinants of SMEs obtaining financing and human capitals are the same and/or different comparing with other countries. By fully understanding these arguments better, we applied the Uppsala Model to demonstrate how a company needs and wants when they did internationalization as well as became bigger and bigger. Also, some potential theories will be discussed underlying the Uppsala model.

According to our literature and framework reviews, we found that a good and positive government management and intervention can, directly and indirectly, influence SMEs development and financing in West African countries; we found significant differences in the relevance of companies that received financing at the national level. Alternatively, due to SMEs in Africa countries face numerous potential international issues such as human resources management, leadership approaches, financing management, and so on, we collected these potential issues and come up with some alternatives and implementations that SMEs may use now and in the future. Taken together, we found that government intervention and management definitely influence SMEs development in Africa.

Alternatively, we make another argument regarding government intervention and managements influence SMEs' financing as well as development within this paper; we later found evidence from our literature and framework reviews as well as case studies to support our argument. Therefore, the findings of this study have important implications for politics by government intervention and managements; managemental implications, possible suggestions, and potential limitations will also be discussed in this paper at the end.

Keywords

International Business Management; Finance Management; The Uppsala Model; SMEs; Government Intervention and Management

1 Introduction

The private sector in Africa includes large companies and informal microfinance. Most companies are small because the private sector is emerging and because legal and financial barriers hinder capital accumulation. Even in South Africa, which has a strong private sector, micro and very small companies provided more than 55% of jobs in 2003, accounting for 22% of GDP, while large companies accounted for 64% of GDP. African SMEs are vulnerable due to small local markets, underdeveloped regional integration, and very difficult business conditions, which include cumbersome official procedures, weak infrastructure, legal system problems, insufficient financial systems, and insufficient attractiveness to tax crimes. Many companies are still small and informal, and using simple technologies that do not require extensive use of national infrastructure. Their simplicity can also protect them from legal proceedings (because they have almost no asset bankruptcy), so they can be more flexible in uncertain business situations. Larger companies have the means to overcome legal and financial obstacles because they have greater bargaining power and often have good contacts to help them obtain preferential treatment. They are less dependent on the local economy because they can use foreign finance, technology, and markets, especially if they are subsidiaries of large companies. They will make the situation of insufficient public services easier.

For SMEs, bank competition and credit availability issues may be the most important for two reasons. First, SMEs are more susceptible to information problems. Second, small and medium enterprises rely more on banks than large enterprises. Although the issue is related to policy, the empirical interest in the subject is relatively new, and existing papers have found different and conflicting results. We link this empirical literature in several ways. For the first time, our research uses structural competition indicators to analyze company-level market forces and corporate financing constraints. Previous company-level research only relied on concentration indicators to change market power. This research uses data from many countries/regions, focusing on the link between banking competition and industrial development. The main finding is that the increase in foreign banking operations and the reduction in restrictions on banking activities have led to a more competitive banking system.

2 Research Focus

International business is not a zero-sum game, which does not mean if the participant gains one dollar while another participant will lose one dollar. Thus, each participant in international business seems can be seen as an indispensable whole, diversified to create a brilliant world. Fully embrace globalized industrial and establish a sustainable and resilience relationship with global suppliers as soon as possible. When we are talking about how to help a company goes bigger and bigger, the first might be go to IPO, which is financial markets. However, as we understand, SMEs do not have enough resources, funds, even human capitals, so that it is hard go to IPO markets. Alternatively, internationalization could be a way to help SMEs become bigger and bigger. Underlying these perspectives and relating to the courses that I have learned from the Master level, international business management could be separated into diversify elements including marketing management, financial management, human resources management, business and organization structures, and so on. This paper further highlights and focuses on financial management as well as government intervention and management.

Small and medium-sized enterprises play a key role in creating new employment opportunities and are vital to the economic growth and development of industrialized and developing countries. SMEs need sufficient funds to meet the needs of all stages of their life cycle, from creation to operation, development, reorganization, restoration, etc., and to invest in new employees or production facilities. The idea of many small businesses is that one or two people invest their own money and may seek financial help from family and friends in exchange for shares in the company. However, if they succeed, then for all developing SMEs, there will be opportunities when new investments are needed to further expand or innovate. To this discussion, small and medium-sized enterprises (SMEs) are responsible for the majority of employment opportunities in developed and developing countries. In developing countries, business support intervention and management are generally based on the assumption that institutional constraints (or failures) prevent SMEs from fully realizing their potential for job creation, profit, and economic growth (Winston, 2007; Philippon et al., 2012). Therefore, the government management and development organizations have allocated considerable financial resources for the development of the SME sector, with the aim of resolving institutional constraints and allowing SMEs to operate more effectively, thereby increasing productivity.

Taken together, our research differs from previous reviews in many ways. Due to the different nature of micro-enterprises, this review does not cover all the evidence of micro-enterprises and self-employment research. First, the reason we are different is that considering combining intervention and management of different natures will affect the results and our ability to understand information. Second, our review conducted a comprehensive analysis of the impact of different types of support for SMEs on various company outcomes (not only employment outcomes). Third, we used the Uppsala model to demonstrated the motivations why companies in particular SMEs need to internationalization by our findings and critical reflections. Meanwhile, we explore how human capital management and financial management work within the Uppsala model as well. Fourth, we critical discussed government intervention and management may facilitate Africa's SMEs go to internationalization as well as becoming bigger and bigger in somehow. Finally, we come up with our managemental implications as well as limitations, and future research directions also lunched at the end of this paper.

3 Literature Review

The need for small and medium-sized enterprises to collaborate to supplement and supplement internal resources has become the focus of debate in academia (Rothwell and Dodgson, 1991; Wynarczyk et al., 2013; Doloreux, 2004). This network provides small and medium-sized enterprises with a window of technological change, technical support resources (Wynarczyk et al., 2013), market demand, and strategic choices made by other companies (Cumbers et al., 2003; Doloreux, 2004), thereby enhancing their competitiveness (Jutla et al., 2002; D'este and Perkmann, 2011); especially when using formal or informal networks, small and medium-sized enterprises may be cut back (Perkmann et al., 2013; Wynarczyk et al., 2013; Doloreux, 2004). Its irreversible cost and acquisition of new knowledge (Perkmann et al., 2013; Cumbers et al., 2003); it is said that

the gains from local networks and learning are especially important for SMEs and help offset the gains of related large companies to a large extent (Perkmann et al., 2013; Lu and Beamish, 2001). The technological and organizational innovation process of small and medium-sized enterprises located in relatively remote areas of northwest England shows that virtual technology largely depends on the overall perception of network participants (such as universities, research institutions, suppliers, and customers). The results show that the overall business support for SMEs has a positive impact on company performance, job creation, and labour productivity. Prior research demonstrated that keys for enhancing SMEs were high-tech, exports, regularization rate, innovation, investment, and survival rate (Perkmann et al., 2013). We also have discussed these perspectives within our research; interestingly, we found that most of SMEs succeed belong to local government intervention and management especially in West Africa countries. This viewpoint launched by many researchers (Jutla et al., 2002; D'este and Perkmann, 2011). Therefore, we take our argument here to introduce the next section.
Overview of SMEs Financing and Development in Africa

SMEs are difficult to define, not only because the definition changes over time (Jutla et al., 2002; D'este and Perkmann, 2011), but also because the definition varies from country to country (Jones et al., 2013; Beck et al., 2009; Xie et al., 2010), including different sizes and range (Beck et al., 2009; Xie et al., 2010). Similarly, the definition of SMEs varies by region/country and the threshold used (Wynarczyk et al., 2013; Cumbers et al., 2003; Doloreux, 2004). The definitions used today to define the threshold in terms of employment, turnover, and assets (Cumbers et al., 2003; Doloreux, 2004). Usually, they can be distinguished based on the quantitative criteria of the assessment scale (Valanciene and Jugeleviciute, 2013; Abdulsaleh and Worthington, 2013). These criteria include the number of employees, annual turnover, total salary, total balance sheet, and net product (Jutla et al., 2002; D'este and Perkmann, 2011). The most widely used definition in the entrepreneurial literature is provided by the Small Business Administration (SBA), which refers to a medium-sized enterprise (Abdulsaleh and Worthington, 2013), which is an independent enterprise with fewer than 500 employees (Jutla et al., 2002). Definitely, according to SBA's definition of small and medium-sized enterprises (Valanciene and Jugeleviciute, 2013), we limit the sample to African companies with less than 500 employees.

At present, more and more scholars believe that small and medium enterprises play a vital role in the process of national development (Valanciene and Jugeleviciute, 2013; Abdulsaleh and Worthington, 2013). Many data show that the employment rate of small and medium-sized enterprises is higher than that of any large-scale enterprises (Jones et al., 2013; Beck et al., 2009; Xie et al., 2010), and the GDP growth rate is also the fastest (Jutla et al., 2002; D'este and Perkmann, 2011). In this situation, more and more scholars are studying how to redefine the concept of small and medium-sized enterprises, and gradually use small and medium-sized enterprises as the core force for investigation and research (Valanciene and Jugeleviciute, 2013; Abdulsaleh and Worthington, 2013). In our article, we found that the key factor restricting the development of small and medium-sized enterprises lies in funds (Wynarczyk et al., 2013; Cumbers et al., 2003; Doloreux, 2004). This part of funds may come from banks, social capital, government management, or venture capital companies, but the most direct and influential SMEs Institutions are government management departments (Jones et al., 2013; Beck et al., 2009; Xie et al., 2010). Therefore, the degree of government intervention and management determines the development and financing of SMEs to a large extent (Jones et al., 2013; Beck et al., 2009; Xie et al., 2010). Nevertheless, numerous scholars demonstrated that the measurable of SMEs could be differently between countries and countries, so SMEs in Africa might be different in SMEs in another country.

Therefore, this paper focuses on SMEs in Africa, and we believe that our contributions and implications may also influence other SMEs in different countries because they may meet the same issues and uncertainties. In the second half of this article, we will describe in detail how the government management interferes with enterprises and promotes their development.

Over the past three decades, the SME sector in West Africa has exploded, mainly due to the fact that official channels are looking for interesting investment options (Winston, 2007; Philippon et al., 2012). The stock markets of most sub-regional countries are weak, and interest rates cannot keep up with the pace of inflation (Cumbers et al., 2003; Doloreux, 2004). In this case, entrepreneurship has always been the attraction of investing too much capital. Unfortunately, the SME sector in West Africa is a mixture of self-service shops and active businesses (Cumbers et al., 2003; Doloreux, 2004), and its activities are mainly concentrated in urban areas (Valanciene and Jugeleviciute, 2013). In addition, they cannot obtain the financial resources needed to expand, develop, and reach higher limits (Jutla et al., 2002; D'este and Perkmann, 2011). The questions people ask may be the main reason. However, the inability of African SMEs to obtain funding is the result of two high-risk characteristics (Winston, 2007; Philippon et al., 2012). First, it is widely believed that capitals in Africa are riskier than capitals in other regions. Second, on a global scale, the risk of raising funds for small companies is higher than for large companies (Jutla et al., 2002; D'este and Perkmann, 2011). The following sections discuss some typical facts about SME financing under ECOWAS and discuss some alternative methods adopted by sub-regional countries to alleviate SME financing difficulties (Jutla et al., 2002; D'este and Perkmann, 2011). The World Bank's distance from the 2014 Frontier shows that, with the exception of Ghana and Nigeria, all other West African countries are at most 60 percentage points away from New Zealand (the best-performing country in the world). Although the marginal gap between Ghana and Nigeria is approximately 35 and 40 percentage points, respectively (D'este and Perkmann, 2011), Ghana's index is higher than the average of the OECD high-income countries and European and Central Asian countries.

4 Methods

4.1 Theoretical Framework

In a certain period of time, the market economy with government intervention and management can bring a certain period of prosperity to this country, such as stable prices and low unemployment and rapid economic growth. It is generally believed that a strong government management economic function is an effective means to rescue market failures (Winston, 2007; Philippon et al., 2012). Therefore, many Western countries have adopted the means of government intervention and management to compensate for the defects of market failure and correct market failure. However, when the country develops to a certain level, if the government management intervenes forcibly, it will face new and more complex economic problems, such as inflation. With the emergence of inflation, while the overall price level rises sharply, unemployment will also increase substantially (Winston, 2007; Philippon et al., 2012). The emergence of this problem is that people will soon lose confidence in the effect of government intervention and management and regulation.

The literature on support for SMEs can be divided into two distinct aspects. The first method considers indirect intervention and management to address barriers that SMEs may face (Jones et al., 2013; Beck et al., 2009; Xie et al., 2010), while the second method addresses the impact of direct business support on SMEs. In

the first phase, several studies focused on the impact of indirect public support for SMEs, such as simplifying taxes and reducing registration costs, with the aim of encouraging the entry of new companies, formalizing informal SMEs, and small business growth. The basic assumption is that formal companies have fewer credit restrictions than informal ones, so formalization will be a necessary condition for better company performance. In fact, some literature suggests that the scale and productivity of informal firms are lower than that of formal ones. Thus, if the growth of informal firms is constrained by credit constraints affect productivity and business outcomes (Jones et al., 2013; Beck et al., 2009). In addition, all informal companies are encouraged to simplify tax formalities. Those formal institutions will not receive other forms of public support directly.
Analysis of cases study.

Figure 1 shows the cumulative number of studies between 2003 and 2017. Between 2011 and 2017 the number more than doubled. The rapid increase in the number of studies in the 2000s was related to an increase in the impact assessment literature, and more specifically, to the impact assessment of SME assistance programs. In determining the main methods of SMEs and designing the review process, no strict impact assessment was conducted prior to 2000.

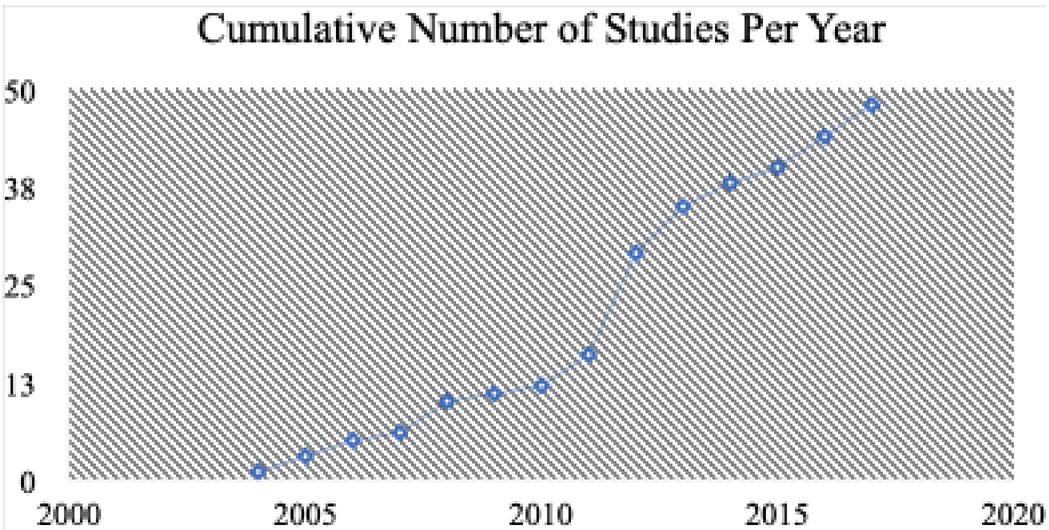
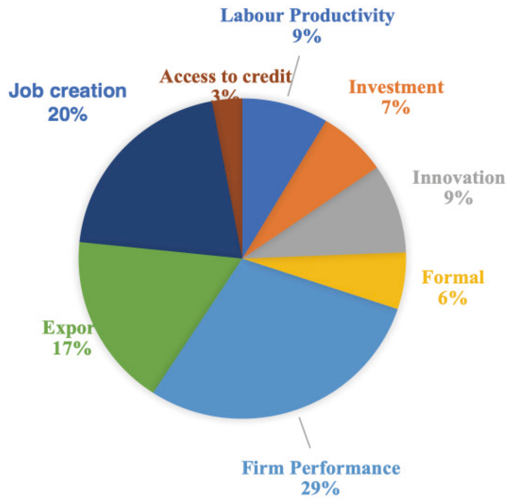


Figure 1. The cumulative number of SMEs financing studies per year

The evaluation of the papers included in this review allows us to analyze the impact of intervention and management on the comprehensive outcome list. The final results from the reviewed documents are (1) job creation, (2) labor productivity, and (3) company performance. The following measures are derived from the reviewed papers to arrive at intermediate results: (1) access to credit, (2) exports, (3) regularization rate, (4) innovation, (5) investment, and (6) survival rate.

For company performance, we group various results, such as profit, revenue, sales, overvalue, asset stock, asset return, total output value, and company productivity. Our measurement report on the labor productivity group shows that it reports the sales of each worker, the profit of each worker, the income of each worker, and the research and development of each worker. Figure 2 reports the percentage distribution of the reported results (54 in total). There are five results: company performance (29%), employment (20%), exports (17%), labor productivity (9%) and investment (7%) and innovation (9%).

Figure 2. Treatment and labor productivity per study relating to the distribution



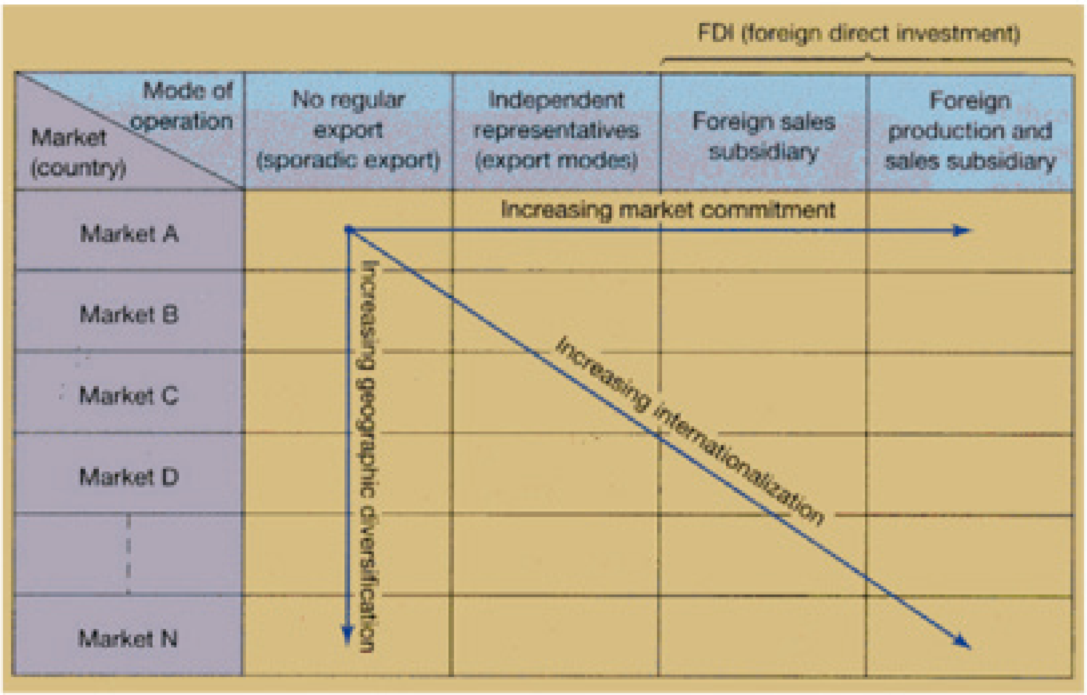
Therefore, our case analysis and data show that the key factors restricting the development and financing of small and medium-sized enterprises in Africa are company performance and export levels (Doloreux, 2004). For those companies facing development difficulties in response to company performance, we believe that government intervention and management can help companies develop and improve their internal organizational structures, so as to help companies operate and develop more effectively. For those enterprises that rely on exports for development, we believe that the government management can issue corresponding policies to help the development of small and medium-sized enterprises in Africa. For example, export subsidy policies, export financing policies, export industrial policies, and export listing policies to promote the development of the internationalization of small and medium-sized enterprises. We are not sure whether the suggestions made are the most reasonable and effective, because we lack detailed investigation and critical thinking of African government management, so this part is the limitation of our paper. We help more to promote the development of African small and medium-sized enterprises while ignoring the responsibilities and obligations of government management departments. We also suggest that future scholars can explore more African government management behaviors to improve management significance.

4.2 The Uppsala Model within International Business Management

The Uppsala model has been one of the most discussed dynamic theories in Nordic School and International Business Studies and has affected many researches in the way to explain the process of internationalization of companies. The Uppsala model demonstrated that the motivations and reasons regarding how a firm in its host country for developing enter another country; it also explained the process of a business's internationalization (Vahlne et al., 2017; Vahlne et al., 2013). Further explanation, the Uppsala model build a network theory as well as communication theory relating to one business to another business across the world. This means that relationships are connected to each other constituting network structures (Vahlne et al., 2017). During these communications and exchanges, companies in between countries and countries will arise their trust in order to facilitate business succeed at the end. Alternately, once established, an organizational or ownership advantage would boost their business internationalization. By understanding better regarding the Uppsala model, this model main focuses on four different perspectives. Figure 3 demonstrated these diversity perspectives as well.

1. No regular export activities (sporadic export);
2. Export via independent representative (export mode);
3. Establishment of a foreign sales subsidiary;
4. Foreign production/manufacturing.

Figure 3. The uppsala internationalization model



The Uppsala model comes up with four different directions including (1) no regular (sporadic export), (2) independent representatives (export modes); (3) foreign sales subsidiary, (4) foreign production and sales subsidiary. Meanwhile, increasing market commitment and increasing geographic diversification are two ways help companies to increase internationalization. Nevertheless, for SMEs, the most significant issue here is (1) no regular (sporadic export) and (2) independent representatives (export modes) because most of SMEs do not have enough resources or any related financial institutions support them. Therefore, for most of SMEs located in West Africa, the first international management issue is to overcome how to build a communication and relationship between counties and counties in order to promote themselves into internationalization. Alternatively, by doing this direction, only relies on SMEs themselves can hard to receive a better performance, thereby government intervention and management could facilitate SMEs limited these kinds of issues, especially in the developing countries from Africa.

We argued that (1) no regular (sporadic export) and (2) independent representatives (export modes) are most important for SMEs' development now and in the future. Underlying the Uppsala mode, the lack of human capital perhaps the best way to overcome these issues. For example, if SMEs in Africa have internationalized human capital, then these human capitals could help leaders to select which countries they may enter and which countries have limitations so that they need to take care of. Alternatively, underlying human capital, culture shock in terms of languages, physical distance, and regulations are also the issues that SMEs may face. Therefore, human capitals are the core for SMEs.

Nevertheless, the core here is how to attract and retain international talents and stays in Africa's SMEs. There are some good examples from China may help SMEs in Africa to reduce this issue. The Chinese government has implemented a series of policies to retain talents in different cities. For example, the government allocates a specific amount of funds to attract talents; the government helps human capital allocate housing and solve children's education; the government issues specific policies to allow human capital to apply for a better social reputation, and so on. Thereby, government intervention and management are a good way to help SMEs attract more human capital resources, so Africa government may also use the same way to help their local business attracting more human capitals in order to boost their local business develop.

We found that the main reasons leading to the development and financing of small and medium-sized enterprises in Africa are, first, human capital (Perkmann et al., 2013; Lu and Beamish, 2001). The development of human capital is one of the reasons for financing and development of small and medium enterprises in Africa (Wynarczyk et al., 2013; Doloreux, 2004). At present, the education level in Africa is relatively low, and the problem of government management bribery is relatively serious, which leads to a low development speed. Second, government management policy. The best effect of government intervention and management is to introduce corresponding policies to promote the development of SMEs. Through our case analysis and research, African government management are not efficient and lack a certain degree of professionalism in policy research (Wynarczyk et al., 2013; Doloreux, 2004).

As a result, policies are not well adapted to the development of small and medium-sized enterprises. Third, the lack of financial industry. At present, we understand that Africa's finance is in a budding state. The vast majority of people do not understand the meaning of capital, and even the entire banking industry does not have a sound system and industry norms. This has led to small and medium-sized enterprises failing to understand why financing or even why. Listed. Fourth, the lack of innovation ability. In our next chapter, we pointed out that SMEs are flexible and their success lies in innovation (Wynarczyk et al., 2013; Doloreux, 2004). The low education penetration rate in Africa has led to insufficient innovation in enterprises. In the following chapters, we will give certain explanations and suggestions based on the current problems and assumptions we have made, and make certain contributions to the key points of African market management and future development.

4.3 Government Intervention and Management Requires Attention to Methods

Government intervention and management needs to focus on local characteristics (Perkmann et al., 2013; Lu and Beamish, 2001). Government management based on the development characteristics of local SMEs is the foundation of local government management innovation. The core of government management support for socialized service organizations is to cultivate their self-development capabilities and the actual self-discipline mechanism, and get rid of dependence on the government management, and this process must be gradual. The government management also needs to promote the socialization of information services for small and medium-sized enterprises in a gradual and orderly manner. When the level of informatization of enterprises is low and they are not used to purchasing social information services, the government management should provide enterprises with more information service support. Including cultivating enterprise informatization talents and cultivating enterprise informatization awareness, etc., enterprises gradually understand the benefits of enterprise informatization and proactively purchase information on social services through websites and other information. The government management can also directly provide enterprises with some information services within their capacity to satisfy the development of enterprises. Increasing demand for information. Results

4.4 The Innovation of Government Management Financial Support Policy

Many countries have adopted various preferential policies to support the financing of SMEs, and most African countries' economic and financial policy support is mainly based on the type of value for money and industry characteristics (Jutla et al., 2002; D'este and Perkmann, 2011), rather than the different industries owned by enterprises of different sizes formulated for characteristics. Even if preferential policies are formulated according to the scale, various preferential policies tend to cater for large enterprises, thus ignoring the needs of SMEs. In addition, the lack of uniform and standardized rules and regulations for direct financing of SMEs also affects the financing of SMEs. Through our investigation and research, it is found that small and medium-sized enterprises face discrimination issues in the financing process on the one hand, and on the other hand, there are more issues about the scale of the financing process (Jutla et al., 2002; D'este and Perkmann, 2011). The problem of discrimination we are talking about is the various financing deviations caused by the difference in scale between the borrower and the borrower, and it reflects the emergence of small and medium-sized enterprises in the market economy. From the perspective of banks, commercial banks follow the principle of giving priority to security, and generally require companies to have a certain scale of assets as a guarantee, while for small and medium-sized enterprises, they do not have a certain scale of assets to mortgage, which leads to bank lending the speed is relatively long.

If the funds required for credit guarantees are provided entirely by the government management, there will be a problem of insufficient supply (Jutla et al., 2002; D'este and Perkmann, 2011). Since credit guarantees are high-risk industries, private guarantee agencies must implement higher risk premiums or increase guarantee conditions from the perspective of profitability. To ensure safety, so that most of the small and medium-sized enterprises that need guarantees will be rejected by the credit market. In addition, if credit guarantees are fully funded by the government management, although policy support for small and medium-sized enterprises can be achieved, it may also lead to rent-seeking of public resources by enterprises, resulting in excessive consumption of credit guarantees, and ultimately causing government management finances to make ends meet. Leading to the exhaustion of public resources, but credit guarantees are unsustainable. It is particularly important that if inferior enterprises are guaranteed, the market mechanism for survival of the fittest will be ineffective, and the allocation of resources will be distorted. From this perspective, provide credit guarantees for small and medium-sized enterprises, while taking into account market principles and policies. The principles are combined, but in actual operation, how the government management monitors and incentivizes the operation of guarantee agencies to prevent the guarantee agencies from using public resources for their own benefit is also a very complex and difficult problems.

4.5 The Role Innovation of the Government Management Human Resources of SMEs

The government management's innovation and management in the construction of human resources for SMEs is actually an innovation in the human resources management of listed SMEs (Jones et al., 2013; Beck et al., 2009; Xie et al., 2010). The key to role innovation is to require the government management to strongly support the employment of enterprises in policy. Through case analysis, we found that the shortcomings in the use of talents in small and medium-sized enterprises are the biggest problem. Compared with large and medium-sized enterprises or foreign-funded enterprises, small and medium-sized enterprises lack sufficient attractiveness in talent recruitment (Valanciene and Jugeleviciute, 2013). In addition to the relative lack of material resources, the most important reason is that small and medium-sized enterprises lack an internal environment for retaining talents. These include the family notion of some corporate leaders who are unwilling to give talents reasonable work rights, as well as factors such as internal knowledge and system defects. For example, factors such as unclear job responsibilities, heavy burdens, severe penalties, high work pressure, difficulty in achieving personal career plans, uncertain corporate prospects, chaotic internal management, unreasonable corporate salary structure, and low working standards (Valanciene and Jugeleviciute, 2013). According to such problems, we need to propose effective solutions. The first and most important thing is personnel training.

Many developed countries provide vocational and technical education and training for employees of small and medium-sized enterprises through multiple channels and various situations to gradually improve the production technology and management level of small and medium-sized enterprises (Jones et al., 2013; Beck et al., 2009; Winston, 2007). For example, Italian small and medium-sized enterprises, among the various small and medium-sized enterprises service organizations all over Italy, there are many talents intermediary service agencies funded or strongly supported by the government management (Valanciene and Jugeleviciute, 2013), which provide certification for technical innovation of small and medium-sized enterprises, technical training and personnel training and other services. Second, to help companies establish an effective performance evaluation mechanism and scientifically design human resource decisions. If the government management participates in helping companies establish an effective performance evaluation system, it will not only fully mobilize the enthusiasm and creativity of employees, but also form a fair competition mechanism in the company (Winston, 2007; Philippon et al., 2012). It is divided into motivating employees to work hard, and can make outstanding talents stand out.

4.6 Responsible government management functions

Responsible government management functions may be a direction for future development in Africa. From the perspective of the government management, the power of the government management comes from the people, and of course it should also be responsible to the people (Jones et al., 2013; Beck et al., 2009). Responsible government management, as a basic value concept in the era of democratic politics, requires the government management to respond to society. The foundation of the people and requires active actions to satisfy. The government management should actively perform social obligations and responsibilities. The government management also should accept internal and external control to ensure the realization of responsibilities. Of course, whether it is a liberalist view of government management functions or an intervention and management's view of government management functions, they advocate that the government management's intervention and management is always close to the actual economic development at the time (Jones et al., 2013; Beck et al., 2009). For the current society, the development of African SMEs depends to a certain extent on the transparency of informatization.

Informatization refers to the process of social and economic development, from material and energy as the center of economic structure to information and knowledge as the center of economic structure. In this process, modern technology and equipment, various departments of the national economy, and All areas of society, thereby greatly improving social productivity. We also mentioned this idea at the end of the last, aimed at the continuous development of small and medium enterprises in Africa (Jutla et al., 2002; D'este and Perkmann, 2011). What we need to pay attention to is the degree of transparency of information. Regarding the transparency of informatization, there are mainly two parts (Winston, 2007; Philippon et al., 2012). We believe that the first is an understanding of the emerging concept of the upcoming information society, and the second is whether small and medium-sized enterprises in the African market can obtain the most cutting-edge knowledge in the world.

Generally speaking, the information needs of SMEs are more complex. On the one hand, the business content of different SMEs is different, leading to different needs for information (Jutla et al., 2002; D'este and Perkmann, 2011). On the other hand, unified SMEs have different needs for information in different development periods. Combined with the investigation of the operation process and information content of SMEs, the information needs of SMEs are mainly as follows. The first is for policies. In other words, whether African SMEs can clarify the policies issued by the government management is the most important condition for the development of SMEs (Jutla et al., 2002; D'este and Perkmann, 2011). The second type is technical information. Basic information mainly includes information on new inventions, new achievements, new products, new materials, new equipment, etc. The third type is information about competitors. Competitor information mainly includes financial status, technical elements, market position, development planning, business ideas, product mix, raw material supply, and natural resource conditions. The last point is sales information in the domestic market, such as product specifications, styles, quality, prices, trademarks, packaging, sales channels, and advertising (Jutla et al., 2002). Of course, there is also a need for human capital, which we have also mentioned in other chapters.

5 Discussion

5.1 The Value of SMEs in an Economy

Entrepreneurship is essential to promote the economic and social progress of the African continent (Winston, 2007; Philippon et al., 2012). Global Entrepreneurship Monitoring is a research project that aims to assess the level of national business activity in selected countries/regions. He conducted research on entrepreneurship and economic growth in 37 countries in 2002. Research shows that a country's economic development and its level are directly related to business activities. Especially in industrialized countries, there is a strong correlation between economic growth and business activities (Jutla et al., 2002; D'este and Perkmann, 2011). For example, the U.S. economy is known for its flexibility, adaptability, and opportunities, partly because of the prevailing business culture in the United States. According to the report, countries that can supplement business and employment opportunities and can adapt to business turmoil and turmoil are more capable of effectively competing.

5.2 The Value of SMEs in Government Management

Small and medium-sized enterprises under government management are healthy. Through our investigation and research in this article, we found that government intervention and government management can help small and medium-sized enterprises solve a series of problems. When the government management issues policies, developing countries, especially the African countries mentioned in our article, can effectively help small and medium-sized enterprises solve their current problems. On the contrary, when the government management is unable to help small and medium-sized enterprises, in most cases there will be capital shortages, market shortages, human capital shortages, etc. It is very likely that the capital chain will break or even go bankrupt in a short time. Under the premise of government intervention and management, this article can help small and medium-sized enterprises solve a series of problems such as financing difficulties and high financing costs.

5.3 Analysis of the Government Management's Policy to Support SMEs

Due to poor information capture capabilities, many African SMEs are unable to adjust their industry selection according to changes in market demand, resulting in a series of development congestion (D'este and Perkmann, 2011). The slow development of African SMEs, as we have described above, will inevitably make the survival of weaker SMEs more difficult and bankruptcies will increase accordingly. Therefore, if the government management can provide clear support information for the development of small and medium-sized enterprises, and at the same time can provide clear direction indicators for small and medium-sized enterprises, it will undoubtedly help the healthy development of the majority of small and medium-sized enterprises (Jutla et al., 2002). According to the information presented in our case analysis, we can find that the government management should support the development of the following five types of SMEs: One is high-tech SMEs, which is a common practice in international SME policies, especially in the early days of the knowledge economy (Winston, 2007; Philippon et al., 2012). Seeing the clues, all countries have further increased their support for high-tech SMEs. The second is to attach importance to support for tertiary industry small and medium-sized enterprises run by urban highly unemployed people so that they are not unemployed. In order to maintain social peace and stability, this is even more urgent and important. The third is the development of community-based SMEs. This type of enterprise can serve multiple purposes, solve employment problems, and improve community functions.

Conclusion

Based on the analysis of obstacles, collaboration networks, and policies for SMEs to engage in innovative activities (Winston, 2007; Philippon et al., 2012), the following policy recommendations are put forward:

(1) The market and information methods of decision-makers enable companies to participate in innovative activities, establish mechanisms to promote local cooperation networks of small and medium-sized enterprises and acquire knowledge about new technologies and tacit knowledge.

(2) The government intervention and management should focus on SMEs, formulate effective policies to attract more talents, provide direct financial subsidies or assistance, especially financial guarantees for SMEs, and support more venture capital. In addition, strong government intervention and management will not be conducive to innovation.

(3) Universities, technical colleges, research institutes, industry associations, and other related organizations and research institutions should be given more roles. This can be achieved by establishing a cooperative network, including R&D cooperation, strategic alliances, production networks, and marketing networks.

(4) It should be aimed at promoting the innovation of small and medium-sized enterprises in order to eliminate internal and external restrictions and distinguish them according to their scale and mode. Ownership of the company. It should be pointed out that foreign-invested enterprises and the World Economic Cooperation Organization have different policy priorities.

(5) To reduce credit rationing, more credit guarantee agencies for small and medium-sized enterprises should be established. An environment of trust should be established by improving the social and cultural environment. Since the entrepreneurial environment is unpredictable and inherently chaotic, SMEs should formulate their own business plans and choose the method that best suits their circumstances.

(6) This article we use qualitative analysis as well as literature and framework reviews to address our argument in terms of how government intervention and management facilitate SMEs develop in Africa; however, we have not use quantitative analysis as well as gather data from the specific SMEs. Therefore, for the future research, we suggest they could use SEM or related quantitative analysis to analysis and get the results based on our arguments.

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