

ABSTRACT

Economy and its development within a country and the region largely depends on the development of its SMEs as SMEs provide job opportunities to a large population. SME entrepreneur is a vital input in the economic development of a country, working as a catalyst in an overall economy and ensuring a sustainable development of the local population. SME entrepreneur uses the available scarce resources in a way which enables him to increase profits and decrease costs. Lack of quality human resource, technology knowhow, marketing, lack of capital and inadequate distribution of raw materials creates problems for SME entrepreneurs.

This study employed mixed method concept, by combining qualitative and quantitative methods. Data were obtained by two mediums: (a) Quantitative data collection through questionnaires, (b) qualitative data by conducting face-to-face interview with principals in eight manufacturing firms, and with representatives of supporting institution. The data- collection was analyzed using Porter's Diamond model.

Understanding the problems faced by SME entrepreneurs and finding a relevant solution will work as a tool and help to develop rural areas and backward towns more profoundly in underdeveloped and developing nations. This paper focuses on the identification and understanding of various problems faced by the SME entrepreneurs in a developing nation.

Key words: Sustainable development, Economic development, SME entrepreneur

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