

**THE DEVELOPMENTAL ROLE FOR SMALL AND MEDIUM ENTERPRISES:  
*A Case Study of Tafila Governorate from 2000-2013***

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**ABSTRACT**

**T**his study aims at highlighting the role of the small and medium enterprises in Tafila Governorate to show the economic impact of such enterprises, whether being small or medium, and how far these could contribute to the economic development in the governorate. To achieve the objectives of the present study, a study of the current enterprises in Tafila was conducted in an attempt to highlight their role in the process of economic development. The study has concluded that that there is a very positive role played by these small enterprises in alleviating the negative impact of two main problems prevailing in Tafila Governorate: poverty and unemployment. The study has recommended that the government should pay much more attention to such enterprises to enable local people to benefit from these programs.

*Keywords: small and medium enterprises, growth, development, poverty, income.*

## Introduction

Small and intermediate enterprises normally occupy a significant position in countries economy, being developed or developing, due to the numerous characteristics of such projects. Most studies praise these enterprises as being able to combat the problem of unemployment of which most countries suffer from, especially in the developing countries in addition to the fact that the capital value needed to run these enterprises is normally low compared with the big enterprises that require lots of capital, the thing that most if not all of the developing countries lack.

That's why most international and local organizations have given much more influential roles to small and intermediate enterprises due to being highly widespread throughout different regions, of these good for citizen's permanent residence, being considered as good for local income for their owners and also being a good source of income for its owners. The number of private organizations in Jordan reached almost 95,000, of which 91 % include less than 5 workers, whereas 7 % of other organizations have employed between 5-19 employees. These organizations currently employ more than 630,000 employees, thus forming a percentage of 60% out of the work force and contribute in a percent of 50 % of the total and/or local production.

## The Significance of the study

The significance of the study arises from the developmental role small and medium enterprises play in the national economy in general and in Tafila Governorate in particular. These enterprises have greatly alleviated the level of poverty and unemployment in Tafila Governorate where the number of funded enterprises in Tafila throughout the study duration reached ..... Further, this study is highly considered very significant due to being a descriptive and analytical one, closely shedding light on the significance of such small and medium enterprises in Tafila Governorate which will therefore help decision-makers in

presenting and providing successful policies necessary for the development and continuity of small and medium companies.

## The method of the study

This study depended , as its major criteria, on the data available and related to the subject matter of the study, most of which are provided by the institutions responsible for financing small and medium enterprises in Tafila . These institutions include: the Institution of Agricultural Loans, development and Labor fund, and the directorate of the social development.

## The Population and the sample of the study

The Population and the sample of the study included the owners of small and medium enterprises in Tafila Governorate. 15 questionnaires were randomly distributed to the owners of small and medium companies. 110 questionnaires were analyzed, 15 were disregarded because they did not meet the required basics of scientific research methods, and 25 questionnaires were not returned.

## The objectives of the study

- This study aims at;
1. Showing the number of small and medium enterprises in Tafila Governorate.
  2. Identifying the main problems and hindrances (challenges) that face small and medium companies.
  3. Providing some solutions for the problems that face small and medium companies.
  4. Showing and identifying the developmental role small and medium enterprises could play.
  5. Identifying the nature of small and medium enterprises in Tafila Governorate.

## The Problem of the study

Tafila Governorate suffers greatly from an increase in the high levels of poverty and unemployment. The percent of unemployment reached in 2012 19.6 % among both males and

females registering one of the highest rates in Jordan. Despite the governments' continuous support and encouragement for people to turn to small and medium companies, this enterprise are still facing lots of challenges and obstacles in Jordan, therefore leading to much more threats for their abilities to function well in the market and therefore negatively reflects upon their continuity. This matter will therefore definitely not enable small and medium enterprises to employ as many people as possible, contrary to owners' expectations. That said, the problem of the current study can be summed up as follows;

What is the developmental role small and medium enterprises play in Tafila governorate.

#### Questions of the study

1. Do small and medium enterprises contribute positively to the economic development of the country?
2. What are the obstacles that challenge small and medium enterprises in Tafila Governorate?
3. Are there statistically significant indicative differences about the role small and medium enterprises that can be attributed to gender, educational level, and age?
4. What is the number of small and medium enterprises in Tafila Governorate during the years of 2000-2013?

#### Literature Review

Many studies have conducted the subject matter of small and medium companies, but very few of them have taken Tafila as a case study for these companies.

1. Sulieman, Maysa (2009)" The developmental role for small enterprises funded in light of their development strategies. Sulieman's study pointed to the fact that the Syrian government has recently started taking care about small and medium enterprises and also have started to recognize their significance for creating a comprehensive and lasting

development. This study concluded that the success of small and medium enterprises is measured with the effective consequence in alleviating the desired developmental effects, especially in affording job opportunities, combating the phenomenon of unemployment and empowering women by involving them in the processes of development.

2. Abu –Al Haija, Adnan (2004)" The competitive potential for the Jordanian small industries". This study concluded that the performance of the section of competitive industries is characterized as being relatively weak compared with big and grand enterprises and/or industries. Abu AL Haija's study recommended enlarging all training, technical and administrative programs presented for small and medium enterprises for the sake of improving them.
3. Sulieman, Nur Al Deen Zeidan (2012) "Assessing the role of banks and small funding institutions in financing small and medium companies. This study concluded that as banks and other institutions, dedicated for financing small and medium companies, come to offer any finance for any company, focus only on big enterprises that enjoy high reputations and that are characterized with having enough utilities and guarantees.
4. Abu Aliqah and Thawabieh (2010) "The impact of small and medium enterprises on social and economic development in Tafila Governorate". This study concluded that financing small and medium enterprises have greatly contributed to combat the problems of poverty and unemployment. Further, the study had showed a positive role on the social status especially for those who benefited from loans for their enterprises funding. Finally, the study commented on some of the problems and the challenges that face these beneficents.

## Foreign Studies

Ayyagari, Beck and Demirgüç-Kunt (2007) investigated the role played by small and medium enterprises for gross domestic production of 76 countries worldwide. Authors tried to identify the main contribution of small and medium enterprises in the whole business environment. The results of the study have revealed that most of the economic indicators can be explained through the role of small and medium enterprises especially in the developing world. Beck and Demirgüç-Kunt, in the meantime, argued that small and medium enterprises have performed a great role in the growth of the economies of both the developed and developing worlds.

However, the authors pointed out to some of the challenges that prevent small and medium enterprises from performing a great role compared with large companies. For example, the limitations imposed on some regulations imposed on some countries. In addition, Acs, Morck, Shaver, and Young (1997) focused on the international diffusion of small and medium enterprises and identified the barriers that face such type of enterprises in performing their role effectively. The study identified property rights protection and the barriers to entry as the two main barriers that face these enterprises globally. Finally, the authors stress the importance of having a clear public policy for these enterprises in order to achieve their goals in global economic growth.

### The small and medium companies

Researchers have never agreed on a specific definition for small and medium enterprises from one country to another depending on their economic conditions and potentials. Definitions in the words of the developed countries, for example, differed from definition of the developing world. Enterprises that are classified as big in the developing countries are classified as medium in the developed ones, whereas medium enterprises in the developing countries are considered small

in the developed ones. Here, International organizations of labor have defined small enterprises as those that include less than 10 employees whereas medium ones are those that include employees whose number range from 10-99. More than that is classified as big companies. ([www.alwastanews.com](http://www.alwastanews.com)).

The United Nations Industrial Developmental Organization UNIDO defines small enterprises as the enterprises run by one owner who takes responsibility for its long term plans. Also, employees in such enterprises include from 10-50 employees, males and females, (UNIDO). In Jordan, the third national report for human development defined small enterprises as those that include less than 100 employees (Human Development Report, 2011).

Due to the numerous criteria used in defining small and medium companies, especially in light of the number of employees in the developed and developing countries, the present researchers define small and medium enterprises in light of the population and limitations of the study, namely, on the basis of the individuals employed and the capital of these companies, as thus,

### Characteristics of small and medium enterprises

Small and medium enterprises are characterized with a set of the following significant features (Kinjo, 2007)

1. Low risk degree compared with big companies.
2. Less financial cost is required for such companies.
3. The possibility of founding these enterprises in small resident areas outside big countries.
4. The possibility of changing productivity line based upon the market needs by depending on the skills of the company owners and the employs.
5. Small and medium enterprises depend on the principle of specialty of productions, thus

leading to a remarkable increase in the productivity of the project.

6. The nature of the function of these enterprises is directly associated with the daily needs of the individuals.
7. The broad geographical distribution.

### **The difficulties and obstacles that face small and medium enterprises**

Small and medium enterprises face a set of difficulties and hindrances that challenge their function and contribute reducing their capabilities to work and therefore negatively reflecting on the distinction of the economic development. Such difficulties and hindrances can be summed up as follows,

1. Financing difficulties. These small and medium enterprises face a number of challenges and difficulties: some enterprises most often depend on self-financing; therefore they function within the limited financial potentials available for them. Since legal entities for these enterprises are normally individually-oriented they face financial problems related to the financial strength of some commercial banks as they come to provide credit loans due to lacking the required guarantees of finance (Small and medium companies, Studies and Laws, Ali Abdullah Al –Aradi, 2012).
2. Promotion and administration difficulties.

Small and medium enterprises do lack the necessary promotion policies and methods needed for promoting their products. These difficulties in effect differ with regard to the type and nature of the activity practiced by the company. The weakness of the promotion policies results from the companies' inability to provide enough data about the local market and about the needs of the consumers.

What is more, the company's inability to provide a regular promotion channels that introduce and present their products and services for the local consumers.

Furthermore, these small and medium enterprises do employ recent and updated scientific research methods to promote and market it themselves. This, in all, takes place while accompanied with shortage administrative experiences in the field of markets, the issue that reduces the chances of power and continuity in marketing and promoting themselves (Same resource).

3. Technical and economic difficulties: The decisions related to the Technical and economic studies of the company are considered the offspring in implementing the pioneering idea, which is the main indicator for the possibilities of success or failure of those enterprises in the future. This decision has got two different stages; first, it tackles the technical studies related to the possibility of implementing the idea of establishing productive or service –related projects. Second, it tackles the economic financial cost of establishing the company which will, in effect, meet the requirements of distinction, in general (Mansoor, 2000 )

#### 4. Organization and legislation Difficulties

Small and medium enterprises suffer from a number of difficulties due to the multi-referentiality. The difficulty of getting licenses due to the numerous institutions and organizations that needs to be consulted and visited for the sake of getting these licenses in addition to the government's bias to big enterprises at the expense of small enterprises through providing them with motivations, facilities, and financial support in most of the developing countries (Maisa Hussein Salman 2009).

## **Finance resources for Small and medium enterprises in Jordan**

There are numerous resources that finance Small and medium enterprises in Jordan. These resources could be summed up as follows,

1. Personal savings for the owners of the companies. These include the money saved by individuals which are normally not sufficient to completely depend on for the final stages of the project. This is mainly attributed for the low average of saving for individuals in Jordan. In such cases, these owners resort to loans from family members, relatives, and friends. This kind of finance, also, isn't considered sufficient enough to finance the whole stages of the enterprises let alone these people, i.e., the relatives and family members, personal interference with the matters related to the company (Kinjo, About Kinjo 2007).
2. Specified Loan Institutions:  
Throughout the world, the purpose of establishing such enterprises is to provide long-term loans for Small and medium enterprises in all economic sectors where these institutions have started to provide loan facilities for Small and medium enterprises according to a set of specific yet different conditions from those adopted by commercial banks in an attempt to contribute to supporting, developing, and ensuring the continuity of such companies. Further, these facilities pave the way for national enterprises to perform a critical role in the national economy. Normally, these specified enterprises are governmental or semi-governmental by nature, and they aim at making available the finance required and work on increasing job opportunities and reducing levels of poverty and unemployment (Maher Al-Mahrooq et al 2007).
3. Commercial Banks: The banks normally provide short-term and medium loans for

different economic sectors, so such Small and medium enterprises might face lots of hindrances and difficulties, especially in getting the fund required from commercial banks. The main reason is that these enterprises need long term loans when, in fact, commercial banks prefer short and medium loans. Such limited contributions of commercial banks can be explained by a set of factors such as the increase of risk levels for loans granted for them. Also, Small and medium enterprises are unable to provide the necessary financial guarantees to get the proper funding. Banks, in effect, turn to big and grand enterprises due to the low level of risk (Same reference).

4. Non-Governmental, local, Foreign Organizations, committees and institutions. These institutions work on affording the economic services for different small and medium enterprises by providing them with the necessary fund, the economic value for the companies, and guiding the owners of these enterprises towards the proper choice of companies.

## **The Role of small and medium enterprises in economic development**

The past century had witnessed a quick and increasing growth of small and medium enterprises as countries started to realize the significance and effective role of such enterprises in the development of the national economy. These companies, apparently, play a great role in increasing the level of the national income by alleviating the level of poverty and unemployment. Small and medium enterprises have positively contributed to some countries by turning them from being consumers into becoming much more productive. Arising from the significance of these enterprises the Jordanian government has given top priority for Small and medium enterprises by providing much financial support for them.

The percent of Small and medium enterprises in Jordan has reached more than 90% of the total institutions working in different economic sectors. Further, they also absorbed more than 60% of the work force and also contributed with more than 50% of the total national income of the country. From here, the government should give top priority for these enterprises through financially supporting them, conquering the difficulties that face them in an attempt to proceed for economic development (Small and medium enterprises in Jordan; A reality and ambitions, Sabri-Al-Khateeb-Amman Commerce Chamber).

### The Status of Small and medium Enterprises in Tafila Governorate

Tafila Governorate, the area of the present study, is located in the south of Jordan with an area of 2209 square km and it forms 2.5% of the total area of Jordan with a population of 89400 distributed according to sex into 45, 5000 males and 43900 females, and the total population of Tafila form 1.4% of the total population of Jordan, 6, 388) (Department of Public Statistics-Jordanian Annual Statistics Book-2012)

Unemployment average in Tafila Governorate is considered one of the highest rates in Jordan as it reached 19.6 % among males and females. For males it reached 15.8% whereas for females it Table No. 1

reached 31.5%, thus forming one of the highest percentages in the kingdom (Department of Public Statistics- a survey of employment and unemployment-the annual report, 2012). Here, this study came to focus on the small and medium enterprises working in Tafila Governorate by exploring their roe in economic development where the number of the working enterprises in Tafila Governorate reached 263 from 1991-2000. Because of the significant role these enterprises play in the prosperity of the economic development, Jordan has started to give much priority for these enterprises through providing them with different resources of finance, thus leading to increasing their numbers to reach 1322 during the period of 2001-2011 all over the governorate (Department of Public Statistics-General counting for companies-2011).

This study has taken the general framework of the small and medium enterprises in Tafila Governorate and a focus on the most important governmental parties that support these companies, which have been distributed as follows.

Firstly, the Agricultural Loan Organizations: data indicates that the number of loans granted by this organization in Tafila governorate during the study period, 2000-1013, has reached 10, 082, 04, of which 3123 people benefited from as illustrated in the following table.

Data showing the loans granted for local citizens by the Agricultural loan organization during the years 2000-2013

Year	Sum of money (by thousands)	Number of job opportunities
2000	354.7	226
2001	76.25	46
2002	13.50	6
2003	14.30	7
2004	432.10	140
2005	771.435	249
2006	823.250	267
2007	900.900	282
2008	1.157,000	383
2009	941,200	299
2010	937,740	310
2011	1,219,100	317
2102	1,181,700	282
2013	1,258,867	309
Total	10,082,04	3123

Source: The agricultural Loan organization-Tafila Branch

The data above clearly shows an increase in the number of the loans given to local citizens during the last three years of the study period in an attempt to support and activate the agricultural sector both quantitatively and qualitatively. Further, it aims at increasing the level of lifestyles of the farmers to facilitate their life giving them easy loans to finance their agricultural enterprises that will definitely contribute in the economic development.

Secondly, Labor and Development Fund: Data shows that the number of loans given to citizens in Tafila Governorate during the study period I have reached 6,837, 868 and it provided 3333 job opportunities. The fund provides finance for the unemployed of graduated students of universities and colleges, graduates of vocational schools, beginner craftsmen, and women who support their poor families as illustrated in table 2 below.

Table 2: Data showing the loans granted for local citizens by the Labor and Development Fund during the years 2000-2013

Year	Finance Amount	Number of job opportunities
2000	143775	34
2001	59550	18
2002	73700	18
2003	20775	105
2004	252365	143
2005	255680	100
2006	274410	86
2007	199380	70
2008	524280	174
2009	825107	371
2010	921506	490
2011	976360	608
2102	778605	317
2013	1,345400	799
Total	6,837,868	3333

Source: Labor and Development Fund-the statistics of loans granted for people according to governorates.

Thirdly, the Social Development Directorate: the data shows a fluctuating level of the number of loans given to

citizens during the study period. This is attributed to the shortage of the enough finance as shown in table 3.

Table 3: Data showing the loans granted for local citizens BY Social Development Directorate during the years 2000-2013

Year	Sum of money (by thousands)	Number of job opportunities
2000	27,300	29
2001	10,501	8
2002	17,702	8
2003	37,703	32
2004	9000	10
2005	16,600	10
2006	8000	9
2007	9,300	7
2008	7,000	6
2009	10,000	7
2010	8,000	4
2011	35,500	30
2102	19,500	9
2013	1000	2
Total	217,106	179

Source: The Social Development Directorate -Tafila Governorate

From the data above, it is noted that the number of loans given to citizens in Tafila Governorate during the years of the study reached 217,106 JDs only and only provided 179 job opportunities.

### The Analytical Framework of the study

A questionnaire has been designed for the purpose of this study, and two kinds of resources were employed: minor sources represented by books, magazines, specified studies, and primary resources i.e., from the questionnaire prepared for this study. The questionnaire consists of two main sections. The first one tackles the problems that face small and medium enterprises while the second one tackles the developmental role for the small and medium companies. The questionnaire responses consisted of the following items (agree, neutral, disagree).

The population of the study consisted of the individuals who got loans from the Agricultural loan organization, the Development and labor fund, and the social development directorate. 150

Study Variables	Variable	Number	Percent
Gender	Male	69	63%
	Female	40	37%
Educational Level	Less than high school	46	42%
	High school	40	36%
	B.A and more	23	22%
Age	25-35	56	52%
	35-50	43	39%
	More than 50	10	9%

From table 4 above, it can be noted that the population of the study included in present study were 69 males and 40 females. As for the educational level, it was 46, less than high school and 40 ones of high school, whereas the rest of , 23, were above bachelor level.

As for age, there were 56 respondents of those whose age ranges from 25-35 and 43 of those whose age ranges from 35-50 and

questionnaires were distributed equally on the three institutions as the sample of the study, of which 115 questionnaires were returned back and responded to, a percent of 76% of the total number of the questionnaires distributed.

Data were then analyzed through the statistical program of SPSS where the descriptive statistics were employed as well as the multi-difference analysis MANOVA.

Percentages related to the three personal variables (gender, educational level, and age) were calculated in an attempt to identify the personal variables of the sample of the study as explained in table 4.

15 above 50. From the table above, it is also noted that 63 % of the study population were males compared to 37 % females. As for the educational level, there was a percent of 42% less than high school, 36% high school, and 22% above the bachelor degree. As for age, a percent of 52% represented the interval age of 25-35 followed by 39%, the interval age of 35-50 and for 9% the age above 50.

### Results will be presented depending on the questions of the study.

Question Number one: Do small and medium enterprises contribute to the economic development. For the purpose of

proving the validity of this question, the means, the standard deviations, and percentages of agreement level on each item of the items that measure the developmental role of the small and medium companies, as illustrated in table 5 below.

**Table No. 5**

Standard deviations and percentages of agreement level of the developmental role of the small and medium enterprises in Tafila Governorate

No/Item	Mean	SD	Percent of agreement
Enterprises help alleviate the level of poverty	2.95	.210	95.4
Enterprises help reduce the level of unemployment	2.89	.302	89.9
Small and medium enterprises help vary resources of income	2.88	.378	89.9
The suitability of the project for the nature of your work helps with the success of the company	2.85	.487	87.2
Family members help in the success of the company	2.84	.434	87.2
Small and medium enterprises help in the success of national economy	2.80	.499	85.3
The willingness to do free jobs helps the company succeed	2.12	.654	28.4

The table has been organized based upon the highest mean for the items, which measure the role of small and medium enterprises in the economic development in Tafila Governorate as Item 1 which is: small and medium enterprises contribute in alleviating the level of poverty, with a mean of 2.95 and a standard deviation of 0.210 and a percent for the level of agreement on the item that reached 95.4%. In the second place the item 2 which reads as, small and medium enterprises contribute to alleviate the level of unemployment with a mean of 2.89 and a standard deviation of 0.302 and a percent of agreement to the item 89.9 %, then in the third place came item that reads: small and medium enterprises in providing different patterns of income, with a mean of 2.88, a standard deviation of 0.378, and with an agreement percent on the item for 89.9. In the fourth place item four that

reads: the nature of the company suits the nature of your project and contributes in the success of the company with a mean of 2.85, a standard deviation of 0.487 and an agreement percent on the item that reached 87.3 %. Finally, item five that reads, family members contribute to the success of the company with a mean of 2.84, a standard deviation of 0.434 and a percent of agreement on the item with 87.2%.

What are the obstacles that face and challenge the small and medium enterprises in Tafila Governorate?

For the purpose of checking the validity of the question, the means, the standard deviations, and the percent of agreement on the item have been calculated to figure out the problems and challenges that face small and medium enterprises in Tafila Directorate as clearly shown in table No. 6.

Table 6

No. agreement	Item	Mean	Standard Deviation	Percent of	
1	lacking the technical and administrative experience		2.66	0.510	68.8
2	Lacking the enough capital for establishing the project		2.52	0.586	56.9
3	No worth value studies are there for the project		2.211	639	33.0
4	The inappropriate choice of the place of the company		1.58	0.735	14.7
5	The difficulty of issuing the needed licenses		1.931	0.710	22.0
6	Lacking the necessary training programs		1.141	0.380	9
7	Lacking the primary material for the company		1.721	0.621	9.2
8	lacking propaganda and publicity		2.42	0.597	47.7
9	The difficulty of enlarging the company		2.55	0.584	60.6
10	A strong competition of the similar goods produced		1.36	0.603	6.4
11	Not using modern production methods		1.82	0.558	8.3
12	Not following up with the financing parties		1.93	0.548	11.9
13	Tax increase on the owners of the companies		1.75	0.529	4.6
14	The increase of the profit contributes in not reducing the required value of the company			1.22	0.502
	307				
Mean		1.92	0.159		

From the table above, it is noticed that 68.8% of the respondents agreed that one of the most significant problems that face small and medium enterprises is the problem of lacking the technical and administrative experiences , the thing that requires the government to open training programs to rehabilitate the owners of those enterprises prior to starting their companies. Then most respondents agreed that the second item of difficulty that gained a 66.6 % of agreement is the difficulty of enlarging the company, which is attributed to lacking the enough finance for extending and enlarging the company. After this came the insufficient capital for the company with an agreement of 56.9%.

Question Number three: Are there statistically significant differences about the role of small and medium enterprises which are attributed to gender, educational level, and age?

The study has shown that there are no statistically significant differences at

$\alpha \leq 0.05$  for the influence of the gender, educational level, and age on the problems that face the small and medium companies. However, there was an influence that is considered statistically indicative for all the variables together on the problems that face small and medium enterprises in Tafila Governorate, as is shown in table 7 below.

age	Aver 1	0.023	2	0.012	0.491	0.613
	Aver 2	0.039	2	0.19	0.622	0.539
gen. edu	Aver 1	0.84	2	0.42	1.797	0.172
	Aver 2	0.064	2	0.032	1.034	0.36
gen.age	Aver 1	0.011	2	0.005	0.234	0.792
	Aver 2	0.018	2	0.009	0.297	0.744
edu. Age	Aver 1	0.181	4	0.045	1.923	0.113
	Aver2	0.029	4	0.007	0.23	0.921
Gen. edu	Aver 1	0.305	3	0.102	4.326	0.007
age	Aver 2	0.072	3	0.024	0.744	0.511

Question Number Four; what is the size of the small and medium enterprises in Tafila Governorate during the period 2000-2013?

Throughout the data obtained from the three organizations, the size of finance during the years of the study, 2000-201 and the number of job opportunities was as in table 8,

The Organization	The size of the loan	Job Opportunities/Number
Agricultural Loan Organization	10,082,04	3123
Development and Labor Fund	6,837,868	3333
Social Development Directorate	217,106	179

From the table 8 above, it is noted that the loans granted by the three organizations during the period of the study, 200-2013, were 17, 137,01 JDs, thus achieving 6635 job opportunities during the same period.

### Results and Recommendations

The study has come up with the following results

1. The study has shown that there is a positive impact for small and medium enterprises in alleviating the level of poverty.
2. The study has also shown that there is a positive impact for small and medium enterprises in decreasing the number of unemployment.
3. The study has shown that there is a positive impact for small and medium enterprises in providing various sources of income.
4. The study has shown a decrease in level of performance for the technical and administrative working staff in these small and medium companies.

That said, the present study comes with the following recommendations,

1. The scope of significance of the small and medium enterprises in their role of contributing to economic development.
2. Attempting to solve all the problems and difficulties that face small and medium enterprises by following up with directly with all the financing organizations in addition to providing all means of advice and consultations for the owners of these companies.
3. Governments need to pay much more attention to increase the sources of finance to enable many people benefit from their loans.
4. Giving the employees much more attention by developing their potential and their technical skills, the thing that will positively reflect upon their performance and consequently on the project.
5. Founding a data base that includes all the necessary technical and administrative data for company owners especially regarding the modern methods of production.
6. Making available specified and technicalized centers that provide studies about the economic and financial values for company owners.

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