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Economic inclusion of rural small businesses in policy formulation: Strategies for sustainable development in Africa

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Abstract

This study highlights the importance of the economic inclusion of rural-based small and medium sized enterprises (SMMEs) in policy formulation for sustainable development. Rural SMMEs contribute to economic growth and social development through job creation and providing competition leading to efficiency gains and they are essential in economic development initiatives that seek to build sustainable and resilient local communities. Post the COVID-19 pandemic and the economic hardships that resulted, it is important to re-examine how SMMEs are included in African policy making, particularly in rural African settings. The methodology used in this study was qualitative, and comprised of a desktop analysis of recent, relevant literature. Developing countries were found to be mainly using a top-down approach for economic inclusion, which worked in some areas in prior decades but is inadequate for achieving several United Nations Sustainable Development Goals (SDGs). This calls for economic development policymakers to prioritise various support mechanisms for SMMEs in rural areas, to increase the chances of developing countries achieving the 2030 SDG targets.

Keywords: Sustainable Development; Economic Growth; Policy Formulation; Rural SMMEs.

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1. Introduction

Entrepreneurship is widely acknowledged as a driver of economic growth in the economic literature and Small, Medium and Micro-Sized Businesses (SMMEs) significantly contribute to the socioeconomic development of nations (Kori and Muathe, 2022). The OECD (2023) defines SMMEs as those with 250 or fewer employees; micro if it employs one to nine people, small if it employs 10 to 49, and medium if it employs 50 to 249 (OECD, 2023). Due to high levels of unemployment in Africa, many countries encourage SMMEs in rural areas (Fubah and Moos, 2022). Compared to the global average of 28.3%, the African working-age population is predicted to grow even more quickly, by 265.8% in Africa and by 306.6% in sub-Saharan Africa (Bhorat and Oosthuizen, 2020), highlighting the need for job creation to absorb this labour. More than 95% of businesses in sub-Saharan Africa are classified as SMMEs, but because the region is so diverse, there are many different types of these businesses (Tsatsenko, 2020). Rural areas often rely on SMMEs as a means of providing employment, creating wealth, reducing poverty, and meeting local demand where large producers are absent, making a strong contribution to economic development (Igwe et al., 2020).

Worldwide, nine out of ten businesses are SMMEs, and they account for half of all jobs, generating 40% of national incomes of emerging economies (World Bank, 2022). About 80% of Africa's workforce is employed by SMMEs, and there are about 44 million SMMEs in Sub-Saharan Africa (NEPAD, 2022). In terms of policy formation, African nations have been using a top-down approach but the economic challenges facing rural areas require renewed emphasis on SMMEs in rural areas. In addition, SMMEs have a high failure rate with up to 80% closing within the first five years of operation (Kippa, 2022). This phenomenon worsens the continent's socio-economic challenges and delays the achievement of the 2030 United Nations Sustainable Development Goals (UNSDGs) [e.g., SDGs one (No poverty), eight (decent work and economic growth) and SDG 11 – Reduced inequalities] (UN, 2023)] and threatens the stability of many African economies. Substantial progress toward attaining the SDGs can be made with renewed focus on rural SMMEs in policy formation.

The purpose of this article is to provide an overview of recent themes in the literature on sustainable rural development, by focusing on the role of SMMEs in driving growth in rural African communities. We contribute to policy debates in academia and government that place rural development at the core of the 2030 SDG agenda. We focus on challenges to rural sustainable development and suggest solutions to these.

2. Methodology

The methodology used in this study was qualitative, and comprised of a desktop analysis of recent, relevant secondary literature (Creswell and Guetterman, 2020). Using Google Scholar as the key database, we searched for literature using combinations of the following terms, 'economic Inclusion', 'rural SMMEs', 'sustainability' and 'Africa'. We limited our search period to between 2020 and 2023 as we wanted insights from the latest scholarship on the topic. Due to the vast number of academic papers, documents and reports related to the topic, we decided against doing a systematic literature review due to different constraints to allow us to identify patterns in the literature to complete the research.

3. Defining rural areas

According to National Geographic (2023), a rural area is a large, undeveloped area with a low population density and few human settlements. In most rural areas, agriculture is the main source of income, and because

of the lack of human activity and manufactured structures, wildlife is more prevalent in rural areas than in urban ones. Numerous criteria are used by researchers and policymakers to distinguish rural from urban areas, which frequently leads to misunderstanding (Bennett et al., 2019). The existence of different rural definitions underlines the fact that both rural and urban are multifaceted notions. In certain instances, population density is the defining factor, whereas in others, geographic seclusion is. A rural area is often characterised by a small population, but this leads to difficulties in establishing what population threshold qualifies as small (Economic Research Service, 2023). The easiest way to conceptualise what a rural is to consider what is not an urban area.

3.1. Theoretical Underpinnings

Central to our discussion is the Inclusive Growth Framework, which posits that sustainable development hinges on broad-based access to economic opportunities and equitable growth (World Bank, 2021). In this context, rural SMMEs emerge not only as engines of economic growth and job creation, but also as vehicles for reducing inequalities and promoting social cohesion (Abreha et al., 2021). Their inclusion in the economic fabric is essential for fostering a balanced and sustainable economic ecosystem that benefits all societal segments.

The Triple Bottom Line (TBL) approach further enriches our understanding by emphasizing the need for economic activities to harmoniously blend financial viability with social equity and environmental stewardship (Elkington and Rowlands, 1999). Rural SMMEs, inherently intertwined with their local communities and environments, epitomise this balance. They contribute to economic dynamism while preserving social values and environmental resources, thereby embodying the principles of sustainable development. Moreover, the Capability Approach provides a lens through which to view economic inclusion as a means of expanding individuals freedoms and capabilities. This approach highlights the importance of empowering rural SMMEs with the necessary skills, knowledge, and resources to thrive, thereby enabling them to contribute meaningfully to sustainable development. Therefore, leveraging the theoretical frameworks and empirical insights, calls for a reimagined approach to economic policy that places rural SMMEs at the heart of sustainable development strategies. By doing so, it not only advocates for inclusive growth but also for a sustainable future that harmonizes economic prosperity with social well-being and environmental integrity.

4. Advantages of SMMEs in rural economies

SMMEs are seen as the primary engine of rural economic development, despite persistent funding obstacles (Ahmed and Fahd, 2022; Rajamani et al., 2022; Chidume and Nenbee, 2022), Rural economies provide SMMEs with several structural benefits that increases their competitive edge.

4.1. Being smaller in size offers benefits

SMMEs in rural areas are advantageous due to their ability to adapt swiftly to economic boom and bust cycles (Business Link, 2020). Mckenzie (2021) argues that gender-related concerns, business development techniques, localisation, and mentorship may be included in approaches for enhancing the performance of SMME's. Thus, the size of should be factored into policy design. It is essential to consult SMMEs representatives and owners while formulating policies. In addition, increasing recognition of the role of SMMEs in economic

growth and repetitive engagement with SMMEs owners can shed lighter on policymakers' understanding of the interactions between SMME policies, the business environment (context), and the entrepreneur, and thus produce more rural-centric effective economic policy.

4.2. Direct access to customers immediately and directly

Lack of access to capital is routinely recognized by researchers as one of the most significant obstacles to developing a solid client base, especially in metropolitan regions (IFC, 2012). In remote areas, SMMEs tend to be near consumers, making it easier for them to service their clients, giving them a competitive advantage that may readily transfer into enterprise growth (Business Link, 2020; Rashid and Ratten, 2022). Therefore, rural enterprises may provide individualized services since they are in direct touch with their clients (Gilboa, et al., 2019; Business Link, 2020). Two facets of relationship marketing, namely social contact, and personal care are key components of this experience. In addition, the opportunity for SMMEs to meet clients face-to-face offers a favourable atmosphere for them to get first-hand knowledge in an unstable environment (Business Link, 2020; Hermawati, 2020). Creating client ties and fostering consumer trust are outcomes of socially conscious company practices. Due to the rural economies in Africa, particularly in South Africa, Kenya, and Botswana, ranchers, farmers, and village residents, including local families, may go to a nearby storefront to discuss their requirements with proprietors without having to travel too far (Weiss, 2022). On the commercial side, rural firms give an intimate understanding of the services and goods required in their region (Duan et al., 2021). Considering this, SMME owners also know their clients' names and recall the specifics of previous transactions owing to their closeness to them. Duan et al. (2021) further state that being local offers SMMEs an insider's view of what is occurring in their immediate working region. Consequently, staying in touch with the local region may also aid SMMEs in adjusting their stock availability and keeping a tight "grip" on their monthly cash flow – both of which are crucial to the success of a small firm (Cilliers, 2018).

4.3. Access to resources and materials

Rural regions should be seen as important investment opportunities as access to resources such as land, agricultural supplies, a cheap labour force, and low operating expenses are advantageous for rural businesses (Small Business Development, 2015). Tribal lands governed by tribal authorities may be beneficial to SMMEs as different tourist stakeholders may get quick and fresh inputs from local small and major businesses. On a social level, many small business owners contribute to the sustainability of their community by sponsoring local sporting events and serving on town council as volunteers, demonstrating social accountability (Business Link, 2020).

4.4. Ability to serve niche markets

Due to continuous service and talent transmission from generation to generation, many rural company owners are specialists in their industries (Alshakhs and Agarwal, 2022). SMME owners can identify a market niche in which their services and expertise may be used. Even though they may compete with firms in large cities to serve local markets, their reduced operating costs, product pricing, and delivery of front-line services provide them a competitive edge (Business Link, 2020; Ma et al., 2022; Permatasari et al., 2023). Furthermore, SMMEs in distant places can comprehend mass-market strategies that target a larger customer pool and a narrower

sector simultaneously (Mansson and Steen, 2022). Thus, the capacity of policymakers to appreciate the niche market potential of SMMEs may contribute significantly to the development of rural economies through SMMEs.

4.5. Flexibility and inclusivity of rural-based SMMEs

Rural economies have regained faith in resource-based growth due to the commodities super cycle, altered terms of local trade, and shifting supply and demand geographies (Erdoğan et al., 2021). Typically, rural SMMEs are seen as adaptable businesses that can adapt to the changing demands of their rural economy (Kragelund, 2020). This flexibility encourages client trust and loyalty, allowing SMMEs to incorporate consumer requirements into their strategy (Business Link, 2020). Rural-based firms may modify their inventory, invoicing, provide new items, or alter their operations with more ease (Kretschmar, 2021).

5. Barriers to SMMEs success: The dysfunctional role of government

Rural SMMEs face many barriers that prevent them from achieving sustained growth. In an innovative contribution to this literature, Mendy et al. (2021) address place and policy barriers that frustrate rural Nigerian SMMEs attempts to expand into international markets. Similarly, Ogujiuba et al. (2021) study if South African SMMEs face unique challenges in terms of government assistance, business strategy, and entrepreneurial sustainability depending on whether they are situated in a rural, semi-urban, or urban setting; they find that rural SMMEs score the lowest in all three metrics, a result that echoes work by Simarasi et al. (2021). However, South Africa's President Ramaphosa is aware of the challenges faced by SMMEs in trying to increase their international footprint. Ramaphosa declared support for "SMME participation in the manufacturing value chain, targeting specific products for manufacture for both the domestic and export markets. This includes providing business infrastructure support, financial assistance through loans and blended funding, facilitating routes to markets, and assistance with technical skills, product certification, testing and quality assurance" (South African Government, 2023).

Barriers faced by African SMMEs are not unique. For example, these issues are also the focus of the European Union who have called for governments to increase the presence of SMMEs in the areas of "energy, environment, eco-industries, ICT and social innovation" (European Union, 2021). In addition, Freshwater et al., (2019) found that SMMEs predominate in the rural areas of the United States, Canada, and Scotland. Most of these businesses do not increase the number of workers they hire and remain small. This highlights several factors, including challenges in accessing new markets, a scarcity of skilled workers, a lack of capital, a shortage of available markets, and prohibitive transportation costs.

According to Mendy et al. (2021), rural Nigerian SMMEs struggle with legal and regulatory/policy challenges - rules that determine how commerce occurs. This makes compliance difficult as different markets have variations in legal requirements to do business. Mendy et al. (2021) also highlights physical and geographic challenges, which include an inability to access ICT technologies poor quality infrastructure (Ajide, 2020) in remote areas (long distances covered limit market access and prevent networking opportunities from occurring) and inputs such as reliable electricity (Salite et al., 2021).

In South Africa, the lack of understanding between the functions of councillors and traditional leaders is a serious worry. When municipal councillors were appointed, their responsibilities looked to be identical to those of traditional leaders (Farisani, 2022). The challenges posed by the institutions and organizations to be mentioned within the context of this study have an impact on the partnerships required to adopt strategies, processes, and policies favourable to rural SMMEs (Farisani, 2022). Although strained relationships between members of rural local structures could have a detrimental influence, it is the political intervention by those in power that makes local institutions weak and unable to engage meaningfully in policymaking and execution (Farisani, 2022).

The government has an important role to play in assisting rural African SMMEs as they struggle to reach their full growth potential because they are unable to form partnerships with innovative businesses that could introduce them to new forms of knowledge and experience (Botha et al., 2021). Many rural SMMEs are not informed about how the government can financially assist them to grow (Mxunyelwa and Henama, 2019) and struggle to access government funding to start and maintain the business (Ogujiuba et al., 2021). Building sustainable partnerships among small-size firms, their large-scale business partners, and support institutions is a key aspect of the government's responsibility in facilitating private sector development, creating, and maintaining competitive private sectors, and contributing to poverty reduction (National Treasury, 2019).

6. Expansion and development of SMMEs in Africa

Theoretically, the growth of lending should reduce poverty levels since more access to finance enables SMMEs to increase employment. Chikwira et al. (2022) provide evidence that loan growth increased poverty in Zimbabwe in the short run, but reduced poverty in the long run.

Previously, MNCs dominated global markets, while SMMEs operated locally; however, the elimination of imposed barriers and recent technological advances in manufacturing, transportation, and communications have granted SMMEs and international entrepreneurs (IEs) global access (Dabić et al., 2020). The business world is dynamic and ever-changing. Remote working, artificial intelligence, the Internet of Things, smartphone applications, and social media have helped provide SMBs with nimbler expansion and internationalisation options (Dabić et al., 2020).

The revival of industrial policy discussions should create a space for state–business relationships to take centre stage. However, most academic and policy discourses have focused on how foreign firms can be enticed to invest in the industrialisation of African countries, rather than on how domestic capital can be integrated into those strategies (Abreha et al., 2021). This demonstrates how the expansion of African capital has often occurred in isolation from government and continental policy and intellectual discussions. When internationalising, most SMMEs choose equity-based investment strategies, primarily joint ventures and mergers and acquisitions (M&A), as their preferred mode of entry (Goncalves and Smith, 2019). Similarly, the rapid advancement of technology has made internationalization techniques more accessible to small and medium-sized enterprises.

The digital divide remains between rural and urban areas, with rural SMEs experiencing obstacles due to restricted internet connectivity and poor digital skills (Zhao, 2023). However, targeted initiatives to bridge the digital gap have produced positive results. For example, the United States Department of Agriculture's ReConnect Program and the Infrastructure Investment and Jobs Act have provided significant funding to

expand high-speed broadband infrastructure to rural clients (Zhao, 2023). Similarly, countries in the Middle East, North Africa, Afghanistan, and Pakistan (MENAP) area understand the necessity of leveraging digital technology to boost SMEs and inclusive growth (Lukonga, 2020).

In the United States, organizations such as the Rural Innovation Initiative strive to establish tech economies in rural America by addressing multiple areas of digital inclusion, such as employee training, job placement, and networking possibilities (Tiwasing et al., 2022). These programs show that, when combined with strategic policy decisions and community engagement, digital technology can promote long-term economic growth in rural areas. Digital technology plays an important role in improving rural SMEs' economic inclusion by enabling fair access to broadband, promoting digital skill development, and facilitating creative approaches to economic growth (Morris et al., 2022).

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7. Comparative regional contexts

Regions like South Asia and Latin America, much like Africa, are characterised by diverse economies with substantial rural populations engaged in small to medium-sized enterprises. These regions confront parallel challenges, including access to capital, market entry barriers, and the need for technological adoption, all of which resonate with the African experience (Ahmed and Fahd, 2022; Ajide, 2020). By collectively understanding the African context with these regions, it can be seen as valuable insights into the universal and unique hurdles rural SMMEs face, thereby broadening the scope of understanding and potential strategies for fostering their growth and sustainability.

7.1. Challenges across regions

A common thread binding these regions is the challenge of financial inclusion, where rural SMMEs struggle to access the necessary capital to start and scale their operations. In Africa, this issue is compounded by the historical lack of investment in infrastructure, significantly impeding rural SMMEs' ability to thrive (Chikwira et al., 2022; Geza et al., 2022). Similarly, in South Asia, infrastructural deficits, coupled with stringent regulatory environments, stifle the growth of rural enterprises (Salite et al., 2021; Simarasi et al., 2021). Latin America shares these challenges, where despite a vibrant entrepreneurial spirit, rural SMMEs often find themselves marginalised due to inadequate support systems and market access barriers (Fauzi et al., 2020; Fu et al., 2021).

7.2. Opportunities and Innovations

Despite these challenges, rural SMMEs in these regions have leveraged various opportunities to enhance growth and innovation. Digital transformation stands out as a significant enabler, where the adoption of ICT and mobile technologies has opened new avenues for market access, financial services, and operational efficiencies (Begazo et al., 2023; Freshwater et al., 2019). For instance, in Latin America, the proliferation of mobile banking and e-commerce platforms has significantly reduced transaction costs and expanded market reach for rural SMMEs (Fauzi et al., 2020). Similarly, in South Asia, digital platforms have facilitated better access to information, markets, and resources, albeit with varying degrees of success across different countries and regions (Salite et al., 2021).

8. The Necessity of supporting women entrepreneurs

Between 2019 and 2020, the percentage of female entrepreneurs dropped by 15%, and that number held steady in 2021 (GEM, 2022). The unequal impact of the COVID-19 pandemic on women is highlighted by the fact that in 2020, women experienced steeper declines than men in both their plans to start a business within the next three years and overall startup rates, though this was not the case in countries with an upper middle income (GEM, 2022).

When looking at the SMME industry, Brussevich et al. (2019) found that women entrepreneurs are more prevalent in the retail and service sectors than in the high technology sector, where men are more commonly seen as successful. Despite their expertise in the field, female entrepreneurs often struggle to break even (Fauzi

et al., 2020) because of a variety of factors including a lack of access to business prospects, financial issues, and significant restrictions on bank loans.

Female entrepreneurs, it seems, are more sensitive to cultural gender stereotypes than their male counterparts are (GEM, 2022). Even though women's responsibilities vary by culture, class, and ethnicity, there are commonalities in how these institutional structures define women's positions in society (Adom and Anambane, 2020). Women's interest in starting their own businesses has been hampered by cultural norms, traditional gender roles, and stereotypes (Adom and Anambane, 2020). Cultural attitudes of gender and entrepreneurship, say Canestrino et al. (2020), have a negative effect on women's entrepreneurship. According to the literature, efforts are still being made to close the gender gap in entrepreneurship in terms of financial performance, company expansion, and new product development (GEM, 2022). The impact of gender inequality on human capital and levels of human capital performance on business operations is still unclear, despite the large body of study on the topic (Canestrino et al., 2020). Gender gaps are widening, and it's possible that a lack of funding plays a major role in this. Female business owners face barriers to entry in various fields due to a lack of knowledge and financial resources (Adom and Anambane, 2020).

9. Recommendations for the future role of SMMEs

Supporting female entrepreneur development is important, because of gender disparities, they lack financial prowess and the ability to maintain a healthy cash flow (Nyakake and Sulaiman, 2022; Ubfal, 2023). Thus, the recommendations provided below should prioritise rural, female-led SMMEs.

Strategic and inclusive policy making

a) The future of SMMEs in economic development can be realised through the inclusion of SMME representatives when developing policies. Currently, governments provide financial assistance for SMMEs via public subsidies and grants (Xiang and Worthington, 2017). However, given that the participation of SMMEs in policy creation is still minimal, can these public expenditures assist supported companies in enhancing their performance and growth? Simultaneously, the future of SMMEs in relation to nations accomplishing their development objectives must be thoroughly analysed. In Brazil, the Small Business Act (Lei Geral da Micro e Pequena Empresa) ensures the representation of SMMEs in policymaking through the National Council for Small Business (CND). This approach has led to more targeted policies, including simplified tax regimes and easier access to credit for SMMEs (Dalla Costa and El Alam, 2022).

Accessible finance and upskilling

b) African governments should increase the capacity of financial institutions to design profitable SMME lending programs, while prioritising the development of innovative solutions to collateral issues, such as the acceptance of more flexible forms of collateral, especially for SMME borrowers with few fixed assets. India's Small Industries Development Bank of India has implemented innovative lending programs that cater to the specific needs of SMMEs. They provide collateral-free loans and offer financial assistance through schemes like the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which has significantly boosted access to finance for small enterprises. (Mishra, and Shukla, 2022).

g) Policymakers and regulators must also ensure that borrowers, SMMEs, and the marginalised are provided with the required skills and knowledge to operate enterprises and use debt financing to reduce poverty effectively and efficiently (Chikwira et al., 2022). Bangladesh's Grameen Bank is a pioneering institution providing microfinance to rural entrepreneurs, particularly women. By focusing on financial inclusion and skill-building, Grameen Bank has significantly contributed to poverty reduction and sustainable development (Dubhashi, 2022).

c) In addition, as recommended by Antonio (2020), governments should place a greater focus on cash flow than on balance sheets when assessing borrowing capacity, which might result in simple and efficient loan application evaluation processes for all small new enterprises. The United Kingdom's Start Up Loans program places emphasis on assessing the viability of business ideas and their potential cash flow rather than stringent collateral requirements. This approach has streamlined the application process for small businesses, enabling quicker access to funds (Hong, and Lucas, 2023). In addition, Kenya's Uwezo Fund supports women-led micro and small enterprises by providing affordable financing and capacity-building initiatives. This has empowered female entrepreneurs, fostering economic growth at the grassroots level (Calder et al., 2021).

Improving infrastructure

h) The historical lack of investment in infrastructure (post-apartheid) in South Africa has had a negative impact on rural SMMEs, haemorrhaging key skills and a reduction of manufacturing industry capabilities. Government policies have subsequently been designed to address these imbalances and to act as a catalyst of change for the benefit of South Africa. The New Growth Path (NGP) identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner and promotes the development of new industries to attain South Africa's developmental agenda (Geza, et al., 2022). Other African countries can draw from this and implement similar frameworks. China's Belt and Road Initiative (BRI) invests in infrastructure development in partner countries, stimulating economic activities, and providing a supportive environment for SMMEs. The initiative showcases the importance of strategic infrastructure investment in fostering economic growth (Senadjki et al., 2023).

f) While Africa is fast becoming a highly digitised and connected economy, most African businesses cannot be digitised due to the lack of infrastructure and require office space or shop space to operate (Begazo et al., 2023). There are business hubs that are emerging whereby entrepreneurs can rent space by the hour or for a full or half day and these should also be provided in rural areas. Malaysia's MaGIC (Malaysian Global Innovation & Creativity Centre) has established various hubs and co-working spaces in rural areas, providing affordable spaces for entrepreneurs. Initiatives like this aim to bridge the urban-rural digital gap (Boluda Chova and von Ehrlich-Treuenstätt, 2023).

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Leveraging networks

i) Artificial intelligence is used to help connect new businesses with a pool of potential investors. Mentors and coaches are allocated to help entrepreneurs build up various funding scenarios and effectively seek funds as soon as possible. Investors within the company analyse the funding strategy and offer feedback on issues such as equity dilution and the valuation of the startup. The goal is to help "series B start-ups" in Rwanda by giving them access to resources including networking events, industry experts, and a dedicated team to help them approach potential investors. Similar examples can be used in other African nations (Bernatzki, et al., 2022; Faster Capital, 2023).

Higher education and entrepreneurship

j) Moreover, if African countries want to address entrepreneurial challenges in rural areas, universities will need to step up and play an important role. The best way to address this is to move towards the establishment of entrepreneurial universities and access to free internet for students. Colleges and universities should work toward establishing "university-based entrepreneurship ecosystems," in which several components both inside and outside the institution work together to foster an atmosphere beneficial to the growth of student and faculty entrepreneurs. Facilitating the transfer of technologies and the commercialisation of public and university research findings will give seed and early-stage funding to firms. Stanford University in the United States has been a pioneer in establishing entrepreneurial ecosystems. Through its Stanford Research Park and collaboration with Silicon Valley, the university has played a crucial role in the success of numerous tech start-ups, demonstrating the impact of university-based entrepreneurship ecosystems. By examining these examples, policymakers can draw inspiration from successful implementations and tailor strategies to suit the unique contexts and challenges of their respective regions (Kantis and Federico, 2020; Boni and Gunn, 2021).

10. Conclusion

The role of SMMEs in driving the developmental agenda of African nations is imperative if the continent is to overcome the many socioeconomic challenges that it faces. As the world economy is engaging in collaborative efforts geared toward reaching sustainability goals, SMMEs are required to adapt, transform and be at the centre of these processes. Thus, African governments are making policies that remove many barriers that delay SMMEs' progress, and this study has highlighted several of these. This study has also raised important points relating SMMEs potential that will assist policymakers to make more small business friendly decisions over the next decade that are for the sustainability agenda. The study is limited to Africa and the recommendations

may not be applicable to Latin America and South Asia for example. Rural SMMEs in each developing region face unique socio-economic and cultural challenges in development that require localised solutions. Future research could focus on detailed case studies on the application of some of the recommendations provided in this article.

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