

Chapter 12

A Study of Small And Micro Enterprise Regulatory Impediments in Fiji

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Introduction

Small and micro enterprises (SMEs) are a vital segment of an economy. If not most vital, due to SMEs' ability to address significant economic and social issues, SMEs are here with us and have considerable potential for socioeconomic development. Especially characteristics such as growth with clear benefits for poverty reduction put a premium on SMEs in the process of economic growth. SMEs have long been significant in terms of generating income for many Fiji Islanders, with up to 60% earning an income from these categories of enterprises.¹ A rapid increase of urban population with a desire for urban income has placed a high demand on the informal SME sector. The 2007 census revealed 17.3% increase in urban population since the first census in 1966. The informal sector² alone generated 37% of economic activity in 1996.³ The significance of the SME sector as an "engine for economic development" means economic policies must consider the needs of the SME sector.⁴

Despite various attempts to promote the SME sector by creating a more conducive environment to enhance SMEs' growth, this sector continues to face numerous difficulties, such as poor policies, regulatory red tape and financial securities. The policy concentration on the SME sector was mainly due to two reasons. Firstly, the government recognized the ability of the SME sector to provide an excellent oppor-

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¹ Fiji Bureau of Statistics 2002.

² The Informal Sector in this chapter is defined as business that is not properly registered under the company's office as business or establishment under the town and city councils in Fiji.

³ Chand 2002.

⁴ Beck and Demircuc-Kunt (2005).

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tunity for formal and informal employment opportunities.⁵ Secondly, the SME sector can be a good measure to solve rural–urban drift by promoting subsistence rural products and producers. These policies are introduced without any due diligence or cost analyses conducted to see the effect of the policies on SMEs. The fact that SME policies are implemented in response to the increasing poverty and high level of unemployment suggests that these policies are based on the incrementalism model.

Numerous studies have discussed that SMEs face high regulatory constraints than larger firms. Little systematically documented literature appears available on the subject in the case of Fiji, a socioeconomically disadvantaged country, inherently vulnerable, small and in dire need of economic activity and growth. The purpose of this chapter is to highlight regulatory compliance difficulties faced by the SME sector in Fiji and to investigate solutions for efficient enhancement of this sector, and summarize implications for urban governments. Both quantitative and qualitative data were utilized to establish the regulatory compliance difficulties faced by the SME sector. For qualitative data, structured interviews with questionnaires were submitted to 80 sample respondents in Fiji. This chapter also relied on the survey conducted by the Fiji Bureau of Statistics on 7,061 enterprises in 2004 and a survey by the National Centre for Small and Micro Enterprise Development (NCSMED) on 164 sample SMEs in 2010.⁶

A review of the current regulatory system suggests that sluggish policy formulation and implementation are the main reasons behind the unsustainable development of this sector. It further suggests that while regulations are a necessary part of modern business, compliance, administrative and regulatory costs are a significant concern for SMEs' ability to remain competitive. Robust regulatory burdens have forced SMEs to remain in the informal sector of the economy. Therefore, if SMEs continue to operate in an informal economy, it will adversely affect their potential growth and will hinder the overall urban development. This has manifested itself with regular calls for the reduction of state “red tapes” and the development of better regulation in Fiji. To enhance SMEs' development, the current regulatory system should be streamlined, and a level playing field be provided for this sector.

The Emerging SME Sector

Fiji is a country in which small and medium-sized enterprises (SMEs) dominate the business population. The government in 2002 established the NCSMED to lead the development in this sector. The establishment of the NCSMED was in response to the inability of the various governments to create adequate formal employment opportunities to the rising labour force especially in the urban areas, and the con-

⁵ National Center for Small and Micro Enterprises Development *Report of the 2nd Annual National SME Forum: Putting Co-ordination and Partnership into Action for SME Growth*, Suva Fiji, and NCSMED.

⁶ Fiji Bureau of Statistics 2004.

Table 12.1 Percentage of SME operators by gender, ethnicity and with formal education. (2010 NCSMED report based on NCSMED Expo 29–30 April 2012)

	Micro (<i>n</i> =147)	Small (<i>n</i> =11)	Informal/grey (<i>n</i> =33)
Male	67	62	61
Female	33	38	39
Fijian	42	31	79
Indo-Fijian	56	38	21
Others	2	31	0
Primary education	32	15	52
Secondary education	49	31	36
Tertiary education	19	64	12

sequent realization that the largest labour absorption capacity is in the SME sector. The NCSMED Act 2002 does not provide rules and regulations concerning SMEs.⁷ The establishment of NCSMED is aimed to provide income generation support to disadvantaged groups including women and youth.

The NCSMED Act 2002 defines “micro enterprise” as an enterprise which has a turnover or total assets up to US\$ 30,000 and does not employ more than five employees. A “small enterprise” has a turnover or total assets between US\$ 30,000 and 100,000 and employs between 6 and 20 employees.⁸ The Act does not define “medium enterprise” that would include businesses with US\$ 100,000–500,000 turnovers and employs 20–50 persons.

A recent survey by NCSMED 2010 shows that from 164 surveyed businesses based on annual income turnover, a majority (147) of the businesses fall under micro enterprises, 11 under small enterprises and 6 under medium enterprises.⁹ An additional 33 enterprises were found to be operating in informal/grey markets.¹⁰ Table 12.1 shows that the SME sector is dominated by 63 % male business owners with only 36 % females. It also shows that most SME owners only have either primary or secondary education with few tertiary qualifications.

Since its inception, SMEs have long been significant in terms of generating income for the largest number of Fiji Islanders. Some 60 % of the total 8,37,271 population earns an income from these categories of enterprises.¹¹ However, according to the Reserve Bank of Fiji (RBF), the SME sector only accounts for 12 % of the economic activity in Fiji.¹² The SME sector has presence in manufacturing, wholesale and retails and transport sectors. However, SMEs are starting to invest in cash crop farming, bee farming, floriculture and handicraft products. Tax incentives are

⁷ National Center for Small and Micro Enterprises Development Act 2002.

⁸ The National Center for Small and Micro Enterprises Development Act 2002 (FJ).

⁹ Fiji Institute of Applied Studies for the National Center for Small and Micro Enterprises Development 2010.

¹⁰ Grey Market is defined to include unregistered enterprises with companies or local town/city councils.

¹¹ Fiji Bureau of Statistics 2002.

¹² Whiteside 2012.

Table 12.2 SME by economic sector. (2004 Bureau of Statistic Economic Survey based on 7061 business surveyed)

Sector(s)	Micro (%)	Small (%)	Medium (%)
Hotels	46.1	35.9	9.3
Construction	47.4	37.2	10.2
Electricity	16.7	33.3	8.3
Manufacturing	34.5	33.9	16.4
Mining	47.1	23.5	11.8
Transport	79.9	12.8	4.1
Wholesale/retail	57.0	32.2	8.0
Finance	23.8	44.4	29.6
Education	50.4	40.2	6.3
Real estate	84.0	11.7	2.5

the basic reason most SMEs choose to be in these sectors.¹³ The 2004 economic survey by the bureau of statistics suggested that the majority of businesses registered were in the wholesale and retail sector (23.5%), 21.5% in transport, 16.7% in real estate and 10.3 in education.¹⁴ Table 12.2 shows the percentages of SME businesses registered under various economic sectors.

The NCSMED introduced a business incubation centre in various parts of Fiji to promote the SME sector. Incubation centres aim to produce successful businesses that are able to operate independently and be financially viable. However, a full detail of goods and services produced by the SME sector is not possible within this chapter due to the limited literature and data available on goods and services produced by the SMEs.

Because of the economic downturn in large businesses, declining employment and the number of hours worked, many workers have turned to opportunities in informal and informal SME sectors to either earn income or supplement their reduced earnings. In recognizing the importance of the SME sector, the government has introduced various policies. The National Employment Centre Decree 2009 is introduced to recognize the potential importance of mentoring support for SMEs. The centre tries to promote opportunities for decent self-employment and provides counselling services, life/employment and entrepreneurship skills training. Both NCSMED and the National Employment Centre are positive signs from the government to boost the economic and social development of the SME sector.

The government through people's charter recognizes the importance of the SME sector and has called for a national strategy "for the development of micro, and small enterprises; and to improve access to microfinance at an affordable rate."¹⁵ In its effort to promote and develop the SMEs' ability to access finance, the government through the RBF has introduced an SME credit guarantee scheme.¹⁶ Under this scheme, the government has allocated US\$ 3.0 million for RBF to assist com-

¹³ Income Tax Act 2006.

¹⁴ Fiji Bureau of Statistics 2004.

¹⁵ Peoples Charter for Change, Pace & Progress 2008.

¹⁶ The Reserve Bank of Fiji 2012.

mercial banks, licensed credit institutions and the Fiji Development Bank to provide finance with 50% guarantee on principal outstanding SME loans up to US\$ 50,000 per business. However, to access such finance, a business has to be registered, leaving no option for the grey/informal market to find necessary start-up capital for registration or to qualify for loans from financial institutions. Some 60% SMEs highlighted lack of finance, lack of know-how and skills and discriminatory government regulations as reasons why many SMEs remain in the informal sector.¹⁷

Realizing urbanization as the most perplexing problems faced in Fiji, various policies are implemented to foster urban development. There has been a steady increase in urban population since 1966. Around 51% people live in urban areas and this figure is expected to increase to 60% by the end of 2030.¹⁸ Increase in urban population without the simultaneous growth of the urban sector has led to a number of urban problems. Amongst other issues like housing, water and sanitation, high unemployment rate is becoming one of the biggest challenges faced by urban governments. The growth rate of urban development struggles at 1.8% while urban unemployment is at an all-time high of 33.4%.¹⁹

To strengthen local government to deal with the increasing challenges of urban service delivery and management, the ministry of local government, urban development, housing and environment implemented two polices. The urban policy action plan 2007 aims to foster urban environment, management, economic development, poverty reduction, increase access to finance, provide better access to legal infrastructure and strengthen the institutional framework.²⁰ To provide better land security, basic infrastructure and service to informal settlement, the government further introduced a national housing policy in 2011. A strategic planning policy 2011–2014 is introduced to implement the housing policy. Regional efforts have also been made to “improve the quality of life for communities in the Pacific region through strengthened local democracy and good governance.”²¹ The Commonwealth local government forum, Pacific Project, aims to strengthen regional networks and co-operation between local government practitioners; enhance training and capacity building opportunities and provides the basis for regional exchange on policy, good practice and technical cooperation.

The urban policies are another evidence of the government’s attempt to formalize the SME sector. Urban policies, however, should harmonize the attempts made under the Small and Micro Enterprise Development Act 2002, to provide employment opportunities through assisting the informal and formal SME sector development. Despite the implementation of various policies, the SME sector is certainly not free of obstacles. The major problem in the establishment of a business in Fiji

¹⁷ Reddy et al. 2003.

¹⁸ Department of Town and Country Planning, Ministry of Local Government, Urban Development, Housing and Environment presentation 2012.

¹⁹ Ibid; and Fiji Islands Bureau of Statistics 2010.

²⁰ Ministry of local government, urban development, housing and environment Urban Policy Action Plan 2007.

²¹ Parker and Praeger 2008.

is discriminatory regulatory rules. The current laws applicable to SMEs are those applicable to any business and not specifically targeting the SMEs. The SME sector has many impediments related to microfinancing, security, market, location and weather. However, due to the chapter's scope on legislative policy, it will be difficult to provide detailed analysis on all challenges faced by SMEs.

Legislative Policy Process

Normally, policy change responses to problems in a sector and policymakers must start policy formulation with an appreciation of the SME sector.²² In Fiji, SME policies were introduced not because the SME sector had problems, but were introduced in response to the governments failing employment and private sector policies.²³ To resolve the continuing woes of unemployment, increasing urban unemployment, rising poverty and declining private sector, SME policies are considered as potential strategies.

At policy formulation stage, the policymakers normally attempt to assess as many areas of potential policy impact as possible.²⁴ The question here is who develops policy options and how policies are developed. Policy options can be generated using either incrementalism model or rational model. Incrementalism is a policy-making process which produces decisions only marginally different with past practices.²⁵ In his 1959 article titled "Science of Muddling Through", Lindblom notes, "that in making decision, means and ends are not always distinct, and that there is rarely the time, resource or inclination to conduct a comprehensive search."²⁶ He further observed that the test of a good policy is not whether it is rational but whether it is acceptable to participations.²⁷ Many analysts describe incrementalism as muddling through policy planning. According to Dror, the incrementalism model is an "ideological reinforcement of the pro-inertia and anti-innovation forces prevalent in all human organizations, administrative and policy making."²⁸ He also argued that incrementalism can only work in a stable, pluralist society with relative consensus about goals and acceptable means.²⁹

The rational model identifies policy making as a problem-solving process, which is rational, balanced and analytical.³⁰ The goal of this model is to identify the com-

²² Davis et al. 1993; Sulton 1999, p. 9.

²³ Qarase 2004.

²⁴ Davis, above n 22, 160.

²⁵ Lindblom (1979). Also see Quinn 1980.

²⁶ Lindblom (1959).

²⁷ Ibid, also see Lindblom (1977).

²⁸ Dror (1964).

²⁹ Ibid.

³⁰ Lindblom, above n 26.

mon good and organize the society to pursue it.³¹ This “process will ensure a rational outcome by selecting the most effective means of achieving an end. It breaks down decision making into phases, ensures comparisons of options and provides a single answer which is logical, supported by evidence, and can be defended as the best choice.”³² According to Scott, top-down policy making routinely fails to deliver on the objectives and is typically accompanied with a range of unanticipated social and environmental impacts.³³ “Consultation and coordination with citizens, social movements and voluntary associations came to be seen as providing an effective means of harnessing local knowledge and energy in both planning and implementation.”³⁴

The implementation of policies should follow policy formulation. This is because policy implementation is the crucial process of a policy cycle. Even the best-designed policies introduced with the best of intentions still require good implementation and delivery. As Pressman and Wildavsky suggested, history is full of well-intentioned policies, which floundered through inadequate or flawed implementation strategies.³⁵ It is essential to understand policy implementation because implementation studies have emphasized advice to policymakers of how to structure programmes. The two main approaches to policy implementation are the “top-down” and “bottom-up” approaches.

In a top-down model, normally policymakers of the governments design features of the policy. As Neal Ryan stated, “top-down implementation strategies greatly depend on the capacity of policy objectives to be clearly and consistently defined.”³⁶ This means that if the policymakers fail to formulate proper policy objective, then policy implementation through top-down approach will be difficult. Sabatier and Mazmanian identified a variety of legal political and tractability variables affecting the different stages of the implementation process.³⁷ The most problematic feature of top-down models is the emphasis on clear objectives or goals. As Majone and Wildavsky argued, few programmes have a clear and consistent policy objective.³⁸ Another problem with the top-down model is the assumption that there is a single national government that structures policy implementation and provides for direct delivery of services.³⁹

The top-down model allows the government to neglect strategic initiatives coming from the private sector, from street-level bureaucrats or local implementing officials, and from other policy subsystems. Weatherly, Lipsky and Elmore clearly summarized the difficulty associated with the top-down approach. As they believe,

³¹ Hewlett (1991). Also see Carley 1980.

³² Davis and above 22, 161.

³³ Scott 1998; Leach et al. 1999. Also see Lane 2001.

³⁴ Lane 2006.

³⁵ Pressman and Wildavsky (1984).

³⁶ Ryan 1995.

³⁷ Sabatier and Mazmanian (1979). Also see Sabatier (1986).

³⁸ Majone and Wildavsky (1978). Also see Majone 1989.

³⁹ Sabatier (1986).

this model will be difficult to use in situations where there is no dominant policy (statute) or agency but rather a multitude of governmental directives.⁴⁰ For example, when implementing the SME policies, the policymakers in Fiji have failed to take into account the views of the different levels of the SME sector (i.e. the small, micro and grey market SMEs).

In bottom-up model, policy implementation begins by understanding the goals, motivations and capabilities of the lowest-level implementers and then follows the policy design upward to the highest-level initiators of policy. According to Benny Hjern (one of the famous philosophers of this model) bottom-up policy implementation:⁴¹

Starts by identifying the networks of actors involved in service delivery, in one or more local areas, and asks them about their goals, strategies, activities, and contact. It then uses the contacts as a vehicle for developing a technique to identify the local, regional, and national actors involved in the planning, financing, and execution of the relevant governmental and no-governmental programs. This provides a mechanism for moving from street level bureaucrats (the 'bottom') up to the 'top' policymakers in both the public and private sectors.

This approach has several notable strengths. First, this model has developed an explicit and replicable methodology for identifying a policy network. For example, in the SME sector, the policymakers can start with a random sample of SME business and then interview the owners in each business to ascertain their critical problems. The government then can use these contacts via a networking technique to identify the implementation structure. Second, since this model did not "begin with a governmental program but rather with the actor perceived problems and the strategies developed for dealing with them, they are able to assess the relative importance of a variety of governmental programs vis-a vis private organizations and market forces in solving those problems."⁴² Finally, this approach has the potential to deal with a policy/problem area involving a multitude of public and private programmes.

Notably, there are serious shortcomings in the bottom-up model. According to Paul Sabatier, "bottom-uppers are likely to overemphasize the ability of the Periphery to frustrate the Centre."⁴³ In other words, this model overemphasizes the ability of the street-level bureaucrats to frustrate the goals of top policymakers. In addition, bottom-uppers presume that target groups are active participants in the implementation process. This may be a misguided assumption since there is always a power difference among target groups. As Anne Schneider and Helen Ingram explain, "some target populations are more positively constructed than others, with the result that those with greater power can have a greater influence on the impact of policies that affect them than can other groups."⁴⁴

⁴⁰ Ibid.

⁴¹ Hjern (1982). Also see Hjern and Porter (1981).

⁴² Sabatier, above n 39, 26.

⁴³ *ibid*, 28.

⁴⁴ Schneider and Ingram. (1992).

To implement the legislative compliance policies, most legislation, subordinate legislation, by-laws and rules set by local authorities in Fiji were either adopted or directly copied from the England, Australia and New Zealand laws. The fact that these policies are based on developed economic and social markets different to Fiji (developing country) suggests that the problem is rooted in the legislative compliance application to the SME sectors' sustainability and development. For example, the Companies Act 1983 applicable to all businesses is a replica of the English 1948 Companies Act. The Registrations of Business Name Act, Income Tax Act, Business Licensing Act and the Town Planning Act are still present from the colonial era. This policy implementation allows the government to impose policies from top to the sectors concerned without little consultations with key stakeholders and interested parties. This is exactly what happens in Fiji, as large businesses are able to portray their concerns through financial backing with governments when the SMEs, characterized by their smaller nature, are unable to voice out their concerns and thus become the victim of policies implemented favouring large businesses. In comparison, it is vital to consider what these two approaches in policy implementation designs do best. The top-down model is useful when there is a single dominant programme.⁴⁵ However, the bottom-up model is useful when there is no one dominant programme as in the case of the SME sector.

The Impact of Inflexible Laws on the SME Sector

To investigate the effect of the top-down and incremental methods of policy imposed on SMEs in Fiji, several SMEs were interviewed. To gather information in both qualitative and quantitative data, a survey was conducted with a selected sample of SMEs. A semi-structured questionnaire was administered to a sample of 80 selected businesses within the main island (Viti Levu). The survey was limited to these groups to investigate the impact of legislative compliance cost as factors, such as access to institutions (government agencies, finance and dispute resolution), are constant compared to outer islands. The questions were solely on legislative and compliance difficulties faced by SMEs.

The biggest difficulty SMEs faced in complying with regulatory rules was the lack of awareness of relevant laws applicable to their business. Some 70 SMEs out of 80 surveyed suggested that they were not aware of all business rules and regulations when registering or renewing their business. All 80 participants reported that they took formal advice in registering and filling relevant forms to renew their business licence. Table 12.3 shows considerable regulatory compliance impediments faced by SMEs.

Most respondents claimed that there are too many laws and regulations not suitable for SMEs. Respondents highlighted the need for one-stop checklist or standalone legislation for SMEs. Many also claimed that regulatory institutions are

⁴⁵ Rachlinskii 2006, pp. 933–964.

Table 12.3 Regulatory compliance burden on SMEs. (based on feedbacks provided by SMEs)

Compliance issue	Selected SMEs by a sample of 80	%
Knowledge of “all” existing SME-related laws and regulations	10	12.5
Knowledge of changing laws and regulations concerning SME	8	10
Ability to understand and access laws and regulations	2	2.5
Accessing registration forms	80	100
Knowledge of business registration procedures	20	25
High cost associated in registering starting-up business	70	87.5
Non-compliance penalties in respective laws are harsh on SME	80	100
Knowledge and ability to access dispute resolution	10	12.5
Ability to meet regulatory requirements to access finance	8	10

Table 12.4 Recommendations. (based on feedbacks provided by SMEs)

Suggestions	SME
Implement a standalone legislation on SME	80
One-stop checklist detailing procedures for registration, access to loan, dispute resolutions etc.	80
Implementing a toolkit for SME	80
Translating laws and regulations, in major languages in Fiji: Fijian and Hindi	80
Straining current laws suitable for SME	80
Legal training	80

centralized in the capital city (Suva). Some 70% SMEs suggested that NCSMED should be decentralized by appointing suitable staffs in every town and city as part of local government agencies. This officer can assist the SME owners with rules and procedures associated in establishing a business. Nearly all agreed that there was a lack of legal literacy available at the basic level. Table 12.4 shows recommendations by SMEs to improve the current regulatory system.

Inflexibility or unpredictability in laws applicable to the SME sector is a principal legislative compliance reason most SMEs are struggling to survive. To promote the SME sector, the government has to align current laws to accommodate the SME sector’s need. There are two basic attitudes towards governmental intervention to assist SMEs in an open competitive economy. On the one hand, Reddy argues that state intervention is necessary to provide financial, infrastructure and technical support to promote poverty alleviation.⁴⁶ On the other hand, he strongly emphasizes reducing regulatory intervention—cutting the “red tape” to allow a more effective competition.⁴⁷ Therefore, one must ask, is deregulation better for a closed economy like Fiji? Perhaps yes; the current policies need to be streamlined to foster the SME sector development. At the local government level, the capital city is taking the lead role in formalizing and fostering the SME sector.

The Suva city council has implemented urban management policies at various sectors. One noticeable policy is the assistance provided to informal street traders

⁴⁶ Reddy 2007, p. 461.

⁴⁷ Ibid.

by recognizing them through city council licence under the Business License Act (CAP 204). The Suva city council provides street trader/hawker requirement checklists for SMEs to fulfil the requirement of registration. Checklists can assist SMEs to understand the regulatory compliance and can provide opportunities for SMEs to legitimize their business.

The major concerns for SMEs in Fiji are high regulatory burdens and high compliance costs of doing business. Over-regulation is a concern to businesses whether they are small or large; therefore, the current regulatory burdens and cost of doing business should be reduced in Fiji. For example, being on the right side of the law and complying with all the regulatory rules is costing small firms a fortune. The regulatory red tapes in business registrations are one of the many challenges SMEs face because of the top-down policy processes in Fiji. Lack of information on the know-how in complying with statutory requirements is another concern in Fiji. Businesses are forced to remain in the informal sector due to the inflexibility of business registration procedures and lack of financial support to register their businesses.

Conclusion

This chapter suggests that one of the biggest problems SMEs face is the regulatory compliance burden. Due to the robust regulatory requirements coupled with the financial constraints, SMEs in Fiji are either forced or choose to remain in the informal sector. If SMEs continue to operate in an informal economy, it will negatively affect Fiji's socioeconomic development. It will also affect the potential development of informal businesses. There is an urgent need for reforms to foster the private sector development. These reforms should address and eliminate obstacles for small business formalization. However, these reforms will not be successful if the current policy process is not strengthened. A good public policy will be both socially and economically viable and will not require additional resources and capital to revisit or review the policies.

In general, there should be a "one-stop" checklist (according to the business type) detailing all the regulatory compliances which need to be fulfilled in opening and maintaining a business. In addition, checklists should be readily available in different languages and should come with considerable advice. Streamlining of legislation is a policy issue and not an administrative issue. Drafting streamlined legislations can only proceed once the details of the policy framework are clear. This can only begin by examining each existing law applicable to SMEs, as well as those in the informal/grey market, to see if it is still consistent with implementing present policies on SMEs. Standalone legislations on SMEs may be considered desirable for SMEs, rather than a plethora of provisions in different legislation.

Despite the recent policies in urban governance and development of the SME sector, a considerable gap between formal and informal businesses in Fiji still remains. A single reason is that policies are developed in isolation to each other. For

instance, the urban development policies targeting SME development in urban areas failed to harmonize the existing policy initiative by the NCSMED. One suggestion would be to allow local government agencies to handle administrative issues connected to SMEs' development. The town and city council should design a proactive approach to supplement efforts of national agencies by establishing and implementing various measures. For example, city councils can appoint a skilled in-house officer to handle SME-related issues. Town and city councils should collect data on formal and informal SME sectors and design programmes and awareness for SMEs within their respective boundaries.

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