

An Historical Overview of New Zealand SME Policy, 1978-2008

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This paper is an historical enquiry into small and medium enterprise (SME) policy development in New Zealand during the years 1978 to 2008. Following the publication of the Bolton Report (1971) in the United Kingdom and the findings of a United States study on the contribution that SMEs make to the generation of employment, governments in OECD countries, including in New Zealand, paid increasing attention to the development of this important sector of the economy.

There are now numerous studies which have looked into the economic contribution that SMEs make, and a number of papers about government policies might be developed to best assist the growth of SMEs. There has not, however, been a historical account of the circumstances under which SME policy has developed, nor have the distinctive and identifiable features of SME policy-making been understood within the historical context of a particular country.

This study suggests that there have been three distinctive phases in the development of New Zealand government policy towards SMEs. During the 1978 to 1984 period, SME policy was a component of regional policy initiatives within an overall protectionist economic policy environment. In the 1984 to 1998 period there was little targeted assistance, and government policy concentrated on eliminating much of the protectionism that had dominated the New Zealand economy previously. The final period suggested by this study spans the years 1998 to 2008 where the government made more concerted efforts to develop SME policy by using a range of policy tools that included private-public partnerships for the delivery of policy. Policy makers in this latter period were also firmly aware that the SME sector is a complex one and put their efforts into the development of specific and targeted policies directed at SMEs.

This study found that the historical context in which SME policy was developed played an important role in the approach taken by policy makers. It provides insights into the impacts of policy implementation and builds on the existing knowledge-base from which policy makers, SME owner-managers and academic researchers can draw when they consider future SME policy development.

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