

## **CHALLENGE II – RESEARCH PROPOSAL**

*“Research is to see what everybody else has seen, and to think what nobody else has thought”*

*– Albert Szent-Gyorgyi*

MSMEs contribute significantly to economic development – formal SMEs contribute up to 45 percent of total employment and up to 33 percent of national income (GDP) in emerging economies. Along with poverty it is likely one of the most researched topics by development economists, but yet there are a lot of unknowns with regard to MSMEs.

Quality research focused on MSMEs is a prerequisite for us to understand and unlock the full potential of MSMEs. However, data availability remains one of the main challenges in conducting rigorous empirical work. Comprehensive data sources, such as [Enterprise Survey](#), [Financial Access Survey](#) and [Global Findex](#), have increased the possibility of conducting interesting and relevant research. For instance, in 2017 IFC contributed to the existing literature by providing estimates for the extent of the MSME financing gap across developing economies from both the demand and supply sides. More recently, IFC has performed a cross-country analysis to demonstrate, to stakeholders, the categories of SMEs that IFC serves, how these SMEs evolve, and how financial institutions and SMEs support job creation and economic growth. The methodology presented in the study has helped IFC to estimate multipliers, such as the number of jobs created by SMEs with \$1 million in financing.

### **- CHALLENGE II -**

**Your team’s task, in this challenge, is to learn about the research work that has been done in the area of MSMEs and their access to finance (for your reference a list of research papers is attached) and write a research proposal related to access to finance for MSMEs in emerging economies. The proposal should do the following:**

- State the research question and its relevance
- Demonstrate how the proposed research contributes to existing literature
- Briefly explain the proposed research methodology and data sources you may use
- Discuss challenges anticipated in conducting the research
- Describe potential development impact and policy implications of the research findings

**Evaluation criteria:**

The research proposal will be assessed based on:

- (i) relevance to topic (30%);
- (ii) innovation and originality of the research question (40%); and
- (iii) research methodology (30%)

**Deliverable**

- ✓ Research Proposal (750 – 1,000 words) in .docx format
- ✓ Presentation (3 – 5 slides) in .pptx format

**Deadline**

Please submit the proposal by **November 14<sup>th</sup> 2019, 11:59pm**