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# Interview with Lucia Sanchez, SME Initiative Director

The [Small and Medium Enterprise Finance Forum](#) has an interview with our own Lucia Sanchez, director of IPA's [Small and Medium-Sized Enterprise Initiative](#). Small and medium-sized enterprises (SMEs) run by entrepreneurs have the power to grow developing economies, but often fail to achieve their economic potential. Lucia explains why IPA's work in this area is important for overcoming obstacles to growth and opportunity:

*A fundamental knowledge gap pertains to the barriers hindering SME development in low- and middle-income countries. Slow SME growth is often attributed to a number of perceived constraints, but little research rigorously tests how those constraints affect SMEs' ability to invest, create jobs, and grow. For example, how important is the lack of managerial human capital for firm profits and employment generation? Is access to credit a binding constraint for SMEs, or are other financial services more critical for supporting SME growth? A better understanding of which barriers affect SME development, and why, is critical for informing SME-related policies and interventions.*

She goes on to explain how IPA is addressing the issues, and how our active research network is growing. [Read the full interview here.](#)

September 07, 2012