Title of Article: The Role of Small Businesses in Poverty Reduction in Developing Countries: Evidence from Ondo State, Nigeria.

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Abstract: The focus of the study is to investigate the role of small business in poverty reduction through income generation and employment creation in Ondo state, an oil producing state in Nigeria. There are three reasons for this focus. First, the studies on relationship between small businesses development and poverty alleviation and economic framework from Nigeria, a developing economy. Second, the existing studies in Nigeria have concentrated on aggregate effects of small business on poverty reduction with little attention on individual traits of the firms. Third, the existing studies failed to examine the underlying factors that could explain any weak relationship between small business development and poverty reduction. A fresh look has advantage of having better ideas on firms’ characteristics, which would make the present Endeavour more robust and incisive, thus building a sound empirical foundation for future policy design in the economy. Primary data are collected and analyzed using descriptive statistics and logistic regression. Our findings revealed that the small business development programmes have not had significant positive effects on poverty reduction in the study area. The main underlying factors responsible for this include low demand, low level of managerial and financial education. The paper concluded that small businesses had not contributed significantly to poverty reduction in Ondo State through income generation and job creation.