

Title of Article: Small and Medium Enterprises (SMEs) Development and Poverty Alleviation in Developing Countries: Evidence from Ekiti State, Nigeria

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Outlet: Published Proceedings: Economic and Social Development. 2nd International Scientific Conference in Paris. pp 1423-1437

Date: 5 April 2013

Abstract: The focus of the study is to investigate the role of small and medium enterprises (SMEs) in poverty alleviation in Ekiti state, Nigeria. Specifically, the study analysed the characteristics of SMEs in Ekiti State and then examined the socioeconomic factors influencing the capacity of SMEs to alleviate poverty. The main reason for this focus is that the existing studies failed to examine the underlying factors that could explain any weak relationship between small and medium scale enterprises development and poverty alleviation especially at the grassroot level in developing economies. A systematic random sampling technique was used to select 75 respondents and structured questionnaire administered on them to collect relevant data used. The data were analyzed using descriptive statistics and probit regression. The results showed that majority(72%) of surveyed businesses were microenterprises employing less than 10 workers while only 21% and 7% of the respondents engaged in small scale and medium scale enterprises, employing between 10-50 and 51-250 workers respectively. The results also showed that business size, nature of business and source of capital were the major factors determining both income and employment generation potentials of the small and medium enterprises in the study area. Finally the results showed that income from business was the most significant determinant ($p < 0.01$) of per capita consumption of the SMEs owners in the study area. The study therefore concluded that SMEs in Ekiti State, Nigeria had contributed to poverty alleviation through income generation and job creation.