

THE ROLE OF MICRO AND SMALLSCALE ENTERPRISES IN POVERTY REDUCTION: THE CASE OF DUGDA DEWA WOREDA FINCHAWA TOWN SOUTHERN ETHIOPIA

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ABSTRACT

Micro and Small enterprises play significant roles in the creations of employment opportunities and generations of income. Developing countries have common characteristics of low economic growth, fast population growth, high level of unemployment and poverty. The general objective of this study is to analyze the role of micro and small enterprise in poverty reduction. In addition, secondary sources of data have also been used. A logistic regression model was employed to determine the factors influencing poverty in the town with the probability participation used as a dependent variable and a set of demographic and socioeconomic factors as the explanatory variables. Poverty is a multifaceted multifaceted and multi-dimensional concept. Currently, in most developing countries, micro and small enterprise work closely with the poor to deal with poverty but the results have not been good enough. The role of MSEs in employment creation and income generation for the poor, the Ethiopian government is advocating for the importance of these enterprises for enhancing development and growth by identifying youth and women as a target group for relevant support extent. Based on these findings, the researchers recommended that emphasis should be given towards strengthening different educational opportunities access of credit, extension service, saving, government agricultural offices with nongovernmental organizations should work to reducing poverty.

KEYWORDS: *Poverty Reduction, Micro and Small Enterprise, Employment Creation*

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