

Small and Medium Enterprises (SMEs) as a Means of Creating Employment and Poverty Reduction in Fort Beaufort, Eastern Cape Province of South Africa

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ABSTRACT The establishment and contributions of various SMEs in improving socio-economic development in the developed countries include creation of employment, improving the standard of living and increasing household incomes. Hence, this study establishes a base level of understanding of the operational core values of SMEs in creating employment and poverty reduction in Fort Beaufort in the Eastern Cape Province of South Africa. Simple random sampling techniques were used to select the participants. Data was collected through self-administered questionnaires. It was analyzed using descriptive statistics of frequency and percentage. The findings revealed, among others, that SMEs plays a major role in creating employment and reducing poverty. It was also revealed that there are constraints and challenges such as lack of finance and lack of managerial skills as well as training faced in the operations of SMEs in most of African countries. The study concludes that unless the limitations are resolved, SMEs in the developing nations will continue to experience those challenges.