E-ISSN: 1115 - 8530 P-ISSN: 3026-8958
MPRI-JFRBD | INTERNATIONAL JOURNAL OF FINANCIAL RES. AND BUSINESS DEVELOPMENT
VOL. 11 NO. 7 – JANUARY, 2026

ENTREPRENEURIAL ECOSYSTEM COMPONENTS AND POVERTY ALLEVIATION IN NIGERIA: EVIDENCE FROM SMALL AND MEDIUM ENTERPRISES IN LAGOS STATE

UKEME GABRIEL OKON; TIMOTHY ISHOLA; & MERCY MODUPE ADEYEYE

Department of Entrepreneurial Studies, National Open University of Nigeria

DOI: https://doi.org/10.70382/mejfrbd.v11i7.084

Abstract

Poverty persists as a major global development concern, with sub–Saharan Africa bearing a disproportionate share of extreme deprivation. Available global estimates indicate that about 736 million people lived below the international extreme poverty line in 2015, while poverty remains deeply concentrated in Africa. In Nigeria, national statistics show that about 40.1 percent of the population were classified as poor, underscoring the urgency of effective, locally grounded poverty reduction strategies. Within this context, entrepreneurial ecosystem development, understood as the interaction of interdependent actors, institutions, and enabling factors that support productive entrepreneurship in a territory, offers a practical pathway for expanding opportunities and strengthening livelihoods. This study investigated how selected entrepreneurial ecosystem components, namely education and training development, access to finance, and physical infrastructure, influence poverty alleviation among Small and Medium Enterprises (SMEs) in Lagos State, Nigeria. A cross-sectional survey design was employed, with primary data collected through a structured questionnaire administered to SME owners and managers. Data were analysed using regression analysis, analysis of variance, and coefficient estimation in SPSS. The findings show that all three ecosystem components exhibit positive and statistically significant relationships with poverty alleviation. Specifically, education and training demonstrated strong explanatory power for

Keywords: access to finance, education and training, entrepreneurial ecosystem, Lagos State, physical infrastructure, poverty alleviation

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

poverty alleviation outcomes (R^2 = 0.815), access to finance showed the highest predictive strength (R^2 = 0.850), and physical infrastructure also explained a substantial share of outcome variation (R^2 = 0.829). Overall, the results suggest that strengthening human capital, expanding affordable finance, and improving infrastructure are complementary mechanisms for inclusive enterprise growth and welfare improvement in Lagos State. The study recommends coordinated policy actions by government, educational institutions, financial institutions, nongovernmental organisations, and the private sector to scale SME focused training, widen financial inclusion, and upgrade infrastructure to sustain poverty reduction impacts.

Introduction

Poverty remains one of the most persistent socio-economic challenges confronting the global community. Recent estimates indicate that about 736 million people continue to live in extreme poverty worldwide, with sub–Saharan Africa accounting for a disproportionately large share of this population (World Bank, 2020). Africa records particularly high poverty incidence, with approximately 43 percent of its population surviving on less than 1.90 dollars per day (African Development Bank, 2020). In Nigeria, Africa's most populous country, poverty remains widespread, with about 40 percent of the population living below the national poverty line, a situation further aggravated by economic shocks associated with the COVID 19 pandemic (National Bureau of Statistics, 2020). Structural challenges such as income inequality, political instability, weak institutions, and limited access to education and healthcare continue to reinforce poverty traps across the country (Ojogbane, 2020). These realities underscore the need for a multidimensional and sustainable approach to poverty alleviation in Nigeria.

One increasingly prominent pathway for addressing poverty is the development of a functional entrepreneurial ecosystem capable of supporting productive and inclusive enterprise growth. An entrepreneurial ecosystem is commonly defined as a set of interdependent actors, institutions, and contextual factors that jointly enable and sustain entrepreneurial activity within a given territory (Stam & Spigel, 2016). Such ecosystems comprise critical components including education and skills development, access to finance, physical and digital infrastructure, supportive policies, markets, and networks. When these components interact effectively, they foster enterprise creation, business expansion, employment generation, and income diversification, particularly among micro, small, and medium enterprises. In developing economies, the entrepreneurial ecosystem plays a crucial role in addressing structural unemployment, limited industrial

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

capacity, and low-income levels, thereby contributing directly to poverty alleviation (Audretsch & Belitski, 2021; Maas *et al.,* 2019).

The theoretical foundation for the entrepreneurship poverty nexus is rooted in Schumpeterian economic thought, which identifies entrepreneurship as the engine of economic development. Schumpeter argued that entrepreneurs drive growth through innovation and the process of creative destruction, leading to productivity gains, structural transformation, and rising living standards (Schumpeter, 1961; Schumpeter, 1987). By introducing new products, processes, and business models, entrepreneurs stimulate job creation and wealth generation, which in turn reduce poverty and promote inclusive growth. Contemporary scholars have reinforced this view by emphasizing the role of entrepreneurial ecosystems in enabling entrepreneurs to thrive and translate innovation into broad-based socio-economic benefits (McCraw, 2007; Henry, 2019).

In Nigeria, successive governments have implemented numerous poverty reduction and employment generation programmes, including agricultural, youth empowerment, and social intervention initiatives. These include the National Accelerated Food Production Programme, Operation Feed the Nation, the Green Revolution Scheme, the Go Back to Land Programme, and more recent initiatives such as the Anchor Borrowers Programme introduced in 2016. In addition, institutional efforts to promote entrepreneurship have expanded through compulsory entrepreneurship education in tertiary institutions, entrepreneurship training under the National Youth Service Corps, and programmes such as the National Directorate of Employment, the National Poverty Eradication Programme, and the Youth Enterprise with Innovation in Nigeria initiative (Taiwo, Esomu & Martins, 2022). Despite these interventions, Nigeria continues to rank among countries with the highest number of people living in poverty globally, suggesting that policy efforts have not sufficiently addressed the structural ecosystem constraints facing entrepreneurs.

A major concern is that many of these interventions focus on isolated programmes rather than the systematic strengthening of entrepreneurial ecosystem components. Weak access to finance, inadequate infrastructure, limited skills development, and institutional bottlenecks continue to constrain the survival and growth of small and medium enterprises, which are widely recognised as the backbone of employment creation in developing economies. Evidence from subnational studies indicates declining numbers of active entrepreneurs and SMEs in some regions, reflecting fragile ecosystem conditions and limited sustainability of enterprise development efforts (Udeme & Edikan, 2015). Conversely, empirical studies from both developed and developing contexts suggest that well developed entrepreneurial ecosystems enhance firm performance, employment creation, regional development, and income growth (Audretsch, 2003; Kuratko, Morris & Schindehutte, 2015; Müller, 2016; Szerb *et al.,* 2015).

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

In Nigeria, demographic dynamics further heighten the urgency of strengthening entrepreneurial ecosystems. The country's rapidly growing youth population presents both an opportunity and a risk. While a large youth cohort can drive innovation and economic expansion, inadequate employment opportunities, risk pushing many young people into poverty and social exclusion. Studies have linked youth unemployment to rising insecurity and social instability in various regions, underscoring the need for entrepreneurship driven job creation as a sustainable solution (Bloom, 2010; ILO, 2011). Equipping young people and SME operators with relevant skills, financial resources, and infrastructural support is therefore critical for harnessing this demographic dividend.

Problem Statement

Although entrepreneurship is widely acknowledged as a key engine of economic development and an important instrument for reducing poverty in Nigeria, there is still limited empirical clarity regarding how particular entrepreneurial ecosystem components translate into concrete poverty alleviation outcomes, especially at subnational levels. Much of the existing literature has concentrated on firm performance, innovation, and regional competitiveness, with relatively less emphasis on the direct welfare implications of entrepreneurial ecosystems for households and vulnerable groups (Stam & Spigel, 2016; Audretsch & Belitski, 2021). As a result, the mechanisms through which ecosystem elements such as education and training, access to finance, and physical infrastructure shape poverty reduction remain insufficiently understood.

In Lagos State, entrepreneurial activity is extensive and diverse, spanning trading, services, manufacturing, and agro allied enterprises. Despite this vibrancy, poverty and livelihood insecurity persist in many communities, suggesting that high levels of entrepreneurial activity alone are not sufficient to guarantee meaningful poverty reduction. Structural weaknesses within the entrepreneurial environment, including inadequate access to relevant skills development opportunities, constrained availability of affordable finance, and deficiencies in basic infrastructure such as electricity, transport, and market facilities, continue to limit the productivity and sustainability of small and medium enterprises (SMEs) (Beck et al., 2007; Ayyagari et al., 2018). These constraints may weaken the capacity of SMEs to expand operations, generate stable incomes, and create employment, thereby diminishing their potential contribution to poverty alleviation.

Furthermore, while several Nigerian studies have examined entrepreneurship and SME performance, relatively few have disaggregated the entrepreneurial ecosystem into specific components and empirically assessed their combined and individual effects on poverty alleviation. This absence of localized and component focused evidence creates a policy blind spot, as interventions are often implemented in a fragmented manner

without a clear understanding of which ecosystem elements exert the strongest influence on welfare outcomes.

Consequently, the central problem addressed by this study is the insufficient empirical understanding of the extent to which education and training development, access to finance, and physical infrastructure within the entrepreneurial ecosystem influence poverty alleviation among SMEs in Lagos State. Addressing this gap is essential for designing evidence based and integrated policies that strengthen inclusive entrepreneurship and support sustainable poverty reduction.

Objectives of the study

The main objective of this study is to examine the impact of entrepreneurial ecosystem components on poverty alleviation among Small and Medium Enterprises in Lagos State. The specific objectives are to:

i. Evaluate the effect of education and training development as a component of the entrepreneurial ecosystem on poverty alleviation in Lagos State.
ii. Examine the effect of access to finance as a component of the entrepreneurial ecosystem on poverty alleviation in Lagos State.
iii. Assess the effect of physical infrastructure development as a component of the entrepreneurial ecosystem on poverty alleviation in Lagos State.

Research Questions

In line with the stated objectives, the study seeks to answer the following questions:

i. What is the effect of education and training development within the entrepreneurial ecosystem on poverty alleviation in Lagos State?
ii. How does access to finance within the entrepreneurial ecosystem influence poverty alleviation in Lagos State?
iii. What effect does physical infrastructure development within the entrepreneurial ecosystem have on poverty alleviation in Lagos State?

Literature Review

This literature review explores how core entrepreneurial ecosystem components, namely education and training, access to finance, and physical infrastructure, shape poverty alleviation outcomes among Small and Medium Enterprises in Lagos State, Nigeria. The review synthesizes theoretical and empirical evidence on the mechanisms through which these components influence enterprise performance, income generation, and livelihood sustainability, while also highlighting existing gaps in knowledge regarding their combined and individual effects on poverty reduction. Particular attention is given to the Nigerian context, where entrepreneurship is widely promoted as a development strategy,

yet poverty remains pervasive. By examining prior studies across developing and emerging economies, the review establishes the conceptual foundations for understanding how entrepreneurial ecosystems contribute to inclusive growth and identifies the need for more localized and component specific empirical investigations into the poverty alleviation impacts of entrepreneurial ecosystem development (Stam & Spigel, 2016; Audretsch & Belitski, 2021).

Entrepreneurial Ecosystem

The term "entrepreneurship ecosystem" was first used by Tansley in 1935 to describe a fundamental ecological unit consisting of the natural environment, organisms, and their interactions (Ben, Brownson & Akpaeto, 2023). It was later applied to the management field through Moore's 1993 research, which likened business ecosystems to biological ones. By adapting the biological concept to entrepreneurship, companies and stakeholders form various relationships within what is termed the ecosystem. Recently, the idea of entrepreneurship ecosystems has gained traction, partly due to influential business books like "Startup Communities" and Isenberg's 2010 work featured in the Harvard Business Review.

There is no single, concise definition of an entrepreneurial ecosystem, and scholars have offered various interpretations. For instance, Stam (2015) describes an entrepreneurial ecosystem as "entrepreneurs creating new value, organized through diverse governance modes, within a specific institutional context." Meanwhile, Mason and Brown (2014) defined an entrepreneurial ecosystem as "a network of interconnected entrepreneurial actors (both potential and existing), organizations (e.g., firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies), and processes (e.g., business birth rate, high-growth firms, blockbuster entrepreneurship, serial entrepreneurs, sell-out mentality, and entrepreneurial ambition) that collectively and informally connect, mediate, and govern performance within the local entrepreneurial environment."

More recently, Spigel and Harrison (2018) defined an entrepreneurial ecosystem as a complex interplay of social, political, economic, and cultural factors within a specific region that fosters the formation, expansion, and sustainability of entrepreneurial ventures. Whereas Stam and Spigel (2021) elaborate that entrepreneurial ecosystems comprise interconnected elements and stakeholders organized to facilitate productive entrepreneurship. These ecosystems are pivotal in enabling the creation of new jobs, enhancing per capita income, and nurturing an entrepreneurial ethos (Bouncken & Kraus, 2022). Stam and Spigel (2021) identified ten key components of an entrepreneurial ecosystem:

Component	Description
Physical Infrastructure	The accessibility of real estate, internet, and transportation infrastructure to support start-up and expansion. This includes "third places" like technology parks, makerspaces, and co-working facilities.
Demand	The capacity to locate, contact, and sell to a market or market segment as well as its availability.
Intermediaries	The accessibility to the availability of mentorship, role models, and associated services in the legal, financial, real estate, and consulting fields.
Talent	The availability of highly competent individuals with the appropriate attitude for entrepreneurial activity as well as the capacity to recruit and keep them.
Knowledge	The accessibility and ease of obtaining entrepreneurial education, associated training, and skills development, as well as the efficiency of technology transfer procedures and the quality of the pipeline for the labor force.
Leadership	The chance to meet, connect, and form new contacts as well as the entrepreneurial community's extensive and vibrant networks and interrelationships. This component also has governance issues for the ecosystem.
Finance	Access to and availability of grants, venture capital, angel investments, seed funds, and other types of finance required for beginning and growing.
Formal Institutions	The extent to which governmental structures, laws, and incentives encourage or discourage the start-up and growth of entrepreneurial activity.
Culture	The region's mindset and cultural propensity for entrepreneurship; tolerance for risk and failure; and stories of success that serve as an inspiration to others.
Networks	The chance to meet, connect, and form new contacts as well as the entrepreneurial community's extensive and vibrant networks and interrelationships. This component also has governance issues for the ecosystem.

Education and Training (Knowledge)

Education encompasses the acquisition of knowledge, skills, values, and beliefs through both formal and informal methods, aiming to enhance cognitive, emotional, and social development (Hattie & Donoghue, 2020). It provides vital knowledge for entrepreneurship and personal growth, fostering creativity and preparing individuals to start and sustain businesses. Training, on the other hand, is a systematic approach designed to enhance specific skills, knowledge, and behaviors to meet particular performance goals (Noe, Clark & Paquette, 2020). It helps business owners develop

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

expertise in areas such as strategic planning, marketing, and customer service, preparing them for challenges (Ali, 2023). Both entrepreneurship education and training have been identified as crucial for fostering entrepreneurial intentions, shaping attitudes, and promoting skills essential for business creation, innovation, and risk-taking (Fritsch, 2004; Acs & Armington, 2006; Schramm & Litan, 2009; Kuratko, 2003).

Entrepreneurial financing involves the use of financial tools and techniques to plan, finance, and evaluate a business venture (Leach & Melicher, 2010). Access to finance is critical for launching and scaling entrepreneurial ventures, enhancing product innovation, and investing in human capital (Adeyemo & Olateju, 2022). Financial support from both internal and external sources is essential for SMEs to thrive (Pretorius & Shaw, 2004). Internal funding, often sourced from savings and retained profits, supports the survival of businesses, while external funding from investors, financial institutions, and government programs plays a pivotal role in their growth (Eniola & Entebang, 2015; Klapper, Laeven, & Rajan, 2006).

Physical infrastructure, which includes essential components such as transportation networks, power grids, and communication systems, is vital for business operations (Malhotra, 2017; Bennett, 2019). Well-developed infrastructure improves accessibility and reduces operational costs for SMEs, facilitating efficient resource mobilization and innovation (Stam & van da Ven, 2019; Belitski & Desai, 2015). Adequate infrastructure, including roads, ports, broadband, and industrial zones, supports business growth by improving access to markets and resources, ultimately enhancing firm performance (Bennett, 2018).

Poverty is generally defined as the inability to meet basic needs like food, shelter, and clothing, resulting from insufficient income (Bradshaw, 2006). The World Bank defines poverty through monetary measures, with extreme poverty set at an income level of $1.90 per day (World Bank, 2021). In Nigeria, poverty is measured against both absolute and relative thresholds, with the federal government establishing poverty lines based on socio-economic conditions (Taiwo, *et al.,* 2022). These thresholds help in assessing and comparing poverty levels, offering a framework for understanding economic hardship across different regions.

Resource Dependence Theory

This study is anchored on the resource dependence theory of Johnson (1995). According to Johnson (1995), resource dependence theory is an organizational theory that elucidates inter-organizational and organizational behavior in relation to essential resources needed for an organization's survival and growth. (Kholmuminov, Kholmuminov, & Wright, 2019) share a similar perspective, noting that resource dependence theory concerns how an organization's external resources influence its

behavior. Since all organizations require resources for survival, which are produced by other organizations, (Johnson, 1995) suggests that organizations depend on other entities that control critical resources essential to their operations but over which they have limited control. Consequently, every component of an entrepreneurial ecosystem relies on resources for survival, and these resources are acquired through interactions within the ecosystem.

Strategic decision-makers are responsible for allocating resources, whether internal or external. Internal resources, including education and training, financial assets, and other assets controlled by the organization, can provide a competitive edge (Nemati, Bhatti, Maqsal, Mansoor, & Naveed, 2010). External resources, on the other hand such as physical infrastructure, external sources of finance, are managed by outside organizations and are not readily accessible, necessitating interaction between organizations to acquire them. Thus, resources produced by one firm are only valuable if they can be utilized by another organization (Kholmuminov *et al.,* 2019), leading to interdependence among organizations for resource access. Moreover, the performance of entrepreneurs of small and medium-sized enterprises heavily relies on these resources and networks (Premaratne, 2002).

Empirical Studies

Misango & Ongiti (2013) studied the economic impact of women entrepreneurs on poverty reduction in Kenya, focusing on women entrepreneurs at the Maasai market in Nairobi's Central Business District. They sampled 15% of the 664-target population using stratified and purposive sampling techniques. Both quantitative and qualitative data were collected through questionnaires and interviews and analysed concurrently. The study found that the economic activities of the respondents were similar, involving the sale of African artefacts, clothing, and ornaments, with 95% using readily available raw materials. Additionally, 83% of respondents reported that their businesses improved their economic status, contributing to tourism, employment, and export trade. The study concluded that women entrepreneurs play a significant role in reducing poverty in Kenya.

Fajimi & Omonona (2011) explored the impact of women's participation in agro-allied small and medium enterprises (SMEs) on poverty alleviation in Oyo State, Nigeria. Using multistage sampling, data were collected from 119 respondents, comprising 59 participants and 60 non-participants. The analysis employed descriptive statistics, FGT-weighted poverty measures, and Probit regression analysis. Results showed a higher poverty level among non-participants (51%) compared to participants (17%), indicating that participation in SMEs helps reduce poverty. The Probit analysis revealed that marital status, household size, and women's status in the family increased poverty, while education, SME participation, income, and a monogamous family type reduced poverty.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Despite these findings, the study did not identify any government programs supporting women entrepreneurs. This research proposes to investigate such programs in Lagos State, Nigeria.

Adofu & Ocheja (2013) assessed the impact of entrepreneurship skill acquisition on poverty in Kogi State, Nigeria, using primary data collected via structured questionnaires administered by trained enumerators to randomly sampled beneficiaries from six Local Government Areas. The analysis, conducted using descriptive statistics, revealed that 65% of respondents attributed high poverty rates to a lack of entrepreneurship skills among youth. Additionally, 60% of those who benefited from the skill acquisition program could afford necessities. The study recommended that the government develop the program into a comprehensive poverty eradication initiative. However, it did not measure the impact of any existing government programs. The current research aims to identify and evaluate various poverty reduction programs in Lagos State.

Alabi, David, & Aderinto (2019) investigated the impact of government policies on the business growth of SMEs in Southwestern Nigeria. The study employed a descriptive ex-post facto approach, utilizing both primary and secondary data. Stratified sampling was used to determine the sample population for the study. Structured questionnaires served as the primary data collection tool. Data obtained from respondents were analysed using both descriptive and inferential analytical techniques with the SPSS package. The results indicated a significant relationship between government policy and the business growth of Small and Medium Enterprises (SMEs) in Southwestern Nigeria.

These findings highlight the necessity for the Nigerian government to formulate and implement policies that ensure the optimal performance and survival of small-scale businesses. Additionally, the country's monetary policies and macroeconomic indicators should be adjusted to better support SMEs. Furthermore, significant infrastructural development at various levels of government is essential.

Abdul-Kemi (2014) conducted a study on the factors affecting the investment climate, SME productivity, and entrepreneurship in Nigeria, published in the European Journal of Sustainable Development. The study used current perspectives to examine the factors influencing investment, productivity, and growth of SMEs, utilizing the World Bank Enterprise Survey in Nigeria. Five main factors were explored: the education of the labour force, access to infrastructure, access to finance, firm size, and other business climate variables. Other variables included insecurity, bribery and corruption, the time businesses spend dealing with government regulation, and poor power availability. In a survey of 2,676 firms, access to finance (33.1%), access to electricity (27.2%), and the level of corruption (12.7%) were identified as the top obstacles for business owners. Using the World Bank Enterprise Survey, the study presents and analyses the business environment challenges at the national level.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Methodology

This study employed a cross-sectional survey research design to evaluate how entrepreneurial ecosystem components influence poverty alleviation among Small and Medium Enterprises in Lagos State, Nigeria. A cross-sectional approach was considered suitable because it enables the collection of data from a defined population at one point in time, providing a snapshot for examining statistical associations among variables without manipulating the study setting (Wang & Cheng, 2020).

The study population comprised registered SMEs operating within Lagos State. Records obtained from relevant business and regulatory sources indicated a population of nine hundred and fifty (950) registered SMEs. These enterprises span key activity areas including trading, services, manufacturing, and agro allied businesses, ensuring broad representation of entrepreneurial activity in the state economy.

Sample size was determined using the Yamane finite population formula, which is commonly applied in survey research where the population size is known and a specified margin of error is desired (Yamane, 1973). At a 95 percent confidence level with a 5 percent precision level (e = 0.05), the sample size was computed as:

$$n = \frac{N}{1+N\,(e)^2}$$

Where:

n = sample size,
N = population size,
e = sampling error assumed as 0.05
Applying the formula.

$$n = \frac{950}{(1 + 950\,(0.05^2)}$$

$$= \frac{950}{1 + 2.375}$$

$$= \frac{950}{3.375}$$

$$= 281.48$$

n = 282 (to the nearest whole number)

This study employed primary data collection through the distribution of questionnaire copies to the targeted population, ensuring raw, un-manipulated information from respondents. The researcher, along with an assistant, personally visited SMEs to distribute and collect the questionnaire. A structured questionnaire, modified by the

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

researcher and designed to gather direct responses and feedback, utilized a 5-point Likert scale to accommodate the respondents' literacy levels. This approach enabled efficient, cost-effective data collection from a large number of participants, and facilitated scientific and objective analysis using Statistical Package for the Social Sciences (SPSS) software.

Results and Discussion

The following section provides the summary of the results of analysis conducted on the on-filed data collected during the study by the researcher.

Table 1: Demographic Data of Respondents

Age Group

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18 – 29	65	23.0	23.0	23.0
	30 – 39	108	38.3	38.3	61.3
	40 – 49	66	23.4	23.4	84.8
	50 – 59	43	15.2	15.2	100.0
	Total	282	100.0	100.0	

Highest level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	O'LEVEL/SSCE/NCE/ND	55	19.5	19.5	19.5
	HND/BSC.	157	55.7	55.7	75.2
	MSc/MBA	41	14.5	14.5	89.7
	PhD	29	10.3	10.3	100.0
	Total	282	100.0	100.0	

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	144	51.1	51.1	51.1
	Married	138	48.9	48.9	100.0
	Total	282	100.0	100.0	

Business experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 - 3 years	62	22.0	22.0	22.0
	4 - 7 years	128	45.4	45.4	67.4
	8 - 10 years	59	20.9	20.9	88.3

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

		Frequency	Percent	Valid Percent	Cumulative Percent
	> 11 years	33	11.7	11.7	100.0
	Total	282	100.0	100.0	

Type of Trade

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	56	19.9	19.9	19.9
	Processing	52	18.4	18.4	38.3
	Trading	144	51.1	51.1	89.4
	Intangible services	30	10.6	10.6	100.0
	Total	282	100.0	100.0	

Source: Field Study (2024).

The demographic profile presented in Table 1 indicates that respondents were fairly distributed across the different age categories, reflecting a diverse representation of economically active participants. The largest share of respondents belonged to the 30–39 age group, representing 38.3 percent of the sample, while those aged 40–49 years accounted for 23.4 percent. Participants within the 18–29 age bracket constituted 23.0 percent, whereas respondents aged 50–59 years formed the smallest proportion at 15.2 percent. This distribution implies that a substantial proportion of SME operators are within their most productive and entrepreneurial life stages, a factor that is vital for enterprise continuity, innovation capacity, and income generation, which in turn supports poverty reduction efforts.

In terms of educational attainment, the results demonstrate a comparatively high level of formal education among respondents. Individuals holding Higher National Diploma or Bachelor's degree qualifications represented the highest proportion at 55.7 percent, suggesting that the majority of operators possess basic managerial and technical competencies. This was followed by respondents with O'Level, SSCE, NCE or National Diploma certificates at 19.5 percent, those with Master's or MBA degrees at 14.5 percent, and those with doctoral qualifications at 10.3 percent. This educational composition highlights the importance of education and training within the entrepreneurial environment, as higher levels of education are associated with improved business skills, adaptability to market changes, and stronger income earning potential.

Regarding marital status, the distribution reveals a near equal split between single and married respondents, with singles accounting for 51.1 percent and married individuals' 48.9 percent. This close balance is analytically meaningful, since marital status may shape entrepreneurial drive, household obligations, risk tolerance, and financial decision

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

making, all of which can influence business outcomes and poverty alleviation. The balanced representation therefore enhances the generalisability of findings concerning the link between entrepreneurship and poverty reduction across varying household contexts.

In addition, the distribution of respondents according to years of business experience reveals differing levels of entrepreneurial development. The highest proportion of respondents had operated their businesses for four to seven years, accounting for 45.4 percent of the sample. This was followed by those with two to three years of experience at 22.0 percent, respondents with eight to ten years at 20.9 percent, and those with more than eleven years of experience at 11.7 percent. This pattern indicates that a large share of the enterprises is at early to mid growth stages, underscoring the critical role of enabling ecosystem elements such as access to finance, adequate infrastructure, and ongoing capacity building in promoting business sustainability and expansion.

With respect to sectoral distribution, trading activities constituted the largest segment of the sample at 51.1 percent, followed by manufacturing at 19.9 percent. Processing enterprises accounted for 18.4 percent, while service oriented intangible activities represented 10.6 percent. This sectoral structure reflects the general pattern of local economic activities, where commerce and small-scale production are predominant. The presence of diverse enterprise categories further highlights the necessity for a coherent and inclusive entrepreneurial ecosystem capable of addressing sector specific challenges and strengthening the poverty reduction potential of SMEs across different lines of business.

Hypothesis Testing

Hypothesis One: Education and training development as a component of the entrepreneurial ecosystem has no significant impact on poverty alleviation in Lagos State.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.903[a]	.815	.814	.44146

a. Predictors: (Constant), Education and training

The regression model summary indicates a strong and statistically meaningful association between education and training development within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The correlation coefficient (R = 0.903) reflects a very high degree of relationship between education and training and poverty alleviation, implying that improvements in entrepreneurial education and skills acquisition are closely

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

linked with enhanced poverty reduction outcomes among SME operators in the study area.

The coefficient of determination (R^2 = 0.815) suggests that approximately 81.5 percent of the variation in poverty alleviation is explained by changes in education and training development. This substantial explanatory power underscores the centrality of education and training as a key ecosystem component influencing income stability, business performance, and overall livelihood improvement among entrepreneurs. The adjusted R^2 value of 0.814, which corrects for potential model overfitting, remains virtually identical to the R^2, further confirming the robustness and reliability of the model.

Furthermore, the standard error of the estimate, reported at 0.44146, is relatively low, indicating limited dispersion of observed values around the regression line. This demonstrates that the model fits the data well and that the predicted poverty alleviation outcomes closely approximate the actual observed values. Collectively, these results provide strong empirical evidence that education and training development within the entrepreneurial ecosystem exert a significant influence on poverty alleviation in Lagos State.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	240.240	1	240.240	1232.715	.000[b]
	Residual	54.568	280	.195		
	Total	294.809	281			

a. Dependent Variable: Poverty alleviation

b. Predictors: (Constant), Education and training

The analysis of variance results further provide compelling evidence regarding the overall statistical adequacy and explanatory strength of the regression model that examines the relationship between education and training development within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The exceptionally high F statistic value of 1232.715 indicates that the ratio of explained variance to unexplained variance is very large, implying that education and training development contribute substantially to explaining changes in poverty alleviation among SME operators. The associated probability value of 0.000, which is far below the conventional 0.05 level of significance, confirms that the model is statistically significant and that the joint effect of the predictor variable is meaningful.

This result implies that incorporating education and training development into the model significantly improves its ability to predict poverty alleviation outcomes compared with a

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

model that contains no explanatory variables. In other words, variations in poverty alleviation are systematically related to variations in education and training development, rather than occurring randomly. The strength of this statistical evidence suggests that entrepreneurial education and skills acquisition play a central role in shaping income earning capacity, employment generation, productivity and business resilience, all of which are critical pathways through which poverty reduction is achieved.

Furthermore, the high level of model significance reinforces the notion that education and training development represent a foundational pillar of an effective entrepreneurial ecosystem. Entrepreneurs who have access to relevant training opportunities and who continuously upgrade their skills are more likely to adopt efficient production techniques, improve product quality, manage resources prudently and respond proactively to market changes. These capabilities enhance business performance and sustainability, which in turn translate into improved household welfare and reduced vulnerability to poverty.

Consequently, the null hypothesis that education and training development within the entrepreneurial ecosystem has no significant effect on poverty alleviation is decisively rejected. The alternative proposition, which posits that education and training development exerts a significant positive influence on poverty alleviation, is therefore accepted. These findings provide strong empirical justification for prioritising policies and programmes that expand access to entrepreneurial education, vocational training and continuous capacity building as strategic instruments for poverty reduction among small and medium enterprise operators in Lagos State.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.845	.097		8.759	.000
	Education and training	.860	.025	.903	35.110	.000

a. Dependent Variable: Poverty alleviation

The coefficients estimate offer deeper insight into both the direction and strength of the relationship between education and training development within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The constant term of 0.845, with a standard error of 0.097, represents the predicted level of poverty alleviation when education and training development is held at zero. Although this condition is largely hypothetical, the positive intercept suggests that other underlying factors, such as personal initiative, informal learning, social networks, or existing economic opportunities,

may also contribute to poverty alleviation beyond formal education and training interventions.

The regression coefficient associated with education and training development is positive and relatively large at 0.860, accompanied by a small standard error of 0.025, indicating a high degree of estimation precision. The corresponding t value of 35.110 and probability value of 0.000 confirm that education and training development is a statistically significant predictor of poverty alleviation at conventional significance levels. This result implies that improvements in entrepreneurial education and training are systematically associated with increases in income stability, enhanced business performance, improved productivity, and better overall living standards among SME operators.

Moreover, the standardized beta coefficient of 0.903 reflects a very strong effect size, demonstrating that education and training development exerts a dominant influence on poverty alleviation outcomes. Specifically, a one standard deviation increase in education and training development is associated with a 0.903 standard deviation increase in poverty alleviation, holding other factors constant. This magnitude indicates that education and training development is one of the most influential components of the entrepreneurial ecosystem in shaping poverty reduction outcomes.

Collectively, these findings provide robust empirical evidence against the null hypothesis that education and training development within the entrepreneurial ecosystem has no significant impact on poverty alleviation. Accordingly, the null hypothesis is rejected. The results affirm that strengthening entrepreneurial education and training through formal programmes, vocational initiatives, and continuous capacity-building schemes constitutes a critical and effective strategy for achieving sustainable poverty alleviation among small and medium enterprise operators in Lagos State.

Hypothesis Two: Access to finance as a component of the entrepreneurial ecosystem has no significant impact on poverty alleviation in Lagos State

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.922[a]	.850	.850	.39692

a. Predictors: (Constant), Access to finance

The model summary results reveal a strong and positive association between access to finance within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The correlation coefficient (R = 0.922) signifies a very high degree of relationship between access to finance and poverty alleviation, suggesting that improvements in entrepreneurs' ability to obtain financial resources are closely linked to enhanced poverty reduction outcomes among SME operators.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

The coefficient of determination (R^2 = 0.850) indicates that approximately 85.0 percent of the variations in poverty alleviation are explained by access to finance. This substantial explanatory power underscores the critical role that financial access plays in influencing income generation, business expansion, employment creation, and overall livelihood improvement. The adjusted R^2 value, which also stands at 0.850, further confirms the stability and robustness of the model, as it shows that the explanatory strength remains unchanged after adjusting for potential model bias.

In addition, the standard error of the estimate of 0.39692 is relatively low, indicating minimal dispersion of observed values around the regression line. This implies that the predicted values of poverty alleviation closely approximate the actual observed outcomes, thereby reinforcing the accuracy and goodness of fit of the model. Overall, the model summary provides strong empirical evidence that access to finance within the entrepreneurial ecosystem is a key determinant of poverty alleviation in Lagos State.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	250.696	1	250.696	1591.257	.000[b]
	Residual	44.113	280	.158		
	Total	294.809	281			

a. Dependent Variable: Poverty alleviation

b. Predictors: (Constant), Access to finance

The analysis of variance results further validate the overall statistical adequacy and explanatory strength of the regression model assessing the relationship between access to finance within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The exceptionally large F statistic value of 1591.257 indicates that the proportion of explained variance relative to unexplained variance is very high, signifying that access to finance contributes substantially to explaining variations in poverty alleviation among SME operators.

The associated significance value of 0.000, which is well below the conventional 0.05 level, confirms that the model is statistically significant and that the predictive power of access to finance is not due to random chance. This implies that incorporating access to finance into the model meaningfully improves its ability to predict poverty alleviation outcomes compared with a model containing no explanatory variables.

In practical terms, this result demonstrates that differences in entrepreneurs' access to financial resources are systematically linked to differences in income stability, business expansion, employment creation, and overall welfare conditions. Consequently, the null

hypothesis that access to finance within the entrepreneurial ecosystem has no significant effect on poverty alleviation is rejected. The findings therefore provide strong empirical support for the view that improving access to both formal and informal sources of finance constitute a critical pathway for achieving effective and sustainable poverty reduction among small and medium enterprise operators in Lagos State.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.179	.101		1.770	.078
	Access to finance	.967	.024	.922	39.891	.000

a. Dependent Variable: Poverty alleviation

The coefficients estimate provide further insight into the direction, magnitude, and statistical relevance of the relationship between access to finance within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The constant term (intercept) is 0.179 with a standard error of 0.101, representing the predicted level of poverty alleviation when access to finance is hypothetically zero. Although this intercept is not statistically significant at the 5 percent level, as indicated by a p-value of 0.078, its positive sign suggests the presence of other underlying factors that may contribute marginally to poverty alleviation outside access to finance.

The regression coefficient for access to finance is positive and large at 0.967, with a small standard error of 0.024, reflecting a high degree of estimation precision. The associated t-statistic of 39.891 and probability value of 0.000 clearly demonstrate that access to finance is a highly significant predictor of poverty alleviation. This indicates that increases in entrepreneurs' ability to obtain and utilise financial resources are strongly associated with improvements in income generation, business expansion, employment opportunities, and overall household welfare.

Furthermore, the standardized beta coefficient of 0.922 reveals a very strong effect size, implying that a one standard deviation increase in access to finance leads to a 0.922 standard deviation increase in poverty alleviation, holding other factors constant. This magnitude highlights access to finance as a dominant component of the entrepreneurial ecosystem in shaping poverty reduction outcomes.

In view of these findings, the null hypothesis that access to finance within the entrepreneurial ecosystem has no significant impact on poverty alleviation is rejected. The results therefore provide robust empirical evidence that strengthening access to both formal and informal sources of finance constitute a critical and effective strategy for

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

achieving sustainable poverty alleviation among small and medium enterprise operators in Lagos State.

Hypothesis Three

Physical infrastructure development as a component of the entrepreneurial ecosystem has no significant impact on poverty alleviation in Lagos State

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.910[a]	.829	.828	.42436

a. Predictors: (Constant), Physical infrastructure

The model summary results reveal a strong and positive association between physical infrastructure development within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The correlation coefficient (R = 0.910) indicates a very high degree of relationship between physical infrastructure and poverty alleviation, suggesting that improvements in the availability and quality of infrastructure are closely linked to enhanced poverty reduction outcomes among SME operators.

The coefficient of determination (R^2 = 0.829) shows that approximately 82.9 percent of the variations in poverty alleviation are explained by physical infrastructure development. This substantial explanatory power highlights the critical role of infrastructure, such as electricity supply, transportation networks, water, and communication facilities, in facilitating business operations, reducing transaction costs, and improving productivity and income generating capacity. The adjusted R^2 value of 0.828, which remains very close to the R^2, further confirms the stability and robustness of the model after accounting for potential estimation bias.

Moreover, the standard error of the estimate of 0.42436 is relatively low, indicating minimal dispersion of observed values around the regression line. This implies that the predicted values of poverty alleviation closely approximate the actual observed outcomes, thereby reinforcing the goodness of fit and predictive accuracy of the model. Overall, the model summary provides strong empirical evidence that physical infrastructure development within the entrepreneurial ecosystem is a key determinant of poverty alleviation in Lagos State.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	244.386	1	244.386	1357.090	.000[b]
	Residual	50.423	280	.180		
	Total	294.809	281			

a. Dependent Variable: Poverty alleviation
b. Predictors: (Constant), Physical infrastructure

The analysis of variance results further establish the overall statistical adequacy and explanatory strength of the regression model assessing the relationship between physical infrastructure development within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The exceptionally high F statistic value of 1357.090 indicates that the proportion of explained variation relative to unexplained variation is very large, signifying that physical infrastructure development contributes substantially to explaining changes in poverty alleviation among SME operators.

The associated significance value of 0.000, which is far below the conventional 0.05 level, confirms that the model is statistically significant and that the observed relationship between physical infrastructure development and poverty alleviation is not due to random chance. This implies that incorporating physical infrastructure development into the model markedly improves its predictive capability compared with a model containing no explanatory variables.

In practical terms, the result suggests that improvements in critical infrastructure, such as reliable electricity, efficient transportation networks, adequate water supply, and accessible communication facilities, are systematically linked to enhanced business performance, increased productivity, lower operating costs, and improved income generation. These outcomes translate into better household welfare and reduced vulnerability to poverty. Consequently, the null hypothesis that physical infrastructure development within the entrepreneurial ecosystem has no significant impact on poverty alleviation is rejected. The findings therefore provide strong empirical support for the view that sustained investment in physical infrastructure constitutes a crucial pathway for achieving effective and sustainable poverty reduction in Lagos State.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.935	.090		10.423	.000
	Physical infrastructure	.812	.022	.910	36.839	.000

a. Dependent Variable: Poverty alleviation

The coefficients table reveals that the constant term (intercept) is 0.935, with a standard error of 0.090.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

The coefficients estimate provide additional insight into the direction, strength, and statistical relevance of the relationship between physical infrastructure development within the entrepreneurial ecosystem and poverty alleviation in Lagos State. The constant term represents the expected level of poverty alleviation when physical infrastructure development is hypothetically zero. Its statistical significance at a p-value of 0.000 indicates that baseline factors beyond infrastructure may also contribute to poverty alleviation, even though infrastructure remains central to the model.

The regression coefficient for physical infrastructure development is positive and substantial at 0.812, with a relatively small standard error of 0.022, reflecting a high degree of precision in the estimation. The associated t-statistic of 36.839 and probability value of 0.000 confirm that physical infrastructure development is a highly significant predictor of poverty alleviation at conventional levels of significance. This implies that improvements in infrastructure availability and quality are strongly associated with enhanced income generating capacity, business productivity, and overall livelihood conditions among SME operators.

Furthermore, the standardized beta coefficient of 0.910 indicates a very strong effect size, suggesting that a one standard deviation increase in physical infrastructure development leads to a 0.910 standard deviation increase in poverty alleviation, holding other factors constant. This magnitude underscores physical infrastructure as a dominant component of the entrepreneurial ecosystem in shaping poverty reduction outcomes.

Taken together, the evidence from the model summary, ANOVA, and coefficients tables provides robust empirical support for rejecting the null hypothesis that physical infrastructure development within the entrepreneurial ecosystem has no significant impact on poverty alleviation. The findings therefore affirm that sustained investment in critical infrastructure such as electricity, transportation, water supply, and communication facilities is essential for fostering enterprise growth and achieving effective and sustainable poverty reduction in Lagos State.

Discussion

This section discusses the empirical findings on the impact of entrepreneurial ecosystem components on poverty alleviation among Small and Medium Enterprises (SMEs) in Lagos State. The discussion integrates results from the regression analyses with relevant theoretical perspectives and existing empirical literature, in line with the specific objectives of the study.

With respect to the first objective, which examined the effect of education and training development on poverty alleviation, the empirical results reveal a strong and statistically significant relationship. The regression analysis produced a very high correlation coefficient ($R = 0.903$) and an explanatory power of 81.5 percent ($R^2 = 0.815$), indicating

that education and training development accounts for a substantial proportion of the variation in poverty alleviation among SME operators. The ANOVA result further confirmed the model's overall significance, with an F-statistic of 1232.715 and a probability value below the 0.05 threshold. The coefficient estimates show that education and training development exerts a positive and significant influence on poverty alleviation, as reflected by a high standardized beta coefficient of 0.903. These results suggest that improvements in entrepreneurial education and skills acquisition enhance managerial competence, business efficiency, innovation capacity, and income generation, which collectively contribute to improved livelihood sustainability and reduced poverty.

This finding is consistent with the human capital theory, which posits that investment in education and skills enhances productivity and earning capacity. It also aligns with empirical evidence showing that entrepreneurship education and training improve firm performance and welfare outcomes in developing economies (Becker, 1993; Henry, 2019). In the Nigerian context, Afolayan and Ogunrinola (2021) and Adeyemi and Abiodun (2022) report that education and entrepreneurial skills development significantly improve SME survival, income stability, and employment creation, with positive implications for poverty reduction. The present result therefore reinforces the argument that education and training constitute a foundational pillar of the entrepreneurial ecosystem for poverty alleviation.

Regarding the second objective, which assessed the effect of access to finance on poverty alleviation, the findings indicate that access to finance is the most influential entrepreneurial ecosystem component among those examined. The model summary shows a very strong correlation ($R = 0.922$) and an R^2 value of 0.850, implying that 85.0 percent of the variation in poverty alleviation is explained by access to finance. The ANOVA result confirms the robustness of the model, with an F-statistic of 1591.257 and a significance level of 0.000. The coefficient results further reveal a large and positive effect of access to finance on poverty alleviation, as evidenced by a standardized beta coefficient of 0.922. This indicates that improvements in entrepreneurs' access to financial resources substantially enhance poverty reduction outcomes.

These findings are consistent with financial inclusion and development theories, which emphasize that access to credit and financial services enables entrepreneurs to expand production, invest in productive assets, adopt new technologies, manage risks, and smooth income fluctuations. Empirical studies by Beck, Demirgüç-Kunt, and Levine (2007) and Ayyagari, Demirgüç-Kunt, and Maksimovic (2018) demonstrate that access to finance significantly improves SME growth and employment generation. Similarly, Nigerian studies by Olayiwola and Oladejo (2020) and Taiwo, Esomu, and Martins (2022) confirm that financial constraints remain a major impediment to SME performance and poverty

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

reduction. The present findings therefore suggest that strengthening financial access is central to leveraging entrepreneurship as an effective poverty alleviation strategy.

In relation to the third objective, which examined the effect of physical infrastructure development on poverty alleviation, the results also show a strong and statistically significant relationship. The regression results reveal a high correlation coefficient ($R = 0.910$) and an explanatory power of 82.9 percent ($R^2 = 0.829$). The ANOVA result confirms the significance of the model, with an F-statistic of 1357.090 and a probability value below 0.05. The coefficient analysis further indicates a positive and significant effect of physical infrastructure development, with a standardized beta coefficient of 0.910. This demonstrates that improvements in infrastructure significantly enhance poverty alleviation among SME operators.

This result aligns with development economics literature, which emphasizes that infrastructure such as electricity, roads, water supply, and market facilities reduces transaction costs, improves productivity, and enhances market access. Empirical studies by Calderón and Servén (2014) and Aschauer (2018) show that infrastructure development contributes significantly to private sector growth and poverty reduction. Nigerian evidence from Adegboye and Iweriebor (2021) and Akinwale (2023) similarly indicates that inadequate infrastructure remains a major constraint on SME performance and income generation. The present findings therefore underscore the importance of infrastructural development in strengthening enterprise productivity and welfare outcomes.

Overall, the study demonstrates that education and training development, access to finance, and physical infrastructure development each exert significant and complementary effects on poverty alleviation among SMEs. The rejection of all three null hypotheses confirms that strengthening entrepreneurial ecosystem components constitutes an effective pathway for reducing poverty at the local level. The findings highlight the necessity of an integrated and systemic entrepreneurship policy framework rather than fragmented interventions.

Conclusion

This study examined the impact of entrepreneurial ecosystem components on poverty alleviation among Small and Medium Enterprises in Lagos State, with particular emphasis on education and training development, access to finance, and physical infrastructure development. Using empirical evidence from cross-sectional survey data and regression analyses, the study provides clear insights into how strengthening key elements of the entrepreneurial ecosystem can contribute to sustainable poverty reduction.

The findings show that education and training development has a strong and positive influence on poverty alleviation by enhancing entrepreneurial skills, managerial capacity, innovation, and adaptability, which translate into improved business performance and

income stability. The study also establishes that access to finance is the most influential ecosystem component, as it significantly improves SMEs' capacity to expand operations, invest in productive assets, manage risks, and stabilise income. In addition, physical infrastructure development plays a vital role in poverty alleviation by reducing operational costs, improving market access, and enhancing productivity.

Overall, the study concludes that poverty alleviation is best achieved through a comprehensive and integrated entrepreneurial ecosystem approach in which education and training, access to finance, and physical infrastructure function as complementary and reinforcing mechanisms. Strengthening these components constitutes an effective and sustainable strategy for reducing poverty and promoting inclusive economic development in Lagos State and similar contexts in Nigeria.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

First, government agencies, educational institutions, and entrepreneurship support organisations should design and implement targeted entrepreneurship education and continuous skills development programmes tailored to the specific needs of SME operators. Such programmes should emphasise practical business management, financial literacy, digital skills, innovation, and market access. Stronger collaboration between tertiary institutions, vocational centres, and industry practitioners is essential to ensure relevance and effectiveness.

Second, financial institutions, development finance agencies, and policymakers should expand inclusive financing mechanisms that improve SMEs' access to affordable and flexible credit. This includes low-interest loan schemes, credit guarantee facilities, simplified lending procedures, and the promotion of digital financial services. Strengthening financial literacy alongside access to finance will enhance effective utilisation of funds and reduce default risks.

Third, government at state and local levels should prioritise investment in critical infrastructure such as reliable electricity, road networks, water supply, market facilities, storage infrastructure, and digital connectivity. Targeted infrastructural development in enterprise clusters and commercial hubs will significantly improve productivity and income generation.

Finally, policymakers should adopt an integrated entrepreneurial ecosystem approach that simultaneously strengthens education and training, access to finance, and physical infrastructure through coordinated actions among government agencies, financial institutions, educational bodies, nongovernmental organisations, and the private sector. This integrated strategy is essential for creating a supportive environment in which SMEs can thrive and contribute effectively to sustainable poverty alleviation in Nigeria.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

References

Abdul-kemi, I. Z. (2014). Entrepreneurship and economic development in Nigeria: Evidence from small and medium scale enterprises (SMEs) financing. *International Journal of Business and Social Science, 5(11), 215-230.*

Adofu, I., & Ocheja, P. (2013). Entrepreneurship skill acquisition and poverty reduction in Kogi State, Nigeria. *Journal of Entrepreneurship and Innovation, 2(1), 1-12.*

Alabi, O. D., David, R. A., & Aderinto, Y. A. (2019). Impact of government policies on the business growth of SMEs in Southwestern Nigeria. *Journal of Small Business and Entrepreneurship Development, 7(2), 1-15.*

Annoni, A., & Dijkstra, L. (2018). EU Regional Competitiveness Index. European Commission.

Audretsch, D. B. (2003). Entrepreneurship, innovation, and economic growth. *Journal of Economic Surveys, 17(4), 631-655.*

Audretsch, D. B., & Belitski, M. (2021). Entrepreneurship and economic growth. *Journal of Economic Surveys, 35(1), 141-164.*

Bakari, S., Donga, I. S., Hedima, E. C., Wilson, N., Babyo, B. L., & Ibrahim, M. (2019). Access to finance and entrepreneurial growth in Nigeria. *Journal of Entrepreneurship and Innovation, 8(1), 1-18.*

Beck, T., Demirgüç-Kunt, A., & Levine, R. (2007). Finance, inequality and the poor. *Journal of Economic Growth*, 12(1), 27–49. https://doi.org/10.1007/s10887-007-9010-6

Becker, G. S. (1993). Human capital: A theoretical and empirical analysis, with special reference to education. University of Chicago Press.

Belitski, M., & Desai, S. (2015). Entrepreneurship and economic growth in the UK. *Journal of Entrepreneurship, Management & Innovation, 1(1), 1-15.*

Bennett, R. (2018). The role of physical infrastructure in business performance. *Journal of Business and Management, 20(1), 1-12.*

Bennett, R. (2019). The importance of physical infrastructure for SMEs. *Journal of Small Business and Entrepreneurship Development, 7(1), 1-10.*

Bloom, D. (2010). Nigeria: The next generation. Harvard University Press.

Bradshaw, T. K. (2006). Theories of poverty and development. *Journal of International Development, 18(5), 771-786.*

Calderón, C., & Servén, L. (2014). Infrastructure, growth, and inequality. *World Bank Policy Research Working Paper No. 7034.*

Davis, P., & Martinez, E. (2019). Measuring poverty: A review of the literature. *Journal of Poverty and Social Justice, 27(1), 1-18.*

Eniola, A., & Entebang, H. (2015). Access to finance and entrepreneurial growth in Nigeria. *Journal of Entrepreneurship and Innovation, 4(1), 1-12.*

Essien, E. (2021). Entrepreneurship development in Akwa Ibom State, Nigeria. *Journal of Entrepreneurship and Innovation, 12(1), 1-12.*

Fajimi, A., & Omonona, B. (2011). Women's participation in agro-allied SMEs and poverty alleviation in Oyo State, Nigeria. *Journal of Gender and Entrepreneurship, 1(1), 1-15.*

Hattie, J., & Donoghue, G. (2020). The impact of education on entrepreneurship. *Journal of Entrepreneurship and Innovation, 9(2), 1-12.*

Hattie, J., & Donoghue, G. (2020). Visible Learning: A Synthesis of Over 1,500 Meta-Analyses Relating to Achievement. Routledge.

Henry, C. (2019). Schumpeter's theory of economic development: A review and critique. Journal of Economic Issues, 53(2), 347-364.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Henry, C. (2019). *Entrepreneurship and the creative economy*. Cheltenham, United Kingdom: Edward Elgar Publishing.

International Labour Organization (ILO). (2011). Youth unemployment in the Middle East and North Africa. Retrieved from https://www.ilo.org/regions-and-countries/ilo-africa/areas-work/youth-employment-africa

Isenberg, D. J. (2010). The entrepreneurship ecosystem strategy. Harvard Business Review, 88(12), 1-11.

Johnson, G. (1995). The resource dependence theory of organizational behavior. *Journal of Organizational Behavior, 16(2), 141-154.*

Klapper, L., Laeven, L., & Rajan, R. (2006). Entry regulation as a barrier to entrepreneurship. *Journal of Financial Economics, 82(3), 591-629.*

Kuratko, D. F. (2003). Entrepreneurship education: Emerging trends and challenges. *Journal of Entrepreneurship Education, 6(1), 1-12.*

Kuratko, D. F., Morris, M. H., & Schindehutte, M. (2015). Entrepreneurship and regional development. *Journal of Business Venturing, 30(5), 637-651.*

Leach, J. C., & Melicher, R. W. (2010). Entrepreneurial finance. Cengage Learning.

Maas, G., Herrmann, A., & Richter, N. (2019). Entrepreneurial ecosystems: A systematic review. *Journal of Business Research, 102, 277-291.*

Malhotra, N. (2017). Physical infrastructure and economic development. *Journal of Economic Development, 40(1), 1-15.*

McCraw, T. K. (2007). Prophet of innovation: Joseph Schumpeter and creative destruction. Harvard University Press.

Misango, E., & Ongiti, D. (2013). Women entrepreneurs and poverty reduction in Kenya. *Journal of Gender and Entrepreneurship, 3(1), 1-12.*

Müller, S. (2016). Entrepreneurship and regional economic growth. *Journal of Economic Geography, 16(3), 537-555.*

National Bureau of Statistics, Nigeria. (2020). Poverty and inequality in Nigeria. Retrieved from https://nigerianstat.gov.ng/elibrary/read/1092

Nemati, H. R., Bhatti, S. A., Maqsal, A., Mansoor, M., & Naveed, M. (2010). Resource dependence theory and organizational behavior. *Journal of Organizational Behavior, 31(2), 241-254.*

Noe, R. A., Hollenbeck, J. R., Gerhart, B. A., & Wright, P. M. (2020). Human resource management: Gaining a competitive advantage (12th ed.). McGraw-Hill Education.

Ojogbane, A. (2020). Poverty in Nigeria: Causes, effects, and solutions. *Journal of Sustainable Development, 13(2), 1-12.*

Pretorius, M., & Shaw, G. (2004). Access to finance for SMEs in South Africa. *Journal of Small Business and Entrepreneurship Development, 1(1), 1-12.*

Schumpeter, J. A. (1961). The theory of economic development. Harvard University Press.

Schumpeter, J. A. (1987). Capitalism, socialism, and democracy. Routledge.

Stam, E., & Spigel, B. (2016). Entrepreneurial ecosystems. In R. D. Norton (Ed.), Innovation, entrepreneurship, and the economy in the US, Canada, and Mexico (pp. 127-154). Palgrave Macmillan.

Stam, E., & Spigel, B. (2017). The entrepreneurial ecosystem: A conceptual framework. *Journal of Entrepreneurship, Management & Innovation,* 3(1), 1-15.

Stam, E., & van de Ven, A. (2018). Entrepreneurial ecosystems: A systems perspective (U.S.E. Research Institute Working Paper Series 18-06). Utrecht School of Economics, Utrecht University; Carlson School of Management, University of Minnesota.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Szerb, L., Ács, Z. J., Komlósi, E., & Ortega-Argilés, R. (2015). The role of entrepreneurship in regional economic development. *Journal of Economic Surveys,* 29(3), 641-664.

Taiwo, O., Esomu, A., & Martins, P. (2022). Anti-poverty initiatives in Nigeria: A review. *Journal of Poverty and Social Justice*, 30(1), 1-18.

Taiwo, J. N., Esomu, A. O., & Martins, O. O. (2022). Entrepreneurship development and poverty reduction in Nigeria. *Journal of African Development Studies*, 14(2), 45–62.

Udeme, O., & Edikan, O. (2015). Entrepreneurial ecosystem and SME development in Akwa Ibom State, Nigeria. *Journal of Small Business and Entrepreneurship Development, 7(1), 1-12.*

World Bank. (2020). Poverty and shared prosperity. Retrieved from https://www.worldbank.org/en/publication/poverty-and-shared-prosperity-2020

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]