

## Exploring Challenges Faced by Small Business Owners on Poverty Reduction in Rural Eastern Cape, South Africa

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**Abstract :** Small business can serve as a tool for poverty reduction in South Africa, but it requires adequate support and development for its continuous sustenance in spite of rigorous challenges, especially in the rural environment. This study explored the challenges faced by the small business owners in the rural Eastern Cape Province of South Africa. The objective of the study is to identify the challenges faced by small business owners in the case study area and to examine the effects of those challenges on poverty rate. Survey research design was adopted, with the distribution of structured questionnaire for data collection through a simple random sampling method. Descriptive and inferential statistics was used to analyse the data. Findings showed that small business owners face various challenges in their commercial operations. It was also made clearer that these challenges have effects on the poverty rate as well as crime rate. In conclusion, in order for small businesses to be effective instrument to tackle poverty, certain measure must be taken into considerations. This therefore necessitates recommendation from the researcher that potential and current business owners must seek valuable advice from the more experienced business tycoon and seek information about the business assistance programmes provided by government and private sectors.

**Keywords :** eastern cape, poverty, poverty reduction, rural, small business, sustainable livelihood

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