

# Exploring entrepreneurial challenges and drivers in small cities for poverty reduction by investigating insights of key stakeholders: A case study of Saint John, New Brunswick

Milad Pira<sup>1,\*</sup>, Gregory Fleet<sup>2</sup>, Robert Moir<sup>2</sup>

<sup>1</sup> Faculty of Management, Vancouver Island University, Nanaimo V9R 5S5, Canada

<sup>2</sup> Faculty of Business, University of New Brunswick, Saint John E2K 5E2, Canada

\* **Corresponding author:** Milad Pira, [milad.pira@viu.ca](mailto:milad.pira@viu.ca)

## CITATION

Pira M, Fleet G, Moir R. (2024). Exploring entrepreneurial challenges and drivers in small cities for poverty reduction by investigating insights of key stakeholders: A case study of Saint John, New Brunswick. *Journal of Infrastructure, Policy and Development*. 8(7): 5011. <https://doi.org/10.24294/jipd.v8i7.5011>

## ARTICLE INFO

Received: 6 March 2024  
Accepted: 2 April 2024  
Available online: 1 August 2024

## COPYRIGHT



Copyright © 2024 by author(s).  
*Journal of Infrastructure, Policy and Development* is published by EnPress Publisher, LLC. This work is licensed under the Creative Commons Attribution (CC BY) license. <https://creativecommons.org/licenses/by/4.0/>

**Abstract:** The potential of entrepreneurship to reduce poverty is closely tied to critical factors such as access to finance, training and education, networks and social capital, and supportive regulatory environments. Understanding and addressing these underlying issues through the lens of the Social Capital theory can help foster an entrepreneurial spirit in cities and mitigate poverty through business and community development. This paper explores the insights and standpoints of key stakeholders about poverty in Saint John and its impact on entrepreneurship. The study uses a quantitative method and analyzes data from surveys with stakeholders. The results show that social isolation, system inflexibility, individual issues, housing, and financial support programs are significant poverty challenges in Saint John, and these issues have implications for entrepreneurship. By integrating Social Capital Theory into policy initiatives, policymakers can enhance community resilience and empower vulnerable individuals. This application of social capital principles provides a holistic framework for designing effective poverty-reduction measures, offering transformative insights applicable not only to Saint John but also to diverse small cities. The study contributes a nuanced understanding of poverty's impact on entrepreneurship, advocating for inclusive strategies that resonate with the social fabric of communities.

**Keywords:** entrepreneurship; poverty reduction; social capital; stakeholders

## 1. Introduction

Poverty elicits different negative impacts on societies, which can lead to population loss and economic downturn (Han et al., 2022). On the other hand, entrepreneurship is seen as a significant contributor to economic growth and development in regions experiencing socio-economic challenges (Wilkerson et al., 2021). By creating jobs, increasing innovation and productivity, and fostering social inclusion, entrepreneurship can play a pivotal role in addressing poverty and promoting economic development (Williams, 2017). Contrary to the widespread belief that large cities are primary drivers of economic growth, many countries find that relatively smaller cities provide a more conducive environment for fostering economic prosperity (Frick and Rodríguez-Pose, 2018). Despite its potential to alleviate poverty and spur growth, entrepreneurship is still underutilized as a means of poverty reduction in small cities. Additionally, key stakeholders play a critical role in illuminating the main causes of poverty and potentially assist entrepreneurs and governments in transforming the negative energy in small cities into positive developments (Eraydin and Özatağan, 2021).

The literature has shown that poverty is affected by various local, national, and international factors. Researchers and policymakers have identified that the basic challenges of food insecurity, housing, education, and employment are key factors contributing to poverty in small cities (Buck, 2001; Dunham, 2014; Martinez-Fernandez et al., 2016). However, these cities with poverty issues have found it challenging to implement policies and procedures to address and alleviate the problem directly (Berglund, 2019).

Poverty remains a pervasive issue in many communities around the world (Kimmitt et al., 2019). While numerous interventions and policies have been implemented to address poverty, there is still much to be understood about the challenges and potential solutions, particularly in the context of entrepreneurship (Sutter et al., 2019). The importance of entrepreneurship in driving economic growth and development has been widely recognized, and there is a growing body of research exploring the relationship between entrepreneurship and poverty reduction (Bruton et al., 2013; M. D. Hussain et al., 2014).

This study seeks to contribute to the ongoing discourse on the relationship between entrepreneurship and poverty reduction, specifically in the unique context of small cities. The classification of cities based on their size in Canada is different from the conventional definition of small, medium, and large cities. Statistics Canada clearly defines cities according to the following categories: census metropolitan area (CMA) and census agglomeration (CA). “A CMA must have a total population of at least 100,000 of which 50,000 or more must live in the core ... and a CA must have a core population of at least 10,000 (Statistics Canada, 2016). Therefore, Saint John is considered both a CMA (126,202 individuals) and a CA (67,575 individuals) (Statistics Canada, 2016), but the case study for this research is the CA area, which is identified as a small city. The theoretical framework guiding this exploration is Social Capital Theory, which sheds light on the intricate web of social relationships, networks, and community connections influencing entrepreneurial activities (Vasavada, 2020).

Despite this, there is a lack of consensus on the most effective approaches to addressing poverty through entrepreneurship in small cities like Saint John, where unique challenges can hinder economic growth and limit opportunities for entrepreneurship. As a result, there is a need for a better understanding of the specific poverty challenges facing these communities, and how entrepreneurship can be leveraged to address them.

The poverty rate in some areas of Saint John is very high and comparable to poor communities in developing countries. This rate is 19.4%, compared to 13.9% in Canada and 14.5% in New Brunswick (Income Statistics Division, 2016). The child poverty rate is also higher in Saint John (30%) than in Canada (13.5%) and New Brunswick (22.5%) (Human Development Council [HDC], 2017). Several public and private organizations such as the Human Development Council, Living Saint John, and Economic Development Greater Saint John are trying to reduce poverty levels. For example, the government of New Brunswick invested \$10 million in Living Saint John over five years starting in 2017 to reduce poverty (Pruss, 2017), which indicates the extent of the challenge. Despite the potential for entrepreneurship to drive economic growth and combat poverty in Saint John, there

is currently no common understanding among key stakeholders of the challenges faced by entrepreneurs, nor is there agreement on the best starting points for interventions. This lack of consensus poses a significant barrier to addressing the issues that entrepreneurs in the region face, and to supporting the growth and development of the wider business community.

To bridge this research gap, the primary objective of this paper is to investigate the understanding of key stakeholders regarding poverty in Saint John and assess how these perspectives can guide the formulation of effective strategies to address both the challenges and facilitators of entrepreneurship within the city. Specifically, the study seeks to understand stakeholders' perspectives on poverty and its multifaceted dimensions, aiming to uncover potential avenues for leveraging entrepreneurship in poverty alleviation efforts. One research question arising from this objective is:

How do stakeholders' perspectives and experiences regarding poverty in Saint John inform the development of strategies integrating Social Capital Theory to address poverty-related challenges and enhance entrepreneurship?

The study's findings will inform policy and practice recommendations for stakeholders in Saint John and other communities facing similar poverty challenges. Ultimately, we hope that this research will help to identify new pathways for leveraging entrepreneurship to address poverty and promote economic development in these communities.

## **2. Literature review**

The concept of entrepreneurship, the proactive pursuit of opportunities to create value and foster growth through innovative and unique approaches, regardless of the current resources at one's disposal (Coulter, 2000), as a means of poverty reduction has gained increasing attention from scholars and policymakers in recent years. Entrepreneurship has been found to promote job creation, increase productivity and innovation, and foster social inclusion (Kimmitt et al., 2019). In addition, entrepreneurship has been recognized as a key driver of economic growth and development in low-income communities (Bruton et al., 2015). However, the relationship between entrepreneurship and poverty reduction is complex and multifaceted, and the effectiveness of entrepreneurship as a poverty alleviation strategy depends on a range of factors, including local economic conditions, the business environment, and access to resources and support (Sutter et al., 2019).

One proposed solution to this dilemma is the concept of social entrepreneurship, which emphasizes creating ventures with a dual purpose of generating profit while also addressing social or environmental issues (Adro and Fernandes, 2021). In this model, entrepreneurs leverage innovative business models to tackle societal problems, thereby creating value for both the business and the community. By focusing on social impact alongside financial gain, social entrepreneurs can attract funding and resources from diverse sources, including impact investors, philanthropic organizations, and government grants. Additionally, social entrepreneurship encourages collaboration and partnership with existing community stakeholders (Argyrou et al., 2017), fostering a collective approach to addressing

poverty and other challenges. Through this integrated approach, new entrepreneurs can succeed by tapping into the untapped potential of underserved markets while simultaneously driving positive social change. Thus, rather than simply replacing existing entrepreneurs, the emergence of new ventures that prioritize social impact can complement and enhance existing efforts, leading to greater overall benefits for the community.

Additionally, it's important to note that some scholars have explored the relationship between entrepreneurship and poverty and confirmed the efficiency of entrepreneurial approaches to address poverty. For instance, Kimitt et al. (2019) propose that entrepreneurship, particularly social entrepreneurship, can indeed contribute to poverty alleviation by creating economic opportunities, generating employment, and addressing social issues within communities. They argue that by adopting innovative business models and focusing on social impact, entrepreneurs can effectively address the needs of low-income communities while also achieving financial sustainability.

To address the complex interplay between poverty and entrepreneurship in a small city, it is essential to consider the nuances of the local population and its diverse needs. While poverty reduction initiatives aim to stimulate entrepreneurship broadly, it is crucial to recognize that the entrepreneurial ecosystem encompasses both low-income individuals and more prosperous segments of the population. Therefore, efforts to encourage entrepreneurship should be inclusive and tailored to address the specific challenges faced by different groups within the community. For instance, initiatives targeting low-income entrepreneurs may prioritize access to microfinance and business support services, while those aimed at the prosperous population may focus on fostering innovation and scaling existing businesses. Additionally, leveraging insights from urban economic diversification studies (Youn et al., 2016) can inform strategies to maximize the potential for entrepreneurship growth in Saint John. By adopting a targeted approach that considers the distinct needs and capacities of various demographic groups, poverty reduction projects can effectively harness the entrepreneurial potential of the community to drive sustainable economic development and alleviate poverty.

Several studies have also examined the impact of entrepreneurship on poverty reduction in various contexts, including developing countries and low-income communities in developed countries. For example, a study by Hussain et al. (2019) found that entrepreneurship can be a powerful tool for poverty reduction in developing countries, particularly when coupled with supportive policies and programs. The study identified several key factors that are critical for successful entrepreneurship-led poverty reduction, including access to finance, education, training, and infrastructure. In the context of developed countries, several studies have explored the relationship between entrepreneurship and poverty reduction in low-income communities. For instance, Bruton et al. (2013) found that entrepreneurship can play a vital role in reducing poverty in low-income communities, as it can create jobs, generate income, and promote social inclusion. However, the study also highlighted the need for a supportive policy environment to ensure that entrepreneurship can effectively contribute to poverty reduction.

Overall, the literature suggests that entrepreneurship has the potential to alleviate poverty and promote economic development in both developing and developed countries. However, the effectiveness of entrepreneurship as a poverty alleviation strategy depends on a range of contextual factors, including access to resources, the business environment, and supportive policies and programs. While policies can play a crucial role in supporting entrepreneurship by addressing certain barriers and creating conducive environments, they may not necessarily negate the lack of markets entirely. Policies can help stimulate demand, create market opportunities, and provide incentives for entrepreneurial activities. However, if fundamental market constraints exist policies alone may not be sufficient to overcome these challenges. In such cases, complementary strategies, such as market development initiatives or targeted investment programs, may be needed to address market gaps and foster entrepreneurship effectively.

To provide a more comprehensive understanding, it's essential to explore the specific challenges and opportunities that entrepreneurs face in different contexts, including access to markets, financial resources, skills development, and infrastructure. By examining these factors in greater detail, policymakers and practitioners can develop more targeted and effective strategies to support entrepreneurship and promote economic development.

While entrepreneurship has been recognized as a potentially effective tool for poverty reduction, the literature also highlights several challenges that hinder its implementation in small cities. For example, small cities often lack the necessary infrastructure and resources to support entrepreneurship, including access to finance, business incubators, and skilled labor (Eraydin and Ozatagan, 2021). In addition, small cities may face challenges in attracting and retaining entrepreneurs due to a lack of opportunities and limited access to markets (Huggins and Thompson, 2014).

Another key challenge facing small cities is the lack of a supportive policy environment. Policies and programs that are designed to support entrepreneurship may be less developed or less effective in small cities, and there may be a lack of coordination among key stakeholders, including government agencies, business organizations, and community groups (Berglund and Johannisson, 2012). This lack of coordination can hinder the development of a cohesive and effective entrepreneurship ecosystem in small cities, making it more difficult to effectively leverage entrepreneurship for poverty reduction.

Therefore, small cities may face unique challenges related to poverty that are not present in larger urban centers. For example, poverty in small cities may be more concentrated and visible, making it more difficult to ignore or to address without causing social tensions (Martinez-Fernandez et al., 2012; Menda, 2015). Additionally, poverty in small cities may be more closely tied to specific industries or sectors, such as the decline of manufacturing or the closure of a major employer, which can further limit opportunities for entrepreneurship-led poverty reduction (Gomez et al., 2015).

The correlation between enterprise richness and enterprise numbers is also crucial to address socio-economic challenges and can be understood through two distinct forms of entrepreneurship. Firstly, there's what can be termed as 'new entrepreneurship', which manifests in the richness of enterprises within a given area,

indicating the diversity of enterprise types present. Each unique enterprise type observed in a locality signifies an instance where an entrepreneur successfully introduced a new business model previously absent in that area. Secondly, there's 'existing entrepreneurship,' representing the recurrence of established enterprise types within specific human settlements. This aspect is quantified by the total number of enterprises in a region, subtracting the count of new entrepreneurship instances (Toerien, 2021). New entrepreneurship exhibits a sub-linear scaling pattern, whereas existing entrepreneurship demonstrates a super-linear scaling trend concerning the entrepreneurial space available.

By understanding the dynamics of new and existing entrepreneurship within human settlements, policymakers and stakeholders can gain a deeper understanding of the local entrepreneurial ecosystem. This understanding can inform the design of strategies that leverage existing entrepreneurial strengths while also fostering innovation and diversity in enterprise types (Toerien, 2017). Moreover, by recognizing the patterns of entrepreneurship scaling in relation to available entrepreneurial space, policymakers can identify opportunities to optimize resource allocation and support mechanisms to enhance the impact of entrepreneurship on poverty alleviation and economic development in Saint John.

In addition to the barriers to entrepreneurship identified above, research has also identified several factors that can enable entrepreneurship to contribute to poverty reduction. These include access to finance, training and education, networks and social capital, and supportive regulatory environments (Atemnkeng and Vukenkeng, 2016; Gandiwa, 2019; Hussain and Scott, 2017; Mahmood et al., 2014; Shah and Lala, 2021).

Access to finance is a critical factor in enabling entrepreneurship, particularly in the context of poverty reduction. Research has shown that poverty often restricts access to formal financial services, which in turn limits the ability of entrepreneurs to start or grow their businesses (Sengupta and Aubuchon, 2008). Microfinance programs have emerged as an important tool for addressing this challenge, providing small loans and other financial services to entrepreneurs who would otherwise be excluded from formal financial markets (Armendáriz and Morduch, 2010; Dana and Ratten, 2019).

Training and education are also essential components of enabling entrepreneurship to contribute to poverty reduction. Education is often a key factor in determining an individual's ability to start or grow a business (Acs et al., 2009). Research has shown that entrepreneurship education programs can have a positive impact on the success of new businesses (Eisenmann, 2021). These programs can provide aspiring entrepreneurs with the skills and knowledge needed to identify and capitalize on business opportunities, as well as the resources and support necessary to navigate the challenges of starting a new business in a poor community.

Additionally, Mayombe (2016) emphasizes the significant role of education in poverty reduction strategies. Their research highlights how access to quality education equips individuals with the necessary skills and knowledge to engage in entrepreneurial activities effectively. By investing in education, particularly in underserved communities, policymakers can empower individuals to break the cycle of poverty and pursue entrepreneurial opportunities.

Networks and social capital are also important factors in enabling entrepreneurship to contribute to poverty reduction. Research has shown that entrepreneurs who are embedded in strong social networks are more likely to succeed in their ventures (Dodescu and Pop-Cohut, 2012). Social capital can provide entrepreneurs with access to resources, information, and support that can be critical to the success of their businesses (Neumeyer et al., 2019). In addition, social networks can provide a platform for knowledge sharing and collaboration, which can foster innovation and creativity (Setini et al., 2020).

Finally, supportive regulatory environments are critical to enabling entrepreneurship to contribute to poverty reduction. Governments can play an important role in creating an environment that is conducive to entrepreneurship, by implementing policies and regulations that support the development of new businesses (Rani and Kumar, 2022). These policies can include tax incentives, simplified business registration processes, and reduced bureaucratic hurdles. In addition, supportive regulatory environments can help to ensure that entrepreneurs are protected from unfair competition (Morgan, 2020), which can be particularly important in the context of small cities facing poverty where there may be limited opportunities for new businesses.

In summary, while access to finance, training and education, networks and social capital, and supportive regulatory environments are indeed crucial factors in leveraging entrepreneurship for poverty reduction in small cities, it's essential to address the underlying challenge of market demand, particularly in contexts where potential buyers may lack the necessary funds to purchase goods or services offered by new entrepreneurs. This consideration underscores the need for a comprehensive approach that goes beyond financial support alone. Policymakers and practitioners must delve deeper into understanding the root causes of poverty, as elucidated by key stakeholders, in order to devise effective poverty reduction strategies. By taking into account the economic realities of the community and collaborating closely with entrepreneurs and other stakeholders, interventions can be more precisely tailored to address the specific challenges faced by the target population. This inclusive approach not only enhances the relevance and efficacy of poverty reduction efforts but also fosters long-term sustainability by empowering local communities to actively participate in and benefit from economic development initiatives.

Adult education and job skills are essential components in acquiring employment and increasing income (Mayombe, 2016). Without adequate training and education, individuals may find it challenging to secure stable employment, which can contribute to the poverty cycle. Similarly, the lack of support and social isolation can make it difficult for individuals to develop the skills needed to achieve financial stability (Pinoncely, 2016).

Child care is another significant concern for individuals and families living in poverty. Access to affordable and reliable child care can impact a parent's ability to secure and maintain employment (Polakow, 2013). Additionally, children's education and nutrition are crucial elements in breaking the cycle of poverty (Government of New Brunswick, 2013; Noble, 2018). Poor nutrition and inadequate education can lead to lifelong challenges and contribute to a lack of upward mobility (Shor, 2011).

The high cost of living, housing, and medical support can also place a strain on individuals and families living in poverty. High housing and medical costs can make it challenging for individuals to afford basic necessities such as food, clothing, and shelter (Hallett and Crutchfield, 2017; Kim and Chan, 2013; Lund et al., 2010). Furthermore, the lack of information about social assistance programs and system inflexibility can prevent individuals from accessing necessary support and benefits (Echenberg, 2012).

Employment criteria also contribute to the poverty cycle. Companies may require specific job skills or education levels that are not accessible to individuals living in poverty. Temporary jobs and lifestyle choices can also impact individuals and families living in poverty (Dignity for All, 2016; Solomon, 2006). Temporary jobs often provide low wages and unstable employment, which can make it difficult for individuals to secure stable housing and access basic necessities.

In conclusion, while access to finance, training and education, networks and social capital, and supportive regulatory environments are indeed critical factors in leveraging entrepreneurship for poverty reduction, it's imperative to acknowledge the broader spectrum of influences shaping human settlements' dynamics and economic development. This encompasses population-based dynamics, which have been explored in research such as that of Bettencourt and Marchio (2023) as well as Moretti's (2012) work on the New Geography of Jobs. These studies highlight the intricate interplay between urban structure, informality, and economic growth, offering valuable insights beyond the scope of Social Capital Theory alone. Therefore, in developing poverty reduction strategies, policymakers and practitioners should adopt a multidimensional approach that considers not only the social capital framework but also incorporates findings from interdisciplinary research to address the multifaceted challenges faced by entrepreneurs and communities. By embracing a holistic perspective, interventions can be more effectively tailored to the specific needs and dynamics of the target population, thereby fostering sustainable economic development and poverty reduction.

In the exploration of poverty and entrepreneurship, Social Capital Theory emerges as a significant theoretical framework that illuminates the intricate web of social relationships, networks, and community connections influencing entrepreneurial activities (Bae and Sohn, 2018; Trivedi and Sharif, 2022). "Social capital theory contends that social relationships are resources that can lead to the development and accumulation of human capital. For example, a stable family environment can support educational attainment and support the development of highly valued and rewarded skills and credentials" (Machalek and Martin, 2015, p. 892). This study delves into the multifaceted aspects of Social Capital Theory, examining its application to impoverished communities and its implications for fostering entrepreneurial initiatives.

Social Capital, as conceptualized by Bourdieu and Wacquant (1992) and further developed by Coleman (1990) and Putnam et al. (1993), refers to the social networks, norms, and trust embedded in social relations within a community. The strength and quality of these connections shape the resources and benefits available to individuals and groups (Emirbayer and Johnson, 2008). Bridging social capital involves connections across diverse social groups, while bonding social capital centers on



relationships within a specific community or group (Huang, 2016). Applying Social Capital Theory to entrepreneurship in impoverished contexts involves understanding how these social connections facilitate or hinder entrepreneurial activities.

The relationship between social capital and entrepreneurship is multifaceted. Adler and Kwon (2002) argue that social capital enhances access to resources critical for entrepreneurial endeavors. In vulnerable communities, where traditional resources may be scarce, the social networks and support structures become paramount (Berrou and Combarous, 2011). Empirical studies demonstrate a positive correlation between strong social networks and entrepreneurial activities, indicating that social capital serves as a valuable resource for overcoming challenges associated with poverty (Zmyslony et al., 2020). While the specific methodology employed in these studies to quantify entrepreneurial activities is not outlined here, they involved surveys, interviews, and other data collection methods to assess the extent of entrepreneurial engagement within communities. In this paper, a similar approach was adopted, utilizing surveys with key stakeholders to gauge the level of entrepreneurial activity and the strength of social networks in Saint John. By aligning this methodology with established practices in the field, this paper aimed to ensure consistency and comparability with previous research findings, thus contributing to the broader understanding of the relationship between social capital and entrepreneurship in the context of poverty reduction.

Burt (2005) distinguishes between structural holes and network closure, emphasizing that an entrepreneur positioned in a network of structural holes has access to diverse information and resources. However, a closed network provides social support and shared norms, fostering trust (Carpiano, 2006). In the context of poverty, the type of social capital may influence the nature and scope of entrepreneurial activities. High bonding social capital may encourage community-based entrepreneurship, while bridging social capital could facilitate access to external resources and markets. Community-based entrepreneurship refers to business ventures and initiatives that are rooted in and closely connected to the local community (Murphy et al., 2020). In this model, entrepreneurs typically leverage the social networks, relationships, and resources within their immediate community to start and sustain their businesses.

While Social Capital Theory offers valuable insights, it is not without challenges. Exclusion and inequality may arise within closely-knit communities, restricting opportunities for individuals who are not part of established networks (Das, 2004). In vulnerable communities, this could exacerbate existing disparities. Additionally, the benefits of social capital may not be evenly distributed, raising questions about how to ensure equitable access for all members of a community.

Social Capital Theory, with its emphasis on the importance of social networks, trust, and collaboration, provides a guiding framework for policymakers to design interventions that foster community resilience and empower individuals and families to overcome the barriers to economic and social advancement (Blankson et al., 2018). By prioritizing social capital in poverty-reduction initiatives, cities can build more inclusive and supportive environments, ultimately contributing to the broader goal of reducing poverty and fostering sustainable economic development.

To achieve the overarching goal of the study, the authors apply Social Capital Theory to thoroughly investigate the intersection of poverty and entrepreneurship in Saint John. This involves delving into the city's current social networks, assessing their strengths, and identifying potential limitations. Of particular interest are the roles that local organizations, community groups, and informal networks may play in influencing entrepreneurial opportunities. The analytical focus on the dynamics of social capital within Saint John is strategically aligned with the broader aim: to derive insights that will guide the development of effective strategies. Specifically, these strategies will address the challenges and drivers of entrepreneurship in the city, with a keen emphasis on identifying opportunities for entrepreneurial initiatives to contribute significantly to poverty reduction.

### **3. Methods**

This study employed a quantitative research design to rigorously investigate the intersection of poverty and entrepreneurship in Saint John. The primary data collection method involved an online survey designed to capture the perspectives of key stakeholders on poverty and the potential impact of entrepreneurship on poverty reduction in the city. Prior to data collection, efforts such as providing detailed instructions, definitions, and examples were made to provide clear definitions and explanations of entrepreneurship to survey participants, ensuring consistency in interpretation. Additionally, the survey included specific questions aimed at gauging stakeholders' perceptions and experiences related to entrepreneurial activities and their potential role in poverty reduction efforts. The target population for this study was 185 key stakeholders, including policymakers, practitioners, and community members with experience working in poverty reduction initiatives in the city. It's essential to recognize that not all participants may be experts on entrepreneurship. However, their experiences and perspectives offer valuable insights into the challenges and opportunities for entrepreneurship in addressing poverty in Saint John.

We used an expert non-probability sampling technique (Bhattacharjee, 2012) to identify potential participants for the survey. We obtained approval from the research ethics board of the University of New Brunswick before conducting the survey. The online survey was administered through the Limesurvey platform (Engard, 2009) to facilitate data collection. The survey was designed to allow participants to complete it at their convenience, with no time limit imposed on their responses. Invitations to participate in the survey were sent to stakeholders via email in April 2018; the survey closed in May. In total, 66 responses were received, which represented a response rate of 35.7%.

In considering the justification for the sample size, the researchers took into account several factors. Initially, their goal was to attain a sample size that could furnish adequate statistical power to discern meaningful differences or relationships within the dataset. This necessitated estimating the effect size of interest while balancing it with practical constraints such as the availability of time and resources for data collection. Furthermore, they endeavored to ensure that the sample size accurately represented the target population of key stakeholders in Saint John, thereby facilitating the generalizability of the findings to a broader context.

Ultimately, the sample size was determined to strike a balance between maintaining statistical rigor and ensuring the feasibility of data collection and subsequent analysis.

To recruit the participants, we used a list of key stakeholders involved in the Living Saint John poverty-reduction projects. These stakeholders included four main categories of organizations: business, government, neighbourhoods, and non-profit and philanthropic agencies. The target population was those who were already positioned to take city-wide action on poverty-related issues. However, we also wanted to ensure that the participants' diverse backgrounds, expertise, and experiences were represented in the survey. Therefore, participants were asked if they had experienced poverty at some point in their lives. We did not provide a specific definition of poverty to avoid bias and to allow participants to define poverty based on their own experiences and understanding.

The survey questionnaire consisted of three sections. The first section focused on gathering demographic information about the respondents, including their organization, role, activity, and poverty experience. The second section included 20 Likert scale questions aimed at identifying the key factors contributing to poverty in Saint John, including Adult Education; Child Care; Children's Education; Children's Nutrition; Cost of Living; Hiring Criteria; Housing; Individual Issues; Job Skills; Lack of Information about Social Assistance Programs; Lack of Support; Medical Benefits; Payments/Benefits; Social Assistance Programs; Social Isolation; System Inflexibility; Tax Incentives; Temporary Jobs; Upbringing; and Lifestyle.

The third section of the questionnaire included 10 pairwise comparison questions aimed at identifying the relative importance of the key factors contributing to poverty in Saint John. The pairwise comparison questions were used to determine the relative importance of each factor and to identify the key priorities for poverty reduction efforts in the city. While the survey questionnaire primarily focused on gathering information related to poverty in Saint John, the questions covered essential aspects based on the main objective of the paper. Despite the focus on poverty, these questions indirectly address important factors that could potentially influence entrepreneurship and its role in poverty reduction within the community.

The collected data was analyzed using both descriptive quantitative (Castellan, 2010) and inferential statistical methods. Descriptive statistics were used to calculate the frequency and percentage of responses to each question in the survey. Inferential statistics such as t-tests and chi-square tests were employed to determine whether there were significant differences in responses between participants who had or had not experienced poverty. The final scores of poverty challenges were also calculated using Microsoft Excel.

Crosstab analysis, a commonly used descriptive tool in various fields such as economics, sociology, and political science (Salleh and Laksana, 2018), was used to explore the relationships between participants' characteristics and their responses. This method was applied to better understand the associations between various demographic factors and the participants' standpoints of poverty challenges.

The 20 poverty challenges were categorized into five broader categories to better understand the underlying factors contributing to poverty in Saint John. These categories were education, employment, health, social inclusion, and personal issues. Each of the 20 challenges was analyzed and assigned to one of these categories

based on its primary focus. For example, challenges related to education, such as Children's Education and Adult Education, were assigned to the education category. Similarly, challenges related to employment, such as Job Skills and Temporary Jobs, were assigned to the employment category.

By grouping the challenges into these broader categories, we could gain a better understanding of the main areas that need to be addressed to reduce poverty in the city. These categories were used as the basis for the pairwise comparison question presented to the participants. The participants were asked to compare the relative importance of each category to one another by allocating a number from 1 to 5 to each side of the table. For example, participants were asked to indicate whether they recognized education as more important than employment, and by how much. This process allowed us to obtain a weighted score for each category based on the participants' responses. The weighted scores were then used to calculate the final scores for each poverty challenge.

To analyze the pairwise comparisons, the weight of each category and the final score of each reason for poverty were determined based on the scoring alternatives of pairwise comparisons. The final scores were calculated by multiplying the score of each reason by the value of its group. To assess the importance of each of the five main categories, we followed the methods of Dittrich et al. (2007) and used pairwise comparisons to better analyze the result of the Likert scale question.

The results of the survey (including the Likert scale, pairwise comparison, and crosstab analysis) were used to produce rankings from the most to the least important poverty challenges. We also generated additional cross-tabulation tables using demographic data and Likert scale items to further analyze the data.

## **4. Results and discussion**

A total of 66 individuals participated in the survey, representing a response rate of 35.7%. The participants were drawn from various sectors, including members of local NGOs, city authorities, representatives of the provincial government, academics, and service providers dealing with poverty. The responses were analyzed and categorized into three main sections: (a) demographics, (b) descriptive analysis of the poverty challenges, and (c) crosstab analysis. The quantitative analysis revealed no statistically significant difference between the opinions of participants with and without poverty experience. This indicates that the responses effectively capture the poverty challenges in Saint John, irrespective of the participants' poverty experiences. Further details on this finding are provided in the crosstab section.

### **4.1. Demographics**

The survey captured information about participants' organizations, roles, activities, and experiences with poverty. Of the 66 participants, 54.5% were from NGOs/non-profits, including the Human Development Council, Learning Exchange, Saint John Community Foundation, North End Wellness Center, Saint John Community Food Basket, John Howard Society United Way Saint John, and Coverdale Center for Women. The private sector had the lowest representation at

4.5%. The government was the second-highest category of participants, comprising 25.8%, while 15.2% were from the academic sector.

Participants in the academic category included university professors, high school teachers, and members of the Learning Exchange, an organization that supports adult education and skills development. The government category included leaders, managers, and employees at the municipal and provincial levels. Nearly 60% of participants held leadership roles in their organizations, with the potential to influence poverty-related policies and decisions. Eight participants reported having a mix of leadership, direct service, advisory, and consulting roles. Around 20% of participants provided direct services to marginalized populations in areas such as food, housing, mental and physical health, employment, and education.

Almost half of the participants (45.45%) indicated that over 50% of their activities were related to poverty and poverty-reduction projects, including their organizations' budgets, staff time, and work plans. Approximately 38% of participants reported having experienced poverty in their lives. The survey results show a high percentage of decision-makers (59.1% with leadership roles), individuals whose daily tasks include poverty-oriented activities (45.5% with 51-100% poverty-related activities), participants from NGOs/non-profit groups (54.5%), and individuals with lived experiences of poverty (37.9%).

#### 4.2. Poverty challenges in Saint John

Participants rated the importance of various poverty-related issues using both the Likert scale and pairwise comparison techniques. The results suggest that educational issues are the most significant challenge related to poverty reduction in the city, with a focus on children. The job market was not considered a significant factor contributing to poverty in the city.

To calculate the final weight of each category's score, the responses from the pairwise comparison questions were multiplied by the Likert scale scores. The final scores were then sorted in descending order, with the highest-ranked challenge being children's education, followed by adult education, job skills, and system inflexibility. The ranking of other challenges, such as child care and housing, decreased in importance compared to the initial Likert scale results. Overall, the results suggest that education is still recognized as a significant poverty challenge, but the target group has shifted from children to both children and adults. **Table 1** represents the final calculated scores based on the Likert scale and pairwise comparison questions.

**Table 1.** Final calculated scores based on the Likert scale and the pairwise comparison questions (n = 66).

Challenge	Score
Children's Education	414.06
Adult Education	395.3
Job Skills	365.82
System Inflexibility	363.14
Lack of Support	360.46
Children's Nutrition	335.61

**Table 1.** (Continued)

Challenge	Score
Payments/Benefits	321.6
Hiring Criteria	303.6
Medical Benefits	302.84
Temporary Jobs	288
Tax Incentives	261.6
Housing	222
Child Care	221.25
Social Isolation	216
Cost of Living	206.25
Social Assistance Programs	205.5
Lack of Information about Social Assistance Programs	176.25
Individual Issues	166.97
Upbringing	161.07
Lifestyle	131.57

### 4.3. Crosstab analysis

Two statistical tests were conducted, namely chi-square and t-test, to analyze the participants' responses to the 20 poverty challenges based on whether they had experienced poverty or not. If there were significant differences in opinions between the two groups, the results would have been analyzed separately. However, the results indicated no significant difference.

In addition, the researchers performed a crosstab analysis to evaluate the most significant poverty challenges based on various variables such as the participants' organization, role, activity, and poverty experience. It is essential to note that the variables identified as "not addressed in previous studies" refer to previous research conducted specifically in Saint John, not the general literature. The following sections will highlight the significant poverty challenges mentioned by different groups of participants that differ from the important poverty challenges in previous sections, including the Likert scale and pairwise comparison tables.

The tables presented in this section provide valuable insights into the poverty challenges among different groups of participants based on their organizational affiliation, position, activity working with poverty, and poverty experience. These insights are particularly important as they help to identify critical causes that have not been addressed in previous studies.

**Table 2** shows that while the participants from all organizations recognized children's education, nutrition, and housing as the most important challenges, there were some differences based on their organizational affiliation. Academics identified upbringing as a basic issue for low-income families, while private sector employees believed that social isolation is a problem for poor families, which prevents them from being involved in social activities and events.

**Table 2.** The five most important poverty challenges based on participants’ organizational affiliation (n = 66).

Rank	Academic	Private Sector	Government	NGO/Non-Profit
1	Children’s Education	Children’s Education	Children’s Education	Children’s Education
2	Children’s Nutrition	Adult Education	Housing	Housing
3	Upbringing	Medical Benefits	Individual Issues	Children’s Nutrition
4	Medical Benefits	Child Care	Children’s Nutrition	Adult Education
5	Child Care	Social Isolation	Adult Education	Child Care

**Table 3** indicates that leaders and administrators emphasized children’s education and housing, while direct service providers identified children’s nutrition and adult education as key challenges. Interestingly, social isolation was identified as a significant issue by participants in all three categories.

**Table 3.** The five most important poverty challenges based on participants’ position (n = 66)

Rank	Leadership	Administrative	Direct Service	Others
1	Children’s Education	Children’s Education	Children’s Nutrition	Children’s Nutrition
2	Housing	Cost of Living	Children’s Education	Children’s Education
3	Social Isolation	Adult Education	Adult Education	Child Care
4	Adult Education	Children’s Nutrition	Housing	Housing
5	Child Care	Medical Benefits	Child Care	Social Assistance Programs

**Table 4** provides insights into the perspectives of participants who work directly with poverty. They highlighted some critical causes that were not mentioned by other groups or in previous analyses, such as individual issues, system inflexibility, and lack of support.

**Table 4.** The five most important poverty challenges based on participants’ activity working directly with poverty (n = 66).

Rank	Less than 25%	26–50%	51–75%	76–100%
1	Children’s Education	Children’s Education	Individual Issues	Housing
2	Adult Education	Children’s Nutrition	Social Isolation	Child Care
3	Children’s Nutrition	Child Care	System Inflexibility	Children’s Education
4	Child Care	Upbringing	Lack of Support	Children’s Nutrition
5	Housing	Social Isolation	Housing	Social Isolation

**Table 5.** The five most important poverty challenges based on participants’ poverty experience (n = 66).

Rank	Yes	No
1	Children’s Education	Children’s Education
2	Children’s Nutrition	Housing
3	Social Isolation	Adult Education
4	Housing	Child Care
5	Adult Education	Children’s Nutrition

**Table 5** highlights the differences between participants with and without poverty experience. The former identified social isolation as one of the most critical issues for low-income families, while the latter selected child care.

Overall, these tables provide a comprehensive overview of the poverty challenges based on various demographic characteristics of the participants. It is essential to note that while some challenges were commonly identified by all groups, others were specific to certain groups, indicating the need for targeted interventions.

## **5. Discussion**

The study findings revealed that individuals who have experienced poverty and work in academic, governmental, NGO/Non-profit, or private organizations verified that social isolation is a significant barrier for vulnerable groups to overcome their economic and social challenges. This finding has important implications for poverty-reduction projects in Saint John. Although social isolation has been recognized as an important factor contributing to poverty by scholars (Pinoncely, 2016; Tacoli et al., 2015), previous projects at the provincial and local levels have focused on other challenges such as education and employment. While employment programs in the city are designed to provide individuals with access to job networks and mentors, they can also help reduce social isolation in the job search process. This finding is also consistent with the concept of social cohesion, which is essential for small cities, as suggested by Cortese et al. (2014). A lack of social cohesion can result in complex challenges such as unequal urban development and urban isolation.

This finding is consistent with the literature review, which emphasizes the importance of networks and social capital as a critical factor for entrepreneurship and poverty reduction. Indeed, the conclusions drawn here resonate with the published findings of Bettencourt and Marchio (2023), who underscored the importance of networks in shaping the dynamics of human settlements. Therefore, interventions aimed at poverty reduction in small cities should prioritize initiatives that tackle social isolation, promote social cohesion, and facilitate the creation of supportive networks among community members.

According to the opinions of academics and NGO/non-profit employees, system inflexibility is a crucial factor contributing to poverty. While participants of previous poverty-reduction projects, like the Overcoming Poverty Together (Government of New Brunswick, 2013), indirectly acknowledged this factor, it was not significantly highlighted in the final report. Some scholars, including Banks and Hulme (2012), argue that addressing system flexibility can help decision-makers find practical solutions to break the cycle of poverty in vulnerable communities. This finding is also consistent with the literature review, which identifies supportive regulatory environments as a critical factor for entrepreneurship and poverty reduction. Policymakers and decision-makers should prioritize the importance of system (in)flexibility when developing entrepreneurial poverty-reduction initiatives in small cities.

According to the viewpoints of government and private sector employees, individual issues are recognized as important causes of poverty. Some scholars argue that poverty in developed countries is a result of political decisions rather than



personal failings (MacKinnon, 2013), while others consider individual issues to be a significant reason for poverty (Pinoncelly, 2016). Despite ongoing debates and the absence of unanimous agreement on the precise impact of individual issues on poverty alleviation initiatives, this study underscores the emphasis placed by certain stakeholders in Saint John on these challenges. This outcome underscores the critical role of access to training and education as fundamental determinants for both entrepreneurship and poverty reduction. Consequently, initiatives aimed at poverty alleviation in small cities should prioritize addressing these individual obstacles by providing adequate support and resources to those in need.

Based on the responses of participants who hold leadership, administrative, direct service, or other roles, and allocate 50% or more of their activities to poverty-oriented projects, housing was identified as the most significant poverty challenge. This finding is in line with previous research that has highlighted the importance of housing as a factor contributing to poverty (Dhananka, 2016; Panori et al., 2019; Smith-Carrier and Lawlor, 2017). Housing has also been a focus of past poverty-reduction projects at the national, provincial, and local levels (Government of Canada, 2017; Government of New Brunswick, 2009, 2019).

The opinions of participants who work in administrative or direct service roles indicate that payments and benefits are significant factors in addressing poverty. These individuals work directly with vulnerable individuals and their perspectives provide insight into the essential income-related aspects of poverty. The Tackling Poverty Together report (Government of Canada, 2017) supports their views, as it examined all related national and provincial support programs in Saint John. This finding suggests that financial support programs are significant factors in addressing poverty, which is also consistent with the literature review's emphasis on access to finance for entrepreneurs. Therefore, policymakers and decision-makers should reassess financial support programs in vulnerable communities to ensure they are providing adequate support to individuals in need.

As stated in the literature review, the critical factors that enable entrepreneurship to contribute to poverty reduction are access to finance, training and education, networks and social capital, and supportive regulatory environments. Lack of access to finance can impede the ability of individuals to start or expand businesses, purchase necessary assets, or access essential services, all of which are key drivers of economic growth and development. Respondents highlighted a significant gap in support systems for vulnerable populations, hindering their capacity to navigate the complexities of entrepreneurship and access essential resources. Addressing these challenges requires holistic strategies that not only enhance access to finance but also prioritize skill development, streamline regulatory processes, and bolster support networks for entrepreneurs. By aligning poverty reduction initiatives with these key areas of concern, policymakers and practitioners can foster an enabling environment for entrepreneurship to thrive, ultimately driving sustainable economic development and poverty alleviation in Saint John.

In Saint John, addressing the entrepreneurial needs of both poor and non-poor residents is essential for effective poverty reduction strategies. For low-income individuals, access to training and education opportunities is paramount. Inadequate education and skills training often hinder their ability to thrive in the labor market,

perpetuating cycles of low wages and limited economic prospects. To confront this challenge, poverty reduction initiatives should prioritize enhancing access to education and training programs tailored to the specific needs of vulnerable populations. This may involve offering scholarships or tuition assistance to low-income students, developing vocational training initiatives aligned with local employers' demands, or establishing mentorship programs in collaboration with educational institutions. By equipping individuals from disadvantaged backgrounds with the requisite skills and knowledge, these initiatives can empower them to break free from the grip of poverty and achieve greater economic mobility.

Furthermore, fostering supportive regulatory environments conducive to entrepreneurship is crucial for both segments of Saint John's population. This entails reducing barriers to entry for small businesses, simplifying regulatory procedures, and cultivating an environment that nurtures innovation and entrepreneurship. Poverty reduction projects should also facilitate networking and collaboration opportunities among local entrepreneurs and businesses, fostering a vibrant ecosystem that encourages entrepreneurship and drives economic growth. By establishing an enabling regulatory framework and fostering a culture of collaboration, these initiatives can generate job opportunities, expand economic prospects, and contribute to poverty alleviation across Saint John, benefiting both its impoverished residents and the wider community.

In the context of poverty alleviation and entrepreneurship, stakeholders in Saint John play a pivotal role in illuminating the nuanced challenges inherent in smaller urban settings. Unlike broader governmental programs, which often adopt a one-size-fits-all approach to poverty reduction, stakeholders possess intimate knowledge of the local landscape and can identify specific barriers to economic advancement. By engaging with stakeholders, this study delves into the intricacies of poverty in Saint John, shedding light on overlooked challenges that may hinder entrepreneurial endeavors. These insights not only enrich our understanding of poverty dynamics within small cities but also highlight the importance of tailored interventions that leverage local expertise and community resources. In essence, stakeholders serve as crucial catalysts for identifying, understanding, and ultimately addressing the complex interplay between poverty and entrepreneurship. Overall, poverty reduction projects in Saint John can benefit from focusing on critical factors that enable entrepreneurship to contribute to poverty reduction. By addressing poverty challenges in these areas, poverty reduction projects can help to improve the economic prospects of low-income individuals and families, increase economic mobility, and reduce poverty in the city. Overall, stakeholders' understanding of generational poverty in Saint John provides a depth understanding of the problem in a small city compared to other federal or provincial poverty-reduction programs which fall short of practical remedies and action plans. The findings indicate that investigating key stakeholders' insights can discover unexpected and neglected poverty challenges in small cities.

Challenges such as social isolation, system inflexibility, individual issues, housing concerns, and the effectiveness of financial support programs are commonly encountered in various vulnerable communities across small cities. Therefore, while acknowledging the limitations of generalization, the insights gleaned from this study

offer valuable considerations for policymakers and decision-makers in similar settings. By recognizing and addressing these shared challenges, tailored entrepreneurship-focused strategies can be developed to mitigate poverty and promote inclusive economic growth across diverse small urban areas, thereby enhancing the efficacy of poverty reduction efforts on a broader scale.

By addressing social isolation and fostering social cohesion, vulnerable individuals and families can build supportive networks that can provide valuable resources, advice, and opportunities for entrepreneurship. Improving system flexibility can reduce bureaucratic barriers that hinder access to resources and support for individuals and families living in poverty. Addressing individual issues can improve the overall wellbeing of vulnerable individuals and families, empowering them to pursue entrepreneurial opportunities. Prioritizing access to affordable housing can reduce homelessness and provide stability for vulnerable individuals and families, allowing them to focus on entrepreneurial opportunities.

Finally, reassessing financial support programs in small cities can ensure that individuals and families living in poverty receive adequate support to pursue entrepreneurial opportunities. By prioritizing these issues in poverty-reduction initiatives, small cities can make a meaningful impact on the lives of vulnerable individuals and families and contribute to poverty reduction through entrepreneurship.

### **Theoretical contributions with social capital theory**

The study aligns with critical factors enabling entrepreneurship for poverty reduction, incorporating the lens of Social Capital Theory. This theoretical framework underscores the significance of social networks, relationships, and community connections in fostering entrepreneurial opportunities. Social Capital Theory posits that the relationships and networks within a community contribute to the overall well-being and economic development of its members. In the context of Saint John, the study emphasizes the importance of social capital by acknowledging the role of community connections in addressing the challenges faced by vulnerable populations.

Social Capital Theory provides a comprehensive understanding of how individuals and communities can leverage their social networks to access resources, information, and support. In the specific context of poverty reduction through entrepreneurship, the study contributes by empirically demonstrating the interconnectedness of social capital with other critical factors. Access to finance, training and education, and supportive regulatory environments are shown to be intricately linked to the strength and quality of social networks. This alignment emphasizes the need for policymakers and decision-makers to recognize and harness social capital as a foundational element in the design and implementation of effective poverty-reduction initiatives.

To delve deeper into the implications of Social Capital Theory, it's crucial to recognize how social capital manifests in entrepreneurship. The theory identifies two main types of social capital: bonding and bridging. Bonding social capital refers to connections within homogenous groups, such as family or close friends, providing

emotional support and trust. Bridging social capital involves connections across diverse groups, facilitating the exchange of information and resources. In the realm of entrepreneurship, both types of social capital are vital.

By acknowledging the broader applicability of the study's findings, policymakers in small cities can leverage social capital to address shared challenges and make a meaningful impact on the lives of vulnerable individuals and families. The theory's emphasis on trust, reciprocity, and collaboration aligns with the study's recommendations to prioritize social cohesion, system flexibility, and community support in poverty-reduction initiatives.

Addressing the research question concerning the integration of Social Capital Theory into poverty-alleviation strategies in Saint John involves a nuanced consideration of stakeholders' insights and experiences. Firstly, stakeholders provide valuable perspectives on the multifaceted nature of poverty in the city. Their field data highlights the interconnectedness between poverty-related challenges and the need for holistic approaches to address them effectively. Stakeholders emphasize that poverty in Saint John is not solely an economic issue but also a social one, requiring interventions that go beyond traditional entrepreneurship programs.

Despite the potential of entrepreneurship to drive economic growth, stakeholders recognize that individuals facing poverty must first meet their fundamental needs before fully engaging in entrepreneurial activities. Therefore, integrating social assistance programs with entrepreneurship initiatives becomes imperative.

Furthermore, stakeholders' insights reveal the significance of Social Capital Theory in informing poverty-alleviation strategies. Social Capital Theory emphasizes the role of social networks, trust, and collaboration in facilitating entrepreneurial activities and reducing poverty. By leveraging existing social capital within communities, policymakers can design interventions that not only promote entrepreneurship but also address underlying social and economic challenges. For instance, fostering community networks and support systems can provide aspiring entrepreneurs with valuable resources, mentorship, and access to markets, thereby enhancing their chances of success.

## **6. Conclusion**

Small cities like Saint John face unique challenges in terms of poverty reduction and entrepreneurial development. The poverty challenges outlined in this paper, including social isolation, system inflexibility, individual issues, housing, and financial support, can all impact entrepreneurial challenges and drivers in small cities. For example, social isolation can make it difficult for individuals to connect with other entrepreneurs, share knowledge and resources, and access potential clients and customers. System inflexibility can make it difficult for entrepreneurs to navigate complex regulatory environments and access necessary support and resources.

Individual issues, such as health problems or lack of education, can also impact entrepreneurial development by limiting individuals' ability to start and grow businesses. Access to affordable housing is essential for entrepreneurs to establish a stable base and invest resources into their businesses. Finally, inadequate financial

support programs can limit entrepreneurs' access to the capital needed to start and grow their businesses. Addressing these poverty challenges in small cities is, therefore, crucial for fostering entrepreneurial development and reducing poverty in these communities.

This study explored the insights of key stakeholders about poverty in Saint John and the implications for poverty-reduction initiatives in small cities. The literature review identified access to finance, training and education, networks and social capital, and supportive regulatory environments as critical factors enabling entrepreneurship to contribute to poverty reduction. The study findings provided valuable insights into poverty challenges in Saint John and their impact on entrepreneurial challenges and drivers in the city.

Moreover, the study findings have broader implications for poverty-reduction initiatives in small cities. The findings suggest that poverty reduction in small cities requires a multi-dimensional approach that addresses social isolation, system flexibility, individual issues, housing, and financial support programs. Policymakers and decision-makers should prioritize addressing these challenges when developing poverty-reduction initiatives in small cities.

Also, the study provides nuanced insights into the challenges of poverty in Saint John, emphasizing the multifaceted nature of poverty and its impact on entrepreneurship through the lens of Social Capital Theory. The findings not only contribute to theoretical frameworks but also offer actionable recommendations. Policymakers and decision-makers in Saint John and beyond are encouraged to adopt a holistic approach that integrates Social Capital Theory, recognizing the interconnectedness of various challenges and the potential for entrepreneurship to effect positive change through strengthened social connections. The study's recommendations, informed by Social Capital Theory, offer a pathway for cities to create transformative and community-driven poverty-reduction strategies.

Overall, this study contributes to the growing body of literature on poverty reduction and entrepreneurship in small cities. It highlights the importance of addressing poverty challenges to promote entrepreneurship and economic development. The study findings provide valuable insights for policymakers and decision-makers in small cities looking to develop poverty-reduction initiatives that prioritize the needs of vulnerable individuals and families. By addressing poverty challenges and promoting entrepreneurship, small cities can make a meaningful impact on the lives of their residents and contribute to the economic and social development of their communities.

Regarding the limitations of the study, it's worth noting that the study's reliance on online surveys may have introduced a selection bias, as it may have excluded individuals without internet access or those less inclined to participate in online surveys. Furthermore, the sample size, although adequate for the study's objectives, may limit the generalizability of the findings to other small cities with different socio-economic contexts. Lastly, the cross-sectional nature of the data collection process limits the ability to establish causal relationships between variables.

**Author contributions:** Conceptualization, MP, GF and RM; methodology, MP and GF; software, MP; validation, MP, GF and RM; formal analysis, MP; investigation,

MP; resources, MP; data curation, MP; writing—original draft preparation, MP; writing—review and editing, MP, GF and RM; visualization, MP; supervision, MP; project administration, MP. All authors have read and agreed to the published version of the manuscript.

**Conflict of interest:** The authors declare no conflict of interest.

## References

- Acs, Z. J., Audretsch, D. B., & Strom, R. (2009). Introduction: Why Entrepreneurship Matters. *Entrepreneurship, Growth, and Public Policy*, 1–14. <https://doi.org/10.1017/cbo9780511805950.002>
- Adler, P. S., & Kwon, S.-W. (2002). Social Capital: Prospects for a New Concept. *The Academy of Management Review*, 27(1), 17. <https://doi.org/10.2307/4134367>
- Argyrou, A., Blomme, R. J., Lambooy, T., et al. (2017). Unravelling the participation of stakeholders in the governance models of social enterprises in Greece. *Corporate Governance: The International Journal of Effective Board Performance*, 17(4), 661–677. <https://doi.org/10.1108/CG-08-2016-0164>
- Armendáriz, B., Morduch, J. (2010). *The Economics of Microfinance*, 2nd ed. MIT Press.
- Atemnkeng, J. T., & Vukenkeng, A. W. (2016). Does social capital really determine poverty? Evidence from a Cameroon household survey. *African Journal of Science, Technology, Innovation and Development*, 8(1), 97–110. <https://doi.org/10.1080/20421338.2015.1128038>
- Bae, K. B., & Sohn, H. (2017). Factors Contributing to the Size of Nonprofit Sector: Tests of Government Failure, Interdependence, and Social Capital Theory. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 29(3), 470–480. <https://doi.org/10.1007/s11266-017-9888-3>
- Banks, N., & Hulme, D. (2012). *The Role of NGOs and Civil Society in Development and Poverty Reduction*. SSRN Electronic Journal. <https://doi.org/10.2139/ssrn.2072157>
- Berglund, K., & Johannisson, B. (2012). Introduction: in the beginning was societal entrepreneurship. *Societal Entrepreneurship*. <https://doi.org/10.4337/9781781006337.00008>
- Berglund, L. K. (2019). *Experts of Crisis: Exclusive Planning Discourse and Community Resistance in Detroit*. University of California.
- Berrou, J.-P., & Combarrous, F. (2011). Testing Lin’s Social Capital Theory in an Informal African Urban Economy. *Journal of Development Studies*, 47(8), 1216–1240. <https://doi.org/10.1080/00220388.2010.547937>
- Bettencourt, L. M. A., Marchio, N. (2023). Street access, Informality and Development: A Block Level Analysis across all of Sub-Saharan Africa. Available online: <http://arxiv.org/abs/2307.16328> (accessed on 12 December 2023).
- Bhattacharjee, A. (2012). *Social Science Research: Principles, Methods, and Practices*. In Textbooks Collection (Vol. 3). Global Text Project.
- Blankson, C., Cowan, K., & Darley, W. K. (2017). Marketing Practices of Rural Micro and Small Businesses in Ghana. *Journal of Macromarketing*, 38(1), 29–56. <https://doi.org/10.1177/0276146717741067>
- Bourdieu, P., Wacquant, L. J. D. (1992). *An Invitation to Reflexive Sociology*. University of Chicago Press.
- Bruton, G. D., Ahlstrom, D., & Si, S. (2014). Entrepreneurship, poverty, and Asia: Moving beyond subsistence entrepreneurship. *Asia Pacific Journal of Management*, 32(1), 1–22. <https://doi.org/10.1007/s10490-014-9404-x>
- Bruton, G. D., Ketchen, D. J., & Ireland, R. D. (2013). Entrepreneurship as a solution to poverty. *Journal of Business Venturing*, 28(6), 683–689. <https://doi.org/10.1016/j.jbusvent.2013.05.002>
- Buck, N. (2001). Identifying Neighbourhood Effects on Social Exclusion. *Urban Studies*, 38(12), 2251–2275. <https://doi.org/10.1080/00420980120087153>
- Burt, R. S. (2005). Brokerage and Closure. <https://doi.org/10.1093/oso/9780199249145.001.0001>
- Carpiano, R. M. (2006). Toward a neighborhood resource-based theory of social capital for health: Can Bourdieu and sociology help? *Social Science & Medicine*, 62(1), 165–175. <https://doi.org/10.1016/j.socscimed.2005.05.020>
- Che Mohd Salleh, M., & Megat Laksana, N. N. (2018). Awareness of flood victims in the east-coast region of malaysia towards the takaful flood policy: a crosstabulation analysis based on demographic variables. *Management and Accounting Review (MAR)*, 17(1), 63. <https://doi.org/10.24191/mar.v17i1.756>
- Coleman, J. S. (1990). *Foundations of Social Theory*. Belknap Press of Harvard University Press.

- Cortese, C., Haase, A., Grossmann, K., et al. (2013). Governing Social Cohesion in Shrinking Cities: The Cases of Ostrava, Genoa and Leipzig. *European Planning Studies*, 22(10), 2050–2066. <https://doi.org/10.1080/09654313.2013.817540>
- Coulter, M. K. (2000). *Entrepreneurship in Action*. Prentice Hall.
- Dana, L.-P., & Ratten, V. (Eds.). (2019). *Societal Entrepreneurship and Competitiveness*. Emerald Publishing Limited. <https://doi.org/10.1108/9781838674717>
- Das, R. J. (2004). Social capital and poverty of the wage-labour class: problems with the social capital theory. *Transactions of the Institute of British Geographers*, 29(1), 27–45. Portico. <https://doi.org/10.1111/j.0020-2754.2004.00112.x>
- Dhananka, S. R. (2016). The Production of Space and Governmentality in the Urban Poor's Claim over Land and Housing. *South Asia Multidisciplinary Academic Journal*, 14. <https://doi.org/10.4000/samaj.4228>
- Dignity for All. (2016). *Dignity for All: A National Anti-Poverty Plan for Canada*. In *Canada without Poverty*.
- Dittrich, R., Francis, B., Hatzinger, R., et al. (2007). A paired comparison approach for the analysis of sets of Likert-scale responses. *Statistical Modelling*, 7(1), 3–28. <https://doi.org/10.1177/1471082x0600700102>
- do Adro, F., & Fernandes, C. (2021). Social entrepreneurship and social innovation: looking inside the box and moving out of it. *Innovation: The European Journal of Social Science Research*, 35(4), 704–730. <https://doi.org/10.1080/13511610.2020.1870441>
- Dodescu, A., Pop-Cohut, I. (2012). Network Governance and Supporting Entrepreneurship Case Study: Regional Entrepreneurship Network in North-West and West Regions of Romania. *European Conference on Management, Leadership & Governance*.
- Dunham, M. R. (2014). *Food Deserts Defined: Intersections of Race, Gender, and Poverty in three Shrinking Midwestern Cities*. Saint Louis University.
- Echenberg, H. (2012). *The Poverty Prism: Causes of Poverty*. Canada. Parliamentary Information and Research Service.
- Eisenmann, T. (2021). *Why Startups Fail: A New Roadmap for Entrepreneurial Success*. Crown Currency.
- Emirbayer, M., & Johnson, V. (2008). Bourdieu and organizational analysis. *Theory and Society*, 37(1), 1–44. <https://doi.org/10.1007/s11186-007-9052-y>
- Engard, N. C. (2009). LimeSurvey <http://limesurvey.org>. *Public Services Quarterly*, 5(4), 272–273. <https://doi.org/10.1080/15228950903288728>
- Eraydin, A., & Özatağan, G. (2021). Pathways to a resilient future: A review of policy agendas and governance practices in shrinking cities. *Cities*, 115, 103226. <https://doi.org/10.1016/j.cities.2021.103226>
- Frick, S. A., & Rodríguez-Pose, A. (2017). Big or Small Cities? On city size and economic growth. *Growth and Change*, 49(1), 4–32. Portico. <https://doi.org/10.1111/grow.12232>
- Gandiwa, S. (2019). An Evaluation of the Management of Micro and Small Enterprises (MSEs) in Zimbabwe: A Case Study of the Manufacturing MSEs in Bulawayo Urban. 9th International Conference on Restructuring of the Global Economy.
- Gelderblom, D. (2018). The limits to bridging social capital: Power, social context and the theory of Robert Putnam. *The Sociological Review*, 66(6), 1309–1324. <https://doi.org/10.1177/0038026118765360>
- Gomez, R., Isakov, A., & Semansky, M. (2015). *Small Business and the City*. <https://doi.org/10.3138/9781442696501>
- Government of Canada. (2017). *Tackling Poverty Together*. In Ference & Company Consulting Ltd.
- Government of New Brunswick. (2009). *A Choir of Voices*. Government of New Brunswick.
- Government of New Brunswick. (2013). *Overcoming Poverty Together—The New Brunswick Economic and Social Inclusion Plan*. In Government of New Brunswick.
- Government of New Brunswick. (2019). *Overcoming Poverty Together 2014–2019 Progress Report*. In Government of New Brunswick.
- Hallett, R. E., & Crutchfield, R. (2017). Homelessness and Housing Insecurity in Higher Education: A Trauma-Informed Approach to Research, Policy, and Practice. *ASHE Higher Education Report*, 43(6), 7–118. Portico. <https://doi.org/10.1002/aehe.20122>
- Han, Z., Mykhnenko, V., Peng, K., et al. (2022). The governance dilemmas of urban shrinkage: Evidence from Northeast China. *Journal of Urban Affairs*, 45(9), 1608–1624. <https://doi.org/10.1080/07352166.2021.2008255>
- Huang, L.-T. (2016). Flow and social capital theory in online impulse buying. *Journal of Business Research*, 69(6), 2277–2283. <https://doi.org/10.1016/j.jbusres.2015.12.042>
- Huggins, R., & Thompson, P. (2014). Culture, entrepreneurship and uneven development: a spatial analysis. *Entrepreneurship & Regional Development*, 26(9–10), 726–752. <https://doi.org/10.1080/08985626.2014.985740>

- Human Development Council. (2017). *The Face of Child Poverty in New Brunswick*. Available online: <https://sjhdc.ca/wp-content/uploads/2020/08/CPRC2017.pdf> (accessed on 25 November 2023).
- Hussain, J., Mahmood, S., & Scott, J. (2018). Gender, Microcredit and Poverty Alleviation in a Developing Country: The Case of Women Entrepreneurs in Pakistan. *Journal of International Development*, 31(3), 247–270. Portico. <https://doi.org/10.1002/jid.3403>
- Hussain, J. G., Scott, J M. (2017). *Research Handbook on Entrepreneurial Finance*. In *Research handbooks in business and management series* (Paperback). Edward Elgar Publishing.
- Hussain, M. D., Bhuiyan, A. B., Bakar, R. (2014). Entrepreneurship Development and Poverty Alleviation: An Emprical Review. *Journal of Asian Scientific Research*, 4(10), 558–573.
- Income Statistics Division. (2016). *Annual Income Estimates for Census Families and Individuals (T1 Family File)*. Statistics Canada.
- Julien, C. (2014). Bourdieu, Social Capital and Online Interaction. *Sociology*, 49(2), 356–373. <https://doi.org/10.1177/0038038514535862>
- Kim, J. Y., & Chan, M. (2013). Poverty, Health, and Societies of the Future. *JAMA*, 310(9), 901. <https://doi.org/10.1001/jama.2013.276910>
- Kimmitt, J., Muñoz, P., Newbery, R. (2019). Poverty and the Varieties of Entrepreneurship in the Pursuit of Prosperity. *Journal of Business Venturing*, May, 1–18.
- Lund, C., Breen, A., Flisher, A. J., et al. (2010). Poverty and common mental disorders in low and middle income countries: A systematic review. *Social Science & Medicine*, 71(3), 517–528. <https://doi.org/10.1016/j.socscimed.2010.04.027>
- Machalek, R., & Martin, M. W. (2015). Sociobiology and Sociology: A New Synthesis. *International Encyclopedia of the Social & Behavioral Sciences*, 892–898. <https://doi.org/10.1016/b978-0-08-097086-8.32010-4>
- MacKinnon, S. (2013). The Politics of Poverty in Canada. *Social Alternatives*, 32(1), 19–23.
- Mahmood, S., Hussain, J., & Z. Matlay, H. (2014). Optimal microfinance loan size and poverty reduction amongst female entrepreneurs in Pakistan. *Journal of Small Business and Enterprise Development*, 21(2), 231–249. <https://doi.org/10.1108/jsbed-03-2014-0043>
- Martinez-Fernandez, C., Audirac, I., Fol, S., et al. (2012). Shrinking Cities: Urban Challenges of Globalization. *International Journal of Urban and Regional Research*, 36(2), 213–225. Portico. <https://doi.org/10.1111/j.1468-2427.2011.01092.x>
- Martinez-Fernandez, C., Weyman, T., Fol, S., et al. (2016). Shrinking cities in Australia, Japan, Europe and the USA: From a global process to local policy responses. *Progress in Planning*, 105, 1–48. <https://doi.org/10.1016/j.progress.2014.10.001>
- Mayombe, C. (2016). Graduates’ views on the impact of adult education and training for poverty reduction in South Africa. *International Social Science Journal*, 66(219–220), 109–121. Portico. <https://doi.org/10.1111/issj.12113>
- Menda, S. (2015). *The Role of Micro and Small Scale Business Enterprises in Urban Poverty Alleviation : A Case Study on Cobble Stone Paving Sector in Addis Ababa City*. Addis Ababa University.
- Moretti, E. (2012). *The New Geography of Jobs*. Houghton Mifflin Harcourt.
- Morgan, H. M. (2020). *Underdog Entrepreneurs*. Springer International Publishing. <https://doi.org/10.1007/978-3-030-20408-2>
- Murphy, M., Danis, W. M., Mack, J., et al. (2020). From principles to action: Community-based entrepreneurship in the Toquaht Nation. *Journal of Business Venturing*, 35(6), 106051. <https://doi.org/10.1016/j.jbusvent.2020.106051>
- Neumeyer, X., Santos, S. C., Caetano, A., et al. (2018). Entrepreneurship ecosystems and women entrepreneurs: a social capital and network approach. *Small Business Economics*, 53(2), 475–489. <https://doi.org/10.1007/s11187-018-9996-5>
- Noble, S. (2018). *Poverty 101: Looking for Answers*. In *Living Saint John*.
- Panori, A., Mora, L., & Reid, A. (2019). Five decades of research on urban poverty: Main research communities, core knowledge producers, and emerging thematic areas. *Journal of Cleaner Production*, 237, 117850. <https://doi.org/10.1016/j.jclepro.2019.117850>
- Pinoncely, V. (2016). *Poverty, Place and Inequality*. Royal Town Planning Institute.
- Polakow, V. (1905). Poverty, Postsecondary Education, and Child Care: African American Females, 125–154. <https://doi.org/10.14321/jj.5501059.10>
- Pruss, V. (2017). *Saint John Group Gets Funding to Fight Generational Poverty*. Available online: <https://www.cbc.ca/news/canada/new-brunswick/saint-john-living-sj-investment-funding-1.4128427> (accessed on 15 November 2023).
- Putnam, R. D., Leonardi, R., & Nanetti, R. Y. (1994). *Making Democracy Work*. <https://doi.org/10.1515/9781400820740>



- Rani, R., & Kumar, N. (2021). The dynamics of link between entrepreneurship, government support and economic growth: Evidence from BRICS countries. *Journal of Public Affairs*, 22(S1). Portico. <https://doi.org/10.1002/pa.2741>
- Sengupta, R., & Aubuchon, C. P. (2008). The Microfinance Revolution: An Overview. *Review*, 90(1). <https://doi.org/10.20955/r.90.9-30>
- Setini, M., Yasa, N. N. K., Gede Supartha, I. W., et al. (2020). The Passway of Women Entrepreneurship: Starting from Social Capital with Open Innovation, through to Knowledge Sharing and Innovative Performance. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(2), 25. <https://doi.org/10.3390/joitmc6020025>
- Shah, M. S., & Lala, M. F. (2021). Is the success of entrepreneurs dependent on the environment in a conflict zone: insights from Indian-administered Kashmir. *Journal of Entrepreneurship and Public Policy*, 10(4), 505–526. <https://doi.org/10.1108/jep-03-2021-0028>
- Shor, R. (2011). Children-at-risk for poor nutrition: Expanding the approach of future professionals in educational institutions. *Child Abuse & Neglect*, 35(8), 606–612. <https://doi.org/10.1016/j.chiabu.2011.04.008>
- Smith-Carrier, T., & Lawlor, A. (2016). Realising our (neoliberal) potential? A critical discourse analysis of the Poverty Reduction Strategy in Ontario, Canada. *Critical Social Policy*, 37(1), 105–127. <https://doi.org/10.1177/0261018316666251>
- Solomon, D. (2006). Poverty: The Search for New Solutions; Interim Solution: For Welfare Clients, Temporary Jobs Can Be a Roadblock; Short Assignments May Stall Goals of Self-Sufficiency, A Detroit Study Suggests; Michigan Weighs New Options. *Wall Street Journal*.
- Statistics Canada. (2016). Census Metropolitan Area (CMA) and Census Agglomeration (CA). Available online: <http://www12.statcan.gc.ca/census-recensement/2016/ref/dict/geo009-eng.cfm> (accessed on 14 December 2024).
- Sutter, C., Bruton, G. D., & Chen, J. (2019). Entrepreneurship as a solution to extreme poverty: A review and future research directions. *Journal of Business Venturing*, 34(1), 197–214. <https://doi.org/10.1016/j.jbusvent.2018.06.003>
- Tacoli, C., McGranahan, G., Satterthwaite, D. (2015). Urbanisation, Rural-urban Migration and Urban Poverty. *International Institute of Environment and Development (IIED)*.
- Toerien, D. F. (2017). The enduring and spatial nature of the enterprise richness of South African towns. *South African Journal of Science*, 113(3/4), 8. <https://doi.org/10.17159/sajs.2017/20160190>
- Toerien, D. F. (2021). Entrepreneurial Space and Enterprise Richness in a Group Of U.S. Counties Before, During, and After Economic Turmoil. *Journal of Rural and Community Development*, 16(1), 175–194.
- Trivedi, S. K., & Sharif, M. M. (2022). Overcoming the liability of poorness: social capital resources of female entrepreneurs in india. *Journal of Developmental Entrepreneurship*, 27(02). <https://doi.org/10.1142/s1084946722500145>
- Vasavada, T. (2020). Collaborative response and social capital theory in the context of disaster management. *International Journal of Public Policy*, 15(5/6), 339. <https://doi.org/10.1504/ijpp.2020.113707>
- Wilkerson, J. M., Sorokach, F. M., & Wafa, M. A. (2021). Does entrepreneur perception of the city's decline matter to place attachment? *Journal of Place Management and Development*, 15(4), 396–422. <https://doi.org/10.1108/jpmd-06-2021-0064>
- Williams, C. C. (2017). Entrepreneurship in the Informal Sector. <https://doi.org/10.4324/9781315683690>
- Youn, H., Bettencourt, L. M. A., Lobo, J., et al. (2016). Scaling and universality in urban economic diversification. *Journal of The Royal Society Interface*, 13(114), 20150937. <https://doi.org/10.1098/rsif.2015.0937>
- Zmyślony, P., Leszczyński, G., Waligóra, A., et al. (2020). The Sharing Economy and Sustainability of Urban Destinations in the (Over)tourism Context: The Social Capital Theory Perspective. *Sustainability*, 12(6), 2310. <https://doi.org/10.3390/su12062310>