Poverty and entrepreneurship: a systematic review of poverty-related issues discussed in entrepreneurship literature

Masoud Moradi, Narges Imanipour*, Zahra Arasti and Reza Mohammadkazemi

Faculty of Entrepreneurship, University of Tehran, Tehran, Iran
Email: moradi.masoud@gmail.com
Email: nimanip@ut.ac.ir
Email: arasti@ut.ac.ir
Email: r_mkazemi@ut.ac.ir
*Corresponding author

Abstract: Poverty is an ever-increasing economic problem and a number of theorists have introduced entrepreneurship as a solution to poverty. However, a small number of studies have theorised, modelled, or analysed entrepreneurship’s contribution to poverty alleviation. In view of that, this study aimed to systematically review previous research on poverty-related issues discussed in entrepreneurship literature to identify common poverty-related issues addressed by entrepreneurship literature. This study as a systematic literature review (SLR) was conducted on a total of 175 papers that were classified into 11 main categories, each representing a major poverty-related issue discussed in entrepreneurship literature. The findings of this study indicate that although many efforts have been made to cover the poverty-related issues in entrepreneurship studies, such as the necessity-based entrepreneurship, entrepreneurship in rural areas, and the empowerment of poor people for undertaking entrepreneurial activities, there are still many dimensions of poverty untouched.

Keywords: entrepreneurship; poverty; poor people; necessity-based entrepreneurship; systematic literature review; sustainable development; developing world; rural areas.


Biographical notes: Masoud Moradi is a PhD candidate in Entrepreneurship, in University of Tehran, Iran. His main research interests are entrepreneurial intentions, new venture creation, business development, and poverty alleviation.

Narges Imanipour is an Associate Professor at the Faculty of Entrepreneurship, University of Tehran, Iran. She holds a PhD in Industrial Engineering. She teaches postgraduate courses in entrepreneurship for over 13 years. Her current areas of teaching and research interests are entrepreneurial decision making.
cognitive biases in marketing, venture creation, SME management, business model and social enterprises. She has authored or co-authored some papers in the areas mentioned.

Zahra Arasti is an Associate Professor at University of Tehran, Iran where she teaches postgraduate courses in entrepreneurship her research interests include entrepreneurship, women’s entrepreneurship, social entrepreneurship and entrepreneurship education and promotion. She authored or co-authored around 20 research articles in English, French and Persian.

Reza Mohammadkazemi is an Associate Professor at the Faculty of Entrepreneurship, University of Tehran, Iran. He received his PhD in Iran, at 2007 which is about Entrepreneurial Marketing-Mix Elements in Football industry of Asian countries. He started to teach marketing and entrepreneurship in Faculty of Entrepreneurship in 2008. More than 30 of his papers is on marketing and also service businesses in entrepreneurial ecosystem. Moreover, he has worked in IRIB as a producer in entrepreneurship programs. He is also a entrepreneurship consultant for some universities to run entrepreneurship courses for their universities in Iran.

1 Introduction

There are several reports from around the world suggesting that a large number of the world population is living in poverty, either absolute or relative poverty. For instance, according to a study by the World Bank, about more than 767 million people were living in extreme poverty i.e., living on less than $1.90 per day in 2013 (Mundial, 2016). Because of the importance of the problem worldwide, poverty reduction was set as one of the main objectives of Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) (Akpomi, 2009; Edoho, 2015). As officially declared by the United Nations, the world should alleviate poverty by 2030 to achieve one of the SDGs (Costanza et al., 2016). Although some measures have been taken to alleviate poverty in different parts of the world, apparently the economic growth has not yet been realised in many poor communities (Richardson, 2004). Based on the official reports on poverty rate, there are still many people, both in developing and developed countries, caught in poverty trap (Koveos and Zhang, 2012).

So far many methods and strategies have been adopted to alleviate poverty, most of which have been centred on charities, volunteers, and donors who provide financial, social, and other forms of support for underprivileged population; the mentioned poverty-alleviation methods have a short-term effect (Ly and Mason, 2012), thus, other economic approaches have found their way into the realm of poverty reduction. A number of scholars, theorists, and policy makers have introduced entrepreneurship as a solution to poverty (Bajde, 2013; Bruton et al., 2013; Alvarez and Barney, 2014; Najafizada and Cohen, 2017). As stated by a number of studies, the relationship between entrepreneurship and development is mutual and reciprocal. In other words, the increase in the number of entrepreneurial activities is expected to result in economic growth and development, and likewise, the elevation of the level of economic development in a community is expected to pave the ground for new entrepreneurial endeavours and ideas (Williams and Williams, 2012).
There is a large volume of studies conducted on entrepreneurship and its aspects, on the one hand, and on poverty and its related dimensions, on the other hand. However, to the best of our knowledge, there are not many studies discussing these two items in a comprehensive manner. Furthermore, as stated by a number of studies, it seems that the relationship between these two has not been well theorised (Poschke, 2013; Peredo, 2003; Rahman et al., 2016). As a result, it seems essential to conduct a review of available studies covering the relationship between entrepreneurship and poverty, to detect poverty-related issues addressed by the entrepreneurship literature and, more importantly, to find likely gaps in the literature. The results of the study may help researchers, policy makers, and governments to determine the focus of entrepreneurship studies in the field of poverty alleviation, and spot the issues neglected by entrepreneurship. In this article, we first put forward a number of questions that may arise when discussing the relationship between poverty and entrepreneurship, and then we utilise the results of our review to answer the questions or partially illuminate the topic.

As stated earlier, entrepreneurship is suggested and introduced as a solution to poverty (Bruton et al., 2013) and it has been argued that entrepreneurs, coming from either prosperous setting or low-income communities can contribute to the reduction of poverty (Sserwanga and Rooks, 2013). The differences between entrepreneurs pulled by an opportunity or pushed by a necessity are largely discussed in the literature (Nabi et al., 2015). So far, the Global Entrepreneurship Monitor (GEM) has shed much light upon the difference between entrepreneurs in terms of their early stage motives. GEM focuses on the early-stage motives of entrepreneurs and divides them into two different groups, including opportunity-based entrepreneurs and necessity-based entrepreneurs (Naudé and van der Walt, 2006; Sahasranamam and Sud, 2016; Williams et al., 2009); the former, i.e., necessity-based entrepreneurship includes those who undertake entrepreneurial activities as they have no any other way to earn a living (Liñán et al., 2013; Block and Sandner, 2009). The GEM’s approach is one of the most vivid approaches investigating the mutual relationship between poverty and entrepreneurship. It holds entrepreneurship as a solution to meet the need of a necessity-driven individual (Dvouletý, 2017; Block and Koellinger, 2009). The distinction between opportunity-based and necessity-based entrepreneurship is also expressed via utilising pull and push factors. Pull motive promotes people to pursue more income, better economic and social status, or even some factors such as independence (Nabi et al., 2015; Brünjes and Diez, 2013). A pulled entrepreneur is thus an opportunity-driven entrepreneur which can not only discover and exploit opportunities, but also create them as well. Nonetheless, to create an opportunity, a person needs skills in a number of items such as leadership, decision making, human resource management, strategy design, financing, marketing, and attaining competitive advantage (Jamali et al., 2018); the mentioned factors and skills are not easily developed in poor people as they are faced with many other issues, hindering them to develop their own skills. Thus, a pushed entrepreneur, on the other hand, is someone who cannot find a good job and has no chance to earn a stable salary, thus pursuing a personal, self-owned and self-managed business (Binder and Coad, 2013; Devece et al., 2016). There are a remarkable body of studies on necessity-based entrepreneurship and pushed entrepreneurs, but there are also a number of questions regarding the difference between these two types of entrepreneurship: what type of entrepreneurial opportunities does pushed entrepreneurs usually qualify for and undertake? Are the entrepreneurial opportunities pursued by necessity- and opportunity-driven entrepreneurs of the same
nature? How do they differ in different steps of the process? In addition, the most important question to answer is to clarify whether the presented dichotomy is a valid and authentic indicator for making a distinction between entrepreneurial activities in poor and rich settings.

Some studies have suggested the use of specific strategies to promote entrepreneurship among poor people. Financing and providing microcredit loans are one of the most commonly discussed methods for the promotion of entrepreneurship among poor people (Hwa Ang, 2004; Venkata Ganesan et al., 2014; Gulli and Berger, 1999; Zapalska et al., 2007). The basic rationale for adopting this strategy is the notion that the lack of access to financial resources, even in small amounts, inhibits and suppresses poor people’s entrepreneurial intentions and provokes a sense of frustration preventing the pursuit of new productive entrepreneurial and innovative ideas (Hwa Ang, 2004; Ly and Mason, 2012; Abdul Rahman et al., 2016). As proposed by some proponents of necessity-based entrepreneurship, the people in need can start their own business only when they are supported by loans, financial supports, microcredit schemes, etc. (Rhyne and Otero, 1992; Venkata Ganesan et al., 2014; Gulli and Berger, 1999; Bateman, 2012). However, a number of studies have proven that, even when such facilities are provided, there are a large number of poor people who do not show any intention and desire to start a personal business to escape the poverty trap (Bradley et al., 2012; Ly and Mason, 2012; Zapalska et al., 2007; Servet, 2016). Consequently, it should be clarified: how effective are financing schemes in promoting entrepreneurial intention and endeavours among underprivileged people?

One of the main problems hindering entrepreneurship in poor communities is the fact that when poor people wish to start their own business, they are faced with some basic structural problems such as the lack of financial resources, education, and business-related skills (Valdivia, 2015; Chun and Watanabe, 2011; Garba, 2010); thus, they have to surmount obstacles twice as much as individuals with a middle or high socioeconomic status. According to some scholars, the under-privileged people are also faced with social and cultural problems such as prejudice and discriminations and poverty-related stigma (Wiger et al., 2015; Williams and Huggins, 2013) as well as institutional problems such as the lack of laws and regulations to support and provide resources for informal entrepreneurs (Autio and Fu, 2015; Fuentelsaz et al., 2015; Buendia Martínez and Carrasco Monteagudo, 2014; Sambharya and Musteen, 2014). In a study of Asian models of entrepreneurship, it is stated that people in different countries approach entrepreneurial activities in different manners because they have different cultural, social, and economical backgrounds; hence, when studying the trend of entrepreneurship in various communities, it is necessary to consider the backgrounds and contextual factors as well (Dana, 2014). As a result, it is recommended to review, identify, and organise efforts made to tackle the obstacles hindering entrepreneurship in poor communities. In other words, we must answer: what has already done to empower poor people, improve social and cultural norms, and alter institutional factors to promote entrepreneurship among poor people?

Given the differences between low-income and high-income communities, some researchers have raised some questions about the difference between these two in terms of the nature of entrepreneurial opportunities created or discovered by poor versus rich people (Tipu, 2016; Figueroa-Armijos and Johnson, 2013). There are controversial findings about the difference between the types of opportunities found by low-income
versus middle- and high-income individuals. Some scholars believe that, because of the limitations and shortages in resources (financial, technical, cultural, educational, etc.) the entrepreneurial opportunities created or discovered in poor settings are almost rudimentary, insignificant, and less fruitful, as compared with business opportunities exploited in rich communities (Williams et al., 2010; Gibbs et al., 2014; Sserwanga and Rooks, 2013). In line with this idea, it has been suggested to search for non-Western models of entrepreneurship as they might work better for the developing world (Dana, 2014). Therefore, it is of great value to answer whether the entrepreneurial opportunities exploited by necessity-based entrepreneurs are really profitable and do they contribute to economic growth? In addition, when investigating the characteristics of entrepreneurs, it might be also asked whether individual entrepreneurs coming from poor and rich communities have the same traits, take the same approach when dealing with entrepreneurial opportunities, and have the same growth orientations. There are also many other questions which might highlight clear-cut differences between them.

Higher levels of economic prosperity and welfare are considered to play a great role in boosting entrepreneurship (Angulo-Guerrero et al., 2017; Xavier-Oliveira et al., 2015). The implicit notion behind the above mentioned idea is that, less developed communities do not welcome entrepreneurial ideas and make it difficult for entrepreneurial efforts to emerge, develop, and flourish (Acheampong and Esposito, 2014; Alvarez et al., 2015). On the contrary, some other groups of researchers have a completely different viewpoint and as they claim, because of the problems in finding a remunerated stable job, people living in poverty find it easier to start their own business and become an entrepreneur (Binder and Coad, 2013; Slack, 2005; Hajdu et al., 2013). Wondering between these two quite divergent approaches, the literature must clarify which one does bear more entrepreneurial opportunities, a poor underdeveloped setting, or a developed and economically prosperous setting.

Finally, when discussing poverty alleviation attempts, strategies, and plans, it is necessary to determine the agents taking part in this agenda. A number of entrepreneurship scholars introduce established entrepreneurial firms and their owners/managers as the agents that must organise their activities in a way to provide community and specially underprivileged people with some services and products, so to help poor people to live a better life (Abraham, 2012; Rahman et al., 2016; Griffin and Tolat, 2012). Such efforts, often referred to as corporate social responsibility, corporate conscience, corporate citizenship, or responsible business are expected to cover only a small number of needs of a small number of people in a limited time and place (Raimi et al., 2015; Elaydi, 2012). However, the widespread poverty that is affecting many lives makes it necessary to adopt more strict and fundamental measures to deal with the problem. On the other hand, another group of scholars have recommended empowering the poor people and involving them in entrepreneurial activities to release a person, then a family, and finally a community from poverty (Williams and Nadin, 2010). So it must be clarified who makes a greater contribution to poverty alleviation: a responsible entrepreneurial business or an empowered necessity-driven entrepreneur?

Taking into consideration all the above-mentioned questions, we conducted this systematic literature review to find probable answers to the questions, determine the main poverty-related issues and trends discussed in entrepreneurship literature, and find out the areas not already covered by the literature.
2 Methods

In this study, in order to reach and collect the most relevant articles on poverty-related issues in entrepreneurship literature, the authors carried out a systematic literature review. This method was exploited as it is commonly used to provide systematic, transparent, and replicable findings on the topic of the study (Liñán and Fayolle, 2015). In order to achieve the most valid results, we only included journal articles, and excluded books, chapters, and conference papers.

Firstly, we searched Scopus database to collect journal articles published from 1990 to 2017, containing the word family of ‘entrepreneur*’ together with one of the poverty-related words including ‘deprivation’, or ‘deprived’, or ‘poverty’, or ‘necessity’. We collected articles containing the mentioned words in their title, abstract, and keywords. The Scopus database was selected as the main source of the articles, as it covers a wider range of journals and is more inclusive than other databases. Our initial search in the Scopus database provided us with 282 articles.

In our review, we included all the definitions of poverty, including extreme poverty, absolute poverty, relative poverty, and subjective poverty. Although the most commonly used and accepted definition of poverty is an income-centred definition (poverty is the lack of income or financial resources to satisfy an individual’s basic needs and/or to achieve a minimum standard of living) (Mundial, 2016; Chen et al., 2014), we included all studies containing the word ‘poverty’ in their own title or key words, regardless of authors’ adopted definition of poverty, to include a larger number of studies and to obtain more comprehensive search results.

Figure 1 Flow diagram of the different phases of the systematic review (see online version for colours)
In the early review process, eight duplicated articles were removed. In order to refine the search results, first the abstracts of all the 282 articles were read by one of the authors to remove irrelevant articles. In case of uncertainty, the whole paper was read to exclude or include it in the final review. As a result, 45 papers were removed from the study. In the next stage, the full texts of the papers were reviewed and 19 other papers were removed, as they did not meet the inclusion criteria. In addition, 13 more papers were also omitted, as we did not access the full text of the papers. It is worth noting that case studies, narrating just a specific case of necessity-based entrepreneurship were excluded from our review. Accordingly, 175 papers entered the final stage of the review, and using thematic analysis, conducted through studying the full text papers, they were classified into 11 main categories, each indicating a major poverty-related issue discussed in entrepreneurship literature. Figure 1 shows a flowchart representing the number of records identified, included, and excluded, and the reasons for exclusions.

When classifying the articles into different categories by theme, in some cases we come across some studies with more than one main theme. For instance, there were several studies which investigated the effects of ‘financing’ on ‘female entrepreneurship’ in ‘rural areas’; in such cases, the article was classified under all the three categories, in order to reach a better understanding of the frequency of studied issues.

### 3 Results and discussion

In order to reach a perspective over the most commonly discussed poverty-related issues in entrepreneurship literature, we first conducted a citation analysis of the results. Citation analysis is a method to find the most influential works in a specific field of study. It also acts as a guide to identify the main topics of interest when conducting a thematic analysis of previous studies. Table 1 presents the results of citation analysis, which identified top-20 most frequently cited studies covering poverty-related issues. Nevertheless, it is worth noting that the newly published articles, despite their great value and impact on the field of the study, might not have enough chance to be cited by many other works; thus, the absence of the newly published papers in Table 1 does not imply their inferior quality or impact.

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Authors</th>
<th>Year</th>
<th>Source (journal)</th>
<th>Cited by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Involution and destitution in capitalist Russia</td>
<td>Burawoy, M.</td>
<td>2000</td>
<td><em>Ethnography</em> Vol. 1, No. 1, pp.43–65</td>
<td>112</td>
</tr>
<tr>
<td>2</td>
<td>Entrepreneurship, developing countries, and development economics: new approaches and insights</td>
<td>Naudé, W.</td>
<td>2009</td>
<td><em>Small Business Economics</em> Vol. 34, No. 1, pp.1–12</td>
<td>95</td>
</tr>
<tr>
<td>No.</td>
<td>Title</td>
<td>Authors</td>
<td>Year</td>
<td>Source (journal)</td>
<td>Cited by</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------</td>
<td>------</td>
<td>------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 34, No. 9, pp.1612–1638</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Impact at the ‘Bottom of the Pyramid’: The role of social capital in capability development and community empowerment</td>
<td>Ansari, S., Munir, K. and Gregg, T.</td>
<td>2012</td>
<td>Journal of Management Studies</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 49, No. 4, pp.813–842</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I can’t get no satisfaction – Necessity entrepreneurship and procedural utility</td>
<td>Block, J. and Koellinger, P.</td>
<td>2009</td>
<td>Kyklos</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 62, No. 2, pp.191–209</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Necessity and opportunity entrepreneurs and their duration in self-employment: evidence from German micro data</td>
<td>Block, J. and Sandner, P.</td>
<td>2009</td>
<td>Journal of Industry, Competition and Trade</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 9, No. 2, pp.117–137</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Capital is not enough: innovation in developing economies</td>
<td>Bradley, S.W., McMullen, J.S., Artz, K. and Simiyu, E.M.</td>
<td>2012</td>
<td>Journal of Management Studies</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 49, No. 4, pp.684–717</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Entrepreneurship as a solution to poverty</td>
<td>Bruton, G.D., Ketchen, D.J. and Ireland, R.D.</td>
<td>2013</td>
<td>Journal of Business Venturing</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 28, No. 6, pp.683–689</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>The impact of a necessity-based start-up on subsequent entrepreneurial satisfaction</td>
<td>Kautonen, T. and Palmroos, J.</td>
<td>2010</td>
<td>International Entrepreneurship and Management Journal</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 6, No. 3, pp.285–300</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 40, No. 4, pp.1009–1033</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>The motives of off-the-books entrepreneurs: necessity- or opportunity-driven?</td>
<td>Williams, C.C.</td>
<td>2009</td>
<td>International Entrepreneurship and Management Journal</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Vol. 5, No. 2, pp.203–217</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Title</td>
<td>Authors</td>
<td>Year</td>
<td>Source (journal)</td>
<td>Cited by</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------------------------------</td>
<td>------------------------------</td>
<td>-------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>13</td>
<td>Economic and political institutions and entry into formal and informal entrepreneurship</td>
<td>Autio, E. and Fu, K.</td>
<td>2015</td>
<td>Asia Pacific Journal of Management Vol. 32, No. 1, pp.67–94</td>
<td>33</td>
</tr>
</tbody>
</table>
As shown, the most cited papers are clearly focused on a limited number of research topics, including: difference between necessity-based and opportunity-based entrepreneurship, role of financing in promoting entrepreneurship, poverty alleviation strategies, self-employment in poor communities, and the role of institutions in promoting entrepreneurial activities. We utilised these main topics as a guide and initial framework for categorising the studies into main thematic categories. Nonetheless, it is clear that the main topics found in most cited papers are not all-inclusive and there are several other topics not covered by them. Overall, it seems that, when discussing poverty in entrepreneurship literature, the scholars are following a similar tradition and discussing some limited number of poverty-related issues, while there are many other topics that have a high potential to be assessed in the literature.

Using the thematic analysis of the studies, we identified ten main categories of poverty-related issues discussed in the literature. Furthermore, seven studies did not fall into any of the ten main categories. Thus, a further category was introduced to cover other research avenues. Table 2 shows the 11 identified main categories and the frequency of articles in each category. It is worth noting that some papers, because of the diversity of their main topics, were classified under more than one category.

### Table 2

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Number of articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Necessity vs opportunity entrepreneurship</td>
<td>55</td>
</tr>
<tr>
<td>2</td>
<td>Entrepreneurship’s keys to poverty alleviation</td>
<td>26</td>
</tr>
<tr>
<td>3</td>
<td>Financial services for entrepreneurial activities in poor communities</td>
<td>22</td>
</tr>
<tr>
<td>4</td>
<td>Empowering poor people and promoting entrepreneurship</td>
<td>20</td>
</tr>
<tr>
<td>5</td>
<td>Female entrepreneurs as the agents of change</td>
<td>20</td>
</tr>
<tr>
<td>6</td>
<td>Entrepreneurship in poor rural areas</td>
<td>17</td>
</tr>
<tr>
<td>7</td>
<td>Top-down strategies: entrepreneurship at the bottom of the pyramid</td>
<td>17</td>
</tr>
<tr>
<td>8</td>
<td>Entrepreneurship as self-employment</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Social entrepreneurship for poverty alleviation</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Entrepreneurial intention in a condition of poverty</td>
<td>4</td>
</tr>
<tr>
<td>11</td>
<td>Other research avenues</td>
<td>7</td>
</tr>
</tbody>
</table>

As shown in the Table 2, a large body of the literature is discussing a dichotomy of necessity and opportunity entrepreneurship. Although, making a distinction between these two types of entrepreneurship might shed light on some of the differences between rich and poor people in terms of their early motives for undertaking an entrepreneurial activity and the related early stages of the process, it might not properly cover later stages of entrepreneurial endeavours. Since entrepreneurship is an ongoing process, classifying it by early motives does not help to get a clear picture of other factors affecting entrepreneurship in later stages. Below, we introduce and discuss the main categories identified in our systematic review. For each category, we not only list part of the main issues and ideas presented by previous studies in the field of entrepreneurship, but also discuss the findings to provide a better picture of what is covered or ignored by each category of studies.
3.1 Necessity vs opportunity entrepreneurship

A large number of papers in this category are focused on the difference between necessity-driven entrepreneurs and opportunity-driven entrepreneurs. They try to highlight the factors which push a poor person toward entrepreneurship or pull an ordinary or rich person toward pursuing an opportunity (Williams and Williams, 2014; Achua and Lussier, 2014; Naudé and van der Walt, 2006; Nabi et al., 2015). In so doing, they usually tend to attribute opportunity-based entrepreneurship to middle- and high-income people and limit the poor people only to necessity-based activities (Fuentelsaz et al., 2015; Block et al., 2015; Rubach et al., 2015), while a number of studies have reported some cases of opportunity-driven entrepreneurship by poor people, indicating that even people under financial limitations and crisis can discover or create entrepreneurial opportunities (Xavier-Oliveira et al., 2015; Williams, 2009; Warnecke, 2014). Furthermore, some researchers have reported the higher prevalence of opportunity-based entrepreneurship, as compared with the necessity-entrepreneurship; to justify this phenomenon, it is said that nascent entrepreneurs who have more entrepreneurial skills, start up their businesses based on entrepreneurial opportunities recognition rather than a necessity option (Rezaei et al., 2017). A sub-topic of interest in this category is the productivity and efficiency of necessity-based entrepreneurship and its role in economic growth. Although necessity-based entrepreneurship is introduced as a way to escape poverty for many deprived and underprivileged people (Downing, 2012; Poschke, 2013; Devece et al., 2016; Sserwanga and Rooks, 2013), it is not considered by some scholars as a factor effective in economic growth (Popescu and Drăghici, 2012; Maritz, 2004a). In some other works, necessity-based entrepreneurship is recognised much as a survival strategy, rather than a fruitful economic activity (Chrysostome, 2010).

It is obvious that poverty, as an imposing factor, shapes what is possible to do in a poor setting, but it does not determine how to do it. Furthermore, entrepreneurs are people who go beyond boundaries and shape what they have in their mind. Hence, confining entrepreneurship in poor setting to necessity-entrepreneurship may be a too simplistic approach, because a person living in poverty may actively search for business opportunities and create a highly fruitful firm. In such a case, it is too difficult to call it necessity entrepreneurship, since it has many things in common with opportunity entrepreneurship.

Many studies classified under this category are suggesting the low productivity of necessity-based entrepreneurship that might be attributed to inherent characteristics of poor communities and necessity-driven entrepreneurs such as low level of skills (Chun and Watanabe, 2011), low level of education (Baxter et al., 2014), lack of access to financial resources (Rhyne and Otero, 1992), inadequate social capital (Lee et al., 2011), etc. When a business is small sized, too simple, without much novelty, and with a low level of revenue, it might not be classified as an entrepreneurial activity. Thus, further studies are recommended to measure or model the effect size of necessity and opportunity entrepreneurship on poverty and determine the minimum standards to define a business (especially a necessity-based one) as an entrepreneurial business.

Furthermore, as stated above, the dichotomy of necessity-based and opportunity-based entrepreneurship just helps to make a classification between entrepreneurs in terms of their early motives and it might not properly cover what comes next to idea generation and business creation. People coming from a poor setting probably have mindsets, habits, and life strategies different from those in rich people; such differences are expected to
affect all the steps of entrepreneurship. Thus, to make the dichotomy more authentic, it seems necessary to conduct further studies and find out how the early motive (i.e., opportunity or necessity) affects different aspects of entrepreneurial activity such as business model, size of the firm, growth orientation, and later success of the business.

3.2 Entrepreneurship’s keys to poverty alleviation

The second main category of studies includes studies introducing entrepreneurship as a solution to poverty. The majority of studies in this category are empirical studies which are in search of empirical evidence to prove the effectiveness of entrepreneurship in poverty alleviation and economic growth (Marsden, 1992; Richardson, 2004; Si et al., 2015; Edoho, 2015; Bruton et al., 2015; Tobias et al., 2013; Brixiova, 2010). Nonetheless, a group of studies have challenged the idea and suggested that the entrepreneurial attempts, especially, the small-sized firms and businesses run by unqualified poor people are vulnerable to failure (Frankish et al., 2014) and even in case of continuation of the business, they remain small-scaled businesses that mainly act as a tool for survival in the subsistence market (Brixiova, 2010, Bruton et al., 2015). The other group of researches which challenged this notion are those who believe that entrepreneurship, economic growth of companies, and globalisation do not guarantee the welfare of poor people; on the other hand, such efforts may overlook poor people and impose a further economic burden on them, as poor people may not enough knowledgeable and qualified to encounter the new changes caused by entrepreneurial efforts and globalisation (Bhensdadia and Dana, 2004). To meet the challenge and reach higher levels of entrepreneurial productivity in poor communities, the scholars have suggested and investigated other entrepreneurial schemes such as micro-entrepreneurship (Halim et al., 2014; Angulo et al., 2017; Verrest, 2013; Babah Daouda et al., 2016), social entrepreneurship (Najafizada and Cohen, 2017), and group-entrepreneurship (Van De Bogaert, 1992). Looking deeper into the papers classified under this theme, it can be concluded that entrepreneurship especially necessity entrepreneurship is a remedy for poverty, but the size of impact is still unclear and vague. The majority of studies have reported that the entrepreneurial activities performed by poorer groups in every community usually are small in size; therefore, it is difficult to measure or prove their positive effects on economic growth and their contribution to poverty alleviation in general. Moreover, the majority of the reviewed studies did not mention the effect size of different types of entrepreneurship on poverty, resulting in an ambiguity in the outcomes of entrepreneurship. For instance, a small enterprise owned and managed by a necessity-driven entrepreneur may only satisfy the needs of a small group of people (entrepreneur’s family) and does not much contribute to national economic growth, while a large company may trigger a big economic change in a region, changing the lives of hundreds or thousands of people in a community. As one of the major drawbacks of studies in this field, they rarely used quantitative or econometric methods to objectively measure the impact of individual entrepreneurial activities on economic growth and poverty alleviation in a community or region. Apparently, there is a need for conducting quantitative studies using quantitative indicators to find out the real economic impact of different types of entrepreneurial activities on poverty alleviation. The use of monetary indices helps scholars and policy makers to raise their knowledge on the economic benefits of outcomes of business creation in poor communities.
3.3 Financial services for entrepreneurial activities in poor communities

There is a common tendency to recognise financial problems as the only or the major cause of poverty-related complications. Those adopting such an approach are interested in mere utilisation of financial tools and interventions (Servet, 2016). Taking into account the above mentioned fact, we found two main groups of studies with a focus on the topic; the first group of studies are advocating for the provision of financial services for poor people, especially those willing to become an entrepreneur (Kunal, 2013; Zapalska et al., 2007; Sigalla and Carney, 2012; Coleman, 2006; Gulli and Berger, 1999), and the second group are those investigating the impact of such services on the establishment or growth of entrepreneurial activities in poor communities (Zapalska et al., 2007; Klingelhöfer et al., 2012; Venkata Ganesan et al., 2014; Bradley et al., 2012). There is also a subsidiary sub-category in the studies with a focus on the factors affecting poor people’s access to financial services and the capital required to launch their own business (Abdul Rahman et al., 2016; Klingelhöfer et al., 2012; Lee et al., 2011). Overall, quite a remarkable number of studies have introduced microfinance and microcredit services as effective tools for the promotion of entrepreneurial quests in poor communities (Kunal, 2013; Coleman, 2006; Gulli and Berger, 1999; Ly and Mason, 2012).

Although the topic of financial services is of great importance in entrepreneurship literature, and it has been shown that a large portion of entrepreneurial startups and firms are launched only after benefiting from financial services and supports, it may act as a double-edged sword in poor communities. For instance, when a loan is provided for a person who has no knowledge or experience of working with huge amounts of money, he may not be able to correctly and effectively manage the money for launching his own business; the money may be spent carelessly, used for basic subsistence needs, or mismanaged. In such a condition, the provision of financial service, i.e., the loan, not only does not help the person to escape the poverty, but also leave him with a debt and the risk of subsequent financial penalties and even the risk of imprisonment. The low financial skill of poor people is a point that is overlooked by many researchers working on the subject. In other words, although scholars have correctly identified a major problem of entrepreneurs in poor communities, i.e., the access to financial resources, they somewhat neglected or underestimated the significance of the low economic skills of poor people, which might neutralise the effect of the provided services.

In order to strengthen the favourable effects of financial services for poor people, it seems necessary to equip them with the knowledge required for effective management of money in a business. On the other hand, although many researchers have investigated the delivery of financial services to poor people and developing strategies to help them access financial resources, to enrich the literature in this field and to cover the shortcomings, it is necessary to investigate the poor people’s abilities and skills in managing money, how they spend the financial services provided for them, and how their businesses are affected by the services.

3.4 Empowering poor people and promoting entrepreneurship

Not all the scholars consider monetary factors as the determinants of living in poverty or escaping from poverty. On the contrary, the entrepreneurship literature like many other fields of knowledge considers poverty as a multifaceted problem, which must be approached from different sides to be controlled, alleviated, and eradicated (Fuentelsaz
et al., 2015). Adopting such a viewpoint, the studies in this category discuss the effect of context (Wiger et al., 2015), institutions (Autio and Fu, 2015; Buendía Martínez and Carrasco Monteagudo, 2014), and individual factors (Frese et al., 2016; Chun and Watanabe, 2011) on the promotion of entrepreneurship and the subsequent reduction of poverty. The majority of studies in this category are putting emphasis on education, in general, (Akpomi, 2009; Roy and Roy, 2010; Fossen and Büttner, 2013) and specifically entrepreneurship trainings (DeJaeghere and Baxter, 2014; Mensah and Benedict, 2010; Odunaike and Amoda, 2009; Baxter et al., 2014) for empowering poor people to practice entrepreneurship.

As the results of our review showed, the majority of the reviewed studies discuss the challenges facing entrepreneurs in financially poor settings (Jaimovich, 2010; Valdivia, 2015; Bradley et al., 2012; Abraham, 2012; Kraus-Harper, 1991). Although some of the studies are focusing on the promotion of poor people’s skills, and training them about business-related issues, they have largely neglected the empowerment strategies to prepare poor individuals to become an entrepreneur via enhancing their intentions or promoting specific entrepreneurial capabilities. It is well known that entrepreneurship is an individual-centred process that involves personal characteristics of the entrepreneur, such as his/her ambitions, tendencies, and feelings, and emotions. Furthermore, the studies that have investigated the differences between rich and poor communities are suggestive of differences between people living in these two distinct settings in terms of individual related factors. Hence, it might be more difficult to push poor people toward personal, self-managed, entrepreneurial activities, as they are facing more internal and external barriers.

Empowerment has many dimensions. Although the reviewed studies reported education as an empowerment strategy, they usually have not been clear in defining the types of education required. Thus, as the first step, it is necessary for future studies to define and categorise different types of education needed to empower a person to escape the poverty trap via entrepreneurship, for instance the trainings on idea generation, business creation and growth, economic management, human resource management, etc. In addition, future studies can investigate the psychological, emotional, and other personal factors that are involved in empowering a person to adopt a different path of life.

3.5 Female entrepreneurs as the agents of change

Poverty is a wide-ranging problem affecting the life of all people living in a poor community, regardless of their age and sex. However, because of the cultural, social, and even historical factors surrounding female population, they are more threatened by negative effects of poverty. Hence, to escape from the likely risks and even to protect the family from the likely hazards of living in poor areas, women are pushed into entrepreneurial actions (Eversole, 2004; Anderson and Mdemu Komba, 2017; Epstein, 1990; Mayoux, 1995). A number of studies in the entrepreneurship literature devoted to poverty-related issues are mainly focused on challenges facing women entrepreneurship (Halkias et al., 2011; Warnecke, 2014; Epstein, 1990; Chakrabarty and Bass, 2014; Holienka et al., 2016; Green et al., 2015). The other frequently discussed topic is the challenges and opportunities in financing entrepreneurial activities performed by women (Vyas et al., 2015; Venkata Ganesan et al., 2014; Klingelhöfer et al., 2012; Mahmood et al., 2014).
Gender inequality is an issue much discussed in the entrepreneurship literature, suggesting that women are facing more difficulties, restrictions, and obstacles when they want to start their own entrepreneurial business, regardless of their socioeconomic status. According to the results of our review, it is also addressed by studies which are focused on poverty alleviation (Halkias et al., 2011; Mayoux, 1995; Holienka et al., 2016; Green et al., 2015). Nevertheless, a number of studies claim that the impact of women entrepreneurship does not go beyond family survival or family welfare.

The review of previous studies shows that they have properly highlighted the involvement of women in entrepreneurial activities. However, as one of the drawbacks of studies in this filed, the circumstances under which female entrepreneurs start their career are not clearly defined. In addition, although the creation of businesses by women in poor communities has been studied by a number of studies, few researchers have investigated later stage of women-owned businesses. Thus, the continuation and growth of firms started by poor female entrepreneurs, their challenges and opportunities, and their impact on economic growth of communities are not well clarified.

3.6 Entrepreneurship in poor rural areas

Because of the limitations in resources and opportunities, it seems that the problem of poverty is more significant in rural areas, than in urban areas (Chun and Watanabe, 2011). Thus, many efforts have been made to address poverty in rural areas, through different means including entrepreneurship (Figueroa-Armijos and Johnson, 2013). The studies in this category are mainly focusing on the opportunities in rural areas which can be utilised by poor people to alleviate their condition and promote their socioeconomic status (Torri, 2009, Peredo, 2003; Figueroa-Armijos and Johnson, 2013; Van De Bogaert, 1992). This category of studies also address the problems of financing entrepreneurs in poor rural areas (Venkata Ganesan et al., 2014; Klingelhofer et al., 2012; Bateman, 2012; Zainalaludin, 2012).

Rural populations, in many countries of the world, are more vulnerable to the risks of poverty. It has even been stated that the transitions in economic atmosphere and globalisation may even sometimes worsen the condition (Bhensadia and Dana, 2004). The literature has properly addressed poverty in rural areas and introduced entrepreneurship as a tool for alleviation poverty in such areas. Nonetheless, the main topics discussed in this field are diverse and the studies are usually reporting specific cases of entrepreneurial activity carried out in rural areas, some of which are not initiated by the people living in poor rural areas. Part of the diversity in the topics of the study can be attributed to the diverse characteristics of different rural areas. Nevertheless, we cannot ignore the need for a model that depicts, explains, and prescribes entrepreneurship in poor rural areas. Moreover, to get a better picture of the role of entrepreneurship in alleviation of poverty in rural areas, it is necessary to conduct specific studies to categorise different types of entrepreneurial activities that are feasible in poor rural areas. Furthermore, future studies are recommended to investigate and determine the most appropriate strategies for promoting entrepreneurship in such areas, so to confront and fight poverty.
3.7 Top-down strategies for the promotion of entrepreneurship at the bottom of the pyramid

In addition to many theories, ideas, and strategies developed to promote entrepreneurship among poor people, there is another category of studies which evaluates the effect of large-sized entrepreneurial ventures on poor communities or the so-called bottom of the pyramid (Tasavori et al., 2015; Abraham, 2012; Ansari et al., 2012; Acheampong and Esposito, 2014; VanSandt and Sud, 2012). According to the studies in this category, the entrepreneurial firms can act as the agents of change through providing special services for poor people which provide them with better standards of living (Dakduk et al., 2012; Alvarez et al., 2015; Elaydi, 2012). This type of strategy, is a top-down strategy which utilises the benefits obtained by a business to alleviate the symptoms of poverty, without necessarily involving poor people in the entrepreneurial process (Ennis, 2015; Rahman et al., 2016; VanSandt and Sud, 2012).

Top-down strategies have always been among typical strategies adopted by governments to alleviate poverty. Contrary to some common strategies like direct payments to poor people, there are some other top-down strategies that indirectly affect and alleviate poverty. The establishment of entrepreneurial firms and businesses in poor communities helps to easily provide poor people with entrepreneurial services and products on the one hand, and promote the economic status of poor areas on the other hand. Given the poor capabilities and opportunities of poor people to start a self-owned entrepreneurial firm, it may be very helpful to help them benefit from the entrepreneurial activities initiated by rich groups of the community. Nevertheless, it is necessary to further investigate the strategies for involving poor people in entrepreneurial businesses, either by providing them with cheaper products or services, or by recruiting them as the employees and workers.

3.8 Entrepreneurship as self-employment

This category of studies adopts a special definition of entrepreneurship that is too limited. As their main assumption, entrepreneurship in poor communities is usually emerged as self-employment, where a poor individual starts a self-owned, self-managed business with a limited revenue (Margolis, 2014; Temkin, 2009; Binder and Coad, 2013). Self-employment, as a type of entrepreneurship, can be a source of income for the person starting the business (Eversole, 2003) and a way to tackle social deprivation (Slack, 2005), however it is not expected to make a big economic change in the large scale (Margolis, 2014).

Given the limited resources and opportunities available to poor people, they are not expected to start a large-scale firm with a large revenue and with many staff. Since the businesses created by poor people, even when they are novel and innovative, are small in scale and typically run only by the business owner, it seems necessary to search for and propose a new definition for entrepreneur and entrepreneurship in poor settings, and determine whether this type of self-employment can be considered as a type of entrepreneurship or not.

It is worth noting that the reviewed studies that investigated entrepreneurship in poor settings adopted various definitions of entrepreneurship. The use of diverse definitions makes it difficult to make compare the results of studies with each other. Therefore, to make better conclusions and accurately compare the results of different studies on
entrepreneurship in poor communities, the future studies are recommended to propose and adopt a unique and comprehensive definition for entrepreneurship in poor settings.

3.9 Social entrepreneurship for poverty alleviation

A group of studies in the literature introduces social entrepreneurship as a solution to poverty. This group of studies are concentrated on entrepreneurial efforts which are carried out on the basis of an altruistic (Overall, 2017) or philanthropic (Bajde, 2013) approach. Despite the popularity of social entrepreneurship in the current era and the availability of many written and oral documents in public media, quite surprisingly we found a fairly limited number of papers in the studied databases. Hence, the scholars interested in the role of entrepreneurship in poverty alleviation are recommended to focus more on the subject.

In addition to the limited focus of researchers on social entrepreneurship, there are some other related dimensions of the subject that need to be addressed by the researchers in this field. One of the main issues with the social entrepreneurship is its size of impact, as they usually target a limited number of poor population, a specific region, or a special marginalised group of people. The other issue concerning social entrepreneurship, which is not properly investigated and discussed in the literature, is the sustainability of social entrepreneurial firms. As they are usually acting as non-profit organisations, and making profit is subsidiary to their main goal, social entrepreneurs may run out of resources in a long term or may be affected by economic tensions. Hence, it is necessary to study their sustainability and the strategies they utilise to not only help poor people, but also guarantee their own sustainability.

3.10 Entrepreneurial intention in a condition of poverty

Although entrepreneurial intention is a common and frequently discussed topic in the literature, few studies have investigated the formation of entrepreneurial intention in a poverty-dominated setting. In other words, a small number of studies have investigated the factors affecting poor people’s entrepreneurial intentions (Vinogradov et al., 2013). The studies in this category, although few in number, are reporting contradictory results. Although it is said that entrepreneurial intention is intensified in the time of need and crisis because of the scarcity of other ways of income generation (Arrighetti et al., 2016), there is another hypothesis indicating that people’s entrepreneurial intentions are faded away under extreme pressure of poverty, which prevents them from undertaking entrepreneurial endeavours (Venugopal et al., 2015, Vinogradov et al., 2013).

This category of studies has a close association with the first category of studies mentioned earlier, i.e., necessity versus opportunity entrepreneurship. Both of these categories of studies are focusing on the early stage of entrepreneurship and they want to show and discuss how entrepreneurial endeavours start in poor settings. From a critical point of view, the studies discussing necessity versus opportunity entrepreneurship are in fact discussing and illuminating the intentions behind the start of any entrepreneurial firm. Therefore, as discussed earlier, it might be too unsophisticated to categorise entrepreneurial activities only on the basis of early intention, as the entrepreneur undergoes many changes during the process, making them quite different from the persons who were they at the start of their own business. The studies which discuss and
investigate intention, on the other hand, can pave the ground for making a distinction between pull and push factors that motive opportunity- and necessity-driven entrepreneurs. The results of such studies can help policy makers to design plans and policies to promote entrepreneurship among poor people to help them escape the poverty trap. Nonetheless, it is necessary to conduct further studies to determine whether the entrepreneurs starting from poor setting do really differ from those coming from rich setting or not.

3.11 Other research avenues

Our review showed that there are a number of frequently cited studies that cannot be classified under any of the given categories. Thus, we introduced a new class to cover those interesting and remarkable studies as well. In one of the most cited works in this category, the authors introduce two main types of survival strategy: defensive and entrepreneurial, where the defensive strategy is focused on primitive life, limited to the survival of the person and family; on the other hand the entrepreneurial strategy is more directed toward trade and large scale economic actions, even in the time of crisis (Burawoy, 2000). Another study in this category discusses off-the-books entrepreneurship and the effects of geographic differences on entrepreneurial actions (Williams and Nadin, 2010). Entrepreneurship and ethics under extreme conditions of poverty (Chikweche and Fletcher, 2013), problems facing firms in deprived areas (Lee and Cowling, 2013), policy entrepreneurship in response to urban poverty (Hammond, 2013), and tackling barriers to entrepreneurship in a deprived urban neighbourhood (Williams, 2011) are the other topics classified under this category.

The review of the studies in this category indicated the diversity of the subjects that can be studied in this field. All the mentioned studies are dealing with a specific facet of entrepreneurship and its linkage with poverty alleviation. For instance, investigating the dichotomy of life-saving and entrepreneurial businesses can help to determine whether self-employment or launching a very small self-owned business is an entrepreneurial activity and can be defined as entrepreneurship or not. Future studies can go beyond the common topics discussed in the literature and look more deeply into the less investigated areas, to shed further light on the contribution of entrepreneurship to poverty alleviation.

Table 3 presents the main categories of the studies reviewed in this research and presents the subcategories that represent the main topics discussed in each category of studies.

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Subcategories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Necessity versus opportunity entrepreneurship</td>
<td>Differences between necessity and opportunity entrepreneurship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Determinants of the two types of entrepreneurship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Differences between necessity-driven and opportunity driven entrepreneurial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lessons learned from the study of the two types of entrepreneurship</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Impact of necessity-based entrepreneurship on poverty reduction</td>
</tr>
</tbody>
</table>
Table 3  Thematic analysis of the reviewed studies (continued)

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Subcategories</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Entrepreneurship’s keys to poverty alleviation</td>
<td>Entrepreneurship and economic development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Specifying the positive impacts of entrepreneurship on poverty reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion of entrepreneurship among poor people</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pro-poor economic growth via entrepreneurship</td>
</tr>
<tr>
<td>3</td>
<td>Financial services for entrepreneurial activities in poor communities</td>
<td>Principles of financing poor people to start their own business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Microfinance and poverty reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sources of financing in poor areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Availability of financial resources for poor people</td>
</tr>
<tr>
<td>4</td>
<td>Empowering poor people and promoting entrepreneurship</td>
<td>Building entrepreneurial capabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Impact of general and entrepreneurship education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Types of trainings required to prepare poor people for entrepreneurial activities</td>
</tr>
<tr>
<td>5</td>
<td>Female entrepreneurs as the agents of change</td>
<td>Role of female entrepreneurs in poverty alleviation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Challenges and opportunities for female entrepreneurs</td>
</tr>
<tr>
<td>6</td>
<td>Entrepreneurship in poor rural areas</td>
<td>Economic development strategies for rural areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financing and micro-financing rural entrepreneurs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Problems hindering entrepreneurship in rural areas</td>
</tr>
<tr>
<td>7</td>
<td>Top-down strategies: entrepreneurship at the bottom of the pyramid</td>
<td>Businesses at the bottom of the pyramid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business creation in poor communities</td>
</tr>
<tr>
<td>8</td>
<td>Entrepreneurship as self-employment</td>
<td>Self-employment as a means to alleviate poverty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self-employment as entrepreneurship</td>
</tr>
<tr>
<td>9</td>
<td>Social entrepreneurship for poverty alleviation</td>
<td>Benefits of social entrepreneurship for poor areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Targeting poverty by social entrepreneurship</td>
</tr>
<tr>
<td>10</td>
<td>Entrepreneurial intention in a condition of poverty</td>
<td>Predicting entrepreneurial intentions among poor people</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Entrepreneurial intentions in the time of crisis</td>
</tr>
<tr>
<td>11</td>
<td>Other research avenues</td>
<td>Defensive and entrepreneurial activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Effect of geographic differences on entrepreneurial actions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Entrepreneurship and ethics under extreme conditions of poverty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Problems facing firms in deprived areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Policy entrepreneurship in response to urban poverty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tackling barriers to entrepreneurship in deprived urban areas</td>
</tr>
</tbody>
</table>
4 Conclusions

Our systematic review showed that the majority of studies discussing both entrepreneurship and poverty alleviation are devoted to a limited number of topics. However, there seems to be many related topics that have not been investigated and discussed enough in the literature. The overall content of the available literature indicates that poor areas and communities are affected by special conditions, different from the conditions observed in an ordinary or rich community. Hence, they recommend adopting special and different definitions, approaches, and strategies when dealing with entrepreneurship in a poor setting. As discussed by some researchers, people in poor communities follow a number of explicit and implicit rules, not officially written anywhere, which is called the ‘culture of poverty’ (Liñán et al., 2013). In other words, people living in poor areas are always in touch with many representations of poverty, imposing them some codes of behaviour (Todorovic and McNaughton, 2007). Thus, it is necessary to bear in mind that the entrepreneurial process in a poor community may occur differently, as compared with a rich community, and the different aspects of entrepreneurship may be differently approached when examining its dimensions and factors in a poverty-dominant setting.

The results showed that although much empirical works has been done to investigate the relationship between poverty and entrepreneurship (Bruton et al., 2013), there is a shortage of theoretical works on such a relationship. Studies which are in favour of the positive effect of entrepreneurship on poverty alleviation usually do not introduce it as an all-inclusive solution to economic growth in less developed areas. As Baumol states, entrepreneurial activities are partially affected by structural factors that can direct activities toward a productive, unproductive, or even destructive path (Mbaku, 2007). Thus in order to provide more evidences for policy makers to achieve economic growth via entrepreneurship, it is also necessary to study high-level factors such as infrastructures, and educational, economic, and social facilities as well.

An issue much discussed in entrepreneurship literature, but ignored in poverty-related context, is the growth of businesses and the related effective factors. Because of the lack of strong competitors at the bottom of the pyramid, the firms active in such settings are usually satisfied with the minimum level of standards and do not make much attempts to reach higher standards, because such a quest usually requires an increase in the production and services costs, while the customers i.e., the poor people are not able to afford such extra costs. Hence, future studies are recommended to assess the factors affecting the growth of entrepreneurial businesses in poor areas.

Moreover, it is necessary to carry out studies to investigate the challenges and opportunities created by entrepreneurship-promotion policies in less-privileged and under-privileged communities. For instance, some studies have reported that providing poor people with loans and monetary services to start their own business, without training them about the basics of business and finance, not only does not lead to the creation of a business, but also may incur a significant financial burden to poor people who might not be able to reimburse the loans, sometimes leading to absolute bankruptcy and subsequent imprisonment. Thus, based on the results of our review of studies on entrepreneurship and poverty, there is still much to be uncovered with regard to the relationship between these two. It is of utmost importance to find and make a connection between the theories proposed in both fields to shed light upon the neglected areas. In fact, it can be claimed
that finding the nexus between entrepreneurship and poverty alleviation is a key for development in underprivileged poor communities.

Finally, given the contradictory results on the effect of entrepreneurship on economic growth in poor settings, it is necessary to further analyse different dimensions of entrepreneurship in poor communities and make it clear how the process of entrepreneurship in a rich community differs from that in a poor community. In order to find out the differences, the researchers must adopt a process perspective to entrepreneurship and investigate every step of the process, from the early generation of entrepreneurial intention to the time of the growth of the business. Adopting a process perspective to entrepreneurship may help to better detect and understand the differences between entrepreneurial activities performed by rich and poor people. It is of great value to formally model entrepreneurship process in poor communities to obtain a better knowledge of the early stages of the process, how it develops and flourishes, and determine how productive such a process is. Above all, it is essential to search for a new definition of entrepreneurship that meets the specific features of entrepreneurship in poor communities and covers all the poverty-related characteristics of entrepreneurs who start their endeavour in a poor setting.

References


Poverty and entrepreneurship


Poverty and entrepreneurship


