



**FACTORS AFFECTING THE PERFORMANCE OF
WOMEN ENTREPRENEURS IN MICRO
AND SMALL ENTERPRISES**

(THE CASE OF DESSIE TOWN)

BY

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ENTERPRISES
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TOWN**

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ACRONYMS

ANRS: Amhara National Regional State

APEC: Asian Pacific Economic Cooperation

BDS: Business Development Services

CEFE: Competency Based Economies Through formation of Enterprises

ECSA: Ethiopian Central Statistics Authority

EWEF: Ethiopian Women Exporters Forum

FDREPCC: Federal Democratic Republic of Ethiopia Population Census

Commission Government Organization

GDP: Gross Domestic Production

GNP: Gross National Production

GTZ: German Technical Cooperation

ILO: International Labor Organization

MSE: Micro and Small Enterprises

NGO: Non Government Enterprises

OECD: Organization of Economic Corporation and Development

SDCs: Skill Development Centers

SMIDEC: Small and Medium Industries Development Corporation

TVET: Technical and Vocational Education and Training

UNECE: United Nations Economic Commission for Europe

UNISCO: United Nations Education, Scientific and Cultural Organization

UNIDO: United Nations Industrial Development Organization

WEA: Women Entrepreneurs Association

ABSTRACT

This study was designed to assess the factors that affect the performance of women entrepreneurs in MSEs .It also addressed the characteristics of women entrepreneurs in MSEs and their enterprises and the supports they acquire from TVET colleges/institutes. A sample of 203 women entrepreneurs engaged in 5 sectors was taken for the study using stratified and simple random sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the performance of women entrepreneurs in MSEs and supports MSEs acquire from TVETs was designed in a closed ended and likert scales. Moreover, interviews were held with top officials of MSEs, micro finances and TVET educators. After the data has been collected, it was analyzed using simple statistical techniques (tables and percentages) and descriptive statistics (mean and standard deviations).The results of the study indicates the personal characteristics of women entrepreneurs in MSEs and their enterprise affect their performance .It also shows that lack of own premises(land),financial access, stiff competition, inadequate access to training, access to technology and access to raw materials were the key economic factors that affect the performance of women entrepreneurs in MSEs. The study also found that conflicting gender roles, social acceptability and ,network with outsiders were the major social factors that affect these entrepreneurs .Furthermore, the main legal/ administrative factors include access to policy makers, high amount of tax and interest, bureaucracies and red tapes, and over all legal and regulatory environments. The study also found that even though TVETs provide technology, machine maintenance, technical skill training and facility supports, co operations in the areas of business related trainings are poor. Based on the major findings, recommendations were forwarded to existing and potential entrepreneurs, MSEs, Micro finances and TVET educators.

CHAPTER ONE

INTRODUCTION

This chapter addresses the introductory part of the research. It basically includes background of the study, statement of the problem, purpose and significance of the study, delimitation of the study, limitations of the study, and definition of basic terms.

1.1 Background of the study

Entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism. Transforming ideas into economic opportunities is the decisive issue of entrepreneurship. History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks (Hisrich, 2005).

The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Nevertheless, the significant numbers of enterprises were owned by men (ILO, 2006). In other words, it was not common to see women-owned businesses worldwide especially in developing countries like Ethiopia. The idea and practice of women entrepreneurship is a recent phenomenon. Until the 1980's little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006).

Even though we observe a number of women entrepreneurs in the business, recent studies show that most of them are found in Micro and Small Enterprises(MSEs). According to the Ethiopian Central Statistics Authority (2004), almost 50% of all new jobs created in Ethiopia are attributable to small businesses and enterprises, and roughly 49% of new businesses that were operational between 1991 and 2003 were owned by women.

According to Aregash as cited in Eshetu and Zeleke (2008), 98% of business firms in Ethiopia are micro and small enterprises.

The 3rd census of Ethiopia shows that of the total population of the country (73,918,505), 36,621,848 are females (ECSA, 2007). This accounts 49.5% of the population. This shows that Ethiopia is among those African countries that are known by human resource potential. Regardless of its potential, it does not utilize this labor force. This underutilization of the untapped potential is attributed to a lot of reasons. Of these reasons, inability to effectively use entrepreneurship in poverty reduction in general and alleviating the problems among women who are susceptible for poverty in particular; in bringing meaningful economic and social transaction; in promoting and enhancing gender equality and women empowerment; and in ensuring women's social mobility in the country might require worth mentioning. This is because of a lot of obstacles that women entrepreneurs in Ethiopia face Amha and Admassie(2008). In support of this they (2008) outlined that:

More than half of all women entrepreneurs in Ethiopia often face gender related challenges related to establishing new businesses as well as operating or expanding existing businesses. Women are disadvantaged due to culture, religion and tradition. For instance, many women face difficulty in raising credit finance from banks as well as borrowing via informal networking (p.34)

When we come to Amhara Region, it is one of the regions in which many women are found. According to the Federal Democratic Republic of Ethiopia's Population Census Commission (FDREPCC, 2008) of the 17,214,056 total population of Amhara Region, 8,577,181 are females. More than half of these females (51.15%) are within the age category of 15-59 years which is considered as a productive age. Though the region is enriched by this greater and productive number of women, it seems that it does not utilize them as expected quality as well as quantity wise. One reason might be similar to that of the country as a whole, which is under utilization of women's potential. In order to make the country, the region and women themselves beneficiaries of this great potential, appropriate measures should be taken to reduce the bottlenecks/challenges that women entrepreneurs in MSEs encounter.

Among the towns in Amhara region, Dessie is one in which a large number of women Entrepreneurs are found. Information taken from the Dessie MSEs Office shows that more than 4,500 women entrepreneurs are found in the town. Of these, about 2026 are working in MSEs. Like the region as a whole, women entrepreneurship problems are tremendous in the town too.

To take appropriate measures for these problems, knowing the factors associated with the problems is a precondition for a problem well stated is half solved. Therefore, the aim of this research is to identify the major factors that affect the performance of women entrepreneurs in MSEs in Dessie town in running their own businesses and recommend the appropriate measures to be taken.

1.2 Statement of the problem

As mentioned in the introduction above, there are a large number of women in Amhara region. But the region does not yet exploit them very well to contribute a lot for economic development. One of the reasons for this might be problems of women entrepreneurs in MSEs. This is supported by different empirical evidences. For example, Gemechis (2007) and ILO (2009) stressed that entrepreneurs are surrounded by a number of challenges .This forces entrepreneurs in MSEs not to contribute a lot to the poverty reduction of the town, region and the country as a whole.

This study is different from those researchers discussed above in that their focus areas were in all entrepreneurs regardless of their sex. Besides, they did not see the factors with respect to the different personal, organizational, economic, socio-cultural and legal/administrative matters. Similarly, their studies did not address women entrepreneurs in MSEs. But this study specifically emphasis on factors that affect the performance of women entrepreneurs in MSEs particularly in Dessie town.

Technical and Vocational Education Trainings (TVETs) are targeted to produce entrepreneurs who are able to create own jobs rather than seeking employment in any organization. That is why entrepreneurship training is incorporated in TVET Curriculum.

Entrepreneurship education is designed in order to support graduates, existing and potential entrepreneurs to create and run their own business rather than expecting employment from government, private or NGOs. So as to develop entrepreneurial culture to all groups of the society, entrepreneurship is given in different countries including Ethiopia in formal, informal and non-formal way through TVET colleges/institutes.

In addition to their delivery of entrepreneurship trainings in different modalities, TVETs have MSEs coordination office since 2009. The office facilitates the different short term trainings given to SMEs from registration up to certification. All these contribute a lot in strengthening women entrepreneurs' performance by equipping them with the necessary business skills.

Even though women entrepreneurs in MSEs account the greatest proportion of total entrepreneurs in the country as a whole and in Dessie in particular, there is an acute shortage of studies conducted with a specific objective of analyzing the problems of enterprises operated by women in terms of personal and organizational-related challenges, economic, social/cultural, and legal/administrative.

This study is deemed to fill the gaps by identifying specific factors that are responsible for resilience in SMEs operated by women entrepreneurs, and shade light on women-specific differentials that affect their performance.

Thus, in this study it is thought to assess the different factors that affect the performance of women entrepreneurs in MSEs in Dessie town. Furthermore, the supports given by TVET institutions to MSEs are assessed very well. In light of this, the study attempts to answer the following basic questions:

1. What are the major characteristics of women entrepreneurs in MSEs and their enterprises?
2. What are the key economic, social, legal and administrative factors that affect the performance of women entrepreneurs in MSEs?
3. What supports are given to women entrepreneurs in MSEs by TVET institutes to solve problems they face?

1.3 Objective of the study

Generally, the study is designed to assess the major factors affecting the performance of women entrepreneurs in MSEs and the challenges they face in starting and running their own business in Dessie town. Specifically, it is intended to assess:

1. The major characteristics of women entrepreneurs in MSEs and their enterprises.
2. The key factors that affect the performance of women entrepreneurs in MSEs.
3. The supports given to women entrepreneurs in MSEs by TVET institutes in Dessie town.

1.4 Significance of the study

Women should create their own jobs and become entrepreneurs since opportunities of getting employment in either government, non government or a private organization is currently almost declining (Gemechis,2007). This is possible only if the barriers of women entrepreneurs are solved .Generally, the study has the following significances.

1. It can be one input to existing Women Entrepreneurs, potential entrepreneurs, MSE heads of the town and the region and TVET educators to alleviate the problems that women entrepreneurs face.
2. It shows what areas of support should TVET institutes and MSEs have to work together.
3. Since more is not written in this area, it will also be an add to the existing literature.

1.5 Delimitations of the study

Information taken from Dessie trade and industry office shows that more than 4,500 women entrepreneurs are found in the town. Had the study been conducted in all these (if possible) or majority of them, it would have been complete. Furthermore, there are different issues that can be researched in relation to women entrepreneurs. But, this study is delimited to the key economic, socio-cultural, legal/administrative factors affecting the performance of women entrepreneurs in MSEs. In addition, the study focuses only on assessing the major personal and organizational characteristics of women entrepreneurs in MSEs to check whether these characteristics affect their performance. The study also

addresses the training, machine, financial, raw material, technology and facility supports that TVETs provide to these entrepreneurs so as to minimize the problems the women entrepreneurs in MSEs face. Moreover, women entrepreneurs in 5 key sectors which are considered as growth corridors now a-days and only the case of Dessie town women entrepreneurs are considered given all other constraints

1.6 Limitations of the study

Even though different efforts have been made, the researcher faced some challenges while doing this study. To begin with, the fact that the majority of the respondents' educational background is low creates some negligence in filling the questionnaire. Some do not give values to the questionnaire and some others do not return it totally. Besides this, some others see the questionnaire politically even though orientations have been made. Furthermore, since respondents have been in a tight work, some were not as such willing to fill the questionnaires. Lastly, since the respondents were scattered in different sites, some difficulties were faced in giving orientations, following up respondents and collecting responses. Therefore, these conditions might affect the quality of the paper to some extents.

1.7 Definition of terms

Characteristics: key personal and organizational features of women entrepreneurs in MSEs.

Cooperatives: association of at least 10 individuals who are from the same kebele (Dessie MSEs office).

Factors: personal, organizational, economic, socio-cultural, legal/administrative influences that affect women entrepreneurs overall activities and operations in MSEs.

Formal TVET: Currently, formal TVET in Ethiopia includes 10+1 to 10+3 programs, which currently redesigned in to five levels (level I to V) provided by public and private/government/non government institutions and finally accredited by the regional Education bureau/TVET agency(Amhara TVET Strategy Draft,2006).

Informal TVET: Includes all kinds of training and learning that is not structured and following a formal curriculum or syllabus. Informal TVET, for example, includes on-the-job training, self-learning, learning-by doing, etc. (Amhara TVET Strategy Draft, 2006).

Joint ownership: association of two or more individuals who act as a co owner (Hisrich, 2005).

Micro Enterprise means commercial enterprise whose capital is not exceeding birr 20,000 other than technological and consultancy services (Ethiopia Ministry of Trade and Industry, 2003).

Micro finance: refers to the provision of financial services to low-income clients, including consumers and the self-employed (Ethiopia Ministry of Trade and Industry, 2003).

Non-formal TVET: includes all structured short- and long-term TVET programmes (run by different public or private providers, comprising different modes of delivery and durations of training) that are not registered as formal TVET by the Ministry of Education, e.g. TVET in Community Skills Training Centers, TVET programmes by NGOs, employer-based TVET, short-courses in commercial TVET schools, etc. (Amhara TVET strategy draft, 2006).

Performance: overall activities and operations performed by women entrepreneurs in MSEs in strengthening their enterprises.

Small Enterprise means a business engaged in commercial activities whose capital is exceeding birr 20,000 and not exceeding 50,000 birr, other than high technological and consultancy service institutions ((Ethiopia Minstry of Trade and Industry, 2003)).

Supports: training, machinery, financial, raw material and facility assistances that TVETs provide to MSEs.

Women entrepreneurs: women in MSEs running their own business rather than employed in any organization.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter revises the different literatures written in the areas of entrepreneurship, women entrepreneurs; women entrepreneurs in MSEs; the problems of entrepreneurship; factors affecting the performance of women entrepreneurs in MSEs; and the supports given by TVET to MSEs.

2.1 An overview to entrepreneurship

As globalization reshapes the international economic landscape and technological change creates greater uncertainty in the world economy, the dynamism of entrepreneurship is believed to be able to help to meet the new economic, social and environmental challenges. Governments increasingly consider entrepreneurship and innovation to be the cornerstones of a competitive national economy, and in most countries entrepreneurship policies are in fact closely connected to innovation policies, with which they share many characteristics and challenges. The dynamic process of new firm creation introduces and disperses innovative products, processes and organizational structures throughout the economy. Entrepreneurship objectives and policies nevertheless differ considerably among countries, owing to different policy needs and diverse perspectives on what is meant by entrepreneurship. In support of this Schumpeter (2005) stated,

In some countries, entrepreneurship is linked to regional development programs and the creation of new firms is stimulated to boost employment and output in depressed regions. In others, entrepreneurship is a key element of strategies designed to facilitate the participation of certain target groups, such as women or minorities, in the economy. Some countries simply seek to increase firm creation as such, while others set out to support high-growth firms. While many countries are making serious efforts to support entrepreneurship, results appear to vary. Countries want to understand the determinants of and obstacles to entrepreneurship, and they need to analyze the effectiveness of different policy approaches (p.13)

The lack of internationally comparable empirical evidence has however constrained our understanding of entrepreneurship and many questions remain unanswered. Ultimately, policy making must be guided, as far as possible, by evidence and facts.

2.1.1 Meaning and definitions of entrepreneurship

There is no agreement among authors regarding the definitions of Entrepreneurship. Different authors tried to define it in different manners. This doesn't mean however that there are no common elements among authors. Some of the definitions are given below.

According to Ponstadt (1998)

Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitments of providing values for some product or service. The product or service may/may not be new or unique but value must be infused by the entrepreneur by securing and allocating the necessary skills and resources (p.9)

Furthermore, Timmons (1989) defined it in such a way that:

Entrepreneurship is the process of creating and building something of value from practically nothing. That is, it is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled. It involves the definition, creation and distribution of values and benefits to individuals, groups, organizations and society. Entrepreneurship is very rarely a get rich-quick proposition (not short term); rather it is one of building long term value and durable cash flow streams (p.29)

In addition, Hisrich (2005 :) defined entrepreneurship as follows:

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence (p.2)

From the definitions given above, it is possible to conclude that in almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

2.1.2 The benefits of entrepreneurship

It is abundantly clear that entrepreneurship is important for economic growth, productivity, innovation and employment, and many countries have made entrepreneurship explicit policy priority. Entrepreneurial activities have been recognized as an important element in organizational and economic development, performance and wealth creation. According to World Bank (2007), Fox (2001) and Hisrich (2005) entrepreneurship has the following benefits.

- 1.** Entrepreneurs are their own bosses. They make the decisions. They choose whom to do business with and what work they will do. They decide what hours to work, as well as what to pay and whether to take vacations.
- 2.** Entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else.
- 3.** It provides the ability to be involved in the total operation of the business, from concept to design and creation, from sales to business operations and customer response.
- 4.** It offers the prestige of being the person in charge.
- 5.** It gives an individual the opportunity to build equity, which can be kept, sold, or passed on to the next generation.
- 6.** Entrepreneurship creates an opportunity for a person to make a contribution. Most new entrepreneurs help the local economy. A few—through their innovations—contribute to society as a whole.
- 7.** It is a catalyst for economic change and growth .Entrepreneurship increase per-capita output and income .By doing so it involves initiating and constituting change in the structure of business and society. As a result entrepreneurship contribute a lot in increasing countries output and productivity
- 8.** Entrepreneurship encourages innovation and creativity. It develops new products or service for the market to fulfill human needs. It also stimulates investment interest in the new ventures being created. Entrepreneurship through its process of innovation creates new investment of new ventures .More ventures being created, new jobs will be produced, thus reduce the unemployment rate. That will Creates and promotes wealth distribution

As explained above, entrepreneurship helps the economy by creating wealth for many individuals seeking business opportunities. Although this is not the number one reason individuals pursue entrepreneur activities, it plays a major role in our economy. Both a new business and the wealth the owner can obtain will help boost the economy by providing new products as well as the spending power created for the entrepreneur. Without entrepreneurs, our economy would not benefit from the boost they give from added business and ideas.

Furthermore, starting a business can be rewarding. Entrepreneurs are their own bosses. They can have more control over their working hours and conditions than they would have if they worked for someone else. If they cannot find a job they want, they can go into business to create one. For example, they may have a new idea about a particular product or service. If they believe that others would be interested in it, they can go into business for themselves. They may make a profit, which is the money left over after paying their bills, from being creative and doing what they enjoy.

2.1.3 Factors affecting entrepreneurship

Even though entrepreneurship has its own advantages, it is not free of problems. For this there are a number of factors .Samiti (2006), Tan (2000) classified the basic factors that affect entrepreneurs in to two broad categories –economic and social.

The economic factors include competition in the market; lack of access to the market ,lack of access to raw material ,lack of capital or finance, lack of marketing knowledge; lack of production/ storage space; poor infrastructure; inadequate power supply and lack of business training

The social factors include lack of social acceptability; having limited contacts outside prejudice and class bias; society looks down upon; attitude of other employees; and relations with the work force

Besides this, Gemechis (2007), Hisrich (2005), ILO (2009) added Social and cultural attitude towards youth entrepreneurship; entrepreneurship education; administrative and regulatory framework; and business assistance and support; barriers to access technology are crucial factors that affect entrepreneurial success.

2.1.4 Comparing the pros and cons of entrepreneurship

The following table summarizes the pros and cons of entrepreneurship as sited in

<http://library.thinkquest.org/C008486F/iva.htm>

Table 1 Pros and cons of entrepreneurship

| Pros | Cons |
|---|---|
| Excitement: Due to its high capacity for risk, there is a lot of adventure. | Salary: Starting your own business means that you must be willing to give up the security of a regular paycheck. |
| Rules and regulations: Work in a current job is difficult to do because of all the "red tape" and consistent administration approval needed | Benefits: There will undoubtedly be fewer benefits, especially when considering that your business will be just starting off. |
| Originality: Some people feel that they can offer a new service/product that no one else has offered before. | Work schedule: The work schedule of an entrepreneur is never predictable; an emergency can come up in a matter of a second and late hours will have to be put in. |
| Competition: Employees feel they can offer their current company's product/service at a lesser expense to the public. | Administration: All the decisions of the business must be made on your own; there is no one ranked higher than you on the chain of command in your business. |
| Independence: Some people wish to be their own boss and make all the important decisions him/herself. | Incompetent staff: Often times, you will find yourself working with an employee who "doesn't know the ropes" as well as you do due to lack of experience. |
| Salary potential: Generally, people want to be paid for the amount of work they do in full; they do not want to be "short-changed." | Procedures: Many times during your entrepreneurial life, you will find that many policies do not make sense, nor will they ever make sense. |
| Flexibility: Entrepreneurs can schedule their work hours to spend quality time with family or any other reason. | |
| Rational salary: They are not being paid what they're worth and would rather work on their own and earn the money they should be earning for their efforts. | |
| Freedom: Entrepreneurs can work whenever they want, wherever they want, and however they want. | |

Source: <http://library.thinkquest.org/C008486F/iva.htm>

2.2 Women entrepreneurship

Women's productive activities, particularly in industry, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium scale production activities, or in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment United Nations Industrial Development Organization (UNIDO, 2001).

In many societies women do not enjoy the same opportunities as men. In many transitional economies progress has been achieved in opening doors to education and health protection for women but political and economic opportunities for female entrepreneurs have remained limited. Concerted efforts are needed to enable female entrepreneurs to make better economic choices and to transform their businesses into competitive enterprises, generating income and employment through improved production (OECD, 1997).

2.2.1 Nature of women entrepreneurs

There is no agreement among researchers with regard to the differences in the characteristics of male and female entrepreneurs. Some groups of researchers agree that there are no differences. But some others state differences. For example Green & Cohen (1995) stated,

“An entrepreneur is an entrepreneur is an entrepreneur,” and it should not matter what size, shape, color, or sex the entrepreneur might be. If so, good research on entrepreneurs should generate theory applicable to all. While research shows similarities in the personal demographics of men and women entrepreneurs, there are differences in business and industry choices, financing strategies, growth patterns, and governance structures of female led ventures (p.106)

These differences provide compelling reasons to study female entrepreneurship – looking specifically at women founders, their ventures, and their entrepreneurial behaviors as a unique subset of entrepreneurship. Just as we have found that clinical trials conducted on an all-male population do not necessarily provide accurate information about the diagnosis or treatment of female patients, we see that scholarly research focused only on

male entrepreneurial ventures leaves many questions unanswered for their female counterparts. Some argue that it is important to look at female entrepreneurs who, though they share many characteristics with their male colleagues, are unique in many aspects. Observable differences in their enterprises reflect underlying differences in their motivations and goals, preparation, organization, strategic orientation, and access to resources.

Birley (1987) stressed on the differences even in their background and personal characteristics. He found the female entrepreneurs to be the first born; from a middle or upper class family; the daughter of a self employed father; educated to degree level; married with children; forty to forty-five at start-up; and with relevant experience

In their desire in starting new businesses, researchers identified a number of reasons for women to become entrepreneurs. South Africa Entrepreneurs Network (2005) as sited in <http://www.dti.gov.za/sawen/SAWENreport2.pdf> pointed out that challenges/attractions of entrepreneurship; self-determination/autonomy; family concerns – balancing career and family; lack of career advancement/discrimination; and organizational dynamics-power/politics are reported as main initiators to become entrepreneurs for women. The report also added the desire to make a social contribution and helping others has been found to be a key factor in women choosing to become business owners.

2.2.2 Differences between women and men entrepreneurs

While gender was shown not to affect new venture performance when preferences, motivation, and expectations were controlled for, the differences observed among men and women entrepreneurs were observed by different researchers. Among these Shane (1997) identified that men had more business experience prior to opening the business and higher expectations; women entrepreneurs had a larger average household size; the educational backgrounds of male and female entrepreneurs were similar; women were less likely than men to purchase their business; women were more likely to have positive revenues; men were more likely to own an employer firm; female owners were more likely to prefer low risk/return businesses; men spent slightly more time on their new

ventures than women; male owners were more likely to start a business to make money, had higher expectations for their business, and did more research to identify business opportunities; male entrepreneurs were more likely to found technologically intensive businesses, businesses that lose their competitive advantage more quickly, and businesses that have a less geographically localized customer base; male owners spent more effort searching for business opportunities and this held up when other factors were controlled for.

Besides to this, Malaya (2006) tried to distinguish male and female entrepreneurs with respect to their success indicators arranged in a sequential order from very important to least important. The following table illustrates this.

Table 2: Male vs. female entrepreneurs

| Male | Female |
|---|---|
| Generating revenues/profits | Generating revenues/profits |
| Providing quality product /service to customers | Providing quality product /service to customers |
| Being able to balance work/ family responsibilities | Providing employment to people |
| Having a regular source of livelihood | Being able to balance work/ family responsibilities |
| Improving quality of life of employees | Improving quality of life of employees |
| Being able to continue operation of business | Being able to continue operation of business |
| Expanding business | Having a regular source of livelihood |
| Providing employment to people | Being able to utilize my talents/skills |
| Gaining financial independence | Taking advantage of business opportunities |
| Providing adequate family support | Gaining financial Independence |

Source: Malaya M, F. (2006). A Gender-based Analysis of Performance of Small and Medium Printing Firms in Metro Manila.

2.2.3 Factors affecting women entrepreneurs' performance

Women Entrepreneurs have grown in large number across the globe over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of the world. But this does not mean that the problems are totally resolved. In support of this The Centre for Women's Business Research in the

United States as cited in UNECE (2004) and Mahbub (2000) identified the following factors that affect women entrepreneurs.

A. Access to finance

Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers (Mahbub, 2000).

B. Access to markets

The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts (UNECE, 2004).

C. Access to training

Women have limited access to vocational and technical training in South Asia. In fact, women on average have less access to education than men, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. South Asia is characterized by low enrolment among women in education, high dropout rates and poor quality of education. The table below shows female literacy levels as a percentage of male literacy as well as average years of schooling of women and men, respectively. The figures are testifying to the existence of gender discrimination

in building capacity of women and providing them with equal opportunities (UNECE, 2004).

D. Access to networks

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or sub sectors and of women as individuals within any given sector (Mahbub, 2000).

E. Access to policymakers

Most women have little access to policymakers or representation on policymaking bodies. Large companies and men can more easily influence policy and have access to policymakers, who are seen more as their peers. Women tend not to belong to, and even less reach leadership positions in, mainstream business organizations, limiting their input into policymaking through lobbying. Women's lack of access to information also limits their knowledgeable input into policymaking (UNECE, 2004).

Robertson (1998), OECD (2002), ILO (2008) added that the key factors that affect women entrepreneurs' performance especially in developing continents like Africa are: vulnerability of women to adverse effects of trade reform; restraints with regard to assets (land); lack of information to exploit opportunities; and Poor mobilization of women entrepreneurs; lack of management skills; lack of awareness among young women of

entrepreneurship as a career option; conflicting gender roles; gender inequality in inappropriate technology; and constraints at the legal, institutional and policy levels .

2.2.4 Women entrepreneurs in Ethiopia

A national survey conducted by the Ethiopian Welfare Monitoring Unit as sited in Eshetu and Zeleke (2008) shows that women entrepreneurs in Ethiopia are not provided with adequate policy related and strategic support from the national government, and that the promotion of vibrant SMEs should be one of the most important priority strategies for empowering women, addressing abject poverty and unemployment in Ethiopia.

Businesses and enterprises operated by women contribute for economic dynamism, diversification, productivity, competition, innovation and economic empowerment of the poorest of the poor. Historically, there has been a well established tradition of women being involved in small businesses and enterprises. However, it is only recently that women's entrepreneurship has gained the attention of economic planners and policy makers particularly in developing countries in Ethiopia. Although the national government has come to acknowledge that supporting enterprises operated by women promotes gender equality and economic empowerment, the majority of enterprises operated by women face difficulty in terms of access to finance, resources, business skills and institutional support from the national government Ethiopian Ministry of Trade and Industry of Ethiopia (2003); National Bank of Ethiopia (2002); Negash & Kenea, (2003). The studies stressed that SMEs owned or operated by women in Ethiopia survive against tremendous odds of failure.

While it is true that the predominant image of the “Ethiopian woman entrepreneur” is one of poor women trying to survive, there are other profiles. One is of the woman who has, because of higher education and better access to economic and resources, been able to grow her micro enterprise into the small enterprise category (Hadiya, 1998; ILO, 2003). According to Hadiya, these women believe they are the most neglected category of women entrepreneurs because they do not have institutional credit or other support services available to them. These women have outgrown the micro finance system and

yet are not able to borrow from banks. The other profile is of the woman who, because of her higher education, previous work experience, and better economic circumstances, has access to the financial and other resources needed to start and grow larger enterprises. Members of the Ethiopian Women Exporters' Forum (EWEF) are illustrative of this group, although even members of the EWEF complain about inadequate access to commercial bank loans to meet their working capital needs because of the rigid requirement for collateral guarantees (which they often cannot meet). Research has shown that it is possible for women to make the transition from a micro to a small enterprise under the right circumstances. The ILO (2003) study of women in growth enterprises found that 70 per cent of the women entrepreneurs currently engaged in small enterprises had started them as micro-enterprises and grown them over time.

Eshetu and Zeleke (2008), ILO (2003) also identified that the following are the main challenges that women entrepreneurs in Ethiopia face in a sequential order from very Sevier to least important.

- Difficulty in obtaining loan from commercial banks
- failure of business/bankruptcy
- Failure to convert profit back into investment
- Shortage of technical skills
- Poor managerial skills
- Low level of education

Furthermore, ILO (2003) found that lack of suitable location or sales outlet; stiff competition; low purchasing power of the local population; lack of marketing knowhow; seasonal nature of the business ;lack of market information ;inadequate infrastructure ;shortage of time (due to multiple tasks) ;shortage of raw materials ;Shortage of working capital are constraints of women entrepreneurs in Ethiopia.

A study conducted by ILO (2008) in Ethiopia, the United Republic of Tanzania and Zambia identified that, women entrepreneurs do not have the same access to networks as men; women entrepreneurs have difficulties accessing premises due to, among other things, a lack of property and inheritance rights; women's lack of access to titled assets

that can be offered as collateral for loans adversely affects the growth of their enterprises; women entrepreneurs lack access to formal finance and rely on loans from family and community; women entrepreneurs tend to be grouped in particular sectors, particularly food processing and textiles; business development service providers do not give adequate time or effort to target women entrepreneurs – they do not offer flexible arrangements in respect of the timing and location of service delivery; Women often experience harassment in registering and operating their enterprises.

2.3 Women entrepreneurs in SMEs

Women Entrepreneurs in MSEs are important to almost all economies in the world, but especially to those in developing countries and, within that broad category, especially to those with major employment and income distribution challenges. On what we may call the “static” front, women entrepreneurs in MSEs contribute to output and to the creation of “decent” jobs; on the dynamic front they are a nursery for the larger firms of the future, are the next (and important) step up for expanding micro enterprises, they contribute directly and often significantly to aggregate savings and investment, and they are involved in the development of appropriate technology.

In an increasingly international marketplace, many companies are finding that prosperity is best achieved from specialization, as opposed to diversification. While the majority of the world’s largest companies continue to provide multiple services to numerous markets, they now purchase many components and goods from smaller companies that serve one particular niche. As the global marketplace continues to develop, women entrepreneurs in MSEs provide an effective tool for economic growth through participation in global supply chains (World Bank, 2005).

2.3.1 Benefits of women entrepreneurs in SMEs

With various definitions by various countries, sometimes it becomes a difficult task for an individual to understand importance of women entrepreneurs in MSEs. One may not know the important role that women entrepreneurs in SMEs plays in developing any particular sector, economy of any country, alleviating poverty, increasing

employment, and, above all providing various items of daily use at an affordable cost. Within the last few years many developed and developing countries have realized the importance of the sector.

According to World Bank (2003) report Women entrepreneurs in MSEs are the engine of growth; essential for a Competitive and efficient Market; Critical for Poverty reduction; and Play a Particularly Important Role in developing Countries

Furthermore; according to UNECE as sited in <http://www.unece.org/indust/sme/ece-sme.htm>, women Entrepreneurs in MSEs are contributing to employment growth at a higher rate than larger firms. The private sector and in particular women entrepreneurs in MSEs form the backbone of a market economy and for the transition economies in the long-term might provide most of the employment. Support for women entrepreneurs in MSEs will help the restructuring of large enterprises by streamlining manufacturing complexes as units with no direct relation to the primary activity are sold off separately. And through this process the efficiency of the remaining enterprise might be increased as well; they curb the monopoly of the large enterprises and offer them complementary services and absorb the fluctuation of a modern economy; through inter-enterprise cooperation, they raise the level of skills with their flexible and innovative nature. Thus women entrepreneurs in MSEs can generate important benefits in terms of creating a skilled industrial base and industries, and developing a well-prepared service sector capable of contributing to GDP.

UNIDO(2004) added that a characteristic of women entrepreneurs in MSEs is that they produce predominantly for the domestic market, drawing in general on national resources; the structural shift from the former large state-owned enterprises to women entrepreneurs in MSEs will increase the number of owners, a group that represents greater responsibility and commitment than in the former centrally planned economies; an increased number of women entrepreneurs in MSEs will bring more flexibility to society and the economy and might facilitate technological innovation, as well as provide significant opportunities for the development of new ideas and skills; women

entrepreneurs in MSEs use and develop predominantly domestic technologies and skills; New business development is a key factor for the success of regional reconversion where conventional heavy industries will have to phased out or be reconstructed (especially in the field of metallurgy, coalmining, heavy military equipment, etc.

2.3.2 Factors affecting the performance of women entrepreneurs in MSEs

Even though women entrepreneurs in MSEs contribute a lot for the economic development of a country, there are a number of challenges that affect them associated with different factors. For example, according to World Bank (2005), ILO (2003), (SMIDEC, 2004), women entrepreneurs in MSEs are affected by lack of entrepreneurial, managerial and marketing skills; bureaucracy and red tape; lack of accessibility to information and knowledge; difficulties accessing financial resources/Lack of capital ;lack of accessibility to investment (technology equipment and know-how) ;non-conformity of standardization, lack of quality awareness and lack of mutual recognition schemes ; Product and service range and usage differences ; language barriers and cultural differences ;risks in selling abroad ;competition of indigenous MSEs in foreign markets ;inadequate behaviors of multinational companies against domestic MSEs/Lack of government supply-supporting programs ;complexity of trade documentation including packaging and labeling ;lack of government incentives for internationalization of MSEs ; inadequate intellectual property protection; unfavorable legal and regulatory environments and, in some cases, discriminatory regulatory practices; lack of business premises (at affordable rent); and low access to appropriate technology

Furthermore, a study made in Malaysia by APEC (1994), shows that the women entrepreneurs in MSEs are facing many challenges, which are attributed to lack of comprehensive framework in terms of policies towards MSEs development; many agencies or channels for MSEs without effective coordination (this leads to lack of transparency to the target groups) ; inadequate data and information on the development of SMEs ; inability to be in the mainstream of industrial development. Many MSEs still occupy lands or sites that are not approved to be used for industrial purposes. There is

also an underutilization of technical assistance, advisory services and other incentives made available by the government and its agencies. In addition, there is a lack of skilled and talented workers, which affects the quality of production as well as efficiency and productivity.

2.3.3 Women entrepreneurs in MSEs in Ethiopia

According to Schorling (2006), ILO (2006) in Ethiopia the idea of Micro & Small Enterprises (MSEs) development emerged as a promising agenda in the 1980s. A variety of reasons have been cited for the surge of interest in MSEs development, like:

- MSEs are a better way for poverty reduction.
- MSEs are a platform for sustainable development and productivity.
- MSEs are important actors within the trade sector and a platform for economically empowering women and men.

The MSE sector plays an important role in providing people with livelihood and income generating opportunities, providing income and services to people who cannot get employment in the formal sector.

In November 1997 the Ethiopian Ministry of Trade and Industry has published the "Micro and Small Enterprises Development Strategy", which enlightens a systematic approach to alleviate the problems and promote the growth of MSEs. Elements of the program include measures with regard to creating an enabling legal framework and streamlining regulatory conditions that hinder the coming up of new and expansion of existing MSEs. In addition specific support programs also include measures related to facilitating access to finance, provision of incentives, promotion of partnerships, training, access to appropriate technology, access to market, access to information and advice, infrastructure and institutional strengthening of the private sector associations and chamber of commerce.(ILO,2003)

The following definition of MSE is from the Ethiopian Ministry of Trade and Industry (1997) and is used to categorize the sector for the purpose of the strategy:

Micro Enterprises are those small business enterprises with a paid-up capital of not exceeding Birr 20 000, and excluding high technical consultancy firms and other high tech establishments.

Small Enterprises are those business enterprises with a paid-up capital of above 20,000 and not exceeding Birr 50 000, -- and excluding high technical consultancy firms and other high tech establishments.

The Micro and Small Enterprises Sector is described as the national homes of entrepreneurship. It provides the ideal: environment enabling entrepreneurs to exercise their talents to the full and to attain their goals. In comparison with other countries it is known that in all the successful economies, MSEs are seen as a springboard for growth, job creation and social progress at large.

Women entrepreneurs development in MSEs: difficulties and problems

Schorling (2006) study shows that in Ethiopia's situation MSEs are confronted by various problems, which are of structural, institutional and economic in nature. Lack of Capital, market and working premises, marketing problems, shortage of supply of raw materials and lack of qualified Human resources are the most pressing problems facing MSEs. Although the economic policy of Ethiopia paid due emphasis for entrepreneurship values and appreciation of the sector's contribution to the economy, there are still constraints related to infrastructure, credit, working premises, extension service, consultancy, information provision, prototype development, imbalance preferential treatment and many others, which therefore need proper attention and improvement.

According to GTZ as sited in <http://www.bds-ethiopia.net/approach-tvet.html> , women entrepreneurs in MSEs in Ethiopia are faced with a number of challenges. The following can be cited as the main ones.

- Limited and for some complete lack of access to funds

- Lack of or poor skills of operators and/or the work force in the economy due to underdeveloped Technical and Vocational Education & Training (TVET) system
- Underdeveloped Business Development Services (BDS) market Poor infrastructure
- Weak private sector promotional institutions
- Weak public sector support system

Main objectives of the women entrepreneurs development strategy in MSEs

Schorling also identified that the primary objective of the Ethiopian strategy framework is to create an enabling environment for women entrepreneurs in MSEs. In addition to this basic objective the following specific objectives are stated here:

- Facilitate economic growth and bring about equitable development
- Create long-term jobs
- Strengthen cooperation between women entrepreneurs in MSEs
- Provide the basis for the Medium and Large Scale Enterprises
- Balance preferential treatment between women entrepreneurs in MSEs and bigger enterprises
- Promote export
- According to the Ethiopian MSE-policy sited in www.bds-ethiopia.net, the Ethio-German Micro and Small Enterprise Development Strategy focus on four priorities:
 - Enabling Governmental, Non-Governmental (NGO) Agencies and Commercial Business Development Services (BDS) Providers to implement efficient BDS to the Ethiopian Business Community
 - Strengthen the organizational capacity of the Partner Organizations through Organizational Development in order to deliver better services to the businesses
 - Training of Trainers in order to implement CEFE Trainings (Creation of Enterprises through Formation of Entrepreneurs)

- Networking with all organization (Government, NGO, BDS-Providers,
- International Donors) related to MSE Development in order to coordinate the respective activities.

2.3.4 Women entrepreneurs in MSEs in Amhara Region

According to Waleign and Wondimu (2002), women entrepreneurs in MSEs in ANRS play a crucial role in the economic improvement, because they utilize relatively less capital, it's a home of entrepreneurship, can create substantial job opportunity, utilize cheap and local raw materials, and produce goods and services. Which save hard currency for the country in general and for our region in particular and the very important point is that it is creating opportunities for the population to earn (generate) income, which by itself create the way to reduce the poverty.

Comparing with large enterprises women entrepreneurs in MSE maintain a closer relationship with its customers, employees, it's based on lower overhead and have grater flexibility, because their size allows them to adopt new processes, services, materials and products.

Regional Small and Micro Enterprise Development Agency strategy draft as sited in Waleign and Wondimu (2002) shows that encouragement and promotional activities of women entrepreneurs in MSE in the region have been weak. Though the regional government has formulated the MSE regional strategy and put in place institution to implement the strategy, little is achieved so far. Women entrepreneurs MSEs are still facing sever constraints in their activities and their promotion and development are, therefore, hampered. These Micro and Small Enterprises are unable to address the problems they faced on their own, even in and effectively functioning market economies. The problems / constraints/ relate to each other, to the legal and regulatory environments, access to market, finance, business information, business premises, the acquisition of skills and managerial expertise, access to appropriate technology, access to infrastructure, and in some cases discriminatory regulator practices..

They also pointed out that since there have not been any organized policy and support systems that women entrepreneurs in MSEs have been confronted by the various problems which are of policy, structural and institutional in nature, lack of smooth supply of raw materials and working premises were the major bottlenecks for women entrepreneurs in MSEs. On the other hand negative attitude of the public to the importance of the sector due to cultural influence is another constraint to the development of MSEs, due to these reasons, training services to SMEs is fairly young and weak. Only insufficient formal counseling, information and training services are given and they are often given freely and are not demand driven and lack of knowhow on adequate skills & experience.

A similar study by Walelign and Wondimu (2002) shows that women entrepreneurs in MSEs in Amhara region are constrained by lack of market; lack of finance /Capital/; problems related to government rules & regulations; lack of information and advice; lack of sufficient training; lack of Premises / working Place; shortage of the supply of raw materials; cultural influence and lack of infrastructure facilities.

2.2 Women entrepreneurs in MSEs and TVET

MSEs play a vital role in poverty reduction, employment generation as well as economic development in poor countries like Ethiopia. The Ethiopian micro & small enterprise sector has a wide range of operators: petty traders to small restaurant owners; a shoeshine boy to a small shoe factory owner; a peddler in the streets to a grocery business operator, etc. But to bring it to the modern arena, much is expected from TVET institutions in that they are the main suppliers of qualified labour force both male and women. In support of this, to bring effectiveness in the MSEs sector by integrating them with TVET Ratchusanti (2008) identified the following.

- Strengthening Partnership with the private and government organizations Supporting TVET projects.
- Existing the effective TVET Projects of fostering entrepreneurship or self-employment of TVET students and the people.

- Integrating in teaching learning in knowledge and skill for students in writing business plan and managing the MSE.
- Establishing incubator training centers in the colleges and enhancing the smart TVET students and the lacked chance people to meet the capital investment loans to begin their business.
- Enhancing TVET students in sufficient economic, moral, work habit, career attitude and MSE concept by integrating in teaching and learning.
- Toping up skill and knowledge for the people in the community who has their own business by TVET Colleges.

Ratchusanti added that MSE sustainable development should be an integral aspect of TVET plans, projects actives in teaching and learning process. However, Administration Teachers are the key for success. They need to be managers facilitators coaches, mentors, advisors, counselors, or anyone who are to make TVET students continue to learn, to improve their knowledge skill and attitude in MSE which effect to economic of the country.

In order to integrate TVET and MSEs in Ethiopia a great effort is made by GTZ. Among development cooperation initiatives that are pursued by the GTZ in Ethiopia, private sector development is one. Since private sector development and employment promotion is one of the priority areas of intervention for GTZ in Ethiopia, a number of development programs have already been propelled in this connection. The objective of the Ethio-German cooperation in the priority area is to initiate economic development by stimulating income and employment generation through coordinated intervention in the fields of TVET and MSE development as well as privatisation. The approach of the Ethio-German Cooperation in the priority areas comprises of the following strategic aims sited in <http://www.bds-ethiopia.net/approach-tvet.html>

- Diversify and increase the relevance and quality of TVET in order to make TVET responsive to the development needs of all economic sectors in Ethiopia; in particular the private industry, urban and rural MSE sector.

- Provide access to adequate TVET for all target groups in need of training, in order to improve the capabilities of these target groups to make use of existing income and employment opportunities.
- Create a dynamic entrepreneur group as a partner in the economic development process thereby enhancing the contribution of the private sector to sustainable economic growth
- Ensure ownership of all relevant stakeholders in the planning and implementation of major policy fields, in particular TVET, the privatisation policy and MSE promotion
- Relieve tied resources and enable the Government re-deploy its scarce resources and the privatisation proceeds to higher priority sectors and poverty reduction programs

The TVET and SME projects have been cooperating for the fulfilment of certain objectives in the Ethio-German Cooperation of priority areas. In this connection, it can be cited that the MSE project which is involved in BDS facilitation, networking and the provision of capacity building support to public and private MSE promotional institutions is working in close collaboration with the GTZ-TVET program which is involved in system development, vocational school teachers training and assistance to Skills Development Centres (SDCs).

The unemployed youth that benefits from the program intervention of TVET is finally expected to join the private sector. Thus, there are various strings that connect the GTZ-MSE Project and the TVET Program. The two programs collaborate in the inclusion of CEFE training into the curriculum of the Skill Development Centres, and in the areas of labour market information to prospective graduates of the Skill Development Centres. While the GTZ-TVET program operates in the areas of skilled labour supply, the MSE Project works with those institutions that promote MSE sector operators. Hence TVET intervenes on the skilled labour supply side while the MSE Project works with the potential employers (private business operators).

The two programs have started some local network initiatives in some parts of the country, notably in Amhara and Tigray regions. The objective of the network is to enable the skill trainees enter the private sector workforce. By so doing, additional employment and incomes would be gained for the trained youth. On the other hand the private business sector would enjoy more profit from the skilled labour input produced from the TVET system. The strategy adopted by the TVET and the SME Projects is to bring all stakeholders that work in collaboration with the two Ethio-German Programs together and devise viable ways of linking skill training to employment in the MSE sector. The interest and good will shown for networking in the two Ethio-German programs is apparently encouraging and expected to produce a synergy effect in the pursuit of economic development and employment promotion.

CHAPTER THREE

METHODOLOGY

In this chapter the research design used, the data gathering methods and tools; sampling and sampling procedures and the methods of data analysis are discussed very well.

3.1 Design of the study

A descriptive survey research design was employed in the study to assess the key factors that affect the performance of women entrepreneurs in MSEs in Dessie town. The reason for using this design is that it enables to describe the different factors that affect the performance of women entrepreneurs in MSEs as they exist.

3.2 Population, sample and sampling techniques

The population of the study consisted of 2,026 women entrepreneurs who work in 5 sectors of MSEs. So as to get a reasonable sample size, a 95% level of confidence and a 6.5% confidence interval was used to select a sample of 203 Women entrepreneurs in these MSEs. For selecting these samples of entrepreneurs, stratified sampling was used in which the 5 key sectors that woman entrepreneurs are engaged was taken as strata so as to give equal chance to each of the sectors. From each sector, 10% of women entrepreneurs in MSEs were selected randomly using lottery method by taking list of respondents from the MSE's office.

For microfinance, MSE heads and TVET leaders, purposive sampling was used. Top officials of these institutions (Dessie Micro finance manager, MSEs Core process owner, and W/ro Siheen TVET dean) were purposely taken and interviewed since the researcher believes that they know the condition better than others because of their day –to- day contacts with women entrepreneurs.

The following table summarizes the total population in each sector and the corresponding sample taken from each sector.

Table 3. Summary of women entrepreneurs' population and sample taken

| Key Sectors | population/strata | sample |
|----------------------|--------------------------|---------------|
| Construction | 1098 | 110 |
| Textile | 132 | 13 |
| Food &beverage | 424 | 42 |
| Urban agriculture | 248 | 25 |
| Municipality service | 124 | 12 |
| Total | 2026 | 203 |

Source: Dessie MSEs office annual report (2001E.C)

3. 3 Data sources, gathering instruments and procedures

Both primary and secondary sources of data were used for the study. The secondary data include information that are obtained mainly from different reports, bulletins, websites and literatures, which are relevant to the theme of the study, were gathered from various sources to complement the survey-based analysis. The primary sources of data were questionnaires distributed to women entrepreneurs and interviews conducted with MSEs, TVET and Micro finance leaders.

In order to answer the basic questions raised, a 57 item questionnaire that has 4 parts was prepared. The first part consists of demographic profile of the respondents which is designed in a close ended format. The second part covers the characteristics of women entrepreneurs in MSEs and their enterprises which is also prepared in a close ended format. The third and the fourth parts both designed using Likert scale, address issues of key factors that affect women entrepreneur's performance in MSEs and support areas of TVETs to MSEs respectively. The Likert scale ranges from 'strongly agree' to 'strongly disagree' (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree, see appendix A) so as to not limit the response of respondents to some limited ranges.

Initially the questionnaire was prepared in English language based on the literature review and some adaptations from prior researches. Taking into account the respondents educational background and to increase more understandability it was later translated into Amharic and then distributed to 10 sample respondents (randomly 2 respondents from each sector using lottery method) to check whether what is expected to acquire is achieved or not as a pre-test.

In assuring the reliability and validity of the tests, the pretest results show a cronbach alpha value of 84.91 % (See appendix F). According to Yalew (2009), taking the number of items in the questionnaire and the characteristics of respondents, the value can verify the reliability of the test. In addition, it was checked for grammar and other spelling errors using language and measurement professionals. Based on the findings of the pretest and comments of language and measurement experts, certain amendments were made on the questionnaire and lastly by giving the necessary orientations to respondents, the questionnaire was distributed to the whole sample women entrepreneur respondents. Moreover, in order to get detail information from limited number of respondents, the researcher conducted structured interviews with top officials. Hence, a predesigned 4 major questions and 4 sub-questions were conducted with MSEs work process owner for an hour. In addition, 6 major questions were forwarded to W/ro Siheen TVET dean for 1.5 hours. Furthermore, 4 major questions were raised to Dessie micro finance head for 45 minutes. Interviews in all cases were conducted in their offices and their responses were recorded (See appendices B, C and D).

3.4 Methods of data analysis

After the data has been collected, it was coded and fed to excel sheet so as to simplify further tasks. The respondents' scores were summarized from the sheet and made ready for analysis. After that, it was analyzed using both descriptive statistical techniques and descriptive narrations. The demographic profiles and items related to characteristics of women entrepreneurs were analyzed using simple statistical tools such as tables and percentages. Descriptive statistics (mean and standard deviations) of the respondent scores were computed for the Likert statements and analyzed by comparing these mean

scores and deviations among respondents. The reason for using descriptive statistics is to compare the different factors that affect the performance of women entrepreneurs in MSEs by the means and standard deviations of scores. The interview questions were analyzed using descriptive narrations.

Finally, all these were followed by the necessary interpretations and discussions so as to achieve the desired goals. In interpreting the results for the likert questions, the mean scores less than 2.45 implies respondents do not agree; scores 2.45-3.44 shows undecided and greater than 3.44 indicates agreement among respondents on the issues raised rounding results to the nearest two decimal places.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

This chapter presents and analyzes the data collected and discusses it accordingly. First, the demographic profile of respondents is analyzed and presented followed by the characteristics of women entrepreneurs in MESs. Both are analyzed using frequency tables and percentages. Thirdly, the data related to the factors that affect the performance of women entrepreneurs and the areas of support between TVETs and MSEs are presented and analyzed. Mean and standard deviations are used for the presentation and analysis of these parts. Finally, discussions are made based on the data presented and analyzed.

Of the totally distributed questionnaires (203), 197 were properly filled and collected. This amounts 97.04% of the total respondents. Since this is adequate enough to make the analysis, all the discussions below are made on these groups of respondents.

4.1 Presentation and analysis

In this part, the data collected in answering the basic questions are presented and analyzed.

4.1.1 Demographic profile of respondents

The following table summarizes the demographic profile of respondents by age, educational level, work experience and marital status.

Table 4. Respondents' demographic profile

| 1. Age | Number | percentage |
|-----------------------------|---------------|-------------------|
| Below 20 | 15 | 7.61 |
| 21-30 | 77 | 39.09 |
| 31-40 | 79 | 40.10 |
| Above 40 | 26 | 13.20 |
| Total | 197 | 100 |
| 2. Educational level | | |
| Can't read and write | 35 | 17.77 |
| Grades 1-4 | 34 | 17.26 |
| Grades 5-8 | 55 | 27.92 |
| Grades 10 complete | 38 | 19.29 |
| 10+1 &10+2 | 32 | 16.24 |
| 10+3 /diploma | 3 | 1.52 |
| BA/BSC & above | - | - |
| Total | 197 | 100 |
| 3. Experience | | |
| Less than 1 years | 53 | 29.90 |
| 1-5 years | 91 | 46.19 |
| 6-10 years | 12 | 6.09 |
| Greater than 10 years | 41 | 20.81 |
| Total | 197 | 100 |
| 4. Marital status | | |
| Married | 89 | 45.18 |
| Single | 57 | 28.93 |
| Divorced | 28 | 14.21 |
| Widowed | 23 | 11.68 |
| Total | 197 | 100 |

As can be seen from the table above, majority of the respondents are within the age category of 31-40 years (40.10%) followed by those under the category of 21-30 years (39.09%).The remaining 13.20% and 7.61% of the respondents are under the age category of above 40 years and below 20 years respectively.

When we see the educational level of the respondents, it is clearly seen from the table that most are within the grade level of 5-8 (27.92%).This is followed by those who completed grade 10th (19.29%) and cannot read and write (17.77%).The table also shows that 17.26% and 16.24% of the respondents are within 1-4 grade levels and those reach 10+1 to10+2 levels respectively. It is only 1.52% that has a college diploma /10+3 and

there is no respondents who has a degree and above.

With regard to the work experience of the respondents, the table shows that majority of the respondents (46.19%) have 1-5 years of experience in their work. It is also clear that 29.90% and 20.81% of the respondents have an experience of less than one year and greater than 10years respectively. The remaining 6.09% of the respondents have 6-10 years of service in their enterprise.

The marital status of the respondents shows that the majority are married(45.18%) followed by singles(28.93%).The remaining 14.21% and 11.68% of the respondents are divorced and widowed respectively.

4.1.2 Characteristics of women entrepreneurs in MSEs and women owned enterprises

There are a number of distinct criteria that makes women entrepreneurs and their enterprises different from that of men entrepreneurs even though there are common elements. The following table shows the characteristics of respondents by family size, sector they are working on, the number of employees working in the enterprise, legal ownership status of the business, reasons to start own business, who initiates the business idea, source of skill for starting the enterprise and source of starting fund.

Family size

The following table shows the family size of respondents

Table 5. Family sizes of respondents

| Item | Number | Percent |
|--------------------|---------------|----------------|
| Family size | | |
| Less than 4 | 101 | 51.27 |
| 3-5 | 83 | 42.13 |
| Greater than 5 | 13 | 6.60 |
| Total | 197 | 100 |

As can be seen from the table ,majority of the respondents(51.27%) have a family size of less than 4.The table also shows that 42.13% of the respondents have a house hold size of 4-5.It is only the remaining 6.60% respondents that their family size is greater than 5.

Sector

The sectors in which women entrepreneurs are working in is depicted in the following table.

Table 6. Sectors respondents engaged in.

| Item | Number | Percent |
|------------|--------|---------|
| Sector | | |
| Trade | 5 | 2.54 |
| Production | 107 | 54.31 |
| Services | 71 | 36.04 |
| Hand-craft | 14 | 7.11 |
| Other | - | - |
| Total | 197 | 100 |

It is clearly seen from table 6 above that majority of the respondents (54.31%) are engaged in the production sector. The service sector accounts 36.04% of the respondents. The hand crafts and trade take the remaining 7.11% and 2.54% respectively.

Number of employees in the enterprise

Women entrepreneurs in MSEs provide a large numbers of employment opportunities to the society. The following table clearly shows the number of employees that women entrepreneurs in MSEs employ.

Table 7. Number of employees hired.

| Item | | number | percent |
|--|-----|---------------|----------------|
| Number of employees in the enterprise | | | |
| Less than 5 | 45 | 22.84 | |
| 5-10 | 5 | 2.54 | |
| 11-15 | 20 | 10.15 | |
| more than 15 | 127 | 64.47 | |
| Total | 197 | 100 | |

As you can see from the table above, majority of the respondents (64.47%) hire more than 15 employees in their enterprise. But 22.84% respond that they employ less than 5 workers in their enterprise. The table also shows that 10.15% and 2.54% of the respondents hire from 11-15 employees and from 6-10 employees respectively.

Legal ownership status of the establishment

Enterprises are created having different legal ownership statuses such as Sole ownership, Joint ownership, Family business, Cooperative and others (Hisrich, 2005).The following table shows the respondents legal ownership status.

Table 8. Legal ownership of the enterprise

| Item | | Number | Percent |
|--|-----|---------------|----------------|
| Legal ownership status of the establishment | | | |
| Sole ownership | 2 | 1.02 | |
| Joint ownership/Partnership | 27 | 13.71 | |
| Family business | 17 | 8.63 | |
| Cooperative | 148 | 75.13 | |
| Other | 3 | 1.52 | |
| Total | 197 | 100 | |

As one can see from the table above, majority of the respondents (75.14%) establish their enterprise in the form of cooperatives followed by joint ownership (13.71).The least number of respondents have a legal ownership of sole proprietorship business (1.02%).

Reasons to start own business

The motivators to establish own business are many in number and vary from individual to individual. The following table shows the reasons that women entrepreneurs in MSEs are motivated to start their own enterprises.

Table 9. Reason to Start own Business

| Item | | Number | Percent |
|----------------------------------|-----|--------|---------|
| Reasons to start own business | | | |
| Family tradition | 21 | 10.66 | |
| To be self-employed | 42 | 21.32 | |
| Brings high income | 19 | 9.64 | |
| Small investment is required | 5 | 2.54 | |
| No other alternative for incomes | 104 | 52.79 | |
| Others | 6 | 3.05 | |
| Total | 197 | 100 | |

Table 9 above vividly shows that most of the respondent entrepreneurs (52.79%) establish their own business for the reason that they have no other alternatives for income.21.32% of the respondents start their own business since they want to be self employed. Only 2.54% of the respondents establish their own business because they believe that it requires a small investment.

Who initiated and started the business?

It is common that some start their own business with their own initiation and some others establish enterprises with family or friends as a partner. The table below shows the initiators of women entrepreneurs to start own business.

Table 10. Initiators and starter of the business

| Item | | Number | Percent |
|---|------------|---------------|----------------|
| Who initiated and started the business | | | |
| Myself alone | 111 | 56.35 | |
| With the family | 45 | 22.84 | |
| With a friend/partner | 13 | 6.60 | |
| Other | 28 | 14.21 | |
| TOTAL | 197 | 100 | |

The above table clearly depicted that majority of the respondents (56.35%) start enterprises with their own initiation. Similarly, 22.84% of the respondents start businesses with their family initiation. It is only 6.60% of the entrepreneurs establish business with an initiation of a friend /partner.

Source of skill for running your enterprise

In running any business, it is logical that the necessary skills are required. These skills can be acquired from different sources. The following table shows the respondents source of skills to run their enterprises.

Table11. Family entrepreneurial history and source of skill for starting the enterprise

| No. | Item | | |
|-----|---|--------|---------|
| | | Number | Percent |
| 1 | Is there anyone in the family who was entrepreneur or owner of some related business activities? | | |
| | Yes | 59 | 29.95 |
| | No | 138 | 70.05 |
| | TOTAL | 197 | 100 |
| 2. | If yes, what is your family relation with him/her | | |
| | Father | 24 | 40.68 |
| | Mother | 9 | 1.3 |
| | Brother | 18 | 30.51 |
| | Sister | 7 | 11.84 |
| | Grandfather | 2 | 3.39 |
| | TOTAL | 59 | 100 |
| 3. | Source of skill for running your enterprise | | |
| | Through formal training | 120 | 60.91 |
| | From past experience | 19 | 9.64 |
| | From family | 41 | 20.81 |
| | Other | 17 | 9.64 |
| | Total | 197 | 100 |

It is possible to see from the table above that, 70.05% of the entrepreneurs respond that they have no family member who was an entrepreneur. It is only 29.95% who have an entrepreneur in their family.

Of those women who respond of having an entrepreneur family, 40.68% said that their fathers are entrepreneurs. Similarly, 30.51% respond that their brother is an entrepreneur. It is only 3.39% who have an entrepreneur grandfather.

It is also indicated in the table above that 60.91% of the respondents acquire the necessary skill for their business from formal trainings. Moreover, 20.81% of the entrepreneurs acquire their skills from their family. Only 9.64% of the respondent entrepreneurs acquire the skill from sources other than those stated.

The main source of start-up funding

Starting own business requires a starting capital rather the mere existence of ideas. The following table shows the main sources of start-up fund.

Table12. Source of startup funding

| Item | Number | Percent |
|--|---------------|----------------|
| Personal saving | 21 | 10.66 |
| household | 9 | 4.57 |
| Borrowed from relatives or friends/money lenders | 1 | 0.51 |
| Micro-finance institutions | 153 | 77.66 |
| Equb | 7 | 3.55 |
| Assistant from friends/relatives | 3 | 1.52 |
| Inheritance | 3 | 1.52 |
| Borrowed from Bank | - | - |
| Assistant from NGO's | - | - |
| Others | - | - |
| Total | 197 | 100 |

The table above shows that majority of the respondents (77.66%) use micro finances as main source of start-up funding in financing their enterprises. It is also clear that 10.66% of the entrepreneurs use personal saving as their main source of start-up funding. The table above shows that (0.51%) of the entrepreneurs finance their business borrowing from relatives/friends. Women entrepreneurs in MSEs do not use banks and NGOs as a source of financing their business.

4.1.3 Factors affecting women entrepreneur's performance in MSEs

There are a number of challenges that affect women entrepreneurs in MSEs associated with different factors. The following table shows the major economic factors the affect these entrepreneurs.

Economic factors

The major economic factors that affect the performance of women entrepreneurs include finance, market, training, land, information, managerial skills, infrastructures and raw materials (Samit, 2006).

Table 13. Economic factors that affect the performance of women entrepreneurs in MSEs

| No. | Item | MEAN | STANDARD DEVIATION | Rank of Severity |
|--------------------------------------|---|------|--------------------|------------------|
| 1 | Economic factors | | | |
| 1.1 | I am satisfied with the financial access given by micro finances and other credit institutions. | 1.93 | 1.34 | 2 nd |
| 1.2 | I have a better access to market for my products | 2.85 | 1.53 | 8 th |
| 1.3 | A have better access to different business trainings | 2.17 | 1.24 | 4 th |
| 1.4 | I have my own premises (land) to run my business | 1.92 | 1.28 | 1 st |
| 1.5 | I have an access to information to exploit business opportunities | 3.69 | 1.38 | 10 th |
| 1.6 | I have managerial skills | 2.58 | 1.30 | 7 th |
| 1.7 | I have access to necessary technologies | 2.18 | 1.29 | 5 th |
| 1.8 | There is no stiff competition in the market place that I am engaged in. | 2.12 | 1.14 | 3 rd |
| 1.9 | Adequate infrastructures are available | 3.59 | 1.37 | 9 th |
| 1.10 | I have access to necessary inputs(raw materials) | 2.19 | 1.27 | 6 th |
| Grand mean/standard deviation | | 2.49 | 0.1 | |

It is discussed in table 12 above that microfinance are the main suppliers of finance for women entrepreneurs in MSEs. But table 13 shows that women entrepreneurs in MSEs are not satisfied with the financial access given by micro finances and other lending institutions. It shows a mean score of 1.93 with a standard deviation of 1.34. Therefore, the average score of the respondents with regard to satisfactory financial access is ‘disagree’ with little deviations among them.

As the mean score (2.85) and standard deviation (1.53) in the table above show, the market access of the respondents entrepreneurs is almost undecided. It seems that these women neither agree nor disagree on the market condition of their products.

Most women entrepreneurs in MSEs acquire their skills for establishing their own business from formal trainings (See table 11). But as the table above shows, the access for different business trainings for the women respondents is low with a mean of 2.17 and standard deviation of 1.24.

One success factor for an entrepreneur is having own premises such as land (Hisrich, 2005). Table 13 above shows that the respondent women entrepreneurs in MSEs do not have their own land to run their businesses. The response shows a mean of 1.92 with a standard deviation of 1.28.

However, these women entrepreneurs respond that they have a better access to information to exploit different business opportunities. As the mean score (3.69) and standard (1.38) clearly depicts, the respondent entrepreneurs agree on their better access to information.

In relation to their managerial skills in running their business, the respondents do not like to decide on it. This is justified by the mean score (2.58) and the standard deviation (1.30).

With regard to technological access and market competition, the mean scores (1.18 for technology access and 2.12 for market competition) and the standard deviations (1.29 for technology and 1.14 for competition) shows that respondents do not agree with a better technological access and with the idea that there is no stiff competition for their products.

The mean scores (3.59) and standard deviations (1.37) shows that, the respondent women entrepreneurs in MSEs agree on the availability of the necessary infrastructures around their working areas.

Lastly, the scores for the availability of necessary raw material/inputs in the table above show that the respondent entrepreneurs do not agree with their access to these inputs with a mean of 2.19 and standard deviation of 1.27.

Socio-cultural factors

It was common to hear the bad names such as “buda”, “sheman,” “ketkach” and others given to different entrepreneurs in Ethiopia. These are good indicators of socio-cultural influences on individuals running their own business. The following table shows the

current states that these factors have impacted women entrepreneurs in MSEs.

Table 14. Socio-cultural factors that affect the performance of women entrepreneurs in MSEs

| No. | Item | Mean | Standard deviation | Remark |
|--------------------------------------|--|------|--------------------|------------------|
| 1 | Socio-cultural factors | | | |
| 1.1 | I have better social acceptability | 2.08 | 1.13 | 2 nd |
| 1.2 | I have better contact(network) with outsiders | 2.12 | 1.28 | 3 rd |
| 1.3 | I have no prejudice or class biases | 3.48 | 1.32 | 5 th |
| 1.4 | The societies attitude towards my products/services is positive | 3.26 | 1.46 | 4 th |
| 1.5 | The attitude of other employees towards my business is positive | 3.62 | 1.4 | 7 th |
| 1.6 | I have a positive relationship with the workforce | 3.96 | 1.1 | 10 th |
| 1.7 | I have no conflicting gender roles | 2.02 | 1.21 | 1 st |
| 1.8 | I am not affected by gender inequalities | 3.55 | 1.43 | 6 th |
| 1.9 | I have no cultural influences | 3.87 | 1.4 | 9 th |
| 1.10 | I never encounter harassments in registering and operating my business | 3.82 | 1.31 | 8 th |
| Grand mean/standard deviation | | 3.18 | 0.12 | |

The mean scores(2.08) and standard deviation(1.13) of the respondents in table 14 shows that women have no better social acceptability .They do not agree on the idea that they have a better social acceptance. Similarly, the contact (networks) that women entrepreneurs in MSEs have with outsiders is low too with a mean score of (2.12) and standard deviation of (1.28).

However, they approach to agree in the idea that they have no prejudices or class biases with a mean of (3.48) and standard deviation of (0.32).Similarly, with regard to the attitude of the society towards their products/services, the respondent women entrepreneurs in MSEs do not like to decide on idea that the attitude of the society is positive.

On the other hand, in relation to the attitude of other employees towards their business and the relationship that these women entrepreneurs have with their employees, the table above shows that, the respondents have a positive relationship with their employee and the attitude of the employees towards the business is positive too. The mean scores 3.62

and 3.96 and standard deviations 1.4 and 1.1 for attitude of employees and relationship with employees respectively clearly strengthens this idea.

But, these respondents do not agree with the idea of having conflicting gender roles. The mean scores (2.02) and standard deviations (1.21) in the table above shows that there are different conflicting gender roles for the respondent women entrepreneurs in MSEs.

By the same token, issues of gender inequality, cultural influences and harassments are not serious problems for women entrepreneurs in MSEs as the table above shows very well. The respondents agree with a mean of 3.55 and standard deviation of 1.43 that there are no gender inequalities. Similarly they agree on the issues that cultural influences and harassment problems are very low. This is justified by the mean scores 3.87 and 3.82 with a deviation of 1.4 and 1.31 for cultural influences and harassments respectively.

Legal and administrative factors

Of the different factors that hinder entrepreneurial performance, the impact of legal and administrative influences is not to be undermined. The following table displays the key legal and administrative factors that affect the performance of women entrepreneurs in MSEs.

Table 15. Legal and administrative factors that affect the performance of women entrepreneurs in MSEs

| No. | Item | Mean | Standard deviation | rank of severity |
|-------------------------------|--|------|--------------------|------------------|
| 1 | Legal and administrative factors | | | |
| 1.1 | I have business assistants and supporters from government bodies | 3.57 | 1.41 | 9 th |
| 1.2 | I have a network with different administrative bodies | 1.85 | 1.23 | 1 st |
| 1.3 | I have access to policy makers | 1.9 | 1.28 | 2 nd |
| 1.4 | I have no legal, institutional and policy constraints | 3.53 | 1.42 | 8 th |
| 1.5 | I can borrow money even without titled assets as a collateral | 3.6 | 1.36 | 10 th |
| 1.6 | Interest rate charged by micro finances and other lending institutions is reasonable | 1.94 | 1.22 | 4 th |
| 1.7 | I have never encountered bureaucracies and red tapes | 1.97 | 1.32 | 5 th |
| 1.8 | I am beneficiary of government incentives | 3.48 | 1.4 | 7 th |
| 1.9 | In general the overall legal and regulatory environments favorable. | 2.13 | 1.12 | 6 th |
| 1.10 | The tax levied on my business is reasonable | 1.93 | 1.29 | 3 rd |
| Grand mean/standard deviation | | 2.59 | 0.06 | |

Tables 15 above clearly portraits the respondent women entrepreneurs in MSEs have business assistant and supports from government bodies. The mean score (3.57) and standard deviations (1.41) shows that these entrepreneurs agree with the issue that they have business assistants and supports from the concerned government officials.

To the contrary, these women entrepreneurs disagree with the ideas of having network with administrative bodies and access to policy makers. The mean scores and standard deviations clearly show their disagreement. That is means of 1.85 and 1.9 and standard deviations of 1.23 and 1.28 for net work with outsiders and access to policy makers respectively.

Even though this is the case, agreements are seen among the respondents in relation to the inexistence of legal, institutional and policy constraints. Similarly they agree on the idea of borrowing money even without collaterals. The mean (3.53) and (3.6) and the standard deviations (1.42) and (1.36) for the constraints and collateral matters respectively support the ideas.

As opposed to this, the table shows that the interest rate charged by borrowing institutions and the tax levied on entrepreneurs is not reasonable. The disagreement on the reasonability of the interest rates and tax amount is justified by the calculated means (1.94) and (1.93) and standard deviations (1.22) and (1.29) for interest and tax amount respectively. In addition the respondents ‘disagree’ that bureaucracies and red tapes do not affect their performance with mean of (1.97) and standard deviation of (1.32).

With regard to government incentives and the favorability of the overall legal and regulatory environments the mean scores 3.48 and 2.13 and standard deviation 1.4 and 1.12 implies that even if there are government incentives, the overall legal and regulatory environments are not as such favorable.

4.1.4 Comparison of factors that affect women entrepreneur’s performance in MSEs

Even though, all the economic, social, legal and administrative factors affect the performance of entrepreneurs, this does not necessarily mean that all have equal impact. The following table clearly compares the overall impact of all the key factors discussed in detail above.

Table 16. Comparison of the major factors affecting women entrepreneurs’ Performance

| No. | item | Grand Mean | Grand Standard deviation | Severity Rank |
|-----|----------------------------------|---------------|--------------------------------|------------------|
| | Factors | | | |
| 1 | Economic Factors | 2.49 | 0.1 | 1 st |
| 2 | Scio-cultural factors | 3.18 | 0.12 | 3 rd |
| 3 | Legal and administrative factors | 2.59 | 0.06 | 2 nd |

The grand mean (2.49) and grand standard deviation (0.1) in the above table clearly depicts that the economic factors are Sevier than the others followed by the legal and administrative factors that has a grand mean of (2.59) and a grand standard deviation of (0.06).

The table also shows that the impact of the socio-cultural factors is better than the economic, legal and administrative factors as the grand mean (3.18) and grand standard deviations (0.12) clearly depict.

4.1.5 Supports given by TVET institutions to women entrepreneurs in MSEs

Even though TVETs are not expected to tackle all the problems that women entrepreneurs in MSEs face, there are some supports that can be taken as a responsibilities of TVET colleges and institutes. By the following table, it is tried to assess whether TVETs are providing the required supports to MSEs or not.

Table 20. Summary of the Supports Given by TVETs to MSEs

| No. | Item | Mean | Standard deviation | rank of supports |
|-------------------------------|---|------|--------------------|------------------|
| | Supports given by TVETs to MSEs | | | |
| | Training support | | | |
| 1 | TVETs provide entrepreneurship training to MSEs | 1.87 | 1.08 | 8 th |
| 2 | TVETs provide marketing training to MSEs | 1.96 | 1.16 | 6 th |
| 3 | TVETs provide planning and financial report training to MSEs | 1.93 | 1.15 | 7 th |
| 4 | TVETs provide machine maintenance training to MSEs | 3.22 | 1.62 | 5 th |
| 5 | TVETs provide customer service training to MSEs | 1.76 | 0.92 | 12 th |
| 6 | TVETs provide technical skill training to MSEs | 3.74 | 1.45 | 3 rd |
| | Machine support | | | |
| 7 | TVETs provide machine maintenance service to MSEs | 3.85 | 1.37 | 2 nd |
| 8 | TVETs provide machines support(gifts) to MSEs | 1.82 | 0.98 | 10 th |
| | Financial, technology, raw material and facility supports | | | |
| 9 | TVETs provide Financial supports to MSEs | 1.84 | 1 | 9 th |
| 10 | TVETs provide Technology supports to MSEs | 3.88 | 1.37 | 1 st |
| 11 | TVETs provide Raw material supports to MSEs | 1.79 | 0.98 | 11 th |
| 12 | TVETs provide Facility(such as transportation) and furniture supports to MSEs | 3.65 | 1.49 | 4 th |
| Grand mean/standard deviation | | 2.61 | 0.23 | |

As TVETs are training centers, they are expected to equip trainees with the necessary skills, knowledge and attitudes through formal, informal or non formal basis.

Entrepreneurship training enables individuals to own businesses rather than seeking employment in any organization. To strengthen such a culture, TVETs are providing entrepreneurship training to the youth. Even though this is the case, women entrepreneurs in MSEs do not agree with the provision of entrepreneurial training to them with a mean of 1.87 and standard deviation of 1.08. Similarly, respondents agree that marketing, planning and financial report training are not given to them by TVET institutions/colleges. The mean (1.96) and (1.93) and standard deviations (1.16) and (1.15) for marketing and plan/report respectively are good indicators of this.

A support to MSEs in relation to customer service is also weak. The mean (1.76) and standard deviations (0.92) in table 17 clearly shows that respondents do not agree with customer service trainings supports from TVETs.

However, the supports in the areas of machine maintenance and technical skill trainings seem better as the table above portrays very well. Regarding machine maintenance trainings, the mean (3.22) and standard deviation (1.62) depicts that the respondents' agreement scale is more than undecided, indeed less than agree. About technical skill trainings respondents agree that training is given. The mean (3.74) and the standard deviation (1.45) confirm this idea.

TVETs as producers of different technicians are expected to support MSEs by providing them different machines created/copied within the college /institution and help in maintaining machines that encounter problems.

It is clear in the table above that machine maintenance services are given to MSEs through TVET colleges / institutes. The mean (3.85) and standard deviation (1.37) shows the agreements among respondents in acquiring this service. However, respondents' agreement is weak in relation to the idea that machines created/copied with in TVETs are

given to women entrepreneurs in order to support them. This is strengthened by the mean (1.82) and standard deviations (0.98) calculated in the table above.

As one stakeholder in strengthening women entrepreneurs in MSEs, TVETs are also expected to support in finance, technology, raw materials and facilities. Table 17 above shows that, the respondent entrepreneurs do not agree with the provision of financial and raw material supports given through TVETs. The means (1.84) and (1.79) and standard deviations (1.37) and (1.49) clearly depict that supporting women entrepreneurs in MSEs financially and raw material wise is not common. Nevertheless, the respondent women entrepreneurs agree with a mean (3.88) and (3.65) and standard deviation of (1.37) and (1.49) that technology and facility supports are given to them by TVETs.

To conclude, the overall supports given to women entrepreneurs in MSEs through TVETs is below average as the grand mean (2.61) and grand standard deviations (0.23) in the table show.

4.1.6 Co operations among MSEs, TVETs and Micro Finances

When MSEs come in to idea, it was targeted to use them as main tools in reducing poverty through the cooperative efforts of TVETS, micro finances and municipalities as the interview conducted with heads of MSEs, TVET leaders and micro finance managers indicate. It was designed that *MSEs*-to perform the recruitment and selection of entrepreneurs in MSEs; *TVETs* -to provide the necessary trainings to the selected entrepreneurs; micro finances- to give financial supports and municipalities -to make premises(land) available to them.

In order to achieve these shared responsibilities, a common string committee that includes members from all (college dean, municipality mayor, MSEs Process owner and micro finance manager) was formed. As the interview results show, the committee has a regular meeting period; plan tasks together and follow up their achievement jointly.

However, when that come in to practice, a lot of problems were faced associated with different internal and external factors from all stakeholders. As discussed in table 3 women entrepreneurs have no their own premises (land) to run their business. This seems a problem observed from the side of the municipalities as it is its responsibility. The table also shows that the financial access of the respondents is weak. This problem is associated with micro finances in that financial arrangements are their responsibilities. In relation to the training supports given by TVETs, still is not satisfactory and focus on some technical aspects rather than including business matters too.

The MSEs work process owner complain that trainees will not acquire the required trainings from TVETs .He states reasons such as shortage of trainers, trainers overloads and lack of incentives given to them as main ones. In addition shortage or raw materials, machines and budget problems are stated as reasons by the process owner. Because of these, the process owner added our trainees are forced to return back before completing and sometimes at the beginning of the training sessions. For this, the dean of W/ro Siheen College of TVET responds that it is a problem of attitudinal change among teachers by associating everything with incentives.

Similarly, the interview conducted with the dean shows that there were problems in recruiting and selecting candidates for training in the side of MSEs. The dean stressed that proper selection mechanisms were not used in screening the candidates. They faced problems such as screening the same trainees for different training programs at different times even though there are others waiting for their turn. The dean also added that disciplinary problems were observed among the trainees. In their criteria of screening, the dean commented that MSEs use of one kebele system (cooperative member trainees should be from one/same kebele) and limiting the minimum number of cooperative member in to 10 are the reason for the occurrence of such a problem. These problems are also reflected in borrowing money from micro finances.

With regard to financial matter, an interview conducted with Dessie micro finance manager shows that, those women entrepreneurs organized by MSEs have problems in

returning what they have borrowed. Because of this the manager added they are forced to stop lending to women entrepreneurs in MSEs. As the manager pointed out if collection capacity of the institute is below 70%, the national bank will not allow the money to lend to such “risky borrowers”-what the manager call them. In addition, since these entrepreneurs do not have fixed assets that serve as a collateral, group lending system is used. The problem with such a system is that one is an agent for the other; in that members in a group will be responsible for problems created by any of the members in the group. The manager complained that they observe even borrowers that hide themselves after taking the money.

4.2 Discussion

Birley (1987) found that the background and personal characteristics of women entrepreneurs in MSEs in that they are from a middle or upper class family, the daughter of a self employed father, educated to degree level, married with children, forty to forty-five at start-up and, with relevant experiences.

In support of Birley’s findings, women entrepreneurs in MSEs are daughters of self employed father and are married. The fact that these entrepreneurs are daughter of self employed father shows that women entrepreneurs in MSEs are not significant in number in the business arena. This is because the number of respondents having a self employed mother or sister is insignificant. By the same logic, it is also possible to guess from the fact that women entrepreneurs are married that they may have conflicting gender roles such as keeping kids since in our country context most of these responsibilities are left to women.

However, the idea that these entrepreneurs are from a middle or upper class, educated to degree level, forty to fort five at the start up and having the relevant experiences contradict with the Birley’s findings. Of course, his findings may work in most developed countries. Their total applicability in developing countries like Ethiopia is questionable.

One can reach to the conclusion that women entrepreneurs in Dessie are not from a middle or upper class. This is because, had these entrepreneurs be from such a family, they would not have seen starting own business as a last resort. Similarly, the maximum educational level that these entrepreneurs reach is 8th grades. This shows that the entrepreneurs run their business by common sense than supporting it with scientific principles. Regarding their age and experience, it is also possible to deduce that women entrepreneurs in MSEs in Dessie are in the age categories of 31-40 and join the business without adequate experiences. This implies women entrepreneurs in MSEs in Dessie town are youngsters and within the productive age that can contribute a lot for their performance. However, the fact that they are less experienced in their areas of work may negatively affect their performance.

In relation to family size, even though Shane (1997) and ILO (2003) found that women entrepreneurs have an average larger family size, this study found that the majority women entrepreneurs have a family size of less than 3 which is even less than the average family size in Ethiopia that is 4.8(CSA, 1995).This is contradictory and needs further investigation.

It is discussed above that women entrepreneurs are married, have no self employed mother/sister, have low educational background and are not experienced in business. All these can lead to the conclusion that, the personal characteristics of these entrepreneurs can contribute to their low performance in addition to the economic, social, and legal/administrative factors.

UNECE (2004) reported that MSEs have a better employment opportunity than even that of larger ones. As this study shows, most women entrepreneurs in MSEs in Dessie are engaged in the production sector and employ more than 15 individuals within them. Hence, the finding matches with the report. Similarly, the entrepreneurs are organized under cooperatives and use micro finances as main sources of funding. This shows the production sector is increasing at an alarming rate and opens an opportunity of employment to a large number of individuals. Besides this, the openings of Micro

finances allow women to be organized under cooperatives for the purpose of acquiring finance even without collaterals. Cooperatives give these entrepreneurs an opportunity of sharing skills, knowledge and experiences for one common goal which is organizational success (Hisrich, 2005).

World Bank (2005), ILO (2003), Samiti (2006), Tan (2000) and SMIDEC(2004) addressed that women entrepreneurs in MSEs are affected by a number of economic, social/cultures and legal/administrative factors. Some of the findings of this study go in line with these and some others go against.

The performance of women entrepreneurs in MSEs in Dessie town are highly affected by economic factors such as lack of own premises (land), financial problems, stiff competition in the market, inadequate access to trainings, lack of technology and raw material.

In contrast to the findings of World Bank, ILO Samiti, Tan and SMIDEC, this study found that infrastructures and access to information are not problems of women entrepreneurs in MSEs in Dessie town. This may be attributed to different reasons. First, since the study is conducted in Dessie town, these problems may not be observed as compared to women entrepreneurs in rural areas. Secondly, since the studies were done some years before, certain changes may be seen in between.

With regard to socio-cultural conditions, conflicting gender roles, lack of social acceptability and network with outsiders are the Sever factors that affect women entrepreneurs in Dessie. However, class biases, gender inequalities, attitude of employees towards the business and harassments are not problems of entrepreneurs in the town in contrast to other researcher's findings. Besides to the above justifications, the reasons for such changes may be better access to media and other facilities that may change the society's attitude.

In relation to legal/administrative issues, network with administrative bodies, access to policy makers, amount of tax and interest rate charged, bureaucracies and red tapes and the overall legal and administrative environmental factors are the serious problems of women entrepreneurs in MSEs in the town. But, issues related to government incentives, legal, instructional and policy constraints, assistance and support from government bodies and request of collateral for borrowing money are not found to be problems of women entrepreneurs in MSEs. This highlights that there are some beginnings in encouraging women entrepreneurs in MSEs even though this is not believed to be satisfactory.

From the major factors that affect the performance of women entrepreneurs in MSEs, the impact of the economic environment is significant even though the influence of social factors is minimal. This implies, the impact of globalization is reflected in women entrepreneurs in MSEs; but the attitude of the society towards women entrepreneurs seems to be relatively changed.

The supports that TVET institutes/colleges provide to women entrepreneurs in MSEs are stronger in the areas of technology, machines, technical skill trainings, facility supports, and machine maintenance trainings. In the contrary, marketing trainings, plan and reporting trainings, entrepreneurship trainings, financial supports, machine gifts, raw material supports and customer service trainings are weak. This indicates that TVETs are emphasizing on technical trainings. They do not give a comparable value to business trainings and other supports.

Therefore it is possible to conclude that, even though the establishments of different municipality services, TVETs, MSEs and micro finances institutions/college are seen in different towns, the problems identified in this research shows that all are not doing what is expected of them. That is the municipalities in providing working premises (land), the TVETs in training entrepreneurs, the micro finances in providing financial supports, and MSEs in recruiting and selecting the youth. All these are joint responsibilities among these stakeholders in bringing women entrepreneurs in MSEs in to high performance. That is why the researcher concludes that much is not done in this regards.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this chapter, the major findings are summarized; conclusions are drawn based on the findings and recommendations are forwarded for the concerned bodies.

5.1 Summary

In this study, it was designed to assess the factors that affect the performance of women entrepreneurs in MSEs .It was also tried to address the characteristics of women entrepreneurs in MSEs and their enterprises and the supports they acquire from TVET colleges/institutes. A sample of 203 women entrepreneurs engaged in 5 sectors was taken for the study using stratified and simple random sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the performance of women entrepreneurs in MSEs and supports MSEs acquire from TVETs was designed in a closed ended and likert scales. Moreover, structured interviews were held with top officials of MSEs, micro finances and TVET educators. After the data has been collected, it was analyzed using simple statistical techniques (tables and percentages) and descriptive statistics (mean and standard deviations).Based on 197 respondents and interview results acquired from the concerned officials, the major findings of this study are summarized as follows.

- Most of the respondent women entrepreneurs are under the age category of 31-40 (40.1%) and educational level of 5th -8th grades (27.92%) with a working experience of 1-5 years (46.19%) and their marital status are married (45.18%).
- Majority of the respondents have a family size of less than 4 (51.27%); engaged in the production sector (54.31%); hire more than 15 employees within their organization (64.17%) and the legal ownership establishment of their enterprises is in the form of cooperatives (75.13%). Moreover, majority of the respondents start their own business for the reason that they have no

other alternatives (52.79%). Similarly, most of these respondents start their own business by their own initiation and acquire the necessary skills through formal trainings (56.35%). Besides this, they have no entrepreneurial family (70.05%). Of those that have an entrepreneurial family, most of them have a self employed father (40.68%). The main source of startup fund for majority of the respondents is micro finances (77.66%).

- The major economic factors that affect women entrepreneurs in MSEs according to their severity order are lack of own premises or land ($\bar{X} = 1.92$ & s.d=1.28), lack of financial access ($\bar{X} = 1.93$ & s.d=1.34), stiff competition in the market, ($\bar{X} = 2.12$ & s.d=1.14), inadequate access to training, lack of access to technology, and raw materials. Infrastructure problems ($\bar{X} = 3.59$ & s.d=1.37), and access to information ($\bar{X} = 3.69$ & s.d=1.38) are not serious economic problems for these entrepreneurs.
- The major socio-cultural factors that affect the respondent women entrepreneurs in MSEs in Dessie town according to their severity order are Conflicting gender roles ($\bar{X} = 2.02$ & s.d=1.21), Social acceptability and Contact (network) with outsiders ($\bar{X} = 2.08$ & s.d=1.13). However, prejudices or class biases ($\bar{X} = 3.48$ & s.d=1.32), gender inequality ($\bar{X} = 3.55$ & s.d=1.43), attitude of employees to the business ($\bar{X} = 3.62$ & s.d=1.4), harassments and relationship with the workforce are not as such problems that affect the performance of women entrepreneurs.
- The major legal and administrative factors that affect the respondent women entrepreneurs in MSEs according to their severity order are lack of network with administrative bodies($\bar{X} = 1.85$ & s.d=1.23), access to policy makers($\bar{X} = 1.9$ & s.d=1.28), amount of tax levied($\bar{X} = 1.93$ & s.d=1.29), interest rate charged, bureaucracies and red tapes, over all legal and regulatory environments. Nevertheless, government incentives, legal, institutional and policy constraints, assistant and support from government bodies and request of collaterals are not problems.

- Of the major factors that affect the respondent women entrepreneurs in MSEs, economic factors take the leading position (grand $\bar{X} = 2.49$ & grand s.d = 0.1) followed by legal/administrative (grand $\bar{X} = 2.59$ & grand s.d = 0.06) and socio/cultural factors (grand $\bar{X} = 3.18$ & grand s.d = 0.12) respectively.
- The supports that women entrepreneurs in MSEs acquire through TVET according to their degree of support include: technology support ($\bar{X} = 3.88$ & s.d = 1.37), machine maintenance service ($\bar{X} = 3.85$ & s.d = 1.37), technical skill trainings, ($\bar{X} = 3.74$ & s.d = 1.45) facility supports and machine maintenance trainings. But supports in the areas of marketing trainings ($\bar{X} = 1.96$ & s.d = 1.16), plan and report preparation trainings($\bar{X} = 1.93$ & s.d = 1.15), entrepreneurship trainings($\bar{X} = 1.87$ & s.d = 1.08), financial supports, machine supports(gifts),raw material supports and customer service trainings are relatively weaker.
- The cooperation among MSEs, TVETs, micro finances and municipalities is very weak as the interview results show.

5.2 Conclusion

The characteristics of women entrepreneurs in MSEs of Dessie town shows that they have no entrepreneurial family, they take entrepreneurship as a last resort and others. From this, it is possible to infer that the entrepreneurship trainings is not given to women entrepreneurs in the town; or even though it is given, it may focus on theoretical concepts than deep-rooted practical trainings. Or even if it is delivered practically, attention might not be given by women entrepreneurs. Even if this is the case, women entrepreneurs in MSEs still contribute for the countries development. MSEs are becoming an important area of emphasis for many developing countries in general and to Ethiopia in particular, primarily for its immense potentials as a source of employment given that there are a number of factors that affect their performance.

Even though socio-cultural factors are minimizing in towns like Dessie, economic and administrative challenges are still tremendous. This can be associated with the effects of

globalization that may create intense competitions in the market and poor performances for those entrepreneurs that cannot easily cope up with changes.

For the MSE sector to be vibrant and serve as a springboard for the growth of a strong private sector in Ethiopia a TVET system that supplies disciplined and quality workforce can be considered as one of the necessary conditions. A country with poor human capital has the least chance to develop even if huge capital outlays are invested in all other productive sectors. The production of trained workforce is as important or even may be more important than the production of goods and services. Whatever is produced in the economy to be competitive, both in the domestic and international markets, depends on the quality of the productive workforce the country has. This obviously calls for a TVET system that supplies the business sector and/or the whole economic system with a quality workforce that efficiently uses and produces resources.

5.3 Recommendations

Based on the findings of the study, the necessary recommendations are forwarded to existing and potential entrepreneurs, to MSEs, Micro Finances Institutes and TVET Institutions.

To existing and potential women entrepreneurs in MSEs:

Even though entrepreneurship is not free of risks, existing and potential entrepreneurs should not see it as a last resort. This is because starting own business creates sense of independence, flexibility and freedom; make own boss, give time and financial freedoms. Besides this, in the time of globalization, it would be unthinkable to get jobs easily because of the serious competition throughout the world. Moreover, to tackle the different economic, social/cultural and legal/ administrative bottlenecks they face, women entrepreneurs should make lobbies together to the concerned government officials by forming entrepreneurs associations. Besides this, women entrepreneurs in MSEs should search for other alternative supporting agents rather than relying only on TVET institutions, micro finances and MSEs offices in improving their performance and solving problems. For example, they should also approach known individual

entrepreneurs, NGOs, banks and other supporting organizations. Lastly, Women entrepreneurs in MSEs of the town should share experiences with other entrepreneurs in other towns and regions so that they can learn a lot from best practices of those entrepreneurs.

To MSEs heads:

MSEs Heads should design a different screening mechanism while selecting candidates rather than using “one kebele member system”. Besides this, the minimum number of members to form a cooperative should also be revised. Being in one/the same kebele should not be a criterion to form a cooperatives association, rather members’ skill compositions, their ethical attitudes and commitment to work should also be taken in to account. Furthermore, keeping the minimum number of members to form an association in to 10 is not reasonable, because what matters in not their number rather their willingness and their relationship among themselves should also be considered. MSEs should also discuss with municipalities and other administrative bodies to make women entrepreneurs owners of working premised(land).They should also arrange mechanisms through which women entrepreneurs in MSEs can easily access administrative bodies and policy makers so that they can be beneficiaries of different governmental incentives such as tax exemptions, decreasing interest rates on loans etc.

To Micro finances:

Micro finance institutes should change the practice of “group lending system” since members in a group cannot have the same thinking level, attitude and commitment as there are personal differences. Hence institutes should allow individual lending systems. Micro-finances should also minimize the interest rates that they charge to women entrepreneurs in MSEs so as to strengthen their entrepreneurial sprit. In addition Credit services need to be reviewed in order for them to be accessible to small enterprises with limited capacity. This has yet to be achieved despite the proliferation of microfinance institutions alongside the MSE strategy. The procedures for securing loans must be simplified or greater support offered by the lenders to support SMEs. Some microfinance

institutions also need to be sensitized to the nature of SMEs and the sustainability of their businesses.

To TVET educators:

Even though technical skills trainings are of great importance to eat “breads”, it should be supplemented with business trainings to improve the “breads” in to “cakes”. Hence TVET institutions/colleges should provide both technical and business trainings to MSEs so that these entrepreneurs can withstand competitions, develop entrepreneurial spirits, improve managerial skill in such a competitive world. TVET institutes/colleges should also be involved in the recruitment and selection of candidates rather than making it as a sole responsibility of MSEs. Besides that entrance exams should be given to candidates to proactively avoid unnecessary costs by receiving individuals with poor attitudes.

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APPENDICES

APPENDIX A

BAHID DAR UNIVERSITY

DEPARTMENT OF EDUCATIONAL PLANNING AND

MANAGEMENT

GRADUATE PROGRAM IN TVET MANAGEMENT

This questionnaire is designed to investigate “the factors that affect women entrepreneurs’ performance in MSEs.” The researcher kindly reminds the respondents (Women entrepreneurs in MSEs) that the response given by them will be used only as an input for the research work. In addition the researcher would like to be grateful to the respondents the sacrifices they paid in completing this questionnaire.

Note:

- No need of writing your name

PART 1: DEMOGRAPHIC INFORMATION

- ## 2. Level of education and training

- A. Can't read and write
 - B. Grades 1-4
 - C. Grades 5-8
 - D. Grades 10 complete
 - E. 10+1 & 10+2
 - F. 10+3 /diploma
 - G. BA/BSC and above

- ### 3. Work experience

- A. Less than 1 years
 - B. 1-5 years
 - C. 6-10 years
 - D. Greater than 10 years

4. Marital status

- A. Married
- B. Single
- C. Divorced
- D. Widowed

**PART 2: CHARACTERSTICS OF WOMEN ENTREPRENEUNERS IN MSEs
AND WOMENN OWENED ENTERPRISES**

5. Family size

- A. Less than 3
- B. 4-5
- C. More than 5

6. What sector is your business in?

- A. Trade
- B. Production
- C. Services
- D. Hand-craft
- E. Other (specify) _____

7. Number of employees in the enterprise?

- A. Less than 5
- B. 6-10
- C. 11-15
- D. more than 15

8. What is the legal ownership status of the establishment?

- A. Sole ownership
- B. Joint ownership
- C. Family business
- D. Cooperative
- E. Other (specify) _____

9. Why did you prefer to start your own business?

- A. Family tradition D. Small investment is required
B. To be self-employed E. No other alternative for incomes
C. Brings high income F. Others (Specify) -----

10. Who initiated and started the business?

- A. Myself alone C. With the family
B. With a friend/partner D. other (specify)

11. How did you acquire the skill for running your enterprise?

- A) Through formal training B) From past experience
C) From family C) other (specify)

12. Is there anyone in the family who was entrepreneur or owner of some related
business activities? A) Yes B) No

13. If yes, what is your family relation with him/her?

- A) Father B) Mother C) Brother
D) Sister E) Grandfather
F) Grandmother G) Husband H) Other (specify)

14 What was your main source of start-up funding?

- A. Personal saving
B. household
C. Borrowed from relatives or friends/money lenders
D. Micro-finance institutions
E. Equb
F. Assistant from friends/relatives
G. Inheritance
H. Borrowed from Bank
I. Assistant from NGO's
J. Others (specify) _____

PART 3: FACTORS AFFECTING WOMEN ENTREPRENEURS' PERFORMANCE IN MSEs.

The major factors that affect women entrepreneurs' performance in MSEs are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (✓) under the choices below.

5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

| No. | Item | Agreement Scale | | | | | |
|------------|--|------------------------|---|---|---|---|--------|
| | | 1 | 2 | 3 | 4 | 5 | remark |
| 15 | Economic factors | | | | | | |
| 15.1 | I am satisfied with the financial access given by micro finances and other lending institutions. | | | | | | |
| 15.2 | I have access to market for my products | | | | | | |
| 15.3 | A have access to different business trainings | | | | | | |
| 15.4 | I have my own premises (land) to run my business | | | | | | |
| 15.5 | I have an access to information to exploit business opportunities | | | | | | |
| 15.6 | I have managerial skills | | | | | | |
| 15.7 | I have access to necessary technologies | | | | | | |
| 15.8 | There is no stiff competitions in the market place that I am engaged in. | | | | | | |
| 15.9 | Adequate infrastructures are available | | | | | | |
| 15.10 | I have access to necessary inputs(raw materials) | | | | | | |
| 16 | Social factors | | | | | | |
| 16.1 | I have a better of social acceptability | | | | | | |
| 16.2 | I have a better contacts(networks) with outsiders | | | | | | |
| 16.3 | I have no prejudice or class biases | | | | | | |
| 16.4 | The societies attitude towards my products/services is positive | | | | | | |
| 16.5 | The attitude of other employees towards my business is positive | | | | | | |
| 16.6 | I have a positive relationship with the workforce | | | | | | |

| | | | | | | | |
|-------|--|--|--|--|--|--|--|
| 16.7 | I have no conflicting gender roles | | | | | | |
| 16.8 | I am not affected by gender inequalities | | | | | | |
| 16.9 | I have no cultural influences | | | | | | |
| 16.10 | I never encounter harassments in registering and operating my business | | | | | | |

| No. | Item | Agreement Scale | | | | |
|-------|--|-----------------|---|---|---|--------|
| | | 1 | 2 | 3 | 4 | 5 |
| 17 | Legal and administrative factors | | | | | remark |
| 17.1 | I have business assistants and supporters from government bodies | | | | | |
| 17.2 | I have a network with different administrative bodies | | | | | |
| 17.3 | I have access to policy makers | | | | | |
| 17.4 | I have no legal, institutional and policy constraints | | | | | |
| 17.5 | I can borrow money even without titled assets as a collateral | | | | | |
| 17.6 | Interest rate charged by micro finances and other lending institutions in reasonable | | | | | |
| 17.7 | I have never encountered bureaucracies and red tapes | | | | | |
| 17.8 | I am beneficiary of government incentives | | | | | |
| 17.9 | I have never faced unfavorable legal and regulatory environments | | | | | |
| 17.10 | the tax levied on my business is reasonable | | | | | |

Part 4: Support areas of TVETs to MSEs

The following are cooperation areas between MSEs and TVET, read each of the areas and evaluate your business against the points and put a tick mark ('✓') for your choice.

| | Item | Agreement Scale | | | | | |
|--------|---|------------------------|---|---|---|---|--------|
| 18 | Support areas of TVETs to MSEs | 1 | 2 | 3 | 4 | 5 | remark |
| 18.1 | Training support | | | | | | |
| 18.1.1 | I have got entrepreneurship training from TVETs | | | | | | |
| 18.1.2 | I have got marketing training from TVETs | | | | | | |
| 18.1.3 | I have got planning and financial reporting training from TVETs | | | | | | |
| 18.1.4 | I have got machine maintenance training from TVET | | | | | | |
| 18.1.5 | I have got customer service training from TVETs | | | | | | |
| 18.1.6 | I have got technical skill training from TVETs | | | | | | |
| 18.2 | Machine support | | | | | | |
| 18.2.1 | I have got machine maintenance service from TVET | | | | | | |
| 18.2.2 | I have got machines support(gifts) from TVETs | | | | | | |
| 18.3 | I have got Financial supports | | | | | | |
| 18.4 | I have got Technology supports | | | | | | |
| 18.5 | I have got Raw material supports | | | | | | |
| 18.6 | I have got Facility an furniture supports | | | | | | |

APPENDIX B

BAHIR DAR UNIVERSITY POST GRADUAT PROGRAM MA IN TECHNICAL AND VOCATIONAL EDUCATION MANAGEMENT

Interview Questions with MSE heads

1. What problems did you face while running MSEs in relation to:

A) Economic factors

- Market
- Finance
- Technology
- Infrastructure
- Training
- Raw material & other

B) Social factors

- Public acceptance
- Attitude toward women owned businesses
- Relationship with suppliers, customers and others

C) Legal and Administration factor

- Government policy
- Bureaucracies (in relation to licensing, taxation etc.)
- Women Support

2) Your cooperation with

- Micro finances
- TVETs

3) What other problem did you face?

4) What measures did you take to solve the problems you faced?

APPENDIX C

BAHIR DAR UNIVERSITY POST GRADUAT PROGRAM

MA IN TECHNICAL AND VOCATIONAL EDUCATION MANAGEMENT

Interview Questions with micro finance heads

1. Is there a special financial support that you give for women entrepreneur?
2. What problem did you face is relation to
 - borrowing and
 - lending
 - Collaterals.
3. What measure did you take to solve the problem you faced?
4. What is your cooperation with
 - TVET
 - MSEs.

APPENDIX D

BAHIR DAR UNIVERSITY POST GRADUAT PROGRAM

MA IN TECHNICAL AND VOCATIONAL EDUCATION MANAGEMENT

Interview Questions with TVET leaders

1. How do you explain the relationship you have with SMEs?
 - Do you have regular meeting periods?
2. What are the areas of support you have with TVET leaders
 - Finance
 - Training
 - Technology
 - Raw materials
 - Training and others
3. What problem did you face to work jointly with TVET
4. What measures did you take to solve the problems you faced
5. How is your relationship with Micro finance and MSEs and others

APPENDIX E

የበህር ዘር የኩስርከት የት/ርት ዕቅድና አስተዳደር ት/ት ክፍል የድህረ ጥረቂው ተመግራም

ይህ መጠሪቱ በጥቃቅንና አነስተኛ ተቁማት ላይ የተሰማሩ የስት ነገዚያዎች ያጠማቸውን ቅጽሬታ ለመቆስበ የተዘጋጀ ነው፡፡ በመሆኑም መጠሪቱ ለጥናቱ አለማ በይ የሚውል መሆኑን በመገኘበበ በጥንቃቄ እንዲሞላልኝ በትሔትና አጠቃቄለሁ፡፡ ለማረራግልኝ ትብብር በቅድመያያ ክፍያለ ምስጋናያን አቀርባለሁ፡፡

ማሳሰቢያ :- በመጠሪቱ ላይ ስም መቀና እያስፈልግም፡፡

ክፍል 1: አጠቃላይ መረጃ

| | | |
|-------------|--------------------|---------------------|
| 1. እድሜ | ሀ. ኮ20 ዓመት በታች | ሐ. 37 - 40 ዓመት |
| | ለ. 21 - 30 ዓመት | መ. ኮ40 ዓመት በለይ |
| 2. የት/ት ደረጃ | | |
| | ሀ. ማንበብና መቀና ያልቻለች | ሁ. 10 + 1 እና 10 + 2 |
| | ለ. ኮ1 - 4 ክፍል | ረ. 10 + 3 /የተለመማ |
| | ሐ. ኮ5 - 8 ክፍል | ሰ. በእ/ በእስከ. እና በለይ |
| | መ. 10 ክፍል ያጠናቀቀች | |
| 3. የስራ ልማድ | ሁ. ኮ1 ዓመት በታች | ሐ. 6 - 10 ዓመታት |
| | ለ. 1 - 5 ዓመታት | መ. ኮ10 ዓመት በለይ |
| 4. የጋብቻ ሁኔታ | | |
| | ሀ. ያገባች | ሐ. እገባቻ የፈታች |
| | ለ. ያገገባች | መ. ባን በጣት የተለያት |

ክፍል -2- የስት ነገዚያዎችና የተቁጥሮችዎች በህርያት

5. የቦተሰበ መጠን

| |
|------------|
| ሀ. ኮ3 በታች |
| ለ. ኮ 4 - 5 |
| ሐ. ኮ5 በለይ |

6. የተሰማኑበት የስራ መሰከ/ዘርፍ/

- ሀ. ገንደ
ለ. ታሪቃት
ሐ. አገልግሎት

መ. ገመና
ወ. ሌላ ካለ _____

7. በደረጃቸው ወሰኑ ተቀጥሬው የሚሰሩ ስራታዊያ ቁጥር

- ሀ. ፩፰ በታች
ለ. ፩፰ - 10
ሐ. ፩፰ ፩፰

8. የደረጃቸው ህጻዊ ምሳሌታ ምንድን ነው.

- ሀ. የግል
ለ. የጋራ
ሐ. የበተሰብ

መ. የሚህበር
ወ. ሌላ ካለ _____
ሐ. የበተሰብ

9. የፈሰምን ድርጅት ለመከፈት የፈለጋት ለምንድን ነው?

- ሀ. የበተሰብ ልማድ ስለሆነ
ለ. የፈሰ ስራ ለመፍጠር ቅለት ስለነበረኝ
ሐ. የፍተኛ ገበያ ስለሚያስተኞች
መ. ሌላ አማራይ ስለሌሎች
ወ. ሌላ ካለ _____

10. ድርጅቱን ለማቅረም እና ለመጀመር ዝነባሳውት ማን ነው?

- ሀ. ሪሳ
ለ. ቤተሰብ

ሐ. ገደኛ
መ. ሌላ _____

11. ድርጅቱን ለመምራት የሚሰራልማውትን አውቀት/ክህሉት/ የገኘት ከየት ለው?

- ሀ. ከት/በት (ከከልጠና ተቁም)
ለ. ከበተሰብ

ሐ. ከልማድ
መ. ሌላ _____

12. በበተሰብው ወሰኑ ስራ ፍጥረ የሆነ ሲው እለ?

- ሀ. እለ
ለ. የለም

13. መልሰምት ሁ ከሆነ አዋጅናው ምንድን ነው?

- ሀ. አባት
ለ. እናት
ሐ. ወንድም
መ. እሁት
ወ. ወንድ አያት
ሐ. ሌላ
ወ. ሌላ _____

14. ስራውትን ለመጀመር የተጠቀሙበት ወር የባንክበት ምንም ምንድን ነው?

- ሀ. የግል ቁጣብ
ለ. ከበተሰብ ስጠቃ
ሐ. ከንዳኛ በደር
መ. እቅብ
ወ. ከንዳኛ ድርፍ /ስጠቃ/
ዘ. ወርሱ
ሐ. የባንክ በደር
ወ. መንግባታዊ ከሆነ ድርጅት ቅ. ሌላ _____

ክፍል 3 . በነት ስራ ፊጻዣዎች የስራ እንቅስቃሴ ገጽ ተከናወል የሚያሳይሩ ገዳታ

ከዚህ ቁጥሎ በነት ስራ ፊጻዣዎች ገጽ ተከናወል ያሳይሸል ተብሎው የሚጠበቂ ገዳታ
ተዘርዝረዋል፡፡ የእምነትና ተከናወል ከድቃቻው ነገሮች ሁኔታ ይርሱ በማያያዝ
ለምርመራት የ✓/ የሚከተሉ በማድረግ የሚገኘ ይሰጣል፡፡

5. በጥም እስማማለሁ-

3. ለመውሰን እኩንራለሁ-

4. እስማማለሁ-

2. እልስማማ ን. በጥም እልስማማያ

| ተ.ቁ | ገዳታ | የሰጠዣነት ደረጃ (ሙጋቢ) | ጥርመራ |
|-------|---|------------------------|------|
| | 15 - የሚከተሉ ሁኔታ ተፈጻሚ ገዳታ | 1 2 3 4 5 | |
| 15.1 | ጥቃቅን ፍ አስተዳደር የበደር ተፈማት እንዲሆኝ ለለዎች ተፈማት በሚሰጠት በደር ለከታታለሁ፡፡ | | |
| 15.2 | የምርካኤል(አገልግሎት) የገበያ ሁኔታ ጥሩ ነው፡፡ | | |
| 15.3 | ስራውን ለመምራት የሚያስቀላቸን ለልጠና አጥቃቻለሁ፡፡ | | |
| 15.4 | የንግድ እጋጌዎችን ለመጠቀም የሚያስቀላቸ በቁ መረጃ አለኝ፡፡ | | |
| 15.5 | የራሳ የሆነ የንግድ በታ አለኝ፡፡ | | |
| 15.6 | የአስተዳደር ቅልጋዊ አለኝ፡፡ | | |
| 15.7 | አስፈላጊ የተከናወልዎች አቅርቦት አለኝ፡፡ | | |
| 15.8 | በገበያ ገጽ በንግድ የሆነ ቅርቡ የለም፡፡ | | |
| 15.9 | አስፈላጊ የሆነ መሰረት ለማጥታ(እንደወሆናዊነት...) ተማሪነት፡፡ | | |
| 15.10 | የጥራ ዕቃ ቅርቡ የለበትም፡፡ | | |
| | 16 - ማህበራዊ ገዳታ | | |
| 16.1 | በሁሉተሰበ ዘንድ ጥሩ ተቀባይነት አለኝ፡፡ | | |
| 16.2 | ከውጭ ይርሱ ተብሎው አለኝ፡፡ | | |
| 16.3 | የትሳ /የበደር /እድሎ የለበትም፡፡ | | |
| 16.4 | ሁሉተሰበ ለኋ የሚገኘ የው አመለካከት ጥሩ ነው፡፡ | | |
| 16.7 | በነትነቱ ለለዎች ተፈጻሚ የገበያ የሚታወቁ ለማስተካት የለበትም፡፡ | | |
| 16.8 | የጥታ እድሎ የለበትም፡፡ | | |
| 16.9 | የባህል ተከናወል የለበትም፡፡ | | |
| 16.10 | የፈቃድ እና የመሰሳለ የአስተዳደራዊ ገዳታን ለማስረዳ የጥታ | | |

| | | | | | |
|-------|--|--|--|--|--|
| | በደል ደርሰቦኝ አያዥ-ቁጥር:: | | | | |
| | 17 - ህጋዊና አስተዳደሪዎች ጉዳዮች | | | | |
| 17.1 | ከመንግስት አካላት የሚፈጸማልኝ ድጋፍ ጥሩ ነው:: | | | | |
| 17.2 | ከመንግስት አካላት ጋር ያለኝ ተብብር ጥሩ ነው:: | | | | |
| 17.3 | ከፖ.ስ. አውጭዎች ጋር ያለው ቁርበት ጥሩ ነው:: | | | | |
| 17.4 | በእንቅስቃሴ ሌይ ያጋጠሙኝ ህጋዊ ተቁማዋና ጽልሰያዊ ማሳቀሰት የለም:: | | | | |
| 17.5 | ማስያዝ የሚሆን ቅጂ ገበረት ባይኖረቸው ገንዘብ መበደር እቻለሁ:: | | | | |
| 17.6 | አበዳር ተቁማት የሚያስከፍልት የወልድ መጠን ተመጣጣኝ ነው:: | | | | |
| 17.7 | ገዳይ ለማስፈልግም ያለው ወጪ ወረዳ ከፍተኛ ነው:: | | | | |
| 17.8 | የመንግስት ተቁማ ተቁጥሮችን ተጠቁማ ነኝ:: | | | | |
| 17.9 | አጠቃላይ ያለው ህጋዊ አስተዳደሪዎች ሆነታ ሚኒስቴር ነው:: | | | | |
| 17.10 | በመንግስት የሚጠለው የግብር መጠን ተመጣጣኝ ነው:: | | | | |

ክፍል 4: በጥቃቃና አነስተኛ ተቁማት ከተ/መ- ተቁማት የሚፈጸማለቸው ድጋፍ

ከዚህ ቀጥሎ ተ/መ- ተቁማት ለጥቃቃና አነስተኛ ተቁማት የሚፈጸመትን ድጋፍ
የሚያሳይ የትብብር ነጥበት ተዘርዝረዋል:: ከእርስዎ ድርጅት እና የ በመገኘገኘ
ምርመራውትን የ/✓/ የሚከተሉ በማድረግ መልስ ይሰጣል::

| ተ.ቁ | ገዳቶች | የሰምምነት ደረጃ (መጠን) | የመመራ |
|-------------|---|------------------------|------|
| 18 | ትብብር ነጥበት | 1 2 3 4 5 | |
| 18.1 | የሰልጠና ድጋፍ | | |
| 18.1.1 | ከተ/መ-/ተቁማት የሰራ ልጠና ሰልጠና አጥቃቃለሁ:: | | |
| 18.1.2 | ከተ/መ-/ተቁማት ገበረት ነው ነው ሰልጠና አጥቃቃለሁ:: | | |
| 18.1.3 | ከተ/መ-/ተቁማት የእቅድና ለፖ.ስት ሰልጠና ተስተጥናል:: | | |
| 18.1.4 | ከተ/መ-/ተቁማት የመሽን ጥገና ሰልጠና ተስተጥናል:: | | |
| 18.1.5 | ከተ/መ-/ተቁማት የደንበኛ አያያዝ (አገልግሎት) ሰልጠና ቻልጥናል:: | | |
| 18.1.6 | ከተ/መ-/ተቁማት የተከናወል ድጋፍ ተፈርሱል:: | | |

| | | | | | | |
|---------------|--|--|--|--|--|--|
| 18.2 | የመግኘት ደንብ | | | | | |
| 18.2.1 | ከተ/ሙ. ተቁማት. የመግኘት ጥገና ስልጠና ደንብ ተደርሱል:: | | | | | |
| 18.2.2 | ከተ/ሙ. ተቁማት. የመግኘት ደንብ (ስምታ) ተደርሱል:: | | | | | |
| 18.3 | ከተ/ሙ. ተቁማት. የገንዘብ ደንብ ተደርሱል:: | | | | | |
| 18.4 | ከተ/ሙ. ተቁማት. የቴክኖሎጂ ደንብ ተደርሱል:: | | | | | |
| 18.5 | ከተ/ሙ. ተቁማት. የጥራ ዕቅ ደንብ ተደርሱል:: | | | | | |
| 18.6 | ከተ/ሙ. ተቁማት. የተለያየ ዕቅዎች ደንብ ተደርሱል:: | | | | | |

APPENDIX F

Reliability test

S.D=Standard deviation

VR=VARIANCE AMONG RESPONDENTS

VQ=VARIANCE AMONG QUESTIONS

$$\alpha = \frac{k}{k-1} \left(1 - \frac{VQ}{VR}\right) \\ = \frac{10}{10-1} \left(1 - \frac{16.4}{69.5}\right) = 84.91\%$$

APPENDIX G

Summary of Responses for the Likert Questions

| Responses | Questions Economic Factors | | | | | | | | | |
|-----------|----------------------------|------|------|------|------|------|------|------|------|-------|
| | 15.1 | 15.2 | 15.3 | 15.4 | 15.5 | 15.6 | 15.7 | 15.8 | 15.9 | 15.10 |
| 1 | 105 | 48 | 68 | 106 | 26 | 47 | 77 | 62 | 22 | 69 |
| 2 | 56 | 55 | 77 | 45 | 36 | 64 | 63 | 91 | 32 | 78 |
| 3 | 0 | 18 | 17 | 18 | 19 | 28 | 16 | 13 | 12 | 8 |
| 4 | 14 | 29 | 17 | 9 | 66 | 38 | 24 | 18 | 69 | 25 |
| 5 | 21 | 46 | 17 | 18 | 49 | 19 | 16 | 12 | 61 | 16 |

| Responses | Questions on Socio-cultural factors | | | | | | | | | |
|-----------|-------------------------------------|------|------|------|------|------|------|------|------|-------|
| | 16.1 | 16.2 | 16.3 | 16.4 | 16.5 | 16.6 | 16.7 | 16.8 | 16.9 | 16.10 |
| 1 | 65 | 76 | 14 | 36 | 27 | 0 | 86 | 25 | 27 | 20 |
| 2 | 90 | 75 | 47 | 35 | 20 | 40 | 62 | 31 | 8 | 11 |
| 3 | 14 | 10 | 22 | 15 | 21 | 2 | 18 | 20 | 19 | 36 |
| 4 | 30 | 72 | 119 | 124 | 140 | 97 | 69 | 102 | 97 | 46 |
| 5 | 13 | 19 | 57 | 47 | 67 | 75 | 12 | 69 | 91 | 83 |

| Responses | Questions on legal and administrative factors | | | | | | | | | |
|-----------|---|------|------|------|------|------|------|------|------|-------|
| | 17.1 | 17.2 | 17.3 | 17.4 | 17.5 | 17.6 | 17.7 | 17.8 | 17.9 | 17.10 |
| 1 | 28 | 110 | 108 | 28 | 26 | 106 | 101 | 29 | 91 | 103 |
| 2 | 21 | 46 | 46 | 23 | 18 | 47 | 52 | 22 | 53 | 53 |
| 3 | 25 | 17 | 16 | 27 | 27 | 12 | 12 | 31 | 14 | 11 |
| 4 | 56 | 8 | 9 | 54 | 63 | 13 | 12 | 56 | 14 | 11 |
| 5 | 67 | 16 | 18 | 65 | 63 | 19 | 20 | 59 | 25 | 19 |

| Responses | Questions on supports between TVET and SMEs | | | | | | | | | | 18.6 |
|-----------|---|--------|--------|--------|--------|--------|--------|--------|------|------|------|
| | 18.1.1 | 18.1.2 | 18.1.3 | 18.1.4 | 18.1.5 | 18.1.6 | 18.2.1 | 18.2.2 | 18.3 | 18.4 | |
| 1 | 89 | 83 | 88 | 42 | 88 | 24 | 19 | 83 | 82 | 19 | 89 |
| 2 | 76 | 78 | 72 | 42 | 89 | 24 | 21 | 92 | 92 | 20 | 84 |
| 3 | 8 | 8 | 10 | 14 | 5 | 22 | 24 | 4 | 4 | 22 | 6 |
| 4 | 16 | 16 | 16 | 28 | 10 | 37 | 39 | 11 | 11 | 40 | 12 |
| 5 | 8 | 12 | 11 | 71 | 5 | 90 | 94 | 7 | 8 | 96 | 6 |
| | | | | | | | | | | | 88 |

APPENDIX H

Declaration

Here with I, declare that, this paper prepared for the partial fulfillment of the requirements for MA. Degree in Technical and Vocational Education Management entitled "**Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises in Dessie Town: A Case Study**" is prepared with my own effort. I have made it independently with the close advice and guidance of my advisor.

Mulugeta Chane Wube

Signature_____

Date _____

Certification

Here with I state that Ato Mulugeta Chane has carried out this research work on the topic entitled "**Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises in Dessie Town: A Case Study**" under my supervision. This work is original in nature and has not presented for a degree in any university and it is sufficient for submission for the partial fulfillment for the award of MA. Degree in Technical and Vocational Education Management.

Adane Tesera (Asst.Prof.)

Signature_____

Date _____