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**THE FACTORS AFFECTING WOMEN’S ECONOMIC
EMPOWERMENT IN MICRO AND SMALL SCALE
ENTERPRISE IN THE CASE OF YEKA SUB CITY**

BY

DANIEL BERII

CENTER FOR REGIONAL AND LOCAL DEVELOPMENT

ADDIS ABABA, ETHIOPIA

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PREPARED BY: DANIEL BERII

ADVISOR: DR. ANDUALEM GOSHU

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CENTER FOR REGIONAL AND LOCAL DEVELOPMENT

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SCHOOL OF GRADUATE STUDIES

This is to certify that the thesis prepared by Daniel Berii Dheresa, entitled “The factors affecting women’s economic empowerment in micro and small scale enterprise in the case of yeka sub city” Prepared and submitted in fulfillment of the requirements for the Degree of Master of Arts in Regional and local development studies. This MA thesis complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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3. Advisor _____ Signature _____ Date_____

DECLARATION

I, the undersigned, declare that this thesis is my original work and not been presented for a degree in any other university, and that all sources of materials used for the thesis have been duly Acknowledged.

Name: Daniel Berii Dheresa

Signature: _____

Place: Addis Abba University, college of Development studies

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Table of Content

Contents

Acknowledgements.....	i
Table of Content	ii
List of Tables	iv
List of Figures	v
Acronyms.....	vi
Abstract.....	vii
CHAPTER ONE	1
1. INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of the problem	2
1.3. Objectives of the study.....	3
13.1. General objective	3
1.3.2 Specific Objectives	4
1.4. Research questions.....	4
1.5. Significance of the study.....	4
1.6. limitation of the study	5
CHAPTER TWO	6
2. Literature Review.....	6
2.1. Defining Micro, Small and Medium Enterprises	6
2.2. Roles of Micro and Small Enterprises (MSEs).....	8
2.3. Micro and Small Enterprises Development Strategy of Ethiopia	10
2.4. Women’s economic empowerment.....	11
2.5. Challenges for female-operated MSEs in Ethiopia: An overview	12
2.5.1Finance-related problems	13
2.5.2Lack of Managerial and Entrepreneurial Skills	13
2.5.3.Working place and Marketing Problems.....	14
2.5.4. Inadequacy of Infrastructure Facilities.....	14
2.5.5. Unpredictable Supply of Raw Materials	14
2.5.6. Education	14
2.5.7. Social protection	15

2.6. Policy Overview.....	15
2.7. Empirical Study on Factors Affecting Performance of MSEs	18
2.8. Conceptual frame work of the study	21
CHAPTER THREE	23
3. RESEARCH DESIGN AND METHODOLOGY	23
3.1 Description of the Study Area.....	23
3.2. Research design	24
3.3. Data Type.....	24
3.4. Sampling techniques	25
3.5. Method of Data Collection.....	25
3.6. Data Analysis Techniques.....	26
3.6.1. Descriptive Statistics.....	26
3.6.2. Inferential Statistics.....	26
3.7. Ethical considerations	28
CHAPTER FOUR.....	29
4. DATA ANALYSIS, INTERPRETATION AND RESULT	29
4.1 Introduction.....	29
4.2 Response rate	29
4.3 Demographic characteristics of the population.....	29
4.3.1 Gender of the respondents.....	29
4.3.2 Marital status of the respondents.....	30
4.3.3 Age bracket in years of the respondents	30
4.3.4 Level of education of the respondents	31
4.4 The key economic factors affecting the women economic empowerment in MSEs.	31
4.4.1 Econometric analysis	33
4.5. The forms of government support services rendered to women-owned MSEs	36
4.6 The major constraints women’s facing in the implementation of support services	37
CHAPTER FIVE	40
CONCLUSION AND RECOMMENDATION	40
5.1 Conclusions.....	40
5.2 Recommendations.....	40
References.....	42
APPENDIX.....	49

List of Tables

Table 4.1: The response rate of respondents.....	29
Table 4.2: Marital status of respondents	30
Table 4.3: Age bracket in years of the respondents	30
Table 4.4: Distribution of respondents by Level of Education.....	31
Table: 4.5 Tobit regression result.	33
Table 4.6 Conditional marginal effects	34

List of Figures

Figure 1: Conceptual Frame work	22
Figure 2 The type of government support received by women based enterprise	37
Figure 3 The most important constraint women based enterprise expansion	38

Acronyms

BPA	Beijing Platform for Action
CEDAW	Convention on Elimination of all forms of Discrimination against Women
CSA	Central Statistical Authority
DHS	Demographic and Health Survey
FDRE	Federal Democratic Republic of Ethiopia
FDREPCC	Federal Democratic Republic of Ethiopia Population Census Commission
GAD	Gender and Development
GDP	Gross Domestic Product
MDGs	Millennium Development Goals
MSE	Micro and Small Enterprises
MSME	Micro Small and Medium Enterprises
NGO	Non Governmental Organization
PECs	Personal Entrepreneurial Characteristics
ROI	Re On Investment
SME	Small and Medium Enterprise
SWOT	Strengths Weaknesses Opportunities and Threats
TGE	Transitional Government of Ethiopia
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNO	United Nations Organization
WID	Women in Development

Abstract

This study assesses the major factors affecting women economic empowerment in Micro and small enterprises MSE of Yeka sub city. A sample of 92 women entrepreneurs engaged in four sectors such as manufacturing, construction, trade and service were taken for the study using stratified sampling. Data collected through questioner and interview of key informants, 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 explicitly described challenges of women economic empowerment in MSEs. The research also found out that the Education, saving and training on management has a statistically significant impact on affecting women economic empowerment. Regarding the government support services the study figured out Training and consultancy support, financial support and the provision of working premises are the dominant supports by the government. When it comes to the constraints for the implementations of government support services the research indicates access to market and access for finance are the major barriers in this regard. Based on the major findings, recommendations were forwarded to existing and potential entrepreneurs, MSEs, Micro finances and other government bodies.

Key word: *women economic empowerment, micro and small enterprises*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Women entrepreneurs around the world are making a difference in the sector of women economic empowerment. They contribute both practical and feasible ideas. Besides, they infuse a great deal of energy and capital resources to their communities' hence creating great job opportunities (Commonwealth secretariat 2002). (Ziwadi and Mhangami,(2011) add that women entrepreneurs are the major actors in that sector and contributors on the economic development in their areas of residence and that they are becoming increasingly evident in the local economies of the developing countries. According to (Maas and Herrington, (2006) p: 38), the escalation in the total number of female entrepreneurs excels male entrepreneurs. This has led to the renewed focus on gender entrepreneurship and the development of appropriate entrepreneurship interventions for gender-specific groups internationally.

Micro and small scale business enterprises are seen as the most important alternative sector in fostering socio-economic developments and reduction of poverty in both developed and developing countries. It is the chief sector to achieve the goal through creating employment, improve saving and wealth and improvement of living standards. Since poverty and unemployment rate are considerably higher in these countries than developed countries so MSEs is very important (Siyum, 2015). In addition to this MSEs can play a role in improving the socio-economic condition of the poor by enable them through generate their income access for socio-economic merits such as education, better health condition, good housing and nutrition (Ephrem, 2010). This makes the sector more preferable to business entry, unemployment reduction, income generation, and poverty alleviation especially for developing country that have scares know how and technology.

The Micro and Small Enterprises (MSEs) are defined as the natural environment of entrepreneurship. The starting point for small businesses in Ethiopia have started as SMEs and have grown to maturity over long period by cumulating capital and business management experiences (Ethiopian Economic Association (2015). In most developing countries MSEs, by

advantages of their size, location, capital investment and capacity to create job for unemployed people made SMEs become more center of attention.

Micro and small enterprises come into sight to be important means that contribute greatly toward the growth of Gross Domestic Product (GDP) and provide job opportunities for both developing and developed countries (Khattab, 2010) and becomes as major sources of income for poor in developing countries (Parsons, 2007; Olu, 2009), micro and small sectors are also helping as an instrument for economically empowering women in the countries like Ethiopia

Addis Ababa is a city in which big population density of women's are found. According to the Federal Democratic Republic of Ethiopia's Population Census Commission (FDREPCC, 2014) of the 2,739,551 total population of Addis Ababa city, 1,434,164 are females. More than half of these females are within the age category of 15-59 years which is a productive age group. Although the city has greater and productive number of women, but the unemployment rate is high. One reason might be similar to that of the country as a whole, which is less use of women's potential. Therefore, conducting research on this area is better to understand the factors that hinder women economic empowerment.

1.2 Statement of the problem

African women entrepreneurs are playing an increasing role in diversifying production and services in Africa economies (Stevenson & Onge, 2005; Abagissa, 2013; De Groot, 2001). However, many women entrepreneurs are operating in more difficult conditions than men entrepreneurs. The constraints that impede all entrepreneurs such as political instability, poor infrastructure, high production costs, and non-conducive business environment, tend to impact more on businesswomen than businessmen (Singh & Belwal, 2008; Demeke, 2016).

In addition, women's entrepreneurial development is impeded by specific constraints such as limited access to key resources (including land and credit), the legal and regulatory framework, and the socio-cultural environment. Furthermore, the combined impact of globalization, changing patterns of trade, and evolving technologies call for skills that women entrepreneurs on the continent do not for a large part possess, as many more women than men lack the requisite level of education and training, including business and technical skills and entrepreneurship training (Stevenson & Onge, 2005; Abagissa, 2013; Demeke, 2016).

Among other key issues, the critical difficulties that exist for them in accessing credit, as well as the lack of adequate financial services, and these are seen as largely gender specific barriers affecting women more than men. This is largely as a result of deep-rooted inequalities between women and men in the distribution of assets and access to property, including access to land and succession laws. These limit women's resources as well as their ability to access adequate and affordable credit (Singh & Belwal, 2008; Zewde & Associates, 2002; Haile & Tekletsadik, 2015).

In order to tackle the above mentioned constraints, the Ethiopian government is providing direct policy support services for female-owned Micro and Small Enterprises. But, there is insufficient attention given to measuring the progress of those support services especially when it comes to programs run by government (Haile & Tekletsadik, 2015). Assessing the effectiveness of programs and projects helps to learn from what is working and adapt one's strategy accordingly. Policies, strategies, programs will fail if they are not informed by impact studies or do not take lessons from best programmatic experiences.

The studies of (Getu, 2015) and (Mulugeta, 2010) mainly focused on the factors affecting the performance of women in the micro and small enterprises. However, in this research besides assessing major factors affecting women economic empowerment of those engaged in micro and small enterprises in yeka sub city, it will also assess the government support services and constraints for the provision of government supports for women owned Micro and small enterprises in the given sub city.

The rationale behind for selecting Yeka sub city for this study falls on ,the Yeka Sub city composed of the largest number of women owned micro and small enterprises than anywhere else sub cities in Addis Ababa. Thus picking Yeka sub city for this study have a significant impact on indicating women economic empowerment in micro and small scale Enterprises as a Yeka sub city and as representative enough of the Addis Ababa city as well.

1.3. Objectives of the study

13.1. General objective

Generally, the study is designed to identify the major factors affecting the economic empowerment of women in MSEs. in addition to that, the study assesses the provision of government support services and constraints for those government supports. the last but not the

least, it examines the challenges that the women in the micro and small enterprises faced in starting and running their own business in yeka sub-city.

1.3.2 Specific Objectives

- ✓ To assess the key factors that affect women economic empowerment in MSEs.
- ✓ To examine the forms of government support services rendered to Female-owned MSEs.
- ✓ Examining the constraints against the provision of government support services.

1.4. Research questions

In light of the above mentioned problem statement, the following basic research questions are addressed:

- What are the key economic factors affecting the women economic empowerment in MSEs?
- What are the forms of government support services rendered to women-owned MSEs?
- What are the major constraints facing the implementation of government support services to women-owned MSEs?

1.5. Significance of the study

Women should create their own jobs and become entrepreneurs since opportunities of getting employment in either government, non-government or private organization is currently almost declining (Gemechis, 2007). This is possible only if the obstacles of economic empowerment of women's are solved. Generally, the findings of this study is useful to the stakeholders including:

i. Academics/Researchers: Findings from this study will assist academicians in broadening of the prospectus with respect to this study hence providing a deeper understanding of the critical factors that affect the performance of women entrepreneurs in MSEs.

ii. Micro and small enterprises: The findings of this study will help MSE in yeka sub-city and others, within an insight into the benefits of using different factors studied in this research to predict the factors that will affect women economic empowerment in MSEs.

iii. Governmental policy makers: The government can use the findings of this study to assist in policy formulation and development for a framework in terms of personal and organizational-related challenges, economic, social/cultural, and legal/administrative and other factors that affect the performance of women entrepreneurs in MSE.

Moreover, the findings of this study will help the policy makers and other institutions how to encourage establishing or expanding women entrepreneurs in MSEs. It also enables them to know what kind(s) of policies should be framed.

1.6. limitation of the study

It has hardly to collect primary data in wider terms by reaching all the responsible potential stakeholders and MSEs in all sectors of the entire Addis Ababa city due to time and budget constraint. Accordingly, this research work is limited only in yeka sub city and the result may not necessarily represent the reality for the entire city of Addis Ababa factor affects women economic empowerment in MSE; but within the target sub city, yeka, the researcher tried to make representative samples in dealing with the research population.

CHAPTER TWO

2. Literature Review

2.1. Defining Micro, Small and Medium Enterprises

Though MSEs are common worldwide, there is no single universally agreed definition of what constitutes a micro and small firm, which can be used generically for all purposes (Lettice, 2004 as cited in Abrha, 2014). This is due to there being different organizations, laws, countries and agencies that all have their own ways of classification and definition (Bloem, 2012).

According to some international organizations such as the Organization for Economic Cooperation and Development (OECD), the variation in definition and size of enterprises indicates the economic, cultural and social dimension of the country (OECD, 2005). Regarding this point, Dababneh and Tukan (2007) noted that different criterion for categorizing and defining enterprises is being used by different countries. Among others are the number of employees, amount of capital invested, sales and nature of the business. For the purpose of aiding reader understanding, the following are some of the definitions provided by different countries, agencies and laws. For example, the European Commission (2005) categorizes enterprises as Micro, Small or Medium-sized enterprises based on staff headcount, and annual turnover or annual balance sheet total. Accordingly, an enterprise is medium-sized if, and only if, it employs less than 250 labor with an average annual turnover of $\leq$ €50 million or has a balance sheet total of $\leq$ €43 million a year. A small enterprise, on the other hand, has a staff headcount of <50 and a turnover or balance sheet total of $\leq$ €10 million, while a micro enterprise has <10 employees and $\leq$ €2 million annual turnover.

On the other hand, in Kenya the 2009 Micro, Small and Medium Enterprise Bill indicated that the number of employees and the company's annual turnover is the standard applied. Accordingly, an enterprise can be said to be micro if it hires ≤ 10 people and has an annual turnover $\leq$ 500,000 Kenya Shillings. Whereas a small enterprise hires 11-50 people with an annual turnover of between 500,000 to 5 million Kenya Shillings, and an enterprise is medium if it provides a job opportunity for 51-100 people and has an average annual turnover of 5 to 800 million Shillings (Kenya Association of Manufacturers, 2009).

Some other countries define or set legal definitions. The Ministry of Micro, Small and Medium Enterprises of India (2015), for example, defined micro, small and medium enterprises from the perspective of the amount of investment made in Rupees, including the machinery. Accordingly, if an enterprise's investment does not exceed 50 lakhs rupees (5 million), the business is considered micro. But, it is small if its capital possession is between 50 lakhs rupees (5 million) to ten crores rupees (100 million), while an enterprise with capital between ten crore rupees (100 million) and thirty crore rupees (300 million) is taken as medium.

In Ethiopia there are three types of definitions of MSEs. The first two are old definitions from the 1998 definition of MSE development strategy of Ethiopia and the Central Statistical Authority. The second definition provided by the Central Statistical Authority uses employment and favors capital intensive technologies as its measurement (Federal Democratic Republic of Ethiopia [FDRE], 2011). Accordingly, cottage and handicraft industry are the kind of businesses performed using the hands and manpower-driven machinery that employ less than 10 persons.

However, due to the absence of any uniform definition for the sector, the agency failed in gathering data about cottage and handicraft industry for the seven years before the report was published (i.e. before 2011). The third definition is the new, improved definition of Micro and Small Enterprises of 2011 (Federal Democratic Republic of Ethiopia [FDRE], 2011), which was developed based on the experience of other countries, especially the case of South Africa. The definition was simply based on paid capital or capital investment as most business was confined to family manpower and there was a lack of manpower information in the sector (Federal Democratic Republic of Ethiopia [FDRE], 2011). For the purposes of this study, the aforementioned 2011 definition given by the Ministry of Trade and Industry (MoTI) of the Federal Democratic Republic of Ethiopia will be used.

According to the revised Small and Micro Enterprises Development Strategy of Ethiopia (Federal Democratic Republic of Ethiopia [FDRE], 2011, pp. 29-30) the working definition of MSEs is based on capital and labor. Based on the table, a micro enterprise refers to the industrial and service sectors, where a manufacturing sector is micro if it operates with up to five manpower with total assets up to 100,000 ETB. A micro enterprise in the service sector, however, and includes services related to retailing, transportation, hotel and tourism, ICT and communication can also hire up to five individuals, but with a reduced total asset of less than

50,000 ETB. On the other hand, a small industrial sector enterprise includes manufacturing, construction and mining activities, hires 6-30 persons with a capital possession of between 100,000 ETB to 1.5 million ETB. Of the same small enterprise type, but service sector, can also be run by 6-30 persons but possess a total asset from 50,001 to exceeding 500,000 ETB (Federal Democratic Republic of Ethiopia [FDRE], 2011, pp. 29-30).

2.2. Roles of Micro and Small Enterprises (MSEs)

Micro and small scale businesses are crucial in the socioeconomic development of any country. They are a veritable vehicle for the achievement of national macroeconomic objective in terms of employment generation for low level investment and the enhancement of apprenticeship training (Osotimehin, Jegede, Akinlabi, & Olajide, 2012). The report of Nigeria's National MSME Collaborative Survey (2010) indicated that up to 2009-2010, the global MSE share 55%, 60% and 70% of the gross GDP and 65%, 70% and 95% of total employment opportunities created in high, low, and middle income countries respectively.

In Ethiopia, according to the FMSEDA report posted by the Ethiopian Economics Association (EEA) (2015), jobs created by SMEs have showed significant growth after 2010- 2011. According to the report, the total number of jobs in 2010-2011 totaled 289,000, with 806,300 in 2011-2012, and 1,223,700 in 2012-2013. In the first nine months of 2013-2014, there were 289,000 jobs. Since MSEs do not need sophisticated technology or scientific knowledge, they are very important to the context of Least Developed Countries (LDC) where there is high level youth unemployment and high levels of the population are uneducated. Therefore, largescale enterprises produce more value-added output alongside hiring greater numbers of labor than micro, small or medium enterprises (Tefera, Gebremichael, & Abera, 2013).

In Ethiopia during the period 2005/2006 to 2009/2010, about 1.5 million job opportunities were created by MSEs, 50% of which were taken up by women, more than ETB 4 billion in loans were given to MSEs via MFI, 1.2 million participants benefited from various trainings, Business Development Services (BDS) were provided to 10,000, and around 400-500,000 government purchases were issued by regional governments at the international level (Federal Democratic Republic of Ethiopia [FDRE], 2011).

By generating larger volumes of employment as well as higher levels of income, the MSEs will not only have contributed towards poverty reduction in Ethiopia, but they will also have enhanced the welfare and living standard of many (Mukras, 2003 as cited by Lenjisa, 2014). Employment share of overall employment opportunity worldwide can be significant; for example, Kenya's private sector (agriculture, industry and services) amounts to 81% of its GDP and provides more than half of formal waged employment (Mukras, 2003 as cited by Lenjisa, 2014). Apart from MSEs providing opportunities for income and employment generation, they are also effective means of curtailing rural-urban migration and help strengthen of industrial interlinkages and integration (Doguwa, Olowofeso, & Essien, 2011).

In developing countries like Ethiopia MSEs have tended to be looked upon from the perspective of development and poverty alleviation, and as promising entrepreneurial activities that potentially grow businesses (Kahsu, 2015). The government of Ethiopia has therefore given due attention to MSEs since 2004, although the MSE development strategy was founded earlier still. The sector has aided a large number of youth who had no or little capital where they have become role models for others, and have accumulated capital and created employment opportunity for others. Gelata (2013) summarizes the role that MSEs can and currently play in present day Ethiopia. He stated that MSEs are vital in creating employment opportunities so that they can be used as a tools for economic growth and means of sharing national fruits among citizens of a given state, help citizens develop the habit of saving and marginalized groups, mainly women, to take part in the economy and serve as a center for innovation and entrepreneurship.

Furthermore, MSEs can facilitate the utilization of indigenous resource, generate substantial employment, enable equitable income distribution, improve rural industrialization, lead towards developing a pool of skilled and semi-skilled workers essential as back bones of the country's future industrialization and improve multiplier effects through backward and forward linkages (Kahsu, 2015).

To sum up, MSEs in Ethiopia created both temporary and permanent employment opportunities for over 1.6 million citizens within the first two years of the Growth and Transformation Plan-

One (GTPI). Furthermore, the government targeted 56% of three million employment opportunities to be created by 2014/2015 to be in MSEs, yet the high level of poverty and unemployment in urban areas, as well as the low level of productivity and competitiveness of the enterprises, still remain huge challenges (International Labor Organization, 2014).

2.3. Micro and Small Enterprises Development Strategy of Ethiopia

An overview MSEs serve as sources for sustainable job opportunities, not only for developing countries like Ethiopia, but also for developed countries like the USA and Japan. For instance, for globally recognized giants like Toyota and Sony, more than 50% of their manufactured products are produced by MSEs (Federal Democratic Republic of Ethiopia [FDRE], 2011). Having recognized the importance of this sector, the government of Ethiopia established the MSE development strategy in 1997 (Wasihun & Paul, 2010), and revised it 2011 (Drbie & Kassahun, 2013).

The Federal MSE Development Agency has 12 powers and duties awarded to it by the Federal Micro and Small Enterprises Development Agency (Establishment Council of Ministers Regulation No. 201/2011, Federal Negrit Gazeta, 17th Year, No. 24). These powers include design strategies and formulation programs to enhance the development of the MSE development sector, to follow-up MSE implementations with development support packages, identify challenges for MSEs and to provide solutions, and to build the capacity of regional institutions' providing support and coordination to MSEs.

The Ethiopian government has provided much support to the sector in order for it to have become so productive, helping the country economically, socially and technologically. Latest figures from FDRE (Federal Democratic Republic of Ethiopia [FDRE], 2011), indicate that the government is providing all necessary the support to the sector. From 2005 to 2010, around 34 million square meters of land was supplied for production purposes, and around 8,000 sheds and 380 buildings constructed for production and sales purpose (Federal Democratic Republic of Ethiopia [FDRE], 2011).

The FDRE (Federal Democratic Republic of Ethiopia [FDRE], 2011), also identified the challenges at startup level, at growth level and at maturity level with corresponding support at each stage. Accordingly, section two of the strategy lists the MSE development support

framework. This includes human resource and technological development support (consisting of developing attitudinal change and initiation, training on the development of TVET, MSE technology development, facilitation of common property, and an extension service for industry), market development and marketing supply system (which includes strengthening the system of subcontracting, outsourcing, franchising and out-grower and marketing, raw materials supply, constructing organized market centers, exhibition and bazaar of MSE, and preparing enterprise website and directory), credit service system (i.e. strengthen the credit guarantee system, identifying focus areas of credit system, lease machine services etc.), under the condition that production and sales centers and establishing a system of one center service to be provided to MSEs involved in production and services legally, to be a beneficiary from government support and to enable the Republic of Ethiopia [FDRE], 2011, pp. 39-56).

The FMSEDA was established by Council of Ministers Regulation No. 33/1998 which was later amended by regulation No. 201/2011 with its corresponding duties encouraging, coordinating, and assisting the development and expansion of MSEs. This regulation also mandated regional governments to establish their corresponding agency at regional level with the same aims and duties (Federal Micro and Small Enterprises Development Agency Establishment Council of Ministers Regulation No. 201/2011, Federal Negrit Gazeta, 17th Year, No. 24).

2.4. Women's economic empowerment

is the process of achieving women's equal access to and control over economic resources, and ensuring they can use them to exert increased control over other areas of their lives (Taylor and Perezniето, 2014). Its achievement is now a global policy priority in light of its potential contribution to the Sustainable Development Goals (SDGs), as evidenced by the convening of a dedicated High-Level Panel by the UN Secretary-General to bolster progress in this area.

This focus can support Agenda 2030 ambitions around growth and decent work, poverty reduction, well-being and human development. The benefits for society and families are well established: Women's economic advancement has led to increased investments in children's education and health, and reduced household poverty (World Bank, 2012; 2013). The economic case is also compelling. Recent estimates suggest that gender parity overall has the potential to boost global gross domestic product (GDP) by between \$12 trillion and \$28 trillion between now

and 2025 (Woetzel et al., 2015), and it has been shown that ‘national economies lose out when a substantial part of the population cannot compete equitably or realize its full potential’ (Golla et al., 2011: 3).

The SDGs contain a range of targets relating to gender equality and women’s empowerment, including in the economic domain.¹ Yet there is no automatic ‘win-win’ between wider development outcomes and gender equality. While the latter is clearly good for growth, a gender-equitable distribution of the economic gains of growth does not happen automatically (Duflo, 2012; Kabeer and Natali, 2013; ILO, 2016). And growth does not necessarily translate into gains in women’s well-being (Graham and Chattopadhyay, 2012). It follows that realizing women’s economic empowerment requires concerted, targeted efforts that priorities women’s needs and preferences and recognize their heterogeneity. Contextually relevant strategies – particularly for poor and marginalized women – will be crucial to ensure equitable outcomes.

2.5. Challenges for female-operated MSEs in Ethiopia: An overview

Any kind of development is not a development so long as there is no or only limited participation of women. Although women make up half the world’s population, they are poorly represented in every sector. To empower women economically is very important for the overall development of a country. In Kenya, for example, women play a key role in the economic growth of the country in which they are generating employment and 47.4% of MSEs are controlled by women.

Despite this, female-run enterprises face challenges from a lack of finance, discrimination, and problems with city councils, multiple duties, poor access to justice, and a lack of education (Mwobobia, 2012). A survey performed by Jagero and Kushoka (2011) in Dar Es Salaam, Tanzania, indicated the major challenges facing female micro entrepreneurs are poor infrastructure, lack of business premise, decline in business and lack of prime space. Girme (2015) cited Samaiti (2006) and Tan (2000) in a study conducted in Gulele Sub- City, Addis Ababa, Ethiopia that classified the challenges that businessmen/ entrepreneurs face socially and economically. The economic factors include market competition, access to market, scarcity of capital, absence/inadequate knowledge about market, problem in quantity/ quality of production, poor infrastructure, lack of power supply and so on. While the social factors include lack of public trust, and unfair treatment or bias.

The FDRE (Federal Democratic Republic of Ethiopia [FDRE], 2011), also identified potential challenges faced by MSEs as those related to finance supply¹, production and sales cluster development², industrial extension service³, human resource development⁴, technological development and growth⁵, market and marketing system⁶, one-center service, a lack of detailed understanding of the MSE development package⁷, and work commitments.

Generally, as Drbie and Kassahun (2013) and Wasihun and Paul (2010) have identified, the challenges that hinder the growth of female-operated MSEs in Ethiopia could be summarized as follows:

2.5.1 Finance-related problems

Many female-operated MSEs suffer from inadequate capital investment and run their businesses with little or no access to economic resources, and no or insufficient access to loans and ineffectual financial marketing (Drbie & Kassahun, 2013; Wasihun & Paul, 2010). Women face startup difficulties such as lack of a source of initial capital. Many women find their initial financing by way of borrowing from formal sources. However, the major difficulty for entrepreneurs, especially for women, is accessing credit due to collateral requirements of the banks. Even if they can access financial credit, the money borrowed is rarely sufficient to address the financial gap or expand their businesses (Wasihun & Paul, 2010).

2.5.2 Lack of Managerial and Entrepreneurial Skills

The lack of awareness about institutions such as WISE (Women in Self Employment), that help women to participate in economic activities, and lack of entrepreneurial skills are important problems for women (Wasihun & Paul, 2010). The problem stems from a lack of experience or from the assumption that MSEs didn't need sophisticated or technical knowledge. The youth are expected to run these kind of businesses, but they lack the necessary managerial skills on how to run a business and cope with potential problems (Bekele & Worku, 2008, p. 4 as cited in Clack, 2014).

2.5.3. Working place and Marketing Problems

It is unusual to observe women participating in the manufacturing sector in Ethiopia. Most of the time women are involved in the service sector where they produce and compete with identical products, with an absence of market linkages which results in them experiencing marketing problems (Wasihun & Paul, 2010). Most women do not have their own working premises, with some renting from private landlords or from the government. However, it was found that a few women sublet part of their working area in order to receive additional income. The lack of a healthy and clean workplace or the sustainability of the place is an issue, since these buildings are often in disrepair, the women have to pay out for the maintenance of these buildings. Failure to pay can result in a loss of their workplace (Wasihun & Paul, 2010). Even though the government has provided a large amount of land, buildings, sheds and display areas for the MSEs, the government still needs to give MSEs their attention (Drbie & Kassahun, 2013).

2.5.4. Inadequacy of Infrastructure Facilities

Osotimehin et al. (2012) pointed out that infrastructure facilities have their own implication on the establishment and success of MSEs. Daniel (2012 as cited by Drbie & Kassahun, 2013) stated that poor infrastructure such as access to roads, power interruptions, lack of sufficient provision of water, and telecommunication problems significantly affect the performance of their business productivity and sustainability.

2.5.5. Unpredictable Supply of Raw Materials

Since MSEs are value-adding enterprises, they do not sell on the raw materials they buy without some form of processing. They require a permanent supply of raw materials, but the problem is whether or not there is adequate regular supply of raw materials or the price is very high. This in turn has an effect on the growth and survival of the enterprise (Wasihun & Paul, 2010).

2.5.6. Education

Education and training matter throughout the life cycle. Access to quality education during childhood is important in itself and has important spill-over effects in breaking intergenerational

poverty cycles, delaying marriage and childbearing and improving labor market outcomes later in life.

Girls' access to education can also be severely affected by external shocks, and by economic crises in particular. During periods of national economic contraction, primary school completion rates are estimated to fall by 29% for girls compared with 22% for boys (Stavropoulou and Jones, 2013). Where household-level economic shocks drive mothers to increase their paid economic activity, girls are often the first to be removed from school to take on extra domestic responsibilities, including looking after younger siblings (Stavropoulou and Jones, 2013). Furthermore, crises and emergencies, especially conflict, have a negative effect on girls' education, 'with 4 of the 5 countries with the largest gender gaps in education facing war or insurgency' (Nicolai et al., 2015: 9).

2.5.7. Social protection

Social protection refers to statutory or non-statutory measures that seek to prevent, manage and mitigate situations that harm people's living standards (Razavi, 2011), for example by providing cash transfers or public work. It can facilitate women's economic empowerment by alleviating poverty, reducing vulnerability to economic risks and supporting women to overcome barriers that prevent their economic participation, such as caring responsibilities. Social protection has positive, long-term implications for inclusive economic growth in developing countries given its overwhelmingly positive impacts on household productivity and labor market participation. It also limits responses to shocks that can harm growth and women's economic empowerment in the long term, such as selling productive assets or removing children from school (Mathers and Slater, 2014).

2.6. Policy Overview

The issue of gender equality has become an area of concern in development planning during the last few decades. The marginalization, from development programs, of women for a long period of time is challenged with changing policy perspectives from Women in Development (WID), which aims to include women in development projects in order to make the latter more effective, to Gender and Development (GAD), which aims to address inequalities in women's and men's social roles in relation to development (March et al., 1999).

Gender mainstreaming, the integration of gender issues into every aspect of development programs, is aimed at empowering women to enable them participate in and benefit from the programs equally as men, being supported by international and national policies. Global effort had been underway to alleviate the low status of women since the 1990s. In the framework of the general conferences held in Cairo (1994) and in Beijing (1995), direction was set and recommendations were made targeting mainly the removal of all the obstacles to gender equalities. The outcomes of these conferences recognized that the integration of gender issues into the general development plan and program of a country is crucial and unavoidable step for overall sustainable development and that needs to get proper attention by governments.

At international level, the Convention on Elimination of all forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action (BPA), and the Millennium Development Goals (MDGs) are the main strategies and conventions introduced for the achievement of gender equality. CEDAW incorporates the following measures that governments have to take to guarantee gender equality: elimination of discrimination against women in employment opportunities and benefits of service; ensuring gender equality in all areas of socio-economic life such as legal rights to contracts and property, and access to financial credit; equality of women in national constitutions; and abolishing existing laws, regulations, customs and practices that discriminate against women.

The measures that are included in the BPA are ensuring women's equal rights and access to economic resources; elimination of occupational segregation and all forms of employment discrimination and promoting women's access to employment, appropriate working conditions and control over resources; facilitating women's equal access to markets, trade, information, and technology; promotion of harmonization of work and family responsibilities for women and men; and conducting gender-based research and dissemination of its results for planning and evaluation.

The key commitments of governments and other development partners set in the MDGs include gender equality and women's empowerment. The commitments include ensuring universal primary education for both boys and girls by 2015; elimination of gender disparity at all levels of education by 2015; and reducing maternal mortality ratio by three quarters between 1990 and 2015. Ethiopia adopted these agreements to promote gender equality and improve the lives of

women. As a means to implement these global agreements, different policies and legislations have also been enacted. These are the National Policy on Women, National Population Policy, Education Policy, Cultural Policy, and other legal documents.

The National Policy on Women, introduced in 1993, was the first policy that is specifically related to the affairs of women (Jelaludin et al., 2001). The objectives of the policy include facilitating conditions conducive to the speeding up of equality between men and women so that women can participate in the political, economic and social life of their country on equal terms with men; ensuring that their right to own property as well as their other human rights are respected and that they are not excluded from both the enjoyment of the fruits of their labor or performing public functions and participating in decision making.

mindful of the adverse impact of low status of women on the overall economic development in general and on reproductive health issues in particular, the National Population Policy of the country, which was also endorsed in 1993, included in its objectives women's status and health issues such as reduction of incidence of maternal mortality, improvement of females' participation at all levels of education and enhancement of the contraceptive prevalence rate (TGE, 1993). The 1994 Education and Training Policy affirmed the importance of girls' education. It focused on the reorientation of the attitude and values of the society towards recognizing the roles and contributions of women in development. The policy included gender equality issues such as increasing girls' school enrolment ratio, preparing a gender sensitive curriculum, and reducing girls' dropout and repetition rates (FDRE, 1994).

In an attempt to address customary practices and backward traditions that undermine the roles of women in society, the National Cultural Policy was enacted in 1997. The main objectives of this policy are to ensure equal participation in and benefit from cultural activities, and to abolish traditional harmful practices that violate the rights of women such as early marriage, female genital mutilation and abduction (FDRE, 1997).

In addition to the aforementioned national policies gender equality is guaranteed by the Constitution of the country. Article 25 of the FDRE Constitution states that all persons are equal before the law and prohibits any discrimination on grounds of gender. In Article 35, equality in matters related to employment, equality in acquisition and management of property, equal

participation in policy and decision making, and right of women to plan families are stated to ensure gender equality. Similarly, Article 42 states the right of female workers to equal pay for comparable work (FDRE, 1995). Despite the fact that the country adopted global agreements and endorsed country-specific laws and policies, there are gaps and limitations in implementation, as a result of which the status of women in the country remained very low as discussed in the first part.

It is imperative, therefore, to revisit policy implementation strategies and programs, identify problem areas and take appropriate action for improvement. This particular study, as mentioned earlier on, has the purpose of supporting this effort by producing recent evidence and facts usable in revealing the situation of gender inequality and status of women in the country based on in-depth analysis of the DHS 2005 data.

2.7. Empirical Study on Factors Affecting Performance of MSEs

Based on the reviewed of past studies conducted on micro and small enterprise the internal (Personal entrepreneurial characteristics) and external business environments affect performance of MSEs. Accordingly, some of empirical studies discussed as follows;

Adegbite et al. (2006) evaluated the impact of entrepreneurial characteristics on the performance of small-scale manufacturing industries in Nigeria using descriptive and inferential statistics to examine 10 Personal Entrepreneurial Characteristics (PECs). The study concluded majority (7) of the 10 Personal Entrepreneurial Characteristics (PECs) such as: persistence, commitment to work Contact, opportunity seeking and initiative, risk taking, goal setting, networking and persuasion and independence and self-confidence of the respondents made negative contribution on the sales revenue. The other PECs demand for efficiency and product quality, information seeking; and systematic planning and monitoring had positive impact.

Ajay (2008) have revealed many facts concerning the socioeconomic and motivational factors affecting street entrepreneurship. It found that among many socio-economic and motivational factors, size of initial investment, number of workers, family business and promising demand of product/ services were some of the major determinants of street entrepreneurial success.

Ejaz Ghani, William and Stephen (2011) in their working paper have analyzed the spatial determinants of entrepreneurship in India in the manufacturing and services sectors. Among general district traits, quality of physical infrastructure and workforce education were the strongest predictors of entry, with labor laws and household banking quality also playing important roles. Looking at the district-industry level, they found extensive evidence of agglomeration economies among manufacturing industries.

UNO Conference Paper (2004) the paper discussed that the governments can promote entrepreneurship through information programs to build awareness of the opportunities afforded through entrepreneurship. It further discussed that they could introduce people to existing economic incentives for entrepreneurial activities and motivates them to take advantage of them. The more entrepreneurial opportunities are recognized, the more likely they are to be pursued. The paper concluded that the promotion of entrepreneurship rests on two primary pillars: strengthening of entrepreneurial skills and improvement of entrepreneurial framework conditions. These two pillars should be considered as an interlinked set of policies for the following reason: on the one hand, entrepreneurs do not act in a vacuum, but whether and how they use their skills and motivations to transform business ideas into profit opportunities is shaped by existing framework conditions. On the other hand, entrepreneurial behavior can always be traced back to individuals and their entrepreneurial attitudes, skills and motivations. Experience showed that when these attitudes and skills exist, adverse framework conditions cannot totally suppress them, and individuals will seek to find ways that allow them to capitalize on their ideas.

Benjamin and Rebecca (2009) have presented in their research paper that there was a high rate of entrepreneurial failure among their respondents despite the provision of various supports from the governments. The missing links to successful entrepreneurship identified to be entrepreneurial competencies, defined as the cluster of related knowledge, attitudes, and skills, which an entrepreneur must acquire or possess to enable him, produce outstanding performance and maximize profit in the business. These entrepreneurial competencies were the critical success factors to entrepreneurship, and they deserve serious consideration in entrepreneurial discourse and not to be neglected.

Admasu (2012) analyzed the factors that affect the performance of MSEs in Addis Ababa using sample household survey data collected in 2011. He used both descriptive data analysis and multiple regression model to identify the factors affecting MSEs. His finding indicated that finance factors, marketing factors, infrastructure factors, technological factors, work premise factors, management factors and entrepreneurial factors hindered the performance of MSEs.

Nuwagaba and Nzewi (2013) analyzed the factors affecting the performance of MSEs in Uganda and, Nigeria using descriptive research design based on a sample of 60 MSEs. The study concluded that environmental constraints such as high taxes, limited access to market, costly and erratic electricity supply and lack of skilled and competent human resources hinder performance of MSE's. The other key factors are access to market is an important factor for MSE's to perform better. Managers in MSE's may need to position their firms by producing relatively high quality products and undertaking joint marketing strategies in order to penetrate differentiated market segments

Hove and Tarisai (2013) analyzed Internal Factors affecting the successful growth and survival of small and Micro Agri-business Firms in Alice communal Area of South Africa using quantitative and qualitative research design based on a sample of 80 MSEs. The study concluded that: business plan, marketing strategy, mission/vision, SWOT analysis and finance are the most significant internal factors that affect the growth and survival of small and micro agribusiness firms in Alice communal area. The study recommended strategies and policies to small and micro agribusiness firms in Alice communal area to positively improve their growth and survival.

Sarwok, Armanu, Hadiwidjojo (2013) analyzed the influence of entrepreneurial characteristics and competencies on business performance in small and medium enterprises (SMEs) in Malang regency East Java Indonesia using Structural Equation Modeling based on a sample of 147 SMEs owners. The results of the study indicate that the entrepreneurial characteristics have a significant influence on business performance.

Kinyua (2014) analyzed the factors affecting the performance of MSEs in in the Jua Kali sector in Nakuru town of Kenya using descriptive and explanatory research design based on a sample

of 262 MSEs. The study concluded that factors such as access of finance, marketing, entrepreneurial skills, corruption and infrastructure affect the performance of MSEs sectors.

Kamunge, Njeru, and Tirimba (2014) analyzed the factors affecting the performance of small and micro enterprises in Limuru town of Kenya using descriptive research design based on a sample of 274 MSEs. The study concluded that access to finance and availability of management experience are the key socio-economic factors affecting the performance of businesses. The other key factors that affect the performance are access to business information, access to infrastructure and government policy and regulations. The study recommended that the government should start offering basic business and financial management skills as this will enable entrepreneurs to make informed investment decisions as well as enhance their entrepreneurial skills that enable them to recognize and exploit the available business opportunities.

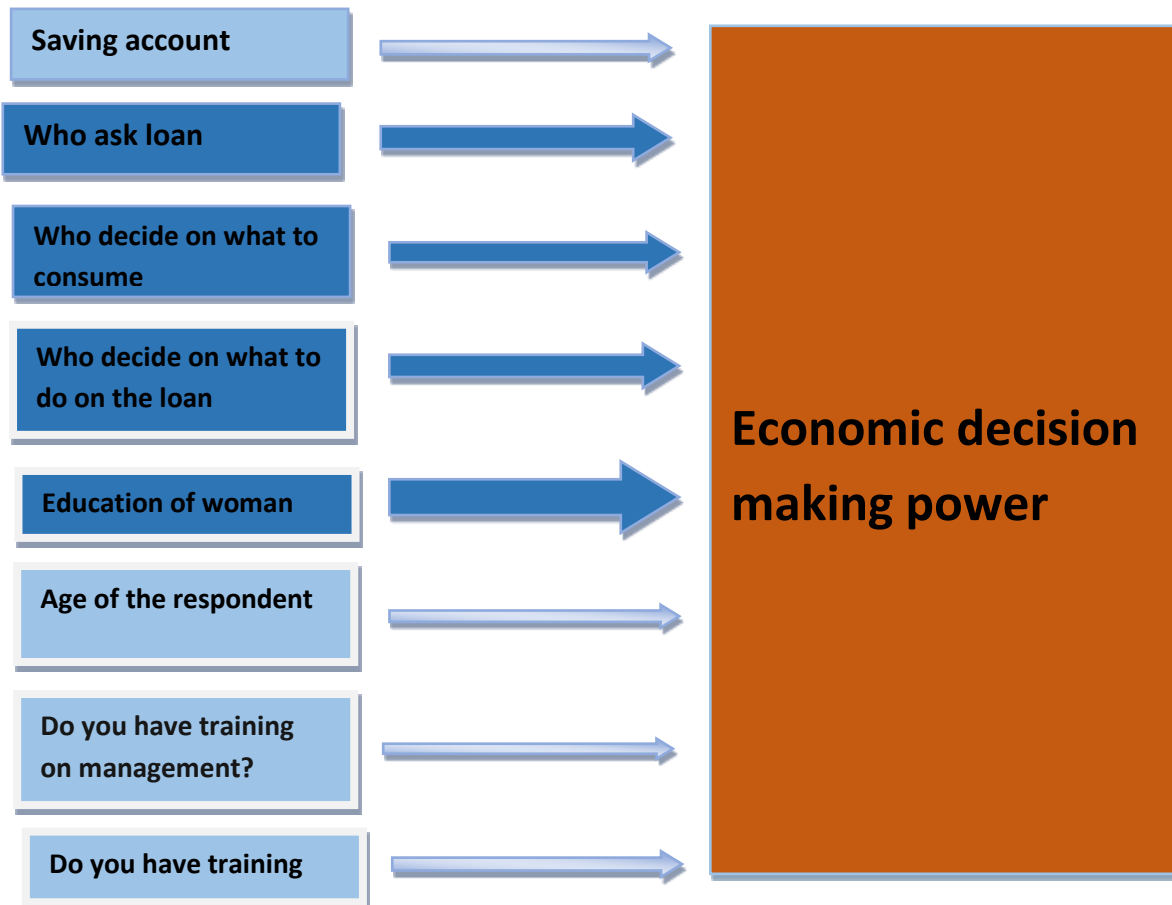
Hailay, Aregawi, and Assmamaw(2014) analyzed the factors affecting the growth of MSEs in Feresmay town using descriptive statistics and econometric model based on a sample of 274 MSEs. The study concluded that growth of MSEs measured in terms of employment change affected by factors including owners/operators age, education level, prior experience, family size, MSE's age, MSE's distance from raw materials, access to credit, infrastructure and market. The study recommended that government, non-government organizations and MSEs development agencies should motivate, help and advise the owners of MSEs on their overall business activities; give training on business issues, arrange forum and exhibitions for experience sharing; and solve the credit, infrastructure, supply and market access problems in collaboration with MFI, banks, Ethiopian Electric Power Corporation, suppliers and other organizations.

2.8. Conceptual frame work of the study

Factors that affect the empowerment of women MSEs family size does she has saving account ,who decide on what to consume ,who ask loan ,who decide on what to do on the loan , education of woman ,age of the respondent ,do you have training on management and do you have training on entrepreneurship. Nevertheless, the factors must be closely monitored to ensure that stringent measures are taken within the best time to either take advantage of the

opportunities or combat their threats. The relationship of independent and dependent variables can be expressed and shown in the figure below.

Figure 1: Conceptual Frame work



CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Description of the Study Area

Addis Ababa is the largest as well as the dominant political, economic, cultural, and historical city of the country established in 1887 by emperor Menilik II. It has the status of both a city and a state. It is the capital of federal government, and it is a chartered city, where the Africa Union, UNECA, UNDP Africa Regional Office, and other continental and international organizations reside. The city is divided into ten sub-cities, which are the second administrative units next to city administration. Yeka sub city is one of ten sub cities of Addis Ababa.



Source: - Addis Ababa city administration Integrated land management.

The study was carried out to see the factors affecting women's economic empowerment in micro and small enterprises in yeka sub city administration. Yeka sub-city is located in the North east

Part of Addis Ababa city. The sub-city borders with Oromia in the north, Oromia in the east, Gulele, Arada and kirkos sub city in the west, and Bole sub city in the South east. The total area of the sub-city is 85.98 km square and 4,284.9 people live in one kilometer square. Moreover, its entire population of the area is 368,418 people. In terms of area coverage, Bole is the largest sub-city followed by Akaki- Kality and Yeka. Addis ketema is the smallest and followed by Lideta and Arada Sub-cities. The sub-cities are also divided into weredas, which are the smallest administrative unit in the city. There are 116 weredas in the city administration according to Addis Ababa BOFED 2013 Socio Economic report. The number of weredas varies based on their size of the Sub city. Here is the map of Addis Ababa sub cities.

3.2. Research design

This study used survey method that involves sampling. Survey design is more appropriate to this study, which will incorporate questionnaire in the study area (Creswell, 2014). The study employed both qualitative and quantitative approaches to capture data for the purpose of deep analysis and understanding of the contribution of government support programs for the performance of Female-owned Micro and Small Enterprises. Document review was also employed to analyze the secondary data obtained from related documents.

The types of research employed under this study were descriptive research. The major purpose of descriptive research is description of the state of affairs as it exists at present. Then this study describes factors affecting the women economic empowerment in MSEs yeka sub city Administration.

3.3. Data Type

In order to collect reliable data, both primary and secondary sources of data are the major focus of the researcher. To achieve the objectives of this study, the primary data was collected through open ended and close ended questionnaires. Secondary data relevant for this research work was collected from different national documents, strategic document, guidelines and other published documents prepared by different governmental and non-governmental organizations.

3.4. Sampling techniques

Stratified random sampling was utilized to get information from different sector of the MSEs in yeka subcity such as construction, trade, service and manufacturing. This technique is preferred because it is used to assist in minimizing bias when dealing with the population. If a population from which a sample is drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample (Kothar, 2004:62). The strata's are sectors including: construction, service, manufacturing and trade. Although there are no general rules, the sample size usually depends on the number of population to be sampled. In this study to select sample size, a list of the population formally registered MSEs in operation are used. The sample size which was selected from MSEs sector of construction, service, manufacturing and trade is considered as representative and also large enough for precision, confidence and generalization of the research findings.

3.5. Method of Data Collection

According to Taherdoost (2016), to select sample size, a list of the population formally registered MSEs and actively on the job are used. The sample size which was selected from MSEs of construction, service, manufacturing and trade is considered as representative and also large enough for accuracy, confidence and generalizability of the research findings.

Based on Yemane (1967) sample size determination formula, it is possible to determine the sample size, at 90 % confidence level and 0.01 precision levels.

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

Where: n is number of respondents

N = population size =1219

e = sampling error/level of precision = 0.01

The total sample size of respondents based on the above sample size determination is 92 this total sample size is proportionally distributed to each stratum.

Stratum	Total number people (population)	No of sample	percentage
Construction	407	31	33.7
Manufacturing	83	6	6.52
Trade	371	28	30.43
Service	358	27	29.35
Total	1219	92	100

Source: Yeka sub-city MSE office.

3.6. Data Analysis Techniques

3.6.1. Descriptive Statistics

The raw data was collected through questionnaire (close ended and open ended), carefully cleaned, coded and entered into computer for processing by using the stata software. Quantitative data was analyzed through the use of statistical techniques such as percentages, arithmetic means, median and standard deviations. Thematic categorization was employed to properly document data obtained through qualitative means. According to Kumar (2011), in order to analyze qualitative data, the researcher needs to do content analysis. This is a process that involves analyzing the contents of questionnaires so as to identify main themes and effort to carefully understand and interpret the information.

3.6.2. Inferential Statistics

A Tobit model is based on a censored dependent variable. A sample in which information on the regressed (dependent variable) is only available only for some observations is known as censored

regression model (Eboh, 2009). Tobit model can be used in cases where the dependent variable is either zero or positive. It is useful in situations where the dependent variable has the property of jumping discretely to zero or any other threshold. Tobit model is a modification of probit model as it is developed based on the cumulative normal distribution function (Rahaman, 2011).

Where the equation is as follows:

$$Y_i = Y_i^* \text{ if } Y_i^* > 0 \text{ While,}$$

$$Y_i = 0 \text{ if } Y_i^* \leq 0, Y_i = f(\beta x_i, u_i)$$

Where; Y_i = dependent variable Economic decision making power

The tobit regression variables for processors are as follows:

While the independent variables are as follows:

X_1 = family size

X_2 = does she has saving account?

X_3 = who decide on what to consume

X_4 = who ask loan

X_5 = who decide on what to do on the loan

X_6 = education of woman

X_7 = age of the respondent

X_8 = do you have training on management

X_9 = do you have training on entrepreneurship

β is the unknown co-efficient while u_i is an independently distributed error term

3.7. Ethical considerations

All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the commencement of distributing questionnaire. Their names are kept confidential thus collective names like ‘respondents’ were used.

CHAPTER FOUR

4. DATA ANALYSIS, INTERPRETATION AND RESULT

4.1 Introduction

This chapter presented the data analysis and interpretation of findings after the collection of data.

4.2 Response rate

This section will entail an analysis of the rate at which questionnaires that were handed out were returned in complete form.

Table 4.1: The response rate of respondents

	No of respondents		% Percent	Valid %	Cumulative Percent	
Returned	87		94.6	94.6	94.6	
Not returned	5		5.4	5.4	100	
Total	92		100	100		

The study had a target of 92 general respondents. 5 questionnaires were not returned and 2 questioners were incomplete. Thus, the analysis of quantitative and qualitative data derived from 85 respondents.

4.3 Demographic characteristics of the population

4.3.1 Gender of the respondents

The study focused on women aged above 21 years of age. Thus, 100% of the general respondents were women. Among the key informants, 30% were women while men represented 70% of those interviewed by the researcher.

4.3.2 Marital status of the respondents

The study sought to find out the distribution of respondents by marital status. The findings were as shown in table 4.2.

Table 4.2: Marital status of respondents

Marital status	No respondents	of % Proportion
Single	6	7.1
Married Monogamous	33	38.8
Married Polygamous	20	23.5
Widow	26	30.6
Total	85	100

Table 4.2 illustrates that majority of the respondents 38.8% had monogamous marriages while 20% were polygamous. Singles comprised of 7.1%, while widows stood at 26% respectively.

4.3.3 Age bracket in years of the respondents

The study sought to find out the age range for the respondents and the findings were as discussed in table 4.3.

Table 4.3: Age bracket in years of the respondents

Age brackets	X	No respondents(f)	of Fx	%proportion
21-25 yrs	23	8	184	9.4
26-30 years	28	18	504	21.1
31-35 years	33	13	429	15.3
36-40 years	38	13	494	15.3
41-45 years	43	9	387	10.6
46-50 years	48	24	1152	28.2
Total		85	3150	100

The average age of the respondents was calculated as follows:

$$\bar{X} = \sum \frac{fx}{f} = \frac{3150}{85} = 37.05$$

The average age of the respondents is 37 years. Table 4.3 indicates that majority of the respondents 28.2% were between 46-50 years of age with 15.3% being between 31 to 35 years and 36 to 40 years of age respectively. 21.1% of the respondents however were between 26 to 30 years with those below 30 years standing at 30.5%. The foregoing analysis indicates that 45.8% of the respondents were at the youthful age between 18 to 35 years.

4.3.4 Level of education of the respondents

Table 4.4 shows that 5.9% of the respondents had no formal education meaning that they had not go to school at all.

Table 4.4: Distribution of respondents by Level of Education

	No respondents	Mean	%proportion
None	5	17	5.90%
Primary	59	17	67%
Secondary	19	17	22.30%
Tertiary/ College	2	17	2.40%
University	2	17	2.40%
Total	87		100.00%

Source: own survey

Further analysis however revealed that majority of the respondents (94 1%) had formal education among them being 67% who had reached primary, and 22.3% who had attended Secondary school It was however realized that a proportion of 2.4% had attended colleges and University graduates reported at 2.4% respectively.

4.4 The key economic factors affecting the women economic empowerment in MSEs.

Women's empowerment is a process of personal and social change, taking place over interlinked and mutually reinforcing psychological, political, social and economic domains, and through which women individually and collectively gain power, meaningful choices and control over

their lives (O'Neil et al., 2014). It is not a linear, uncontested process but instead a journey characterized by negotiation and compromise, and uncertain outcomes (Cornwall and Edwards, 2016).

Women's participation in the Economic Activities is increasing in Ethiopia throughout a time. Survey data in Ethiopia following the revision of its Family Code in 2000 show increases in women's labor force participation and work outside the home, and in the likelihood of that work being full-time and more highly skilled (Hallward-Driemeier and Gajigo, 2013 cited in World Bank, 2015a).

Women economic empowerment is hugely complex, given its wide-ranging implications for different aspects of women's lives. It requires changes within individuals (capability, knowledge and self-esteem); in communities and institutions (including norms and behavior); in markets and value chains; and in the wider political and legal environment (Golla et al., 2011). Ultimately, no single intervention can address all these aspects and be effective for all women (Buvinic and Furst-Nichols, 2014). The challenge, therefore, is to identify key entry points where a range of 'enablers' or 'building blocks' could have a pivotal, positive effect, recognizing that interventions will necessarily differ between countries and between different groups of women, and in terms of the time needed for them to take hold.

Factors affecting the women's economic empowerment emanates from four major categories' of power sources which they are: **Power from within:** the knowledge, individual capabilities, sense of entitlement, self-esteem and self-belief to make changes in their lives, including learning skills for jobs or to start an enterprise According to Taylor and Perezniето, (2014) **Power to:** economic decision-making power within their household, community and local economy (including markets) not just in areas that are traditionally regarded as women's realm but extending to areas that are traditionally regarded as men's realm **Power over:** access to and control over financial, physical and knowledge-based assets, including access to employment and income generation activities **Power with:** the ability to organize with others to enhance economic activity and rights Crucially, this framework is concerned not just with increases in women's access to income and assets but also with control over them and how they use that control in other aspects of life (Taylor and Perezniето, 2014).

Since this study committed for the findings of factors affecting women's economic empowerment in Yeka sub city, the econometric analysis by means of tobit regression result is carried out so that to summarize the results in a meaningful way as follows:

4.4.1 Econometric analysis

Table: 4.5 Tobit regression result.

Tobit regression				
Economic decision making power	Coefficint	Std.Err	t	P-value
saving	0.0645018	0.0462248	1.4	0.163
Age	0.001949	0.0189674	0.1	0.918
Education	0.0729417***	0.0077013	9.47	0.000
Who decide to consume	0.1888454***	0.0511126	3.69	0.000
Who ask loan	0.3443685***	0.0544117	6.33	0.000
Who manage loan	-0.503515***	0.1049906	-4.8	0.000
Training on management	0.0520968	0.0598491	0.87	0.384
Training on entrepreneur	-0.0720383	0.0461697	-1.56	0.119
Cons	-1.474858	0.1408156	-10.47	0.000
Log likelihood = -2944.9647		Prob > chi2 = 0.0000		
Number of obs = 85		Pseudo R2 = 0.0483		
		left-censored observations at Edmp <=		
LR chi2(8) = 298.63		45 0		
40 uncensored observations				
45 censored observations				
0 right-censored observations				

Source: own computation using stata 14.2

The Tobit model estimation result

The result from Tobit model was consists of both significant and insignificant parameters. That is, 4 of the 8 explanatory variables were statistically significant. The other 4 explanatory variables are insignificant effect on the economic empowerment of women. Except for who manage loan and offering training on the management for women the significant variables have a positive effect on the empowerment of women. However, the interpretation of the censored regression model is not straightforward. That is, the marginal effects cannot be adequately explained from the estimated coefficients of the Tobit model (see Table 4.5). Therefore, for interpretation of the Tobit model this paper report marginal effects to interpret the effects of variables on the economic empowerment of women in Yeka sub city.

Table 4.6 Conditional marginal effects

	Conditional marginal effects			
	Delta-method			
	dy/dx	Std. Err.	Z	P> z
Saving	0.0272392	0.019515	1.4	0.163
Age	0.0008231	0.00801	0.1	0.918
Education	0.0308034***	0.003209	9.6	0.000
Who decide on consumption	0.0797497***	0.021537	3.7	0.000
Who ask loan	0.1454273***	0.022845	6.37	0.000
Who manage loan	-0.050352***	0.044008	-4.83	0.000
Training on management	0.0220006	0.025271	0.87	0.384
Training on Entrepreneur	-0.0304219	0.019494	-1.56	0.119

Source: own computation using STATA 14.2

To be more specific Female/ woman saving account have positive and insignificant association with woman economic empowerment. That is, when the saving of women increases by one birr, it would increase the probability of women economic empowerment by about 2.724%. Woman with higher education levels were more likely to state positive economic empowerment, and this

result suggests that investing in education helps the empowerment of woman in economy. The marginal effect of the result shows that the respondent being educated, the probability of women economic empowerment increases by 30.8% *ceteris paribus*. Education forms an integral part in the economic development of women in the society. It was evident from this study that women could not be competently economically empowered if their education levels remained low. The levels of education in women still remained low. An aspect that was considered to have immensely contributed to the low economic empowerment of women in Yeka sub city. This is in line with the World Economic Forum (2005), which notes that without education of comparable quality and content to that given to boys and men, and relevant to existing knowledge and real needs, women are unable to access well-paid, formal sector jobs, advance within them, participate in, and be represented in government and gain political influence.

The variables who ask loan and who decide on consumption also have positive and significant effect on woman economic empowerment. In terms of who decide on consumption a unit changes from 0(male decision) to 1 (Female decision) increases the probability of woman economic empowerment by 7.974%.

Who ask loan was another variable found to be significant. Since the parameter estimate is positive, it implies that woman that have the power to ask loan increases the probability of woman economic empowerment by 14.54.

As can be seen from table 4.6 the variable who manage the loan negative and significant. That is a unit change from 0 (if male manages) to 1 (if female manages) decrease the probability of woman economic empowerment by 5.03%.

The variables providing training on management for female and providing training on entrepreneur have positive and negative effect on woman economic empowerment respectively. However, both variables are insignificant to affect woman economic empowerment in Yeka sub city.

4.5. The forms of government support services rendered to women-owned MSEs

Providing women with equal economic opportunities requires an integrated set of laws and policies, which are relevant across every domain of women's economic empowerment. Conversely, restrictive environments significantly constrain women's economic choices.

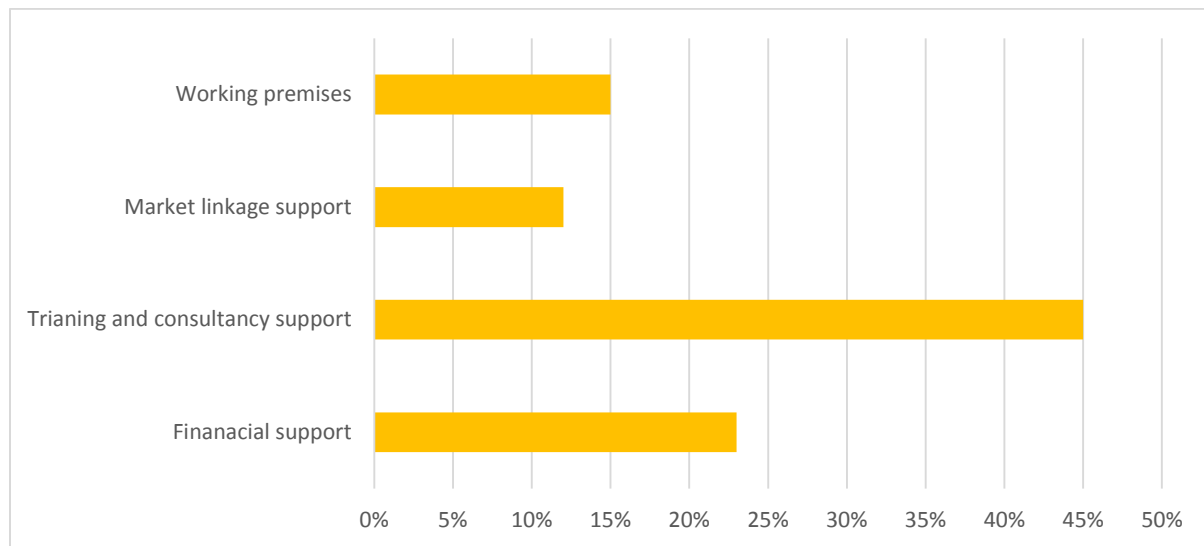
The government provides support for the women so that to enhance their economic empowerment. Such a support composed of Education & training, credit facility, market linkage, work premises and so on. Education and training matter throughout the life cycle. Access to quality education during childhood is important in itself and has important spill-over effects in breaking intergenerational poverty cycles, delaying marriage and childbearing and improving labor market outcomes later in life.

Microfinance, particularly microcredit, has become synonymous with efforts to increase women's economic empowerment. This includes enabling women to start and develop enterprises, as well as increasing resources available to access productive inputs for agricultural work. The spread of mobile telephony is giving new impetus to these efforts – and to bolster women's financial inclusion more broadly – by providing a wider reach and making such services accessible without intermediaries.

Yet the effectiveness of credit in supporting wider indicators of women's economic empowerment is mixed, notably when offered as a standalone intervention (Mehra et al., 2012; Banerjee et al., 2013; Grown, 2014). A comprehensive review of program evaluations found that 'joint/mixed or integrated interventions providing economic services and skills alongside life skills and other training services (including gender training) appear to deliver the best results' (Taylor and Pereznieta, 2014: 35).

When we observe the type of government support received by the women in the Yeka sub city the findings summarized as follows:

Figure 2 The type of government support received by women based enterprise



Source: Own computation using data from survey.

As it can be seen from figure 2 training and consultancy support is the highest support that government provide for women based enterprise accordingly women's in Yeka sub city received 45% of government training and consultancy support. Followed, by financial support it is about 28%. Market linkage and work premises provision by the government is less in contrast to credit facility and training.

4.6 The major constraints women's facing in the implementation of support services

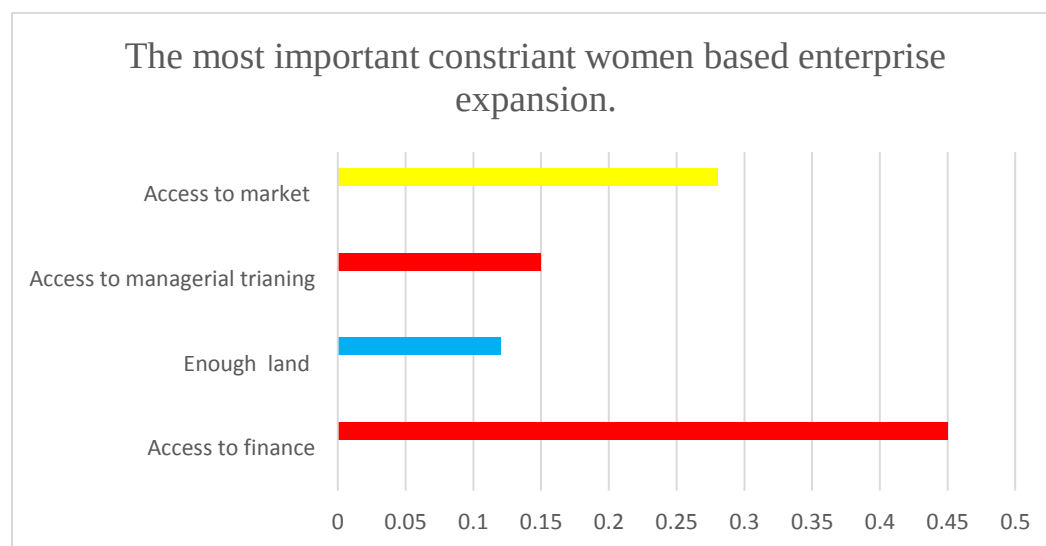
There are many factors that hinder women from accessing socio- economic fortunes and becoming economically empowered. Some of the factors discussed here include: cultural factor, educational factor and financial factor. Cultural factor is customs and traditions of patriarchal societies serve as great deterrent to women empowerment. As (Adegoroye and Adegoroye 2008) find out from their study that harmful cultural practices militate against women socio-economic empowerment. There are cultural practices that promote gender-based violence and these acts of violence are usually directed at women (Bisika 2008). The study conducted by (Briere and Jordan 2004) identified socio-cultural factors such as poverty, social inequality and inadequate social support as some of the variables that hamper women socio-economic development. Also, in some societies, inherited tradition prevents women from inheriting land both from their fathers

or husbands thereby limiting their access to collateral and productive opportunities (Danjuma, Muhammad et al. 2013).

Moreover, Girls' access to education can also be severely affected by external shocks, and by economic crises in particular. During periods of national economic contraction, primary school completion rates are estimated to fall by 29% for girls compared with 22% for boys (Stavropoulou and Jones, 2013). Where household-level economic shocks drive mothers to increase their paid economic activity, girls are often the first to be removed from school to take on extra domestic responsibilities, including looking after younger siblings (Stavropoulou and Jones, 2013). Furthermore, crises and emergencies, especially conflict, have a negative effect on girls' education, 'with 4 of the 5 countries with the largest gender gaps in education facing war or insurgency' (Nicolai et al., 2015: 9).

According to the findings of this study the major constraints for the expansion of women economic empowerment include Access to market, Access to Managerial Training, Enough Land and access to finance.

Figure 3 The most important constraint women based enterprise expansion



Source: own Computation using survey

As it can be observed from figure 3 the most important constraint for women based enterprise expansion in Yeka sub city is access to finance followed by access to market, access to

managerial training. As data collected from the respondents of Yeka subcity shows from 85 respondents 45% of respondent responded the most important constraint in Yeka subcity for women enterprise expansion is finance constraint and 28% constraint is access to market and followed by others as shown on figure 3.

The lack of entrepreneurial culture reflected both in education and the media are major challenges for the expansion of entrepreneurship among women and girls. These are good indicators of socio-cultural influences on individuals running their own business. (Desta Solomon 2010).

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Conclusions

Regarding the key economic factors affecting the women economic empowerment in MSEs, Saving, age, education and who decide on the loan are the positive factors affecting women economic empowerment in Yeka sub city. Therefore, such a variables need to be considered as a significant factor when an initiative takes place to enhance women economic empowerment in Yeka sub city.

When we see the forms of government support services rendered to women-owned MSEs, training and consultancy support is the highest support that government provide for women-based enterprise in Yeka sub city. Which followed by financial support. Market linkage and work premises provision by the government is less in contrast to credit facility and training. Hence, by maintaining the training, consultancy and financial supports the government should give a high emphasis on the creation of market linkage and provision of work premises for the women engaged in MSE so that to make them more fruitful than they used to be before.

The most important constraint for women-based enterprise expansion in Yeka sub city is an access to finance followed by access to market and access to managerial training. High attention must be paid for the facilitation of access for finance and market. Besides, managerial training required to cope with the constraints for the provision of government support services.

5.2 Recommendations

Saving and Education are two of those significant factors affecting the women economic power in this regard, increasing the accessibility of the financial institutions helps to boost the saving culture and the economic capability of the women than it is existed now. facilitating the smooth credit facility for women in the micro and small economic activities enhances the women participation in this area both in quality and quantity. Moreover, since educating women have a multiplier effect and considered as educating the entire society, the government has to proceed its effort of increasing the women/ female enrollment in to academic institutions. By doing so

other than its several contributions it able the women to benefit the economic empowerment emanated from being educated.

The government support services in addition to Training, Education and training consultancy services it need to be accompanied with the provision for technological support and creating market linkage with the local economy. Besides, it is better to allocate the working premises in the market and customer sensitive areas. Furthermore, the participatory approach of decision making have to be carried out between the relevant stakeholders like Government, Women and NGOs operating in these areas in order to facilitate an effective and efficient women economic empowerment programs so that to make the consistent effort and outcome in empowering women economically.

Regarding the constraints for the provision of government support services the root cause analysis required to understand the holistic nature of the given constraints so that to forward a relevant measures which helps to solve the problems radically.

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APPENDIX

Appendix A1

PRE-ESTIMATION TEST		
MULTICOLLINEARITY TEST		
Variables	VIF	1/VIF
Age	1.27	0.78932
Education	1.19	0.841953
Saving	1.17	0.855002
Who decide on consumption	1.13	0.883002
who ask loan	1.13	0.884178
who manage loan	1.09	0.913769
Training on management	1.09	0.91854
Training on Entrepreneur	1	0.998388

APPENDIX A2

	Hetroscadesticity test					
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity						
Ho: Constant variance						
Variables: fitted values of pdm						
chi2(1) = 78.57						
Prob > chi2 = 0.0000						

Appendix one

Addis Ababa University

School of Graduate Studies

College of Development studies department of regional and local development studies

Questionnaire to be filled by Small and Medium Enterprise owners in yeka sub city

Dear Respondents,

I am Daniel Berii a Master's student of Regional and Local development studies at Addis Ababa University, in Department of Regional and Local development studies. Currently, I am undertaking a research paper entitled '**Factors affecting women economic empowerment the case of micro and small scale Enterprises in Yeka sub city**'. You are one of the accredited respondents selected to participate for this study. I understand that your time is valuable, while the successful accomplishment of this study relies on your honesty and kindness cooperation, genuine and loyal response of this questionnaire. Therefore, I kindly request you to genuinely fill and return this questionnaire.

I assure you that your participation in this study is voluntary, all information you provide and results will be recorded anonymously, and confidentiality is maintained. It is for only academic purpose.

A. Respondent Profile

1. Sex

- a. Female b. Male

2. Age _____years

3. Completed level of education

- | | |
|------------------------|-----------------------|
| a. No formal schooling | d. Tertiary school |
| b. Primary school | e. University/College |
| c. secondary school | |

4. How long you have been working this enterprise (in years)?
 - a. Less than 3 years
 - b. 3-5 years
 - c. 6-10 years
 - d. Over 10 years
5. What was your job before operating this enterprise?
 - a. On similar activities
 - b. Different
 - c. No job
6. If your answer is 'a' how many years have you been in that job.....

B. Enterprise Profile

7. Enterprise Name-----
8. How do you label the pattern of performance of your enterprise?
 - a. increase
 - b. decrease
 - c. no change
9. Do you intend to continue with the current business activity?
 - a. Yes
 - b. No
10. Which is the most important business constraint that hindered your enterprise's expansion?
11. Do you have Access to finance?
 - a. Yes
 - b. No
12. Do you have enough working land?
 - a. Yes
 - B. No
13. Have you get managerial training?
 - a. Yes
 - B. No
14. Do you have technical expertise?
 - a. Yes
 - b, No
15. Do you have Access to market?
 - a. Yes
 - b. no

16. What is the enterprise's current capacity utilization rate? (_____ %)

17. If the utilization rate <100%, for Q.16 what were the limiting factors?

- a. Inadequate working premises
- b. Lack of market
- c. Shortage of working capital
- d. Shortage of inputs
- e. Others specify.....

18. What kind of support is your enterprise gaining from government?

- a. Financial
- b. Training and consultancy
- c. Market linkage support
- d. Working premise
- e. Others specify.....

Financial Support

19. Have you obtained loan from any micro finance institution?

- a. Yes
- b. No

20. If Yes to Q.19 how do you evaluate the support of the loan for the performance of your enterprise?

- a. Very helpful
- b. Helpful
- c. Useless
- d. Harmful

21. If Yes to Q.19. How do you evaluate the volume of your sales after you obtain the loan?

- a. Increase
- b. Decrease
- c. No change

22. If Yes to Q.19. How do you evaluate the amount of your profit after you obtain the loan?

- a. Increase
- b. Decrease
- c. No change

23. How do you evaluate the degree of fairness of the interest rate?
- a. Very fair
 - b. Fair
 - c. Unfair
 - d. Very unfair
24. How do you evaluate the process of getting loan?
- a. Very simple
 - b. Simple
 - c. Difficult
 - d. Very difficult
25. Did you obtain any financing from sources other than government?
- a. Yes
 - b. No

Women empowerment

26. Do you think women's are good in decision making?
- A. Yes B. No
27. Do you decided on spending?
- A. Yes B. No
28. Do you ask loan independently?
- A. Yes B. No
29. Do you think that women will become independent on economy?
- A. Yes B. No
30. Do you have saving account?
- A. Yes B. No

Training and Consultancy Support

31. Have you ever received any form of formal training on production technologies (skills) from government?
- a. Yes
 - b. No
32. If Yes to 31, was the training helpful for your enterprises' performance?
- a. Very helpful
 - b. Helpful
 - c. Useless
 - d. Harmful
33. If Yes to Q.31, how do you evaluate the volume of your sales after you obtain the training?
- a. Increase
 - b. Decrease
 - c. No change
34. If Yes to Q.31, how do you evaluate the amount of your profit after the training?
- a. Increase
 - b. Decrease
 - c. No change
35. Have you ever received any form of formal training on production technologies (skills) from institutions other than government?
- a. Yes
 - b. No
36. Have you ever received any form of formal training on management and financial skills from government?
- a. Yes
 - b. No
37. If Yes to Q.36, was the training helpful for your enterprises' performance?
- a. Very helpful
 - b. Helpful
 - c. Useless
 - d. Harmful

38. If Yes to Q.36, how do you evaluate the volume of your sales after you obtain the training?
- a. Increase
 - b. Decrease
 - c. No change
39. If Yes to Q.36, how do you evaluate the amount of your profit after the training?
- a. Increase
 - b. Decrease
 - c. No change
40. How do you generally evaluate the ability of the trainers?
- a. Capable of delivering the subject at hand
 - b. They lack the expertise
 - c. They lack the experience of delivering the training
 - d. Others specify.....
41. Have you ever received any form of formal training on management and financial skills from institutions other than government?
- a. Yes
 - b. No
42. Have you ever participated in any experience sharing programs organized by government institution?
- a. Yes
 - b. no
43. Do officials from government institutions perform follow up and evaluations for your work and status?
- a. Yes
 - b. No
44. Did you get a “one stop service” at the nearest administrative bodies (like from the MSE development or trade bureau....)
- a. Yes
 - b. No

45. If Yes to Q.44, how do you evaluate the service?

- a. Very helpful
- b. Helpful
- c. Useless
- d. Harmful

Working Premise support

46. Have you acquired land/working premise/ shade from the local administration for your enterprise?

- a. Yes
- b. No

47. If Yes to Q.46, how do you evaluate the support of the cluster for the performance of your enterprise?

- a. Very helpful
- b. Helpful
- c. Useless
- d. Harmful

48. If 'No' to Q.46, where do you operate currently?

- a. On private premises
- b. On rented land/ house/shade from private individuals
- c. On rented land/house/shade from Kebele
- d. Other, specify.....

49. If 'yes' to Q.46, if the working premise was acquired on rental basis how much would you pay as rent per month.....

Market linkage Support

50. How often do you get market linkages to government projects and/or others?

- a. Regularly
- b. Less frequently
- c. Only few times so far
- d. Not at all

51. How do you evaluate the support of market linkage for the performance of your enterprise?
- a. Very helpful
 - b. Helpful
 - c. Useless
 - d. Harmful
52. How do you evaluate the volume of your sales after you get the market linkage?
- a. Increase
 - b. Decrease
 - c. No change
53. How do you evaluate the amount of your profit after you get the market linkage?
- a. Increase
 - b. Decrease
 - c. No change
54. How do you evaluate the accessibility of market information from government?
- a. Very accessible
 - b. Accessible
 - c. Not accessible
 - d. Very difficult to access

Effectiveness of Government support

55. Would your firm have been forced into bankruptcy and/or to cease operations in the absence of government support?
- a. Yes
 - b. No
56. How many jobs do you think your business was able to avoid cutting or to create as a result of the government support?
- a. 0
 - b. 1-5
 - c. 6-10
 - d. 11-50

57. How would you characterize the impact of the government support on your company's turnover in 2010?

- a. Enabled us to increase turnover
- b. Enabled us to maintain the current level of turnover
- c. Prevented a major decline in turnover
- d. Enabled us to survive despite a decline in turnover
- e. Had no impact on turnover
- f. Don't know

58. How would you rate the effectiveness of the government in communicating new or enhanced government support?

- a. Excellent
- b. Good
- c. Fair
- d. Poor
- e. Don't know

59. How would you rate the effectiveness of the government in administering new or enhanced government support?

- a. Excellent
- b. Good
- c. Fair
- d. Poor
- e. Don't know

60. You are invited to comment on any aspect of government support schemes
