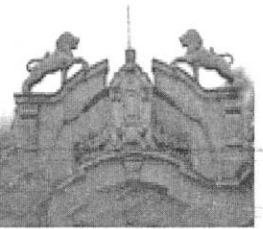


Addis Ababa
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**THE CONTRIBUTION OF MICRO AND SMALL ENTERPRISES IN
POVERTY REDUCTION**

(The case of the Business Sector of MSEs of *worda 7, Kiroks* Sub City, Addis Ababa)

**A Thesis submitted to the School of Social Work Addis Ababa University in
partial fulfillment of the requirements for the Master Degree in Social Work**

BY

TESFAYE KEFALE

MAY 2015

Addis Ababa, Ethiopia

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Partial Fulfillment of the Requirements for the Degree of Masters in Social work

Advisor

Zena Berhanu (Ph.D)

June 2015

Addis Ababa

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This is to certify that the thesis prepared by Tesfaye Kefale , entitled: “The Contribution of Micro and Small Enterprises in Poverty Reduction, the case of the Business Sector of MSEs of worda 7, Kiroks Sub City, Addis Ababa”, submitted in partial fulfillment of the requirements for the Master Degree of Social Work complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Chair of Department or Graduate Program coordinator

Declaration

I, the undersigned, declare that this study entitled “The Contribution of Micro and Small Enterprises in Poverty Reduction, the case of the Business Sector of MSEs of worda 7, Kiroks Sub City, Addis Ababa” is my own work. I have undertaken the research work independently with the guidance and support of the advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis have been duly acknowledged.

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Acronyms

AACMSEDA	Addis Ababa City Administration Micro and Small Enterprise Development Agency
AAFDEB	Addis Ababa Finance and Economic Development Bureau
CSA	Central Statistical Agency
CSOs	Civil Society Organizations
ETB	Ethiopian birr (Local currency)
FDREMUDC	Federal Democratic republic of Ethiopia Minister of Urban Development and Construction
FeMSEDA	Federal Micro and Small Enterprises Development Agency
FDREMSEDS	Federal Democratic Republic Ethiopia Micro and Small Enterprises Development Strategy
FGD	Focus group discussion
GTP	Growth and Transformation Plan
HASIDA	Handicraft and Small Scale Industries Development Agency
HLCLEP	High Level Commission on Legal Empowerment of the Poor
ILO	International Labour Organization
MDG	Millennium Development Goal
MoE	Ministry of Education
MoLSA	Ministry of Labour and Social Affairs
MoFED	Ministry of Finance and Economic Development
MOTI	Ministry of Trade and Industry
MSEs	Micro and Small Enterprises
MSEDACA	Micro and Small Enterprises Development Agency of the City Administration
MSEDOSS	Micro and Small Enterprises Development Office of the Sub City
MWUD	Ministry of Works and Urban Development
NEPSE	National Employment Policy and Strategy of Ethiopia.
NGO	Non Governmental Organization

The Contribution of Micro and Small Enterprises in Poverty Reduction

NMSEDPS	National Micro and Small Enterprises Development Promotion Strategy
PRs	Poverty Reduction Strategies
ReMSEDAs	Regional Micro and Small Enterprise Development Agencies
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
UN	United Nations
USAID	United States Agency for International Development
WB	World Bank

Abstract

This research aims to investigate the role and contribution of MSEs in reducing poverty and creation of employment opportunity with a special emphasis on business sector of in kirkos sub-cities, woreda 7 Addis Ababa. For the sake of achieving the objectives of this study a qualitative and quantitative mixed approach was employed. The mixed approach helps to use various data gathering instruments such as questionnaires, FGD and questionnaires were applied and the collected data analysis in descriptive ways to understand the business sector of MSEs in the study locality. Data was collected in the form a sample of 58 business operators out of 124 through questionnaire, face-to-face interviews was also conducted with 10 operators of MSEs and with 6 government officials and experts working at various administrative levels respectively and FGD was conducted with 6 business operators. The respondents were selected using purposive and random sampling technique. Besides, data from questionnaires were analyzed using frequency and percentage and descriptive narrations through triangulation means. The empirical study elicited major challenges which seem to affect performance of MSEs in the woreda, which include: inadequate finance, lack of working premises, marketing problems, poor entrepreneurial skill, poor management practices, and technological and bureaucratic bottlenecks and weak government support. The findings indicate that though the business sector of MSEs in the woreda have some contribution in improving the living standards of those participated in the business, but its impact in creating employment opportunity and bring major changes in their lives is very much limited. It further indicate that, government support, the changes of the working habits and attitudes of business owners as well are an important elements in increasing the contribution of business owners of MSEs in reducing poverty and creating employment opportunities in the study woreda. Based on findings, recommendations in the forms of it implications to the fields of Social Works are listed that are categories under the themes of policy, practice, education, and research. In these regards, one of the implications of the study towards policy is that the government should facilitate credit schemes and market places for business sectors of MSEs at the start up level and during operation stages. Generally, the study reveals that overall poverty reduction cannot be achieved by looking business sector of MSEs. An integrated development strategy has to be implemented to see meaningful changes in reducing poverty in the woreda.

Key words:- MSEs, Contribution, Poverty reduction and Employment. Business sectors

CHAPTER ONE:- INTRODUCTION

1.1 Introduction

This chapter reviews the basic concepts of the research topic, the frame work of the process and steps of the research. The chapter also makes clear the basic ideas about the reason for the selection of the study topic, the study area, the statement of the problems, basic and specific objectives of the research. Generally the chapter gives an overview about what the research document would deal and achieves at the end of the study. The chapter comprises of nine sections. These are background of the study, rational of the study, statement of the problem, objectives of the study, significance of the study, scope of the study, limitation of the study, definitions of terms and concepts and organization of the study are described supported with empirical studies and conceptual framework in order to provide a clear picture about the research for the readers.

1.2. Background of the study

Poverty is a serious and principal problem of most African countries. One of the indicators of poverty is the existence of rampant unemployment in the continent. In the last 15 years, more than ever before, most of African governments have been looking Micro and Small enterprises as a development strategy in creating employment opportunity and improving livelihood of the society, especially the urban population (Vandenberg, 2006,pp.7-10). It is obvious that, poverty in Ethiopia is widespread and remains a major challenge for the development of the country. One of the indicators of poverty is unemployment which is resulted from joblessness that is still high especially among the youth (NEPSE, 2009, p.13).

Currently, a number of sub-Saharan Africa countries including Ethiopia, are adopting Micro and Small Enterprises strategy for poverty reduction and employment opportunity particularly among the urban population(Mulu, 2007, p. 2) Consequently, the donor community increase their involvement and support for MSEs through various assistance programs, that include providing credit, training and facilitating markets services. Therefore, Micro and Small Enterprises are recognized as an integral component of economic development and a crucial strategy to lift up African countries out of poverty (Leo & Green, 2010, p. 3)

In response to the above mentioned problem, in post 1991, Ethiopia exercised decentralization reforms and developed various strategies for development. The Ethiopian government issued the National Micro and Small Enterprises Strategy in 1997 and established the Federal Micro and Small Enterprises Development Agency in 2003 (FMSEDA, 2006) . The country's industrial policy in 2003 and the poverty reduction strategy program in 2006 have singled out MSEs as major instruments to create a productive and vibrant private sector and reduce poverty among urban dwellers (MOFED, 2006 and MoTI, 1997).

Moreover, in the five year plan called Plan for Accelerated and Sustained Development to End Poverty (PASDEP, 2005/06-2009/10), MSEs have got great attention for the alleviation of urban poverty and unemployment (MOFED, 2006). Boosting the Ethiopian economy through employment creation is considered as an important tool to change the status of the poor by increasing in income generation because they are operated at local level with small startup capital and indigenous knowledge.

MSEs can play a role in improving the socio-economic condition of the poor since it creates employment opportunity that enable the poor, unemployed and unskilled to generate income which in return leads to have a better access for socio-economic merits such as education, better

health condition, good housing and nutrition. Therefore, cognizant of the role of MSEs in employment creation and income generation for the poor, the government is advocating for the importance of these enterprises for enhancing development and growth especially targeting youth and women (MOTI, 1997). Institutionalizing the MSEs is one of the ways to achieve these objectives. Thus, the government took MSEs as a core development strategy. To fulfill national poverty reduction objectives an agency was established in order to facilitate the necessary support and to provide technical assistance, such as training, at federal or regional level (FeMSEDA annual report, 2015).

However, MSEs sector faces lot of constraints such as policy problems, lack or in adequate trainings, lack of credit and loan, lack of working space, poor production techniques and input access constraints, lack of information, inadequate market linkage (Gebrehiwot & Wolday, pp. 64-68). Despite these problems, the MSEs is believed by Ethiopia government as one of the best means of alleviating poverty and creating employment opportunity in towns and urban area, which enable increasing the income and fulfilling the basic needs of the poor and unemployed (Yared,2010, p.12).

It is estimated that close to half of the population in urban areas in Ethiopia are living in absolute poverty due to lack of economic opportunities such as employment and inadequate basic household income that are an essential factors to measure poverty (MUDC, 2013, p.3). According to the Addis Ababa Micro and Small Enterprise report (2013), there were about 26, 571 MSEs employing about 642,603 workers, producing goods and services for low and middle income societies. These enterprises are engaged in different sectors and institutionalized in MSEs by the government MSEs Development Programs Packages (MSEDPP).

The Ethiopian government in 1997 established the Federal Micro and Small Enterprises Development Agency (Regulation, No. 33/1998) delegated or authorized for designing and implementing of the policy and strategy of MSEs and to provide comprehensive supports to MSEs at federal and regional level in order to increase the means for the creation of jobs for the less killed and unemployed section of the society there by to alleviate poverty in the country (UNDP, 2012, p. 1).

Recently, the strong commitment of the government of Ethiopia on reducing poverty is reflected in its Growth and Transformation Plan (GTP). The plan is expected to reduce the rate of poverty from 29 percent in 2010 to 22 percent in 2015. MSEs are one of the packages included in the development strategic document in achieving the objective of GTP (MoFD, 2010, p.21).

Even though there is a belief that MSEs show some improvements in job creation, there is an argument about the significant roles played by Micro and Small enterprises (MSEs) in the reduction of poverty, generations of income and creations of employment opportunities for quite a large proportion of the urban population (MUDC, 2013).

It is obvious that there are a lot of problems that limits their real contribution of MSEs in job creation and poverty reduction as they are aspired (Yared ,2010, p.35). Some of the common problems listed in various documents that hinder their performance are financial problem, lack of qualified employees, poor financial management, lack of raw materials, market opportunities (lack of access to suitable market network) unable to acquired proper working places where they can get easy access to markets (Gebrehiwot & Wolday 2006, p 64).

This study aims to provide a holistic view of the contribution of the business sector of MSEs in *woreda* 07 of *kirkos* sub-city in Addis Ababa. It tries to explore the role of the business sector of MSEs in improving the live standards of those participant in the business sector of MSEs,

its potential in creating employment and its impact in reducing urban poverty in the study *woreda*. In order to achieve these objectives comprehensive literature review and empirical research, data collection and analyses methods were applied.

1.3. Rational for the Research

The research topic related to MSEs is purposely chosen as a study area because, it is claimed by the government of Ethiopia, that the MSE sector is one of the economic development strategy in the process of alleviating poverty, so the basic reason for the selection of the topic is based on an appreciation that the findings of a study which aims to create meaningful results on the economic development and help reduce poverty. Micro and small enterprises in Ethiopia provide goods and services in promoting innovation and enhancing the enterprise culture, which is necessary for private sector development, industrialization and job creation. So, related with the MSEs development strategy, the business sector of MSEs of *woreda 7* in *kirkos* sub city is selected as a study topic with the interest of understanding the extent of MSEs contribution towards poverty reduction. Besides, the business sector was selected because it is the largest of all other five of MSEs sectors that are actively functioning in the study *woreda*. According to the 2014 annual *woreda* report the business sector are 124 out of the total 280 MSEs that are currently registered and working in the *woreda*. The business sector includes a much diversified business activities, such as small scale retailing, fruits and vegetable, cloths, jewelry, easy glass shops, book stores, massage, cosmetics shops, coffee and tea houses. The researcher believes that these factors enable to examine to analyses and understand contribution of MSEs in reducing poverty and creating jobs for the community that would help to achieve the objective of the study.

1.4. Statement of the Problem

As it was stated above, Micro and Small Enterprise has a role in reducing poverty in many developing countries in Africa. MSEs have a significance potential in creating job opportunity and generating wealth for low income community. They are also advocated as major sources of entrepreneurship skill, innovation and bringing attitudinal changes of people in developing countries (Leo, Grunfeld & Green 2010, p. 3).

The Ethiopian government recognized the important contribution of micro and small enterprises as important alternate for employment opportunity for the poor people. Ethiopian government since 1997 have given great attention on organizing Micro and Small Enterprise as a means of alleviation of poverty among impoverished youth and women. The enterprises also believed to be vehicle for acquiring and applying skills to raise productivity and raising national income. Due to these reasons government designed an extensive strategy of organizing and supporting micro and small enterprises in various ways from the federal to local level especially in cities and towns (Minilek & Chinnan, 2012, P. 22).

In most developing countries, MSEs has been advocated as a means of reducing poverty and an environment of job creation for the last 20 years. In similar manner the government of Ethiopia also designed policy and policy implementing strategies in promoting MSEs with especially emphasis in cities and towns.

Like in most African countries, MSEs strategy in Ethiopia has faced so many constraints both at start up phases and after their establishment, that become an hinder the real contribution of MSEs in poverty reduction and job creation. For example, the failure rate of MSEs is 85% out of 100 enterprises due to lack of skills and access to capital (Fedahunsi, 1997:170-186). It is typical of MSEs in Africa to be lacking in business skills and collateral to meet the existing lending criteria

of financial institutions (World Bank, 2004:29). The MSEs are able to source and obtain finance mostly from informal sectors like friends and relatives while medium or large enterprises obtain funds from banks. This unequal access to finance by MSEs and medium and large enterprises has undermined the role of MSEs in the economic development in African countries (World Bank, 2004:29).

Although poverty reduction has remained the declared core objective in the government's poverty reduction programs, it has been given inadequate emphasis to the problem of urban dwellers. The government's efforts to improve the living conditions of the rural population have relatively begun to bear fruit, whereas the incidence and severity of poverty have intensified in the urban areas in the recent past (MOFED, 2006).

Addis Ababa has become the largest and most populous city in Ethiopia that contains about 26 percent of total urban population of the country. However, Addis Ababa is one of the least developed cities in Africa facing a major challenge of urban poverty and slum proliferation (MOFED, 2006). Like any other major cities of Africa, Addis Ababa is presently suffering from a host of social and economic problems including widening income disparity, deepening poverty, rising unemployment, severe housing shortage, poorly developed physical and social infrastructure and the proliferation of slums and squatter settlements. Moreover, there are critical problems related to income and employment in Addis Ababa. For instance, about 60percent of the city dwellers earn very low income of less than 74.5 USD per month per household (UN-HABITAT, 2008).

Rapid urbanization has been accompanied by growing number of poor people and a parallel increase in the social and economic needs of local communities. Unemployment remains high whilst nearly half of the population earns less than what is needed to buy enough food for basic

subsistence. One fifth of the city's population has no access to safe drinking water while many people lack adequate toilet facilities and waste disposal systems (Nebil , Gezahegn, Hayat , 2010, p. 36)

For this reason, MSEs is recognized by the government as one of the potential sector to alleviate poverty in Addis Ababa in general and in the study *woreda* in particular. MSEs provide employment opportunity and income generating scheme to those who do not have access to the formal sector employment. It is also regarded as a tool for supporting the economic and social conditions of the poor, especially for the youth and women, by allowing access to education and health facilities and improves their living standards sustainably (.

In contrary to the mentioned benefit the sector faces a lot of constraints such as policy problems, lack or in adequate trainings, lack of credit and loan, lack of working space, poor production techniques and input access constraints, lack of information, inadequate market linkage etc.. These problems are highly restricting the contribution of MSEs in socio-economic development of the poor in the study area, *woreda 7 kirkos* sub city. This study therefore ,try to analyze the role of MSEs in poverty alleviation by taking empirical data and information from the business sector Managers/Operators as well as the other members of the enterprises in the *woreda* and from those who are working in MSEs at various administrative level (Gebrehiwot and Wolday, 2006, p. 24).

The study conducted by Ethiopian CSA discloses that, the contribution of small enterprises in creating job opportunities and in the development of our economy is vital (FMSEDA, 2006:13). However, their contribution is very low in compared with that of other countries due to financial problem, lack of qualified employees, lack of proper financial records, marketing problems, lack of working premises and raw materials. Lack of information about market opportunities and

standards and regulations is one of the underlying factors that hinder their performance (Mulu,2009:10-13).

In Addis Ababa, MSEs have a problem of finance when establishing the business most individual sources of finance come from personal savings and loans acquired from relatives, friends and moneylenders with high amount of interests (MoTI, 2005:13-14). After the business goes operational, the probability of becoming profitable and paying back debts along with accrued interest is less. Besides, MSEs do not conduct market research and develop/design a product or service as per the need of customers (Zelege Worku, 2009:2-9). For MSEs, lack of premises is unquestionably a serious problem in the city. Most informal operators do not get access to suitable working locations where they can get easy access to markets. Further, the problem related to the skills and capacity of MSEs business owners and lack of appropriate technology and government support are considered as another factors that hampered the prospect of MSEs (Gebrehiwot and Wolday, 2006, p. 31).

To address above problems and increase its contribution in reducing poverty and creating jobs, this study therefore aims to provide a holistic view of factors affecting the performance of MSEs taking the case of the business sector in *woreda7 kirkos* sub city in Addis Ababa. In order to understand the situation of MSEs taking the case of the business sector, a comprehensive review of literature and empirical study available on the area would be explored. The study resulted not only to serve as providing a self check to current business enterprise sector in the study locality, but also to increase the involvement of every stakeholders in promoting MSEs business activities through a better understanding of the determinants of the performance of the enterprises. Such an understanding of the pre-requisites for *woreda 7 kirkos* sub-city MSE to perform well in their businesses is of critical importance especially in today's competitive environment. In view of the

problems, the central question of this study is assessing the contribution of the business sector of MSEs in reducing poverty and job employment in *woreda7 kirkso* sub-city.

1.5. Objectives of the study

1.5 .1 General Objective

The general objective of the study is to explore the contribution of the business sector of MSE's in poverty reduction and in creating employment opportunities and the problems the business enterprise face in *kirkos* sub city in *Woreda 7*.

1.5.2 Specific Objectives

- To examine the contribution of Micro and small enterprises in poverty reduction and job creation by taking the case of the business sector of MSEs in the study *woreda*.
- To analyze the types and degree of support provided by government organs business sector of MSEs in the study *woreda*.
- Explore the opportunities of the business sector of MSEs in creating employment/ job for the poor people of the *Woreda 7* especially women.
- To identify the internal and external factors that affects the performance of the business sector of MSE's.

1.6 Basic Research Questions

1. How does the business sector of MSEs contribute in reducing poverty in the study locality?
2. What are the supports of the Government for the business sector of MSEs in the study area?
3. What are the internal and external factors that affect the performance of the business sector of MSEs in the study area?

4. How can be the problems of the business sector of MSEs in the *woreda* minimized in order to boost its contribution in reducing poverty?

1.7. Significances of the Study

- Making people to understand the importance and the role of business sections of MSEs in the study locality related to jobs creation and poverty reduction.
- The study is expected to serve as a source of information about MSEs activities in the study locality.
- It provides some information about the extent of the problems associated with the implementation of policy and strategy of the business sector of MSEs in the study locality.
- The result is also expected to be helpful for policy makers and implementers to compare and contrast what is going on the ground and the intention of the national policy and strategy of MSEs.

1.8 Scope of the Study

Out of 10 *wordas* of the *kirkos* sub city the research focuses only in one *worda* of MSEs . Although there are various private business sectors in the study locality, this study specifically only focuses only on business MSEs that are registered and licensed by the MSE development strategy in the study *Woreda*.

Like any, MSEs organization in the city, the MSEs in the study *woreda* incorporates at least five MSEs sectors. The most actively operating MSEs sectors in the *woreda* are food processing, wood and metal work, construction, manufacturing and municipal services. (AACMSEDA , 2011-2014).

Of the MSEs in the *woreda*, this study targets or focus on the business sector only. The business sector of the *woreda* MSEs includes, retailing, fruits and vegetable, cloths, jewelry, eye glass shops, book stores, massage, cosmetics, coffee and tea houses.

1.9. Limitations of the Study

The main problem during the data collection period was shortages of data. The problem, in fact, is not only a matter of shortage of data but also a question of reliability of the data. Some of the business owners/operators of MSEs were not willing to fill the questionnaires and some of them were reluctant to cooperate for interview and FGD. Most of the business owners were unwillingness to cooperate for FGD, interviews and to the questionnaires for various reasons. So, repeated visits and attempts of clarifying objective of the visit were tiresome and time taking. The major reason was most of them were suspicion to disclose information that may lead to negative effect on their business. It was also observed from the interview and FGD that most of them the respondents decline to give accurate information on their business monthly income. The other limitation, which should be mentioned, was the questionnaires were not filled by the respondent themselves, rather by the employed data collectors; this may limit the chances of the respondents to expressing their views freely. This arrangement was made due to lack of reading and writing capacity of the respondents based on their willingness or consents.

Therefore, in order to avoid dependent on information gathered on one ways of data gathering the research did was analysis and triangulate the data that are gathered through questionnaires, FGDs, interviews of Key informants, and different reports (published and unpublished concerning the issue under study) so as to make the data representative and the outcome of the research findings credible.

1.10. Definitions of terms and concepts

It is necessary to have definitions of terms and concepts as used in this study for better clarity and understand about MSEs and business sector in particular related to the basic objective of the study.

- **Unemployed:-** According to the ILO guidelines (2006), a person is unemployed if the person is (a) not working, (b) currently available for work and (c) seeking work.
- **Enterprise:-** can be defined as an undertaking engaged in production and/or distribution of goods & services for commercial benefits, beyond subsistence (household) consumption at the household level. It may be owned and operated by a single household, or by several households jointly on a partnership basis or by any institutional body.
- **“Small Enterprise”.** Growth oriented Micro and Small Enterprises (MSEs) are MSEs engaged in production of goods and services in the sectors given priorities in the economic development of the country in most policy and strategy documents of the government (e.g., MoFED, GTP, 2010).
- **Retail trade** is defined as the re-sale (sale without transformation) of new and used goods to the general public, for personal or house hold consumption or utilization.
- **Informal enterprise:-** small scale, and operate *outside registration and tax and frameworks*. They may pay tax when caught by the tax man, otherwise known for evading taxpaying and other required regularities, members or operators are mainly engaged in production of marketed goods and services.
- **Formal enterprises:-** are defined as establishments principally engaged in production of marketed goods and services but formally registered at respective government agencies to undertake the business and hence have licenses to operate

- ***Iqub***: A voluntary, informal, and indigenous form of rotating saving and credit scheme, where each member contributes a mutually agreed amount of money on weekly or monthly basis.
- **Social Capital:-** refers to various features of the social organization of a region, such as the presence of shared norms and values that facilitate coordination and cooperation among individual firms, and sectors for their mutual advantage (Wolfe, 2002, p. 125),

1.11. Organization of the Study

The thesis is organized in to five chapters. The first chapter deals with the introductory part which focuses on background, statement of the problem, objective, research questions, the significance and justification, scope and limitation of the study. The second chapter discusses about the reviewed literatures, that concepts and theoretical and empirical literatures on MSEs are reviewed. The third chapter explains the methodology in which that describes the techniques of data collections and ways of data analysis. The fourth chapter deals with data and findings analysis. The fifth and final chapter covers about the discussion, conclusion and implication of the study to the fields of Social Work.

CHAPTER TWO: - REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter reviews the basic characteristics, significances and development of Micro and Small Enterprises definitions, views and strategies described by various scholars and institutions about MSEs are assessed and discussed related to its impact on poverty reduction and employment opportunities. It is widely assumed that MSEs has great contribution in poverty alleviation and to achieve development in developing countries in general and in Ethiopia in particular (Kayanula and Quartey, 2000,p.48).

Thus, this chapter discusses the definitions of MSEs, the role of MSEs in poverty reduction, MSE historical development in Ethiopia, the internal and external problems and the mechanisms of boosting the MSEs.

2.2 Definitions and Characteristics of Micro and Small Enterprises

2.2.1 Definitions of MSEs:-

There is no single and universally acceptable definition of a Micro and small enterprise. They are given different standard meanings at different times. The definitions differ not only from one country to another but also changes through time with in the same country, depending on the country's level of advances in technology or other considerations (USAID, 2005, pp.55-57) Different countries used different criteria for the classification of small enterprises. The enterprises, assets, capital, and sales turnover or a combination of the asset and capital determine the size of enterprises (Gebrehiwot and Wolday, 2006, p. 24).

Different countries adopt their own criteria to define MSEs, but all use various terms or naming to describe small enterprises, including micro and small enterprises. In this regards the most common naming for the present MSEs are small businesses, small firms, small enterprises,

establishments (MoTI, 1997, pp.8-11). According to Ethiopian Central Statistics Authority (CSA) definition of MSEs are business organizations that are determined on the amount of capital, employment and level of technical and technological capacities (CSA, 2003, p. 21). Thus, from both organization common standard to define MSEs are capital and the number of employees they have.

Currently in our country the standardized definition of MSEs is stated in the regulation No.201/2011. Accordingly, " Micro enterprises, means an enterprise having a total working capital , excluding buildings, not exceeding Birr 50,000, in the case of service sector, not exceeding Birr 100,000, in the case of industrial sector that engages 5 workers including the owner, his family members and other employees(Regulation no.201/2011,Art.2/1)".

Small enterprises, means an enterprise having a total working capital, excluding buildings, from Birr 50,001 to Birr 500,000, in the case of service sector or Birr 101,001 to 1,500,000, in the case of industrial sector and engaged from 6 to 30 workers including the owner, his family members and other employees" (Regulation, No.201/2011Art. 2/2)".

Although a number of measures have been used to identify and describe MSEs, there is no consensus on any one of the measures to describe MSEs in similar standard. So it is usually common to use the value of fixed assets, and their turnover and the number of employees (Rogerson, 2000,p. 687-716)

2.2.2 Basic Characteristics of Micro and Small Enterprises

In spite of the difference in political and economic developments among countries, micro and small enterprises have common features that make them different from large enterprises (UNECAO, 2008, p. 32). The major common characteristics of MSEs that differ from other big business entities are management is independent; property is independently owned and not dominant in its field of business operation (UNECAO, 2008, p. 18-22). MSEs as an entity either

small-scale industries, micro enterprises, the informal sector, cottage and handicrafts, other income generating businesses (USAID, 2005, pp.55-57).

For instance, in Malawi, the official definition of micro and small enterprises is incorporated under the category of small enterprise. They are identified by the level of capital investment, number of employees and capital turnover. Accordingly, an enterprise will be taken as small scale if it has a capital investment of 2,000 - 55,000 USD and employing 5-20 people and with an annual turnover of up to USD 110,000 (Kayanula and Quartey, 2000, p.16).

In Kenya micro and small enterprise have some differences in the number of people they employed. Thus, micro enterprises are those that employ 10 or fewer workers and whereas small-scale enterprises are those that employ 11-50 people, excluding those engaged in agricultural , animal husbandry, fishing, hunting, gathering and forestry (Liang , 2002, p.4)

In South Africa micro and small enterprise are any business entity, whether or not registered under any law, including cooperative and non-governmental organizations that employ between 1-5 person, usually the owner and his family members with annual turnover below the level of R300 000 per year. Small enterprise are formal, registered and have a fixed business location that employ under 100 persons, and managed by the owner , but more complex management structure than micro enterprise with annual turnover between R300 001 – not exceeding R 1,000,000 per year (Rogerson , 2000,p. 687-716)

In Ethiopia, up to recent time, Ministry of Trade and Industry (MoTI) and Central Statistics Authority (CSA) are the two government organizations that define MSEs (Hailu, 2010, pp. 42-44). According to MoTI micro enterprises are businesses entities with a capital not more than Birr 20,000, whereas, Small enterprises are business entities that have a capital from between 20,000 - 50,000 Birr, excluding high technology consultancy firms and other high technology

run by individual or small group holds ownership and the area of operation is mainly local, workers and owners are in one home country (McCormick & Dorothy, 2008,pp.2-12). MSE's individual contribution to the market and production output in the relevant sector is small. It has a centralized management centering on the owner and has a low level of work specialization and high proximity between chiefs and employees (McCormick & Dorothy, 2008,pp. 24-29). Besides, most MSEs don't have formal business strategy, poor in utilizing information system and weak in rapid innovation to adjust market and to resist competition. The MSE are also obviously known for their participation in a very diversified business activities which is considered by many as potential in creating employment opportunities for a large number of the population (AAFEDB, 2008, p.16). MSEs also characterized by the limited amounts of investment capital, small capital and most of them are at low level of skills qualification. They also operate in both the formal and informal business activities and have a small size of employment opportunity compared with Large Enterprises (NEPSE, 2009, p.10).

2.3 Views on the significance of Micro and Small Enterprises for Development.

There are arguments about the contribution of MSEs on the economic development of a country. Sometimes there are two polarized ideas about the extent of the significance of MSEs in their role of creation of employment and reducing poverty (Vandenberg, 2006,pp.1-9). These views can be classified in to two. There are researchers and policy makers, at international and national level, strongly believe that MSEs have high level of contribution on development while there are others who diminish MSEs significance and contribution for nation development (Kayanula and Quartey, 2000,p.35).

2.3.1 The Pro-MSEs view:-

According to the adherent of this view believed that the contribution of MSE to economic growth and poverty reduction is very high. They advocate that MSEs have a great power in mitigating poverty by creating employment opportunities and as a means for income generating for the poor and vulnerable groups of the society. They promote MSEs as an important strategy to regulate market imperfection by regulating commodities price that are becoming difficult for the poor and vulnerable sections of the community from time to time (FDREMUDC, 2013,p.29). They also looks MSEs from social capital perspectives that they believed that it has a potential of facilitating and promoting human interaction and relations in its day to day business activities at the national and local levels (AAFEDB, 2008, P.32).

2.3.2 The Contra MSEs view:-

These groups do not totally ignore the significance of MSEs, but rather they undermine the degree of contribution of MSEs to economic development, especially in developing countries (Moyi, &Njiraini, 2005, p.45). They thought that even though, there is some contribution of MSEs in enhancing the economy of a nation, its contribution is minimal, short lived and diminish over time (Tambunana,2006, p.32-34). One of their justifications is that large enterprises dominate the economic activities by injecting huge capital in the business, which makes the MSEs powerless, due to competition and domination. Those factors make MSEs difficult to get sufficient market and weakened in competition and vanished through time (Kushnir, Mirmulstein, & Ramalho, 2010, pp.5-8). They said that as it is observed and experienced most countries in Africa, MSEs operate in low value added and unprofitable economic sector which have a very minimal role in the development of the country. Thus their technical and management inefficiency, financial and other problems are other factors that limit their contribution to the national economy of the country (UNECAO, 2008, p. 11)

In spite of the contra-argument, currently the pro MSEs view has gained great acceptance and support from many developing nations and international organizations such as the World Bank (UNECAO, 2008, pp. 10-15). These developing countries and international agencies magnify the significances of MSEs in changing the economy of nations as a role of as a multi dimensional contributions in economic development of developing countries (Epherem,2010, p.28), Today MSEs believed as an engine of promoting entrepreneurship skill for the unemployed people, especially for youths and believed a tool of combating poverty. MSEs is a means of reducing inequality among the groups of society. It is a strategy to integrate women into job market and in to the areas of entrepreneurship skill greater than large enterprises (USAID, 2005, pp. 55-56).

MSEs are considered as a means of enhancing competition and increase employment opportunities because of their high labor intensive capacity (AAFEDB, 2002, p.5). The MSEs flexibility and adaptability to local market and generate income for the poor in their countries is an additional reason for the acceptance and support of MSEs strategy by governments of developing countries and international agencies. It is however, to be clear that MSEs are more important than Large Enterprises or it does not to say MSEs can fully substitute the role of Large Enterprises in the economy (UNECAO, 2008, P. 10). According to Addis Ababa City Government Urban Development report Small scale industry sector, MSEs, occupies a strategic importance in any economic structure and play a key role in the industrialization and development of a country (Geberehiwot & Wolday, 2006,p.17, AAFEDB, 2008, P.16)

2.4 Micro and Small Enterprises and poverty Reduction

2.4.1 The definition of poverty

The term poverty has no single acceptable definition. It is described in various ways and given various meaning and interpretation depending on the level of development of a certain society.

Today Poverty is not only the lack of basic human needs such as clean water, nutrition, health care, education, clothing, shelter and other but began including of non material conditions, such as lack of access to basic services a lack of rights, security, power and dignity (Vandenberg, 2006, p.8).

2.4.2 The Role of Micro and Small Enterprises in Reducing Poverty

Reducing poverty is broadly accepted as goals of development in the least developed countries. Multidimensional effects of poverty lead to target poverty reduction through rethinking and transforming the existing economic and social policies and strategies (Mulu, 2007, P. 2)

From the 1960s various developing countries launched MSEs strategy as a means for economic development to tackle poverty and unemployment (FREMUDC, 2013, pp14-17). In this regards, MSEs are considered as a tool to stimulate economic development by generating employment and creating way for more equitable distribution of resources and income especially among the poor section of the society. MSEs are important in activating competition, creating suitable markets, and enhancing productivity (USAID, 2005, P. 3)

MSEs are expected to be instrument in facilitating business transition by providing goods and services, at reasonable price to a large number of poor people. They are a center of developing skills and talents especially for young people (Leegwater and Arthur Shaw, 2008, P. 12).

Therefore, from various perspectives from 1950s, most of Sub-Saharan Africa countries are strongly working on MSEs as their development strategy (Vandenberg, 2006, p. 10). It has been observed that one of the principal causes of poverty in any country is lack of employment

opportunities especially for the youth and less skilled groups of the society (Nebil, Gezahegn, Hayat, 2010, p. 7). As a result, governments and international agencies advocated MSEs, because of its diversified economic activities, which are great potential in increasing employment opportunities for a substantial segment of the population and able to lift countries out of poverty (Vandenberg, 2006, p. 2, Mulugeta, 2011, p.13). According to the survey conducted by Ministry of Urban Development and Construction in 2013, it is estimated that MSEs in Ethiopia employ 22% of the adult population (FDREMUUDC, 2013, P.15)

Many African countries have taken direct intervention measures in support of MSEs not only to reduce poverty but also to be used as an additional sources of tax revenue for government, that enable them to carry out various development projects. So MSEs has also additional impact on development and reducing poverty (Mulu, 2007, p. 22).

Like many developing nations Ethiopian government is promoting and supports MSEs strategy from the perspective of poverty reduction which is believed to be a mechanisms of employment creation for unskilled, poor and vulnerable section of the society (T. Tambunan, 2006, p.5.).

Unemployment and underemployment is a pervasive problem in Ethiopia due to the absence of a dynamic private sector. In urban areas, about 26% of the workforce is officially unemployed, a figure believed to underestimate the real situation (Mulugeta, 2011, p.13). Of particular concern is that unemployment among the youth is significantly higher than the rest of the workforce. MSEs also used an out let to the youth to exercise their talents and strength their entrepreneurial skill to attained their personal and material interest (Tegegne & Meheret, 2010, pp23-28, MoE, 2008, p.8.) Almost in all economically successful countries, MSEs were a springboard for their present economic growth and social progress by being a fertile ground for innovation, and skill development and job creation (Sievers & Vandenberg, 2007, p.41). Thus, the dynamic role of

MSEs in the economy of developing countries as engines of growth has long been recognized. That is why most African governments, including Ethiopia, and international organizations provided greater technical and financial support for MSEs development as a way of poverty reduction (UNIDO, 2002, p.36).

2.5 Historical Development of MSEs in Ethiopia

The present Micro and Small enterprises strategy as one of the ways of development have been recognized by Ethiopia governments from the period 1950s onwards (Teshome, 1994 p. 24, FDREMUDC, 2013, p 16). From these days, MSEs as being used as a strategy of fighting poverty and creating jobs especially in the urban areas FDREMUDC,2013,p. 22). A variety of policies, laws and regulations regarding promoting and supporting small enterprise were formulated and offices were organized by government to support the enterprises. The development of Micro and Small enterprises in Ethiopia has passed the following three phases

First phase:-MSEs program and strategy in Ethiopia started in the 1950s during the emperor Haileselassie I regime under the name of *Itege ye eje tibebe* (Teshome, 1994, p.27). The government industrialization policy of the time, contributed to the establishment of small scale enterprise, which they are today named as MSEs. Among the laws that encourage the emergence and development of MSEs at that time was the Investment Proclamation No. 242/1966 that provided small scale enterprise tax relief, access to land and buildings, public utilities and advisory and administrative support service by government (Teshome,1994, p.36). The government organ responsible for support, coordinating small scale enterprise activities was Ministry of Industry and Tourism. The main support to MSEs at the time was providing training were focused on management of business (Teshome,1994, p.23).

Second phase:- The second phase of MSEs sector in Ethiopia had existed in the period between 1974 to 1991. It was the period of military dictatorship regime (*derg*) under Mengistu Hailemariam. The *derg* socialist oriented regime that discourage private business activities and ownership had a negative impact on MSEs development. So, the situation for small enterprises during the *derg* regime was not suitable and the role and contributions of MSEs for development was very limited compared to the previous regime (FDREMUDC,2013,p.20). In the period, the current Micro and Small scale enterprises sector were reorganized in the form of association, under socialist cooperative with the objective of boosting the socialist economy. The office responsible to coordinate the small enterprise activities was Handicrafts and Small Scale Industries Development Agency (HASIDA) which was established in 1975 (Proclamation No.76/1975) However, due to poor policy, limited attention and shortage of fund HASIDA activity was limited only in providing training in management and technical skills based on Socialist ideology orientation (FDREMUDC,2013,pp. 24-25)

The third phase:- The current government, which came to power in May,1991 recognized poverty as a deep rooted problem and a major problems for sustainable development and stability of the country. Since then, government launched various strategies to fight poverty. Therefore, MSEs gained greater attention and consideration in hoping to play a pivotal role in the reduction of poverty in the country, especially in the urban areas (AAFEDB, 2008, p.22). The role of MSEs as a means to fight poverty and contribution in the overall national development has been given wider justifications and acceptance from political leaders, policy makers and development partners. It was believed that MSEs is a tool of enhancing social welfare and improving the living standard of the poor by of generating income through its capacity of creating high volumes of employment opportunities (NEPS,2009, p.11).

2.6 The Present MSE strategies in Ethiopia.

Ethiopian government development programs targeting in the reduction of poverty create favorable environment for expansion of MSEs projects in the country especially in urban and cities (FDREMSSEDS, 2011). One of the reasons government give high attention for MSEs especially in urban areas is because formal business sectors and government offices cannot fulfill or a capacity to absorb the growing demand of jobs for the high growing number of the population (Epherem,2010 , p. 18). MSEs policy and strategy were designed and highly advocated as a means of improving the livelihood to quite a large proportion of the poor section of the society especially in urban (MoFED,GTP, 2010). MSEs sector has capacity to absorb unemployed people who have lost or no chance to engage in government offices and in the formal sector. The promotion of this sector is justified on the grounds that enhancing growth with equity, creating long-term jobs, providing the basis for the growing and expenditure of medium and large enterprise (Mulu, 2007, p.2). It opens a wider opportunities the poor section of the urban dwellers to engage in various economic activities to change their livelihood (MWUD , 2006, p.45).

Beside, MSEs help to generate income for the jobless which in other way reduce the misery and hardships of the urban poor population. The growth and expansion of MSEs make the poor family to feel financially and physiological secure (AAFEDB, 2008, p.12)

In the direction of fighting poverty, one of the measures taken by Ethiopian government that facilitate in flourishing MSEs was the adoption of the 1996 proclamation (Proclamation No. 40/1996). The proclamation facilitates the expansion and operation of MSEs by allowing MSEs to have access to various government support such as to credit, counseling services, training and other government administration services (FDREMUDDC,2013,p. 26).

The other scheme the government has taken was the preparation of the country's MSEs national development strategies documents in 1997 E.C called Federal Micro and Small-Scale Enterprises Strategy (FMSES) and Regional Micro and Small-Scale Enterprises Strategies (Regulation No.33/1998). They are national strategies framework that show the significance of MSEs for poverty reduction, and their main objective is creating an enabling environment for MSEs growth and expansion (FEDB, 2002, pp.5-8). Besides, MSEs are greatly supported by government a means of bringing equitable resources distribution, creating stability, long-term jobs, providing the basis for medium and large scale enterprises and promoting export (Hailu, 2010, p 4).

Further steps in strengthening MSEs came out with the establishment of Federal Micro and Small-Scale Enterprises Development Agency (FMSEDA) and Regional Micro and Small-Scale Enterprises Development Agencies (RMSEDA) by the Regulation No.33/1998. The principal role of these offices are to implement the 1997 MSEs strategies that describe in detail about the exploitation of local raw material, creation of job, adoption of new and appropriate technologies, and enhancement of linkages among MSEs (FDREMUDC,2013, p. 27). The GTP has also put the MSEs development as one of the seven identified development strategies of Ethiopia, indicating MSEs have been on the forefront in employment creations, and advocating and promoting its immense role in poverty reductions (MoFED, GTP, 2010). When the World Bank introduced poverty reduction strategy for Less Developed Countries in the 1990s to improve the living standard of the people, it considered MSEs as a tool to mitigate unemployment and poverty reduction (MoFED, 2009)

The major duties of the offices of MSEDAs structured at various administration layers are providing and facilitating various support such as training (on entrepreneurship, skills and technology) conducting studies to identify the problems and providing counseling services. They are also responsible for advising government on MSE policies and strategies, organizing exhibitions programs at national and local level as a market outlet for MSE products (Hailu, 2010, p.31, MoFED, PASDEP, 2009).

2.8 Internal and external problems in MSEs contributions in reducing poverty

Micro and small enterprise are confronted with several challenges that limit their contribution in reducing poverty (Eshetu Bekele & Zeleke Worku, 2008, p.34). Factors considered to be a hindrance for the contribution of MSEs in poverty reduction are described by different research and government studies. These factors can be seen from internal and external perspectives (Mulugeta Chane Wube, 2010, p. 18). The most common internal problems that affect the activities of MSEs are personal attitudes, lack of motivation, vision and low level of awareness towards MSEs (G. Michelin & H. Alan, 2002, pp 26-30).

Globally, the top causes of failure in small businesses including MSEs are, lack of skills and experience in operating businesses, insufficient capital, poor physical location, poor management, technical skill, over-investment in fixed assets, poor credit arrangements, stiff competition, and low sales of product and services (USAID, 2007, p. 4-5). Besides, social, economic, cultural, political, legal and technological problems affect MSEs efficiency and activities (Michelin & Alan, 2002, pp. 24-29.).

Lack of technical know-how, weak accounting system and poor managerial and financial skills, lack of work premises, lack of training opportunities, shortage of raw materials, poor infrastructure and over-tax are also mentioned as a basic problems to MSEs development (Leo A. Green, 2010, p. 36)

MSE growth in Sub-Saharan Africa region is hampered by weak business environment. There is a strong relation between business environment and growth opportunities for MSEs. Some of these factors are lack of access to finance, new markets opportunities and weak supplies, such as water and electricity (FDREMSSEDS, 2011, p,36). The major factors that affect the performance of MSEs in developing countries is not their small size but their isolation, to markets, lack of information, finance and weak institutional support.

In similar manner most of the above mentioned problems are observed in most of MSEs in Ethiopia. MSEs in Ethiopia are also confronted with the problems of poor technical and managerial skills, weak accounting and record keeping. These in turn affect the proper handling and operation of the MSEs business (Mulu, 2009, pp. 10-13, Eshetu & Zeleke 2008, pp24-32). MSEs in Ethiopia are severely affected by lack of access to finance from formal money lending institutions. Most of them are forced to use personal savings and loans acquired from relatives, friends and money from individuals with high amount of interests or raise finance from traditional financial associations schemes (*iqqub*). But all of these sources of finance may not be provide the needed amount of money to run business properly in sustainable manner (FDREMUUDC,2013, p. 28).

Shortage of sources of raw materials that result in the production of poor quality of goods are also an other factors that make them less competitive in the market (Tulus Tambunan,2006, p.5). Market related Problems are another challenge of MSEs development in most of Africa nations. Lack of selling and working place, poor market linkage and poor market promotion are major market problems. Competition from the informal sector and corruption within government services are also another challenges for MSEs growth and development (Mulugeta ,2010, pp.72-77). In consistence, government institutional support, including bureaucratic bottlenecks and

government intervention also pose significant are also a constraints to MSEs development in most African countries (Michelin & Alan, 2002, p.18). Other critical problems are related to the MSEs operator-themselves, such as dependency attitude, extravagance and wasting behavior, and lack of vision and commitment are another problems (Kushnir, Mirmulstein, and Ramalho, 2010, p.22).

There are still MSEs owners/ operators that look and wait for government employment for job rather than being innovative, improving productivity and being competent in their business. Poor saving culture, lack of access to sufficient capital at start up stage, and lack of commitment towards changing the backward technology are another bottleneck for the MSE development (Nebil, Gezahegn, Hayat, 2010,p. 17).

In spite of the constraints they are facing, the limited survey conducted by Ethiopian government explained the contribution of small enterprises have a significance impact in economy by creating job opportunities According to the four years plan and implementation report of the Federal Micro and Small Enterprise Development Agency, from the year (2011 – 2013) 6, 671,012 jobs are created by MSEs (FMSEDA,2014, p.13). Generally, the various academic studies indicated the significance of MSEs for development and yet MSEs are facing so many problems which affect their contribution to poverty reduction.

2.9 Mechanisms of boosting MSEs

In developing countries such as Ethiopia, income derived from employment have a direct relation on economic growth and poverty reduction (Nebil , Gezahegn, Hayat , 2010, p. 16). High urban unemployment, particularly youth unemployment due to high rate of population growth and rural-urban migration are contributing factor to urban population growth. So unemployment remains a major development concern for the government (Harris, 2010, pp. 167-186).

Reducing poverty needs to deal with the issue of equitable resources distribution and unemployment in the labor market. So, government has to create opportunities for those who have lack to access jobs (NEPSE. 2009, P. 13)

Therefore, poverty reduction strategy also requires enhancing employment opportunities especially for the youth and the disadvantaged groups and unskilled women and men (Nebil, Gezahegn, Hayat, 2010, p.27). Employment opportunity contribution to growth and reducing poverty could be achieved when job creation strategies and policies are systematically designed.

So, a country with high rate of poverty and rapid population growth, needs a strategic intervention to increase employment opportunities in order to accelerate economic growth, reduce poverty and to ensure the equitable distribution of resources (Tegegne & Meheret 2010, P.42). It is, therefore, necessary to approach the challenges of unemployment through a coordinated employment policy and strategy (NEPSE, 2008, P. 13)

It becomes obvious that creating employment opportunities has a multi dimension effects in reducing poverty and jobs creation for various groups of the society. In this regards, MSEs create greater chances of employment to the mass of unemployed urban poor (Zelege Worku,2009, pp.1-9). The global literature clearly shows that the national economy of many developed nations grew on a sustainable basis due to the reason of their strong effort of working on small sized enterprises (Hailu, 2008, pp.10-18). In order to achieve sustainable economic growth, the government of Ethiopia more than designing MSEs policy as a development package, it should provide adequate support for MSEs sector (Workneh ,2007,pp.14-19).

It is widely recognized that MSEs play a crucial role in promoting both economic growth and enhancing its effectiveness in reducing poverty by creating employment opportunity (MoFED, GTP,2010). In order to enhance the contribution of MSEs to the national economic at

the required level, an intervention strategy should be designed to address the basic problems of MSEs, such as working places, markets locations, finance, working capital, access to markets, training and government services (FDREMSEDS, 2011, pp. 35-37).

In addition government should facilitate to access to new technologies including Information and Communication Technology (ICT) to promote the quality of the products and services in order to increase their competitiveness in the market (G. Michelin & Alan, 2002, pp.12-16).

Another ways of boosting MSEs are Government and NGOs agencies that can promote skills-based employment training, in areas of entrepreneurship especially targeted the youth, women, and the unemployed (FDREMUDC, 2013, p.28).

Additional points suggested as a way increasing the contribution of MSEs in reducing poverty is creating linkages among the various sectors of MSEs and the general market. Linkages refer about the ways of connections of enterprises to raw materials, technologies, markets, and training. It is also used as a social capital by facilitating communication and networks among various MSEs working at different places (Hailu, 2010, p 4-8)

Policies, laws and regulations formulated for MSEs operation should be critically reviewed not to have a negative effects on the sector. If otherwise, MSEs keep their businesses small and work in the informal ways to avoid paying tax (Nebil, Ayele, and Hayat, 2010, p. 22). A more reasonable regulatory laws motivate MSEs to remain into the formal sector (Vandenberg, 2006, p. 21). The limited studies so far conducted in Ethiopia in the sector are showing that MSEs are not yet capable enough to absorb cheaply available labor force and unable to create jobs for the unemployed to the required level (Minilek , 2012, p. 5)

CHAPTER THREE: - RESEARCH METHODOLOGY

3.1. Introduction

The study was designed for investigating the contribution of the business sector of MSEs in alleviating poverty in the study locality. In order to analyze the issues his study employed the qualitative and quantitative mixed approach to gather information and data from various sources that enable to analyze and understand the role of MSEs in alleviating poverty in the study *woreda*. The chapter discusses procedures and activities under taken, the questionnaire design, instrument development, data collection, pilot testing, sampling strategy, data processing and analysis. Besides, the section deals with a discussion on the ethical issues and the study area profile.

3.2 The study *woreda* and the study topic

Woreda 7 is located in *Kirkos* Sub-city, including areas called, National *Theater*, *Legehar*, the previous *Nazrit* bus station, around the stadium, parts of *Filwoha*. According to the 2014 annual *woreda* report the population of the *woreda* is about 140, 200.

Although there are different sectors of MSE that operate in *woreda*, the business sector is selected for this research that it incorporates large number of participants 124 (44.28%) out of the total 280 MSEs owners/ operators. So the business sector of MSEs absorbed significant number of MSEs operators and managers which are considered as a good representative to analyze the contribution of MSEs in alleviating poverty and reducing employment in the study *woreda*.

3.3. Research Design

The research methodology employed in this study was mixed approaches that is both qualitative and quantitative (Mikkelsen,2000, p. 87). This mixed research design is applied for this research work with the intent of addressing the basic research questions of the study. Mixed research method helps to answer questions that cannot be answered by qualitative or quantitative

approach alone (Creswell, 2007,p.329).Therefore, this method enable to better understand and analyze the experience, value, perception, problems and looks solutions for the problems of MSEs. Hence, data are collected in details that can be better to make valid generalizations and conclusions for the populations understudy.

Both qualitative and quantitative data are collected for the study believed to explore basic data for to fulfill basic objectives of the study. In this regards the qualitative approach has apply Focus Group Discussions (FGDs), interview, some parts of the questionnaires and document to explore data. Meanwhile the quantitative approach used questionnaires to gather countable and measurable data in the form of frequencies and percentage that enable to analyze the overall impact of business sector of MSEs in reducing poverty on the owners, managers/operators. Basic objectives and analyzing data collected in both qualitative and quantitative methods is to triangulate and supplement the diverse data generated from different sources which in order to increase the validity and reliability of research.

3.4. Data Types and Sources

3.4.1 Types of data

As mentioned above the mixed research approach was selected for this research due to its multiple data collection instruments employed. In order to check the significance of the qualitative and quantitative approach the instruments were commented and pilot tested whether they were developed based on the objectives of the study and research questions or not. Finally, they were employed for the gathering process.

Priary Sources

- The primary data are collected primarily from first hand sources through questionnaires, interviews, and focus group discussions will be collected from the business owners and government officials and experts working at various administrative levels.

Secondary Sources

- Secondary data from business owners' files and policy papers were used to provide additional information. Besides, variety of books, published and/or unpublished government documents and reports were reviewed to make the study fruitful.

3.4.2 Data Collection Techniques and Procedures

The research has utilized the under mentioned data gathering tools and collection procedures.

3.4.2.1 Questionnaire.

The designed questionnaire were prepared to be filled by the owner managers/or operators of the target enterprises of MSEs in the study. Care was taken in the design of the principles of questionnaires such as making them simple, easy and clear to understand.

Most of the were questionnaire were designed in a five likert scaled (closed), multiple-choice questions and open ended in which respondents given a chance to express their views. The preparation and construction of items was done by reviewing the literature on concepts of MSEs with special emphasis in the area of business sector. Items were constructed in English language; it was commented by the advisor and later translated to *Amahric* language. Based on the comment, some items were dropped and some were added and some were improved. The layout of the questionnaire was kept very simple to encourage meaningful participation by the respondents. A questionnaire was constructed to gather data within a short period of time from the participants involved in the business. It provides a chance to understand their attitude, their beliefs, desires,

and needs of the participants. The questionnaire was distributed for 70 (56.45%) business owners out of the total 124 businesses sector that are registered and operate in the study *woreda*. For the purpose of clarity and the research objectives most of the questionnaire was prepared and structured in rating type scale. But as it was mentioned the questionnaires it also gave chances for the respondents to express their own opinion on some of the items of the questionnaire.

3.4.2.2 Semi structured Interview

The interview as part of being the most widely used qualitative data gathering technique allowing the researcher to come up with rich data (Kitchin & Tate, 2000, p. 273), in which the interviews selection involves the interviewer asking questions and the interviewee responding. A series of structured and semi structured standardized open-ended questions were designed and applied. The semi structured interview was conducted through face-to-face interviews with 10 business owners/ operators (four retailers, one cloths shop, one fruits and vegetable shop, two book shops, and two coffee and tea business). Interview was also carried out with 6 government officials and experts working at the various administration levels in the MSEs offices (three officers from the study *woreda*, one from the *kirkos* sub city, one from Addis Ababa and one from FeMSEDA). The interview was conducted based on the already prepared guidelines and also some important issues raised during the discussion. The interview method of data collection enables to collect data and had a high response rate which able to understand the outlook and attitudes of the respondents related to the objectives of the study.

3.4.2.3 Focus Group Discussion (FGD)

The research used semi structured questions previously prepared and tested. The researcher facilitated group discussion. The role of the researcher was moderating the FGD while taking notes. While selecting the participants of the discussion, an effort was made to ensure diversity and representation in terms of business sector, gender, age, and duration or length of work

experiences in the business MSEs. Initially ten business operators/ managers were invited and to conduct FGD into two groups discussion session at different time and places. But actually FGD was conducted once with six person comprises from two coffee and tea, two retailers and two book shop business owners for at least an hour and half. During the discussion the participants were encouraged and given the chance to argue, to support and give supplementary ideas for each other based on the question raised by the facilitator based on the FGD guideline. The researcher was able to explore the MSE operator's views about the impact of their business MSEs on their livelihood, such as the changes in their daily life, nutrition, health, capital assets, institutional and policy support. Numerous constraints of MSEs specifically related to the business sector in the *woreda* and the prospects of their enterprises were also explored.

3.4.3 Document Analysis

This method of data collection was used for the purpose of checking the availability of written documents that are very essential to address the basic questions and to accomplish the objectives of the study. Thus, Statistical document and monthly reports that describe about the types of the business sector of MSEs activities, the name, address, location of all business sector MSEs from the study *woreda* office were in both hard and soft copies were collected and analyzed for the purpose of the study.

3.5. Pilot Testing.

After the preparation of the instruments a tryout or a test of all the data collection instruments were conducted. It is targeted to test the validity and reliability of the data collection instruments. The preparation and testing the relevancy and consistency of the items was done by consulting pertinent bodies that have knowledge and experience in testing and measurement.

Besides some instruments were also given to some members of business sector of MSEs who operates in business or in other MSEs activities. The test was conducted on 7 persons who were engaged in the business and other sectors of MSEs in the study locality with the help of the *woreda* MSEs officer.

The responses obtained from the pre-test try revealed that some of the questions lack clarity, problems of deviation between the intent of the set of items. The researcher views the deviation was caused in the translation of the questions from English to *Amaharic* language. A colleague who is an English language instructor was consulted to translate it back in to English. Finally the two questionnaires which were written in English and *Amharic* were closely scrutinized. Based on the pilot test, some commented questions were corrected and ambiguous and insignificance questions were dropped. For instance, most of the individuals were reluctant and not interested to respond to question that ask the amount of daily income after joining the business sector. So the question was later replaced in to rating scale type in which respondents were to respond by saying very strong agree, agree, undecided, disagree and strongly disagree. In similar manner questions that were constructed to describe their opinions about the improvement of livelihood were also changed towards likert scale.

3.6 Sampling Technique and selection of Respondents

Although there are no general rules, the sample size usually depends on the population to be sampled and depends on the objectives of the study. To determine sample size, a list of the *woreda* MSEs population formally registered MSEs until May 2014 by the Addis Ababa City Administration Trade and Industry Development Bureau were obtained from the study *woreda* administration. The total populations which are engaged in the business section of MSEs are 124

which include a diversified business activity, such as small scale retailing, fruits and vegetable, cloths, jewelry, easy glass shops, book stores, cosmetics shops, coffee and tea houses and massage.

The study applies two methods of sampling techniques. The first method is purposive sampling technique which focused on 124 business sectors of MSEs in the study *woreda*. Accordingly, the data was designed to collect data from the above mentioned on 124 business sector of MSEs. Purposive sampling technique was used due to the fact that, the study is going to see and analyses the contribution of the business sectors of the study *woreda* MSEs (small scale retailing, fruits and vegetable, cloths, jewelry, easy glass works, book stores, massage, cosmetics shops, coffee and tea houses) in reducing poverty and creation of employment in the study locality. So questionnaires were distributed to cover all types of business sectors whether they are small or big in proportional manner. Purposive sampling technique is selected and apply as sampling techniques for this study that help to collect balanced information from all owners who participate in the business sectors in order to assess well about its impact in reducing poverty and creation of employment. Similarly purposive sampling method applied for the interviews and FGD with the managers/operators of the business sectors of MSEs and government officials and experts.

The second method is the Random Sampling Technique. As it was stated above, there are diversified business sector of MSEs in the *Woreda*. Therefore, to get comprehensive data and information it is important to take proportional number from each business sector of MSEs in the study *woreda*. After knowing the total number of the business sectors of MSEs found in the *Woredas*, data collection especially through questionnaires were determined based on the number of participants in each business sector. Thus, after knowing the number of participants in the business sector of MSEs in the *woreda*, i.e questionnaires were distributed proportional to the number of each section of business section in simple random sampling manner. Then after the

distribution of questionnaires for business sector was made proportionally to the number of each business section. Accordingly, 41 (68.96%) questionnaires were distributed for retailers out of 70, which is the largest of all business sectors of *woreda* MSEs, 9 for cloths shop owners out of 11, 7 for vegetable and fruits shop owners out of 10, 6 book shop owners out of 8, 4 massage business owners out of 7 and 3 for coffee house owners. After the collection of questionnaires the data classification was conducted according to the themes of questionnaires and made ready for interpretation.

3.7. Data Collection Procedure.

On informed consent of the government bodies who are working at various level of MSEs offices and the business owners of MSEs, the above mentioned data collection instruments were employed. They were informed about the purpose of the study before the questionnaire was distributed. Moreover, during the administration of the questionnaire further clarifications were given on points not clear for respondents. Out of 70 questionnaire which were distributed to business MSEs managers or operators, 64 (91.42 %) were return. Six questionnaires were rejected for lack of clarity and improper reply. At the end out of 64, 58 (82.85%) questionnaires that appropriately filled were used for the analyses purpose.

The questionnaires were collected with the help of the *woreda* MSEs Office experts. Six youths who are providing a voluntary services in the youth association at the study *woreda*, were employed to collect the questionnaire through face to face interaction. They were given orientation how to conduct the data collection, such as how to ask and communicate and taking of notes. They identified the areas where they are going to collect and to whom they collect based on the address found from the list of the MSEs the *woreda* MSEs office. In spite of some long days of appointment and absence of some business owners who are selected to fill the questionnaires. Data collectors

were able to collect the questionnaires according to the orientation provided. As it was stated finally 64 questionnaires were returned and out of which 58 properly filled and fit were used for the analysis of the study.

Interviews and FGD was conducted in voluntary manner with 10 and 6 business owners respectively. Interviews secessions were also conducted with 6 the government officials and experts who are directly working in MSE offices and have experience and knowledge about MSEs. Men and women managers/operators of the business sectors of MSEs as well as government officers and experts were considered as a base of respondents.

Check lists were prepared to guide the open ended discussions for both the interviewees andfor FGD secession related to the questions that were raised for managers/ operators and other government office representatives.

3.8. Method of Data Analysis.

Before commencing the data analysis the questionnaires were and the data collected from the FGDs and interviews were categorized according to their similarities related to the objectives of the study. The data presentation is done in such a way that the response questions and data are grouped according to the respective research questions.

Then ides or responses collected from the instruments that were found relevant and important for the objectives of the study were selected to be used for analysis.

Descriptive statistics like frequencies, percentage, and average and cross tabulation were applied to facilitate meaningful analysis and interpretation of research findings. The results of processed data were presented in tables. Qualitative data obtained through FGD and interviews were analyzed in descriptive and explanatory analyses methods.

Regarding the questionnaires the responses from likert scale and alternative questions were tally and put within the tables categorically and calculated in frequency and percentages to be ready for analyses. The frequencies and percentages values of the questionnaire were discussed with the proportion of respondents for each variables along the rated scale, such as, strongly agree, agree and undecided, disagree and strongly disagree.

Similarly the same procedure was also applied for the responses obtained for the open ended items. But in the analysis of the open ended questions major common ideas and especial views or opinions were ready for further data analysis.

Based on the information collected from all instruments filtered are triangulated and described in description and explanatory manner. Discussion was made depending on the four themes of the study namely, the contribution of business sector of MSEs in reducing poverty and job creation in the study locality, the supports of the Government for the business sector of MSEs, the internal and external factors that affect the performance of the business sector of MSEs and the means of boosting MSEs in enhancing poverty reduction in the study area.

3.9 Ethical consideration of the Researcher

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 and conducting interview questions. Although all interview and FGD sessions had tried to make a tape-record, it was impossible due to unwillingness of respondents. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the *woreda* document and reports and the information disclosed during the interviews and FGD.

CHAPTER FOUR: - DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.1 Introduction

Under this chapter, data collected through different tools are discussed and analyzed. The purpose of the analyses are to fulfill the objectives of the study in order to examine the contribution of the business sector of MSEs in alleviating poverty, the supports of the government to the business sector, the internal and external factors that affect the performance of the business sector and the mechanisms that enhance the business sector of MSEs in the study area.

In this section, the study provides details about the age, marital and educational status, and family size of Managers/Operators and also their former jobs and income before and after getting into business sector of MSEs activities and duration of stay in the sector are discussed and presented which is relevant for the current livelihood of the respondents.

The chapter also examines the business sector of MSEs employment generating capacity, types of government supports, internal and external problems that hinder MSE development in the study *woreda*. Most of the collected data are presented in tables and described and analyzed in percentage and frequency.

4.2 General Information about the Respondents

In this section, basic profiles of the respondents such as, the age, marital and educational status and family size of the managers/operators of the business owners of MSEs are discussed. Their occupation or jobs before getting into business sector of MSEs activities and their duration of stay in their current business sector, number of employment created, degree of income before and after they join MSEs have been analyzed. 4.2.1 Demographic Characteristics of Respondents.

Table 1. Sex, age, marital status and family member of 58 respondents

Major Indicators													
	Sex		Age				Marital Status			Family Members			
	F	M	18-29	30-39	40-49	50 & above	Married	Single	Divorced/widow	2	3-5	6-8	9 & above
No.	9	49	12	26	11	9	35	17	6	8	24	16	10
Percent	15.52	84.48	20.68	44.82	18.96	15.54	60.34	29.31	10.34	13.79	41.37	27.58	17.24

Source: (Own Study data, 2015)

As it is shown in the above table larger proportion 49 (84 %) of the respondents are male. It indicates that most of the business sectors of MSEs are owned/ managed by male in the study *woreda*. Female owners/ managers account about 9 (16 %). This shows that the business sector of MSEs in the study *woreda* has not created employment opportunities to women compared with that of men.

As shown in table regarding the age status of respondents, 12 (20.71 %) were found within the age range of 18-29, while 36 (44.82 %) are found in the age range of 30-39, 11(18.96%) with in age categories 40-49 and 9 (15.51%) are in the age group of 50 and above years. From this figure one can understand that the majority of the respondents 49 (84.48%) are found within the age range of 20-49 years, so it can be understood that the business sector of MSEs incorporates the active and productive age group of the societies in the study *woreda*. But attention should be given about the participation of adult and even elder groups of the community.

With respect to marital status, as shown above in the table 35(60.34%) of the respondents are married, 17(29.316%) are single and 6(10.34%) are divorced or widowed. Though most of the

owners/ managers of MSEs in the study *woreda* are married, single and unmarried individuals are also participating in the activities.

A family size seems an important factor in assessing the level of poverty. Accordingly, in the study area, as the data shown in table above, the respondents have different family household sizes. As indicated in the table above, 8 (13.73 %), have below 2 family members, 24 (41.37%) have 3-5 family members, 16 (27.58%) having 6-8 and 10 (17.24%) 9 and above family members. The data indicate that most of the respondents have considerable number of family size that may be a challenge in the process of reducing poverty.

One of the variables used to discuss the socio-economic profile of respondents in this study is the educational level of the respondents. Managers/Operators of the business sector of MSEs are found at different education levels. According to their response about 4 (6. 89 %) are illiterate. 6 (10.34 %) have a reading and writing skills. Whereas 8 (13.79 %) completed primary school, 27(46.55 %) at secondary level of education, 3(5.17 %) of respondents have a certificates, 8(13.79 %) have diploma and 2 (3.44 %) with first degree.

Generally 48 (82.75%) of the respondents of the business owners of the enterprises completed the secondary school education and have not a proper high level of education or qualification. Therefore, it is clear that the business sector of MSEs is benefiting the less skilled groups of society in the study *woreda* by creating job opportunities.

4.3 The contribution of the business sectors of MSEs in reduces poverty in the woreda.

4.3.1 Respondents' job and income status before and after joining MSEs.

The main objective of MSEs is alleviating poverty through creating job opportunities for the poor or unemployed members of the society. Thus, the role of MSEs in which poverty reduction has to be seen from perspective of employment creation.

Table 2. Respondents' job status and income before and after joining MSEs

Major Indicators																	
	Job Types				Duration in MSEs				Income in birr per month before MSEs				Income in birr per month after MSEs				
	Daily laborer	Working in enterprises	Student	Unemployed	1-3	4-6	7-9	9 & above	< 100	101 - 300	301 - 600	600	< 600	601-1000	1001 - 2000	2001 - 4000	>4000
No.	6	4	18	30	14	21	16	7	19	19	14	6	13	36	6	2	1
Percent	10.34	6.89	31.0	51.7	24.13	36.2	27.58	12	32.75	32.75	24.18	10.24	22.41	62.06	10.4	3.44	1.72

Source: (Own Study data, 2015)

The table shows that, 30 (68.96 %) were unemployed, 18(31%) students, 6 (10.34 % %) daily laborers, only 4(6.89 %) working in similar business before joining the current occupation. Therefore, the business sector of MSEs creates jobs opportunity for those who are either unemployed or unable to continue their education. As stated in the literature review the business sector of MSEs can bring development through improving the income of the poor and so, it is considered to be a means of adjusting income distributions within the study locality.

Concerning duration of respondents in the business, as the above table indicates,14 (24.133%) from one to three years, 21(36.2 %) from four to six years 16 (27.58 %) from seven to

nine years and 7 (12 %) stayed more than nine years. Staying for long period of time in the business of MSEs should not assume or believe that they are benefiting from their business activities. As they stayed within business for long time it can be assumed that they are showing a good progress and gaining better income.

In order to see the contribution of MSEs in changing the income of the business owners, it is very essential to assess the income of the respondents before and after the current business activities.

As observed from the table most of the managers and owners of business MSEs before joining MSEs seems the following. 19 (32.75 %) earning was below 100 Birr, 19 earning was between 100-300, 14 (24.13%) within the range of birr 301 - 600 and 6 (10.24%) used to earn above Birr 600 per month.

Generally as it was indicated even though there seems a change in income of the business owners and managers after joining the business sector comparing to their previous status they said that their income should not be as such encouraging to show significant changes in their life. Most of the respondents said that the reasons for the poor performance and income from their business were related to the business owners/ managers personal problem, lose of initial capita, lack of raw materials, working resources and consuming the business capital or using the capital as income for family expenses. They also mentioned weak government supports are also external factor that limit their income. These ideas are complementary to the challenges that mentioned in the literature reviews that most of MSEs are facing in sub-Sahara Africa countries.

The above questionnaire responses are supplemented by FGD and interviews sessions in which most of the participants reacted that they are not gaining major income benefit that enable

them to transfer to the middle level of enterprises. even to change their business status and to show basic changes in their livelihood.

4.3.2 Business MSEs in creating job opportunity

Table 3. Business sector in creating job opportunity

status	Number of people employed	Number	Percent
without payment	For the owner and Family members	38	65.51
Out of family members With payment	2	12	20.68
	3	5	8.62
	4 and above	3	5.19
total		58	100 %

Source: (Own Study data, 2015)

The above table describes that the jobs created by the business sectors of MSEs is considered to be minimal. So it is believed that most of the businesses sectors of MSEs are run by the owners / managers by themselves and their family members. It can be expressed that most of the business MSEs in the study *woreda* are creating jobs for the owners and their family members.

Actually, creating jobs for the owners and their family members is one of the positive contributions of the business sector of MSEs, but their potential to create additional jobs for other groups of society is an expected results from the sector. But in spite of their years of establishment their capacity to create employment opportunity is very low.

Employment opportunity of the business sector of MSEs was another discussion issue during FGD and interviews session. The major points that the participations stated about their income from the business and job creation was , " let alone to employ additional person, the income of their business is not satisfactory to fulfill their basic needs , even some said the business is" *k ije wede affe;*" (from hand to mouth). They also said that, "we are hoping a better future since we do not

have other alternatives, so we are still in the business". They stated the reasons for low capacity of creating employment opportunity by saying, "we don't have sufficient market, so our income and profit is low, and due to shortage of working capital we are not working in full capacity. " Furthermore, they stated that, "we are able to work at this level by collecting money from " *Iqub*" and even from by bringing commodities in credits from the whole sellers."

4.4 Responses to issues that contribution of business MSEs in improving Livelihood.

In this section, questions that examines about the changing economic conditions of the respondents in relation to MSEs contribution in reducing poverty are discussed.

Table 4. The contribution of business sector in related to the daily life and job satisfaction of the business owners/ managers.

Issues	Very high (No & %)	High (No & %)	Medium (No & %)	Low (No & %)	V. low (No & %)
To what extent your enterprise improved your life?	6 (10.34)	16 (27.58)	19 (32.75)	14 (24.13)	3 (5.17)
How do you rate the improvement of your business enterprise from time to time?	2 (3.44)	14 (24.13)	10 (17.24)	26 (44.82)	6 (10.34)
What is the level of your satisfaction in participating in your business enterprises in bringing a better life?	12 (20.68%)	26 (44.82%)	10 (17.24)	6 (10.37)	4 (6.89)

Source: (Own Study data, 2015)

The table above shows that only 22 (37.93 %) individuals responded by saying very high and high while 33 (56.89) of the medium and 17 (29.31%) low and very low regarding their business MSEs enterprise in improving their life. 32 (55.17%) respond that the improvement of their business enterprise activities is low and very low about their satisfaction in their current business.

From the questioners that asks the respondents about their satisfaction whether they want to stay in the business or not, 21 (36.20%) respondents respond by saying "yes want to stay in the business", while 14 (24.13%) were undetermined and 24 (41.37%) said "no, they don't want to

stay in the business". From the response one can understand the level of satisfaction to work in the business was very low. They mentioned reasons for their dissatisfaction in their current business. Accordingly, the major reasons mentioned by those who don't want to stay in the business are, weak income, lack of market or profits, lack of secured working places, lack of proper support from government and high house rent.

In spite of the dissatisfaction among some respondent, they expressed that the business sector of MSEs is still the source of fulfilling their basic needs and it contributes in promoting their life.

Some of the interviewees and participants of FGD the group express their opinion on the above issues. For instance a woman having a coffee and tea shop during the interview session said about her current business that "my business gave me a chance to communicate with people, to say I do have a job. Even my children are happy I am being working here, having a job, they are able to say, my mother has a job." According to her opinions her business enterprise gave psychological satisfaction besides financial and material benefits. This outlook is a common feeling among the participants of interviews and FGD.

4.5 The impact of the business MSEs in transforming the life of the business owners/managers.

The contributions of the business sector of MSEs in reducing poverty are also analyzed using the listed indicators in the following table.

Table 5. Poverty indicators related to business sector

Basic categories of poverty indicators	Detail descriptions	strongly agree		agree,		undecided		disagree		strongly disagree	
		No.	%	No.	%	No.	%	No.	%	No.	%
Basic needs	Better food or improvement in nutrition.	23	39.5	12	20.68	10	17.24	8	13.79	5	8.62
	Good Health care.	15	25.86	10	17.24	8	13.79	14	24.13	11	18.96
	Improvement of personal sanitation and clothing.	12	20.68	13	22.41	6	10.34	15	25.86	12	20.68
	Better living places/ housing.	11	18.96	9	15.51	10	17.24	16	27.58	12	20.68
Material benefits	Owning better house equipments	12	20.68	16	27.58	10	17.24	13	22.41	7	
	Better access to water and electricity supply	21	36.2	11	18.96	3	5.17	14	24.13	9	15.51
	Better daily income.	11	18.96	19	32.75	10	17.24	12	20.68	6	10.34
	Better caring of children and other family members	12	20.68	13	22.41	-	-	15	25.86	18	31
	Having fixed assets (house, machinery ...)	5	8.62	8	13.79	-	-	27	46.55	18	31
Attitudinal Changes	High level of participation in decision making on family issues, such as on the utilization of income.	32	55.17	18	31	8	13.79	-	-	-	-
	Better entrepreneurship outlook.	26	44.82	25	43.1	7	12	-	-	-	-
	Developing Strong business mentality.	18	31	23	39.65	6	10.34	11	18.96	-	-
	A feeling of independence.	19	32.75	22	37.93	4	6.89	13	22.41	-	-

Source: (Own Study data, 2015)

From the above description, business owners after joining the businesses sector of MSEs, their life style has changed such as, food or nutrition intake are showing better improvement, which is followed by better health care. Meanwhile improvement related to personal sanitation, clothing and living places/ housing is not yet showing much improvement. This idea may be explained that the owners and managers of the business sector of MSEs are more focused in improving their nutrition more than other basic needs. This may be interpreted in the form of that their income from the business is not yet sufficient to show major life improvement in every areas of the basic needs.

From the second poverty measurement category indicators, the respondents responded that they do have better access to water and electricity supply, their daily income is increasing; enable to have better house equipments after being participating in their current business. Regarding, about the changes in caring children, other family members and on having fixed assets (house, machinery..) the improvement is very less. Generally the business sector of MSEs has a significance role in changing the life statuses of those participate at a certain degree. But still it should be grow strengthen to the extent of showing fundamental and sustainable changes in life of the business owners in the long run.

In the third category the indicators related to attitudinal changes indicators, one can understand that the business sector owners/ managers express improvements in outlook and attitude more than any of the above poverty indicators listed. This is important changes that enable the business owners/ managers to understand well the way to move out from poverty. Thus, they develop a behavior of facing challenges and finding solutions to problems which are other contributing elements of alleviating poverty.

Generally from the above table and description of the data, we can understand that the business sector of the *woreda* is contributing in reducing poverty. Because, especially from the first category that covers the basic needs which is the major indicators of poverty the responses of respondents clearly indicate that the ways of life of those involved in the business sector of MSEs is showing improvements.

The contribution of business sectors of MSEs in reducing poverty was the major discussion idea during the interviews and FGD data collection phases. Even though, there were differences and arguments during FGD among the participants on the issue most of them accepted contributions of their business sector in improving their livelihood. Some of them said that, "we have to bless God , we have to look the past which most of us are jobless. Today at least we do have our own work, collect our income and enable to provide food and educational materials for our children." A young book store owner said at the interview described " I am seeing changes in my life and my family members, such as getting better nutrition, increase in daily income, growth in confidence and capacity of interaction with others, able to fulfill my children needs better than before."

On the same issue the government officials and experts advocate that in spite of the problems they are observing improvement in the life of those who participate in MSEs including the business sector. According to the *woreda* MSEs team leader "Ever since, I join the office of MSEs three years before, there are a lot of improvement in the life of owners/ operatorsMSEs in general. There are MSEs business owners transformed to the middle enterprise level and became whole sale business owners". During the interview most of the offices working at MSEs offices an expert at *woreda* level stated that," we are observing changes not only in their daily life but also , we are seeing improvements in attitude, ways of communication and confidence of the

participants from time to time”. An officer at FeMSEA said that “I am observing encouraging changes related to the decline of dependency attitude on government among the MSEs participants in general.”

4.6 Government support of MSEs.

This section tries to analyze data gathered from various groups about the support of government to business sector of MSEs in the study locality.

Table 6. Types of support the government provide to business MSEs

Types of support	number	Percentage %
Credit / financial	5	8.62
Counseling	19	36.2
training	12	20.68
Working places	14	24.13
Working equipments	2	3.44
Market	12	20.68
none	23	39.65

Source: (Own Study data, 2015)

From the above table one can understand that government is providing some sort of support for business sector of MSEs. Regarding the types of support counseling, which is 19 (36.2 %), followed by working places 14 (24.13 %) while, 23 (39.65 %) respondents said that government is not providing any support.

Table 7. The degree of the support by the government

Level	number	Percentage %
Very high	4	6.89
high	8	13.79
undetermined	11	18.96
low	13	22.41
Very low	22	37.95
total	58	100

Source: (Own Study data, 2015)

According to the above tables the response regarding government support is 35 (60.34 %) low and very low where as 12 (20.68 %) responds that government support is high and above high and 11 (18.96 %) of them are undetermined.

Regarding government support most of the participants of FGDs and an interviewee said, " we are not well supported by government bodies, no support regarding the provision of working places, credits; taxes as it was advocated. Government representatives sometimes call us for meetings, usually on national and other political party issues. Sometimes experts and individuals visit our working place, they asked us various things about our business, including the problems we are facing and they fill or write our reports on the form but still there are no fundamental support from government side." during FGDs one of the participants stated that " let alone providing financial and technical (facilitating credit and training support) the normal services provided to them for instance in the process of tax payment, renewal of their business license is highly complex and time taking."

In the contrary the government officials and experts who are working at various levels of MSEs offices explained that government is providing every possible support for MSEs such as providing working places, facilitating market and market linkages, credits, providing skill based training. However, they agree that the support system is facing various challenges such as shortage of resources, which the government is unable to provide support since the numbers of MSEs are increasing from time to time. MSEs owners/ operators dependency attitudes on government is another problem and high turnover of experts working at MSEs offices are additional problems that hinder the government to provide effective support to MSEs including the business sector.

4.7 Response to the internal and external problems of the business sector of MSEs.

In order to increase the contribution of MSEs in poverty reduction it is important to understand the basic problems that affect its development. So the table below shows the respondents response to the commonly identified problems of MSEs. The table describes how the business sectors of MSEs in the study *woreda* are affected by the indicators which are categories under governance and government support, working places, facilities and infrastructure, availability of market, financial, management skill and technology.

Table 8. Response on the basic problems and their indicators

Basic issues	Detail descriptions	strongly agree		agree,		undecided		disagree		strongly disagree	
		No.	%	No.	%	No.	%	No.	%	No.	%
Governance and government support	High and unfair tax levied.	17	29.3	18	31	16	27.58	7	12	-	-
	Bureaucracy in business registration and licensing	-		-		2	3.44	21	36.2	35	60.34
	Lack of awareness and information on government policy and regulations	23	39.65	22	37.93	10	17.24	3	5.17	-	-
	corruption within the government services	29	50	12	20.68	7	12	8	13.79	2	3.44
	weak follow up and support of government	20	34.48	18	31	11	18.96	9	15.51	-	-
Working places	Absence of secured working place.	38	65.51	11	18.96	9	15.51	-	-	-	-
	Inconvenient in working place.	21	36.2	25	43.1	10	17.24	2	3.44	-	-
	High house rent.	19	32.75	17	29.3	-	-	15	25.86	7	12
Availability of market	Inadequate market.	28	48.27	14	24.13	6	10.34	10	17.24	-	-
	Difficult to searching new market.	11	18.96	27	46.55	10	17.24	10	17.24	-	-

	Domination by big business.	14	24.13	13	22.41	8	13.79	16	27.58	7	12
	Poor customer relationship and handling	6	10.34	7	12	7	12	21	36.2	17	29.3
	Poor promotion of business.	8	13.79	11	18.96	8	13.79	22	37.93	9	15.51
	weak forecasting new market	9	15.51	16	27.58	7	12	14	24.13	12	20.68
Financial	Inadequacy of credit institutions.	34	58.62	15	25.86	9	15.51	-	-	-	-
	Lack of cash management skills.	12	20.68	14	24.13	-	-	22	37.93	10	17.44
	Shortage of working capital.	32	55.17	21	36.2	5	8.62	-	-	-	-
	High collateral requirement from lending institutions.	22	37.93	23	39.65	13	22.41	-	-	-	-
	High interest rate requested by lending institution.	33	56.89	25	43.1	-	-	-	-	-	-
Business Management skill	Lack of persistence and courage to take responsibility.	-	-	12	20.68	2	3.44	11	18.96	33	56.89
	Lack of Entrepreneurial skill	7	12	7	12	6	10.34	26	44.82	12	20.68
	Lack of tolerance to work hard.	7	12	12	20.68	2	3.44	16	27.58	21	36.2
	Lack of motivation and drive of employees	5	8.62	10	17.24	9	15.51	22	37.93	12	20.68
	Poor selections of business partners	7	12	9	15.51	6	10.34	21	36.2	15	25.86
Technology utilization	Lack of appropriate working equipment.	19	32.75	18	31	7	12	10	17.24	4	6.89
	Lack of skills to handle new technology.	8	13.79	7	12	4	6.89	21	36.2	18	31
Facilities and infrastructure	Power interruption	23	39.65	26	44.82	-	-	4	6.89	5	8.62
	Insufficiency of water supply	14	24.13	13	22.41	8	13.7	19	32.75	4	6.89
	Lack of sufficient transportation	9	15.51	14	24.13	12	20.6	13	22.41	10	17.24

Source: (Own Study data, 2015)

From the first problems under governance and government support category, 45 (77.58%) of the respondents said that there is lack of awareness and information on government policy and regulations, 38 (65.51 %) of the respondents respond that poor follow up and support of government, 35 (60.34 %) high and unfair tax levied, 31 (53.44 %) corruption symptoms in which of the respondents reacted by saying strongly agree and agree on the issues.

These issues are very critical and important element that affects the progress of any MSEs activities. So they are considered to be that most serious problem that affects the business sector of MSEs in the study *woreda*. More than any of the above issues corruption issues effect the government services and support provided to MSEs thereby cause a multi dimensional negative effects on the progress and contribution of business sector of MSEs in reducing poverty.

Regarding the responses of the respondents on the issues listed under working places, respondents respond seemed that, 49 (84.48%) absence of secured working places, 46 (79.3%) inconvenient of working place and 36 (62.%) high house rent by saying strongly agree and agree that affects their business activities.

Response to the indicators about the availability of market, Based on the above description, respondents respond by saying strongly agree and agree about inadequacy of market 42 (72.1 %) followed by difficult to searching new market accounts to 38 (65.51%). A problem of being dominated by big enterprises is not yet considered as their basic problems in the study locality. This indicates that such efforts should be directed to tackle the market related problems in the study *woreda*. This idea should be related to the fact that these challenges might be a factor that hampered the progress and effectiveness of the business sector of MSEs in reducing poverty and creating job opportunities for others.

From the above data regarding financial issues, most respondents reacted that financial problems are affecting their business. That is 53 (91.37 %) responded by saying strongly agree and agree on shortage of working capital. This implies that major problem described in the literature reviews about MSEs are financial related issues are also a challenge for almost all business sector of MSEs in the study *woreda* that hinder to show significance impact in reducing poverty.

Regarding to the issues of business management skill respondents do not accept their management skill gaps. But as described in the personal profile most of them lack basic skill and are in low education level and they also indicate the need of capacity building training in the field of business.

The responses to the detail indicators regarding, technology utilization seems that since most of the business sector MSEs operators / owners are not in need of modern or advanced technology to run their business, they responded that still they don't have proper working equipments to their business properly. The problem might be related to lack of motivation and innovation among the business owners/operators of the business sector of MSEs.

Respondents' responses towards facilities and infrastructure these days power interruption appears to be a major national problem. So According to the data above most of the respondents 49 (84.48 %) responds that power interruption is another factor that affects their business.

Generally from the above discussion governance, working places, market and financial issues are major constraints to run the business sectors of MSEs in the study *woreda*. These problems are common threat to MSEs projects in all developing countries, as described in the literature review. On the other hand, from the above basic challenges, technology factors have little effects on the progress and development of the business sector of MSEs in the study locality.

This may indicate that for the time being by their current status, most of the business sectors of MSEs in the study *woreda* are at low level of development.

During the interview and FGD the participants described the major problems, that hinder their business growth and reduce its impact in alleviating poverty was well discussed. Related to the business sector of the *woreda*, the interviewees and the FGD participants describe various problems on their business were arose both from the owners themselves and from government side also. Accordingly, most of them described that “we lack working security due to the current urban renewal projects which affects our business existence and security.” During an interview a retailer and vegetable and fruits shop owner said that “ we are not fairly treated by the *woreda* and *kifle ketema* MSEs offices, for instance, some new business owners are provided working places but we are not allow to have even we are the senior business owners.”

During the FGD some of the participants expressed that some of the problems were arose from the business owners/ managers themselves. The main issues they described by saying “we lack commitment, experience, knowledge to run business, and poor utilization of business income are our major problems.”

The response of government official and experts regarding problems of the business sectors of MSEs revealed that some of the problems originated from the beginning of the implementation of MSEs strategy in the 1990s. At that time for the purpose of encouraging and promoting MSEs strategy, various incentives were promised, such as providing working or market places freely, facilitating loan or business initial capital were the major examples. These initial positive motivational measures created thinking that government should always support MSEs activities. This attitude still remains in the minds of most of MSEs owners/operators.

Government representatives working at various levels indicated that most of MSEs owners/managers lack entrepreneurship and business management skill. They also indicated that some of the business owners are working in illegal manner. For example, some of the business owners pass over their working places provided by government to other individual or they may run another business which they are not allowed/ licensed. Some business owners also expanded and occupied additional government land / space beyond the allowed to uses. One of the officer from *kirkos kifle ketema* MSEs office said “ when we try to take corrective measure based on the supervision reports of MSEs officials and experts, business owners began complaining, accusing and blaming us in various ways, even some of them want to bribe or corrupt us and the experts at the time of supervision.”

The *woreda* MSEs officers and expert mentioned that some of the problems also arose from government itself. For instance, frequent administrative structural arrangements, low salary and high workload cause high turnout of employees at MSEs offices. These factors were hindrance to conduct properly follow up and to provide the necessary technical support to the business owners in the study *woreda*.

4.8 Mechanisms of boosting MSEs.

Respondents expressed their views about the role of various groups in the process of the development of MSEs in the following table.

Table 9. Responses about the mechanisms in boosting MSEs

No.	Organs	strongly agree		agree		undecided		disagree		strongly disagree	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	Government offices at various levels.	24	41.37	26	44.82	-		8	13.79	-	-
2	MSEs owners/ operators	30	51.72	28	48.27	-	-	-	-	-	-
3	Society	12	20.68	13	22.41	-	-	16	27.58	17	29.3
4	Financial institutions	16	27.58	18	31.0	9	15.5	12	20.68	3	5.17
5	NGOs	6	10.34	5	8.62	20	34.48	21	36.2	6	10.34

Source: (Own Study data, 2015)

As shown in the table , from the response above, it is clear that government 58 (100%) and MSEs owners/ operators 50 (86.2%) respond by saying strongly agree and agree, so that these organs are considered as the main actors in advancing MSEs strategy in reducing poverty. The other organs that have contribution are financial institutions that could play a role related to providing and facilitating credit schemes.

Regarding the kinds of support to be provided by the above organs, most of the respondents stated that government should provide working place, access to the market, facilitating credit, reducing tax and fair treatment. Meanwhile, MSEs owners/ operators should develop good work habits and work in collaboration with government bodies, developing business culture such as taking risk in conducting business were the main ideas mentioned. Concerning the role of the society they mentioned that the perception of considering MSEs as an agent of the ruling party should be improved.

The interviewees and FGD participants said that, " we have a contact with the government bodies at the *woreda* and sub-city level, so we believe and know that the government

officials and experts' working at the office of MSEs have a great responsibilities in providing and facilitating support for us." They also described the types of support by saying that " we are asking government to facilitate stable working spaces, places, credit at low rate, tax relief or exemption for short period, remedies, " During the interview an individual retailers said that " we the business owners our selves also have a responsibility to expand and grow our business, some of us have behavioral problems. Some of us are not hard working, we are not working properly, we are not strive to make our business grow, some of us always complain on government. "

During the FGD the participants described the society has an important role but they said that "the society/ community do not have a positive attitude towards MSEs in general." One of the retailers owners said that" Some of the society including my neighbors are assuming me as being a spy / informants or labeling me as a agent for the government or the ruling party by being participating in the MSEs business" They all almost said "we expect and fear that this outlooks may have a negative impact on our business."

Government officials and experts' respond that government has the power and responsibility to guide and shape every policies and rules necessary in boosting MSEs activities. It should design the necessary means and system in boosting MSEs. As the public relation head of Addis Ababa city administration MSED A " I believe government has a certain share to help the MSEs to grow but it is not possible to provide every support as some MSEs owners expect. I know that we are facilitating training in various fields for MSEs, formulating and implementing regulations and guide lines, providing counseling services, facilitating market linkages and making closely follows up and monitoring to solve their problems."

He said that "we are here to provide technical assistance and to be a bridge between government and MSEs owners, so I believe that the business MSEs owners themselves should

have strong moral commitment and develop a culture of hard work and the capacity of resolving challenges by themselves, dependency attitudes, the attitudes of getting every support from government should be changed. They should respect rules, regulations and keep their legal commitments signed with MSEs government offices.”

CHAPTER FIVE: - DISCUSSIONS OF THE MAJOR FINDINGS

5.1 Summary of Findings

The role of micro and small enterprises in employment creation and income generation is increasingly recognized and has become a major policy direction by government policy makers and NGOs with objectives of enhancing growth and alleviating poverty in developing countries (Minilek & Chinnan , 2012, p.21). Therefore, governments and international agencies gave great attention and support for the expansion of MSEs and tried to address the problems of MSEs (Gebrehiwot & Wolday.2006, p.11).

From 1990s the Ethiopian government implementing MSEs policy and strategy as one of the development strategy to alleviate poverty and creating jobs opportunities especially in urban areas (MoTI, 1997, pp. 8-27).

There are various academic researches and surveys conducted in the areas of MSEs at international and national level that describe the significance, the types, problems and the ways of addressing problems that the MSEs are facing.

As it was mentioned in the previous chapters the major themes of the study is to assess the contribution of the business sector of MSE's in poverty reduction and in creating employment opportunities and the problems the business enterprise face in *kirkos* sub city in *Woreda 7*.

The findings revealed that most of the respondents of the business sector owners of MSEs, 38 (65. 51 %) which found within the age range of 18-39, out of these 30 (53.44%) were unemployed while 18(31%) were students who did not have proper jobs before joining the business sector of MSEs. Based on this findings the study revealed that the business sector of MSEs have some contribution in changing the life standard married, divorced, widowed, single, educated, and uneducated youth and adult who joined the business sector of MSEs.

So from the above description it is to be said that the business sector of MSEs create employment opportunity for the most productive and unemployed groups of the society. And yet the participation of women in the business sector of MSEs is low comparing with that of men.

The study also tried to assess the improvement and changes that the sector brings in the life s those participate in the business in the study *woreda*. According to the findings 48 (82.75 %) said that there is an increase in their daily income which results to an improvement in the quality of life. It can be taken that the business sector makes some contributions in fulfill the basic needs and improving the awareness and attitude of the business owners about government policies and business. During interviews and FGDs the majority asserted that participating in MSEs gave various advantages in changing their economic conditions, for example, their income increase, this in return help to spend more to fulfill their basic needs such as, food, health, schooling for their children, which were difficult to get before involved in their business sector. Thus, findings shows that the business sector of MSEs increase the income of the poor and contribute to alleviating the level of poverty in the community.

The findings also revealed that the business sectors of MSEs in the study locality are facing with many problems that limit their progress and contributions in reducing poverty. Accordingly thee major constraints or problems examines and explains by the findings of the study are internal, from the business owners themselves and external eminent from the external environment. The major identified problems in the business sector are shortage of capital, lack of credit facilities, inadequate training, and lack of, market, lack of proper working places, lack of motivation, experience and working culture, inadequate support from Government. For effective functioning of the business sector of MSEs and in achieving the intended objectives of creation of jobs and alleviating poverty, efforts should be made to reduce the above mentioned problems which are occurred either at the beginning of the business or during operational level. If such major

problems are solved, business sector of MSEs ability to absorb large labor force and its contribution in alleviate poverty would increase.

According to the MSEs national strategy, Micro and Small Enterprises within their establishment of three to five years, they are expected to promote to the middle level of enterprise due to the increase of their profit and economic power. But as it was described in the questionnaires 44 (75.86%) individuals stayed in the MSEs business sectors for more than 4 years. So it indicates that the business sectors of the MSEs are not able to grow and promote to the next level. So their contributions in creating additional job employments were very low. As it was stated in the findings most of the business sectors 50 (86.20%) are unable to create job for more than two person.

Respondents were also suggesting possible solutions to cope up with the identified problems in the sector. Accordingly, they suggested that government has the power to enhance the potential of the business sector in the study *woreda*. Government should facilitate easy access for capital with appropriate interest rates, market spaces or places at normal rent. Generally, creating conducive environment for the business sector of MSEs is significance for the socio-economic development of the country and for the benefit of the participants in the sector as well. In this way, MSEs can play a major role in improving the socio-economic status of the less skilled and poor section of the of the society by creating employment opportunity which enable them to generate their own income that leads to better access to nutrition, health , housing and education.

The findings indicate about the role played by various organs, government and various stake holders are very important to improve the efficiency of the business sector of MSEs. These organs could provide the necessary support to the business sectors of MSEs which their productivity or profitability are constrained by number problems.

The study not only identified problems to that hinder the progress of business MSEs in the study locality, it also explored solutions in which government should act. The most frequent suggestions are providing working places, facilitating markets and credits. Besides, the business owners and other stake holders has their own share to accomplish in order to boost the role of business sector of MSEs in reducing poverty and creating jobs for the community of the study *woreda*.

CHAPTER SIX: - CONCLUSIONS AND IMPLICATION TO SOCIAL WORK

6.1 Conclusions

It has already been observed from the discussions that the role played by MSEs in reducing poverty has long gain recognitions both in the developed and developing countries (Vandenberg, 2006, p. 24). Particularly MSEs contribution towards both employment creations and income generations for the large poor sections of less skilled and semi-skilled labor force in developing countries has stimulated significant interest among policy makers and practitioners alike (Zelege Worku, 2009, pp.1-9) . As a result, various supportive policies and strategies along with multifaceted intervention schemes have been designed.

The study tried to investigate the roles played by business sector of MSEs in improving the life of those who were less skilled, in need of job and with low level of income. The sector helps to show some improvement in the income of the participants' comparing with their previous socio-economic status. It is possible to deduce that when the incomes of individuals are growing there would be an improvement in nutrition, clothing, housing facilities, medication and schooling. Even though their participation is low, it has given a chance for women to participate in MSEs activities. So women are also considered as the beneficiaries from the employment opportunities and it enable to empower women to actively participate in the utilization of family resources and in decision making.

The changes that are observed on the business owners/ operators are not only limited to financial and material benefits but also it has an impact on the changes of attitude and outlooks of these participate in the sector, which would have a long lasting positive contribution in reducing poverty.

Although the business sectors of MSEs in the study locality is contribute in reducing poverty, the sector faces a multi-dimensional problems both at start up and operational levels. According to the study the problems of the business sector of MSEs in the study *woreda* are internal and external

The most identified problem is shortage of financial such as lack of start up and working capital, lack of credit, market related problems, house rent, and inadequate support and follow up by government officials are the major identified challenges for those who participate in the sector.

The role of the business sector of MSEs in reducing poverty is expressed in the creation of job opportunities in the sector. But the business sector is not able to create employment opportunity beyond the business owners/ managers themselves and their family members. So the sector only remains an area of job center for the business owners and their family members. The sector capacity to create jobs should grow in order to enhance its contribution in reduction of poverty in the study locality.

According to the response of the respondents, some of the problems observed in the business sector of MSEs are originated from the business owner/ managers themselves. They said that most of the business owner/ managers usually seek government assistance, such as working places, to be free from tax and unable to respect their agreements with government bodies. These dependency attitudes on government support negatively affect the progress of the sectors and its contribution towards poverty reduction as it was expected.

In order to overcome the constraints observed in the sector the *woreda administration* and higher levels of government offices and the business owners themselves are the major actors that could find solutions in order to enhance its capacity for growth.

In general, in spite of the various problems encounters, the business sector of MSEs is contributing in improving the life s of these participants at a certain degree. Most of the owners/managers of the business owners described that their current change and improvement on their life's should be seen in comparison with their previous socio-economic status before joining in business sector of MSEs. Thus, all stake holders should give attention and play their own role in advancing the role of the business sector of MSEs in alleviating poverty in the study *woreda*.

Accordingly, a substantial number of the business sector of MSEs involved in the study areas are not yet effective to meet the overall objective of the MSEs strategy of alleviating poverty and job creation opportunities.

6.2 Implication to social work

MSEs Sector is generally believed an important development issue in our country, by providing wide range of opportunity for the poor and less skilled groups of the society to move out of poverty and to be self sufficient economically (Yared Amare, 2010 p. 28). In these regards MSEs is considered an important area in which the field of social work could actively operate and make a significant contribution in the process of alleviating poverty in the society.

Therefore, MSEs strategy is an area of intervention for social workers to effectively practicing their knowledge and skill that can make great professional contributions in the process of reducing poverty in the community in general and in the study locality in particular.

Thus, the study has so many implications to the field of social work which are described in the following perspectives.

1. Policy:-

- Advocacy for the formulation of credit schemes, policies and rules both at the start up level and during operations. Therefore, finding solutions related financial issues are an area of intervention for Social Work conducting advocacy or lobby government and nongovernmental bodies to formulate policy related to access to credit.
- The number of women participants in the business sector of MSEs found at low compared with men. So there is a professional advice and lobbying for government officials and needs an affirmative policy or rules to makes an effort to increase the participation of women in the sector.
- Advocate for the designing of rules and directions to show a direction for those affected by urban renewal which is conducting in the *woreda*. According to the new Addis Ababa city master plan, most of the central parts of the *woreda* is to be a financial center, which creates fear and lack of security on the business owners of MSEs .
- Advocate for the formulation of transparent rules about the allocation of working place and working site permission for business owners/ operators at low price.

2. Practices:-

- Providing advisory services and playing a mediator role in order to smooth communication between the business owners of MSEs and government officials and experts working at various MSEs administration levels. Because, as it was mentioned in the findings that the business owners complain about lack of proper support from the respected government offices. On the other hand, government officials and experts blame some of the business owners for various miss conducts and illegal act. So the area needs social work practical

interventions that enable to create favorable communication between business enterprises and government offices.

- Exercising a mediator and moderator role between government bodies, financial institutions and business owners of MSEs, regarding facilitating services such as credit and capacity building trainings.
- Needs professionals counseling service to the owners of the business owners and government officials and experts alike.
- Needs a referral services by being a bridge between business owners and services providing institutions

3. Education;-

- Strength Based Approach Perspective could be exercised in the form of education or training for the business owners and the community of the study locality. These perspectives focus on the client's dignity, rights, uniqueness, commonalities, abilities, capacity to learn, grow and change. It is an empowering strategy that the clients can understand having the strengths, resources, capacities and abilities. There are a lot of rooms through media, face to face discussion forums and workshops and trainings to educate and empowering the business owners about various issues related to their business activities.
- Promoting awareness and training programs related to MSEs policy and strategy, rights and obligations of business owners of MSEs participants, about business and entrepreneurial.
- Providing trainings for the government officials and experts working at MSEs level, about counseling, (about supervisions, communication, etc.)

4. Research:-

- Conducting survey and study about the real contributions of the business sector of MSEs in reducing poverty among the poor section of the community and on the problems observed in the sector.
- Advising government organs at various levels, to collect feed backs or to make a study about the implementation of and the draw backs of the existing rules and regulations on MSEs strategy in general or on business sector in particular.
- Making a survey about government resources distributions and utilization by business owners by MSEs, for instance, whether the right owners are working in the working palace or transferred to the third party.

Finally, the research want to show the contribution of MSEs in reducing poverty related to the life of those participated in the business enterprise sector. But the overall poverty reduction cannot be achieved in the study area only by looking business sector of MSEs in the study locality. Hence, integrated development programs have to be developed and further research should be conducted on different areas which directly or indirectly have a contribution on poverty alleviation.

Annex

Annex 1. Questionnaire

Addis Ababa University School of Social Work Masters Program

Introduction

Dear respondent,

I am a graduate student in the School of Social Work, in Addis Ababa University. Currently, I am working a graduating research thesis entitled '**The Contribution of Micro and Small Enterprises in Poverty Reduction, the case of the Business Sector of MSEs of *worda 7, Kiros Sub City***'. You are one of the respondents selected to provide information and ideas for the study through this questionnaire. I confirm you that the information that you provide to me will be kept confidential and only used for the purpose of this study.

Thank you in advance for your kind cooperation and dedicating your time.

Instructions

- No need of writing your name
- For multiple choice questions and likert scale statements indicate your answers with a check mark (√) in the appropriate block.

Section 1 : General Socio-Demographic Information

1. Sex :- female male
2. Marital status :- married single C. Other divorce/ separate
3. Age:-
A. 20 -29 B. 30 –35
C. 40-49 D. 50 and above
4. How many family members you have?
A. 2 B. 3-5
C. 6-8 D. 8 and above
5. Where is your birth place? -----
6. What is your ethnicity? -----

7. Educational status

- A. Not read and write B. read and write only
 C. Elementary D. Secondary
 E. Certificate F. Diploma
 H. First degree and above.

8. Where is the location of your enterprise? -----

9. What is the main activity of your business enterprise? -----

10. What is your position or duties in the enterprise? -----

11. How many persons are owner of the enterprise you participate? -----

12. For how many years you are working/ operating in the present enterprise?

- A. 1-3 years B. 4-6 years C. 5-8 years
 D. Above 9 years

Section 2: Questions related to the contribution of Micro and Small Enterprises regarding poverty reduction.

1. What was your previous work or job, just before starting your present enterprise?

- A. Daily laborers B. unemployed C. Student D. employed
 E. Other -----

2. What was your daily income just before starting your current enterprises business?

- A. 100 birr B. 101-300 birr
 C. 301-600 birr D. above 600 E. I don't have any

3. For how many people your enterprise creates job opportunity?

- A. 1 B. 2 C. 3 D. 4 and above.

4. What about your daily income after your participation in your business enterprise?

- A. > 600 B. 601-1000
 C. 1001-2000 D. 2001-4000 E. < 4001

5. To what extent your enterprise improved your life?

Basic categories of poverty indicators	Detail descriptions	strongly agree	agree,	undecided	disagree	strongly disagree
Basic needs	Better food or improvement in nutrition.					
	Good Health care.					
	Improvement of personal sanitation and clothing.					
	Better living places/ housing.					
Material benefits	Owning better house equipments					
	Better access to water and electricity supply					
	Better daily income.					
	Better caring of children and other family members					
	Having fixed assets (house, machinery ...)					
Attitudinal Changes	High level of participation in decision making on family issues, such as on the utilization of income.					
	Better entrepreneurship outlook.					
	Developing Strong business mentality.					
	A feeling of independence.					

9. Please, would you mention any benefits you gain which are not describe above in the table?

Section 4:- Ideas about the support of government organs.

10. How do you rate the support of government organs in running business MSE?

- A. Very high B. Very high C. medium
 D low. E Very low

11. If your answer is « low and very low» please mentions the reasons for the low support of the government organs.

12. Rate the types of support that the government organs provide.

Types of support	range				
	Very high	high	medium	low	Very low
Credit / financial					
Counseling					
training					
Working places					
Working equipments					
Market					
other					
none					

13. Mention the kinds of support the government should provide.

Section 5: Questions relate to challenges that affect the performance of the Micro and Small Enterprises.

14. Based on the factors listed, please indicate the degree to which the following problems affect the performance of your business enterprise. Put a tick mark (✓) under your choices.

Basic issues	Detail descriptions	strongly agree	agree,	undecided	disagree	strongly disagree
Governance and government support	High and unfair tax levied.					
	Bureaucracy in business registration and licensing					
	Lack of awareness and information on government policy and regulations regarding MSEs.					
	corruption within the government services					
	weak follow up and support of government					
Working places	Absence of secured working place.					
	Inconvenient in working place.					
	High house rent.					
Availability of market	Inadequate market.					
	Difficult to searching new market.					
	Domination by big business.					
	Poor customer relationship and handling					
	Poor promotion of business.					
	weak forecasting new market					
Financial	Inadequacy of credit institutions.					
	Lack of cash management skills.					
	Shortage of working capital.					
	High collateral requirement from lending institutions.					

	High interest rate requested by lending institution.					
Business Management skill	Lack of persistence and courage to take responsibility.					
	Lack of Entrepreneurial skill					
	Lack of tolerance to work hard.					
	Lack of motivation and drive of employees					
	Poor selections of business partners					
Technology utilization	Lack of appropriate working equipment.					
	Lack of skills to handle new technology.					
Facilities and infrastructure	Power interruption					
	Insufficiency of water supply					
	Lack of sufficient transportation					

15. Please, would you mention any other problems you face which are not describe above in the able? _____

Section 6: Questions related to the means of boosting the performance of the Micro and Small Enterprises.

16. List down an important organs that you assume have a role in increasing the contributions of MSEs in your locality?

17. What kinds of measures should be done to boost or increase the contribution of MSEs in the country's economy or in poverty reduction?

18. What types of support to be done to strength and boost MSEs in their role in reducing poverty in your localities?

Rank the following organs according to their roles and mention the kinds of role they could play to boost MSEs. Put a tick mark (√) under your choices.

No.	Organs	very high	high	medium	low	Very low
1	Government					
2	NGOs					
3	MSEs operators					
4	Society					
5	Financial institutions					
6	Other					

19. Mention what types of support the above organs should play.

- Government

- NGOs

- MSEs operators

- Society

- Financial institutions

20. If you have any additional information, related to this research, please describe below.

Questionnaires distribution and collection Guide

The distribution of questioners would be based on the following various categories of business enterprises in the study *woreda* 7.

(The current registered and operated MSEs in the study *woreda* in 2014)

N.o	Types of business enterprises / activities	number	No of questionnaires distribution/ zone			No of questionnaires/ business activity	Time of testing and distribution -- collection	Remark.
			Zone 1:- <i>Legehar</i> or previous <i>Adama</i> station	Zone 2:- Around National theater and Ethiopia hotel	Zone 3:- around <i>fel-woha</i> ang Ghandi			
1	Retailers	70	11	8	2	33	<ul style="list-style-type: none"> • questionnaires would be distributed in collaboration with the study <i>woreda</i> MSEs office. • 70Questionnaires (56.45 %) would be distributed. Testing would conduct surrounding my working place on similar business categories of MSEs.	
2	cloths shop	11	3	2	1	9		
3	fruits and vegetable shop	10	2	2	2	7		
4	book shop	8	2	6	-	6		
5	massage	7	--	--	3	4		
6	coffee and tea house	5	2	-	-	3		
7	Small shops	4	1	-	1	2		
8	electronics	2	1	-	-	1		
9	Jewelry shop	2	1	-	-	1		
10	cosmetics shop	2	-	-	1	1		
11	eye glass shop	1	-	1	-	1		
12	Shoe and leather	1	1	-	-	1		
13	Traditional commodities shop	1	-	1	-	1		

Total number	124	24	16	10	70		
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Focus Group discussion and interview questions and Guides

Part one:- Focus Group Discussion with operators of MSEs/ owners.

1.1 List of questions

1. Questions related to the contribution of MSEs in reducing poverty.

- Why do you want to organize and work with in MSEs?
- Would you please describe the changes observed in your life (improvement related to basic needs and other life, family life issues) due to your participation in MSEs?
- Would you describe the difference in the ways of life b/n you and people who were with your status but are not participated in business MSEs?
- Tell me about your happiness in your business or enterprise? Why?
- What is your opinion about job creations of MSEs?
- What do you hope or aspirations on MSEs?

2. Basic challenges that hinder MSEs contribution in reducing poverty taking the case of the business sector of the study *woreda*

- Would you describe the major internal and external challenges you face while running MSEs in its role in reducing MSEs.

A. External factors

- Government support, governance (fair treatment, and corruption cases)
- Politico-legal factors [government policy, bureaucracies (in relation to registration and licensing), taxation and like]
- Premises factors
- Technology factors
- Infrastructure (electric power, transportation, water supply and like)
- Marketing factors (relationship with suppliers, customers and others)
- Financial factors (interest rates, collateral requirements, etc)

B. Internal factors

- Management and related factors
- Entrepreneurial attitudinal factors

- What are other problem(s) you are facing overall functioning of your MSEs business sector activity?

3. Measures to be taken to boost MSEs in reducing Poverty.

- What should be done to boost MSEs in reducing poverty?
- Who are the major actors in boosting MSEs in reducing poverty?
- What would be the role of MSEs owners / operators in boosting MSEs?
- What kinds of role should government play in boosting MSEs in the study locality?

1.2 Participants on Focus Group Discussion

Group classification.	Composition and location of members on the discussion.	Tentative time	Remarks
owners of business enterprise	Group one: - zone one:- <i>Legehar</i> or previous <i>Adama</i> bus station. 7 members operate in business enterprise in the study <i>woreda</i> . <ul style="list-style-type: none"> • 5 retailers • 1 fruits and vegetable shop owners • 1 cloths shop owners 	Feb 20-30	<ul style="list-style-type: none"> • Selection and arrangement of the business enterprises for the discussion would be held in collaboration the <i>woreda</i> MSES office. • Selection of the location business sectors for the program is made based on the data taken from the <i>woreda</i> MSEs department. • Business owners or experts and officials would participate only in one of the three research instruments.(interview or questioners or FGD)
	Group two: - zone two:- Around National theater and Ethiopia hotel. 6 members operate in business enterprise in the study <i>woreda</i> . <ul style="list-style-type: none"> • 4 retailers • 2 book store owners • 1 coffee and house owners. 		
	Group three: - zone three:-around <i>fel-woha</i> ang Ghandi 6 persons operate in business enterprise in the study <i>woeda</i> . <ul style="list-style-type: none"> • 2 cloth shop owners • 2 massage shop • 2 retailers 		

Part two:- Interview Guide:-

2.1 Issues to be raised at the Interview with MSE operators or owners.

1. Questions related to the contribution of MSEs in reducing poverty.

- Why do you want to organize and work with in the business sector of MSEs?
- What was your occupation or work before participating in your current enterprise?
- Would you please describe the changes observed in your life (improvement related to basic needs and other life, family life issues) due to your participation in MSEs?

- Would you describe the difference in the ways of life b/n you and people who were with your status but are not participated in MSEs ?
- What are the supports of government MSEs?
- What is your opinion about the significance of MSEs job creations?
- How do you describe your satisfaction, happiness, hope and aspirations om MSEs? Why?

2. Problems, that hinder MSEs contribution in reducing poverty taking the case of of the business sector of the study *woreda*.

- How do you describe the support of the *woreda* administration?
- Would you describe the major internal and external problems that challenges you face while running MSEs in relation to:

A. External factors

- Governance and corruption cases
- Politico-legal factors [government policy, bureaucracies (in relation to registration and licensing), taxation and like] Premises factors
- Technology factors
- Infrastructure (power, transportation, water supply and like)
- Marketing factors (relationship with suppliers, customers and others)
- Financial factors (interest rates, collateral requirements, etc)

B. Internal factors

- Management and related factors
- Entrepreneurial attitudinal factors
- What are other problem(s) you are facing overall functioning of your MSEs business sector activity?

4. Measures to be taken to boost MSEs in reducing Poverty.

- What should be done to boost MSEs in reducing poverty?
- Who are the major actors in boosting MSEs in reducing poverty?
- What would be the role of MSEs owners / operators in boosting MSEs?
- What kinds of role should government play in boosting MSEs in the study locality?

Group	Members for the Interview.	Tentative time
Group one:-	21 business owners of the <i>woreda</i> MSEs.(at three <i>woreda</i> zone) <ul style="list-style-type: none"> • 8 retailers • 3 fruits and vegetable shop owners 	Feb 15- 20

MSEs business operators	<ul style="list-style-type: none"> • 3 cloths shop owners • 4 book shop owners • 1 coffee and tea house owners. • 1 electric shop owners 3 employees from business enterprise 	
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2.2 Issues covered at the Interview with MSE with government experts and officials.

1. Questions related to the contribution of MSEs in reducing poverty

- What are the supports of government MSEs?
- Describe to me about the life improvements of the people operate in MSEs? Specifically those organized and working in the business sector.
- Would you describe the difference in the life of those participate in the business sector and those are not organized in MSEs?
- Would you believe the business enterprises contributing in reducing poverty in the *woreda*? How?
- What is the reaction of those operates about the contribution in MSEs towards their life? Specifically those organized and working in the business sector.
- Have you remember studies that show the contribution of business section of MSEs in reducing poverty?
- How do you evaluate the interest of the people to register and participate in the MSEs program? Why?

3. Problems, that hinder MSEs contribution in reducing poverty taking the case of in the business sector of MSEs, (at *woreda*, sub city and federal level)

- What looks like the support of the government?
- Would you describe the major internal and external challenges about MSEs in relation to the business sector of MSEs .

A. External factors

- Governance and corruption cases.
- Politico-legal factors [government policy, bureaucracies (in relation to registration and licensing), taxation and like] Premises factors
- Technology factors
- Infrastructure (power, transportation, water supply and like)
- Marketing factors (relationship with suppliers, customers and others)
- Financial factors (interest rates, collateral requirements, etc)

B. Internal factors

- Management and related factors
- Entrepreneurial (attitudinal) factors
- What are other problem(s) you are facing overall functioning of your MSEs business sector activity?

5. Measures to be taken to boost MSEs in reducing Poverty.

- What should be done to boost MSEs in reducing poverty?
- Who are the major actors in boosting MSEs in reducing poverty?
- What would be the role of MSEs owners / operators in boosting MSEs?
- What kinds of role should government play in boosting MSEs in the study locality?

Group	Members for the Interview.	Tentative time
government office working in the office of MSEs at <i>woreda</i> and sub city administration levels	7 person. <ul style="list-style-type: none"> • 3 experts (at <i>woreda</i> and sub city) • 2 team leaders (at <i>woreda</i> and sub city) 2 officials (at <i>woreda</i> and sub city level)	Feb 15-25

Annex 2. Questionnaire in Amharic

የፁሁን መጠይቅ:-

አዲስ አበባ ዩኒቨርሲቲ

የማህበረሰብ አገልግሎት ትምህርት ድህረ ምረቃ ፕሮግራም፤

እኔ በአዲስ አበባ ዩኒቨርሲቲ የማህበረሰብ ትምህርት ክፍል የድህረ ምረቃ ትምህርት ተማሪ ስሆን፤ በአሁን ሰዓት የመመረቂያ ጥናታዊ ፅሁፍ በማዘጋጀት ላይ እገኛለሁ። የጥናቱ ርዕስም “በቁርቆስ ክፍለ ከተማ በወረዳ 7 በቢዝነስ የንግድ (የኢንተርፕራይዝ) የጥቃቅንና አነስተኛ የንግድ ዘርፍ ለድህነት ቅነሳ ያላውን አስተዋፅኦ እና በስራው ላይ ተፅእኖ የሚያሳድሩ ተግዳሮቶችን” የሚል ነው። እርስዎም ለዚህ መጠይቅ የሚሰጡት ሀሳብ / መረጃ ለጥናቱ ውጤታማነት አስፈላጊ መሆኑን በመገንዘብ መጠይቁን በጥንቃቄ በመሙላት እንዲተባበሩኝ እጠይቃለሁ። የሚሰጡት መረጃ ሚስጥራዊነቱ የተጠበቀና ለዚህ ጥናት ዓላማ ብቻ የሚውል ይሆናል።

ጊዜዎን ሰውተው ለሚያደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ማሳሰቢያ:-

- በመጠይቁ ላይ ስም መፃፍ አያስፈልግም፤
- በመጠይቆች ውስጥ የላጥን ምልክት ላላቸው አማራጭ ጥያቄዎች የ(✓) ምልክት ያድርጉ።

ክፍል አንድ:- መጠይቁን የሚሞላው አካል መግለጫ፤

1. ያታ:- ወንድ ሴት
2. የጋብቻ ሁኔታ:- ያገባ ያላገባ
3. እድሜ:- ሀ. 18-29 ለ. 30-35 ሐ. 40-49 መ. 50 እና በላይ

4. ስንት የቤተሰብ ዓባል ሎት:- ሀ. 2 ለ. 3-5 ሐ. ከ 6 -8 ሙ. 8 እና
- በላይ
5. ትውልድ ቦታዎ የት ነው? -----
6. ብሄረሰቦችን ቢገልፁልን? -----
7. የትምህርት ደረጃ:-
- ሀ. ማንበብና መጻፍ አለመቻል ለ. ማንበብና መጻፍ ሐ. አንደኛ ደረጃ ትምህርት
- መ. ሁለተኛ ደረጃ ሠ. ሰርተፍኬት ረ. ድፕሎማ
- ሰ. ድግሪ እና ከድግሪ በላይ
8. ኢንትርፕራይዝ የሚገኝበት አካባቢ ቢገልፁልን? -----
9. የተሰማሩበት የንግድ ስራዎ በምን ዓይነት ላይ ነው?-----
10. በንግድ ስራዎ ያሉት ኃላፊነት ምንድን ነው?-----
11. በስንት ሰዎች ባለቤትነት የተመዘገበ ነው? _____

12. አሁን በተሰማሩበት የኢንተርፕራይዝ የሥራ ዘርፍ ለምን ያህል ጊዜ ሰርተዋል?
- ሀ. ከ1-3 ዓመት በታች ለ. ከ 4-8 ዓመት
- ሐ. ከ5 -8 ዓመት መ. ከ9 ዓመት በላይ

ክፍል ሁለት:- ጥቃቅን እና አነስተኛ ኢንተርፕራይዝ ድህነትን በመቀነሱ ሂደት ያላቸው ፋይዳ የሚመከቱ ጥያቄዎች።

1. በኢንተርፕራይዝ የስራ ዘርፍ ከመሰማራቱ በፊት በምን ዓይነት ስራ ላይ ተሰማርተው ነበር ?
- ሀ. የጉልበት ሰራተኝነት ለ. ስራ አጥ
- ሐ. ተማሪ መ. ተቀጠሪ
- ሌላ ከሆነ ቢገልፁት _____
2. ቀድሞ የኢንተርፕራይዝ የስራ መስክ ከመሰማራቱ በፊት የነበሮት የቀን ገቢ በገንዘብ ቢሰላ በግምት ስንት ብር ይሆናል?
- ሀ. ከ100 ብር በታች ለ. ከ101-300 ብር ሐ. ከ301-600 ብር መ. ከ600 ብር በላይ
- ሰ. ምንም አይነት ገቢ አልነበረኝም -----
3. የተሰማሩበት የኢንተርፕራይዝ ዘርፍ ለስንት ሰው የስራ እድል እንደፈጠረ ቢጠቁሙን?
- ሀ. 1 ለ. 2 ሐ. 3 መ. 4 እና በላይ
4. በተሰማሩበት የኢንተርፕራይዝ የስራ መስክ በህይወቶት ላይ የሚስተዋሉ ለውጦች ምን ያህል ነው ብለው ይገምታሉ?
- ሀ. ከ600 ብር በታች ለ. ከ601-1000 ሐ. ከ1001-2000
- መ. ከ2000-4000 ሠ. ከ4000 ብር በላይ በጣም ቀንሷል
5. የተሰማሩበት ኢንተርፕራይዝ ምን ያህል ህይወቶን አሻሽሎሎታል?
- ሀ. በጣም ከፍተኛ ለ. ከፍተኛ መ. መካከለኛ ሐ. ዝቅተኛ መ. በጣም ዝቅተኛ

6. በአሁኑ ሰዓት በተሰማሩበት የኢንትርፕራይዝ ከጊዜ ጊዜ የሚያሳየው መሻሻል/ እድገት፤
 ሀ. በጣም ከፍተኛ ለ. ከፍተኛ መ. መካከለኛ ሐ. ዝቅተኛ መ. በጣም ዝቅተኛ
 መልሶ በጣም ዝቅተኛ ወይም ዝቅተኛ ከሆነ ምክንያቶችን ቢገልፁልኝ፤

7. በአሁኑ ሰዓት በተሰማሩበት የኢንትርፕራይዝ የስራ መስክ በመሰማራቶች ያሉት እርካታ፤
 ሀ. በጣም ከፍተኛ ለ. ከፍተኛ ሐ. መካከለኛ መ. ዝቅተኛ
 ከላይ ለሰጡት መልስ ምክንያቶችን ቢገልፁልን

8. በዚህ የስራ መስክ ለመቆየት ያሉት ፍላጎት ምን ያህል ነው?
 ሀ. በጣም ከፍተኛ ለ. ከፍተኛ ሐ. መካከለኛ መ. ዝቅተኛ
 ለምን? ምክንያቶችን ቢገልፁልኝ

ክፍል ሶስት፤- የድህነት መሻሻል የሚመለከቱ ጥያቄዎች

ትእዛዝ፡- ክታች የተዘረዘሩትን የኑሮ ደረጃ መለኪያዎች መሰረት በማድረግ በኢንትርፕራይዝ የስራ መስክ በመሰማራቶች ምክንያት በኑሮዎ ላይ የተስተዋሉ ለውጦችን አንድ ጊዜ ብቻ የ (√) ምልክት በማድረግ ደረጃ ይስጡ።

የኑሮ መለኪያዎች፤	ደረጃ	በጣም ከፍተኛ	ከፍተኛ	መካከለኛ	ዝቅተኛ
መሰረታዊ ፍላጎቶች	የተሻለ እና በቂ ምግብ፤				
	የተሻለ ጤና ክብካቤ፤				
	የግል ንፅህናን እና አለባበስን መጠበቅ፤				
	የተሻለ መኖሪያ ቤት/ አካባቢ፤				
ቁሳዊ ፍላጎቶች	የተሻለ የቤት ቁሳቁስ ማሟላት፤				
	የተሻለ የኤሌትሪክ እና የውሃ አቅርቦት፤				
	የተሻለ የቀን ገቢ፤				

	ልጆችን በተሻለ ደረጃ መንከባከብ፤				
	ቋሚ ንብረት ማፍራት ወይም መገንባት፤				
በአስተሳሰብ እና በባህሪ ለውጥ ደረጃ	በቤተሰብ ውሳኔ ላይ መሳተፍ፣ በተገኘ ገንዘብና ሃብት ላይ መወሰን፤				
	የዳበረ የስራ ፈጠራ አስተሳሰብ ፤				
	የዳበረ የስራ ፈጠራ አመለካከት መፍጠር፤				
	የዳበረ የንግድ አስተሳሰብ፣ አመለካከት መዳበር፤				
	በራስ የመወሰን ነፃነት፤				

9. ከላይ ከተዘረዘሩት በተጨማሪ ያስተዋሏቸው ለውጦች ካሉ ቢጠቅሷቸው፤

ክፍል አራት፡- የመንግስት አካላት የሚደርጉትን ድጋፍ የሚመለከቱ ጥያቄዎች፡-

10. የመንግስት አካላት እያደረጉ የሚገኙትን ድጋፍ እንዴት ይመዘኑታል?

ሀ. በጣም ከፍተኛ ለ. ከፍተኛ ሐ. መካከለኛ መ. ዝቅተኛ

11. መልሶ «ዝቅተኛ እና በጣም ዝቅተኛ» የሆነበት ምክንያት ነው/ናቸው ሚሉት ሃሳብ ካለ ቢገልጹልን፡

12. ከታች በሰንጠረዥ ውስጥ የተዘረዘሩትን ሃሳቦች መሰረት በማድረግ መንግስት ከሚደርጋቸው ድጋፎችን የ (√) ምልክት በማድረግ ደረጃ ይስጡ፡፡

የሚደረጉ ድጋፎች ዓይነት	ደረጃ				
	በ. ከፍተኛ	ከፍተኛ	መካከለኛ	በጣም ዝቅተኛ	ዝቅተኛ
የብድር አገልግሎት፤					
የምክር ድጋፍ፤					
ስልጠና፤					
የስራ / የንግድ ቦታ፤					
የስራ ቁሳቁሶች፤					

ገበያ፣					
ሌላ ካለ፣					

13. መንግስት ሊያደርገው የሚገቡ ድጋፎችን ቢዘረዘሩልን

ክፍል 5:- በጥቃቅንና አነስተኛ ተቋማት የስራ እንቅስቃሴ ላይ ተፅእኖ የሚያሳድሩ ጥያቄዎች፣

14. ለጥቃቅንና አነስተኛ ተቋማት ውጤታማነት ችግር ሊሆኑ የሚችሉ ከታች ለተዘረዘሩ ጉዳዮች አንድ ጊዜ ብቻ የ(□) ምልክት በማድረግ ደረጃ ይስጡ፡፡

ተፅዕኖ ሊያሳድሩ የሚችሉ ጉዳዮች	ዝርዝር ጉዳዮች	በጣም እስማማለሁ	እስማማለሁ	ለመወሰን እገራለሁ	አልስማማም
ከመንግስት ተቋማት ድጋፍ አሰጣጥ እና አሰራር ጋር የተያያዙ፣	ተመጣጣኝና ምክንያታዊ ያልሆነ የስራ ግብር፣				
	የተንገዳተገዳ የምዝገባና የንግድ ፈቃድ አሰጣጥ ሂደት፣				
	ከስራ ጋር ተዛማጅ የሆኑ ህጎች፣ ደንቦችና አዋጆች በቂ ግንዛቤ አለመኖር፣				
	የሙስና ተግባራት እና ሌሎች አድሎዊ አሰራሮች፣				
	ተገቢ ድጋፍ እና ክትትል አለመኖር፣				
የስራ ቦታ ጋር የተያያዙ፣	ቋሚና ዋስትና ያለው የስራ ቦታ አለመኖር፣				
	አሁን ያለሁበት ቦታ ለስራ አመቺ አለመሆን፣				
	ከፍተኛ የሆነ የቤት ኪራይ መጠን፣				
ቴክኖሎጂና ተዛማጅ ችግሮች	ለስራዬ ተገቢ የሆነ የቴክኖሎጂ ውጤት መምረጥ አለመቻል፣				
	በቂ የሆነ የቴክኒክ ክህሎት አለመኖር፣				
ከመሰረተ ልማት ጋር የተያያዙ ችግሮች	የኤሌክትሪክ ሀይል መቆራረጥ፣				
	የተቆራረጠና በቂ ያልሆነ የውሃ አቅርቦት፣				
	የትራንስፖርት ችግር፣				
የገበያና ተዛማጅ ችግሮች	በቂ የሆነ የገበያ እድል አለመኖር፣				
	አዲስ የገበያ አማራጭን አለመፈለግ፣				
	በትላልቅ የንግድ ድርጅቶች ተፅእኖ፣				

	ደካማ የደንበኛ አያያዝ፤				
	ደካማ የንግድ ማስተዋወቅ፤				
	የወደፊት የገበያ ፍላጎትን መተንበይ አለመቻል፤				
ከገንዘብ ጋር የተያያዙ ችግሮች	በቂ ያልሆነ የብድር ተቋማት፤				
	ደካማ የገቢ ወይም የንግድ ገንዘብ አስተዳደር ክህሎት፤				
	የስራ ማንቀሳቀሻ ብር እጥረት፤				
	አበዳሪ የገንዘብ ተቋማት ለማበደር የሚጠይቁት ማስያዣ ክፍተቶች መሆኑ፤				
	አበዳሪ የገንዘብ ተቋማት የሚተይቁት ክፍተቶች የወለድ መጠን፤				
ደካማ አደረጃጀት እና የንግድ አስተዳደር ፤	ጠንራ የሆነ የስራ ኃላፊነት አመሸከም፤				
	ደካማ የስራ ፈጣሪነት ኪህሎት፤				
	ጠንክሮ አለመስራት፤				
	ሰራተኞች የስራ ፍላጎት እና ተነሳሽነት ማጣት፤				
	ደካማ የስራ ባልደረቦችን መምረጥ፤				

15. ከላይ ከተዘረዘሩት በተጨማሪ ያስተዋሉቸው ችግሮች ካሉ ቢጠቅሷቸው፤

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ክፍል ስድስት፡- በንግድ ስራ የተሰማሩ የጥቃቅን እና አነስተኛ ኢንተርፕራይዝ እድገትን ለማፋጠን መወሰድ ስለሚገባቸው ተግባራት፡-

16. በንግድ ስራ የተሰማሩ የጥቃቅን እና አነስተኛ ኢንተርፕራይዝ ውጤታማ ወይም ስኬታማ እንዲሆኑ በማድረግ ረገድ ከፍተኛ ሚና አላቸው የሚሏቸውን አካላት ዘርዝሩ፡፡

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17. በተ.ቁ 16 የጠቀሳች አካላት በንግድ ስራ የተሰማሩ የጥቃቅን እና አነስተኛ ኢንተርፕራይዝ የተሰማሩችሁትን በመደገፍ ሊወጡት የሚገቡ ተግባራትን ዘርዝሩ።

18. በንግድ ስራ የተሰማሩ የጥቃቅን እና አነስተኛ ኢንተርፕራይዝ የተሰማሩ አካላትን ወደ ተሻለ ደረጃ ለማሸጋገር መወሰድ ይገባቸዋል የሊሏቸውን እርምጃዎች ቢዘረዝሯቸው።

16. ከታች በሰንጠረዥ ውስጥ ለተዘረዘሩ አካላት በንግድ ስራ የተሰማሩ አካላት የጥቃቅን እና አነስተኛ ኢንተርፕራይዝ በመደገፍ በኩል አላቸው እንደሚሉት አስተዋፅኦ የ(□) ምልክት በማድረግ ደረጃ ይስጡ።

ተ.ቁ	አካላት ዝርዝር	በጣም ከፍተኛ	ከፍተኛ	መካከለኛ	ዝቅተኛ	በጣም ዝቅተኛ
1	መንግስት፣					
2	መንግስታዊ ያልሆኑ አካላት፣					
3	በንግድ ዘርፍ የተሰማሩ የጥቃቅን እና አነስተኛ ተቋማት ባለቤቶች፣					
4	ህብረተሰብ፣					
5	የገንዘብ ተቋማት፣					

6	ሌሎች ካሉ፣					
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19. ከላይ በሰንጠረዥ ውስጥ የተዘረዘሩት አካላት ሊወጡት ይገባል የምትሏቸውን ኃላፊነት ዘርዘሩ፤

- መንግስት

- መንግስታዊ ያልሆኑ አካላት፤

- የጥቃቅን እና አነስተኛ ቋማት ባለቤቶች፤

- ህብረተሰብ፤

- የገንዘብ ተቋማት፤

20. ለጥናቱ ይጠቅማሉ የሚሏቸው ተጨማሪ ሃሳቦች ካሉ ቢገልጹልን

የቃል መጠይቅ 1:- በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተደራጅቶ ወይም ተመዝግቦ ለሚሰሩ አካላት የተዘጋጀ የቃል መጠይቅ።

ክፍል አንድ:- ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ድህነትን በመቀነሱ ሂደት ያላቸው ፋይዳ የሚመክቱ ሃሳቦች።

1. ለምን በወረዳው የጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተደራጅቶ ወይም ተመዝግቦ መስራት ፈለጉ?
2. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተደራጅተው ከመስራቱ በፊት በምን ዓይነት ስራ ላይ ተሰማርተው ይኖሩ ነበር?
3. ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተደራጅቶ ወይም ተመዝግቦ በመስራቱ ያገኙትን ጥቅሞች ቢዘረዝሩልን። (በአመጋገብ፣ አለበስ፣ ጤና አጠባበቅ፣ ያፈሩት ቋሚ ሃብት፣ የገዟቸው እቃዎችና ንብረቶች፣ የአለት ገቢ፣ የቁጠባ ባህል፣ የልጆች ትምህርት፣ በባህሪ እና በአስተሳሰብ ደረጃ የሚስተዋሉ ፣ ውሳኔ በመስጠት፣ ወዘተ.....)

እቃዎችና ንብረቶች፣ የእለት ገቢ፣ የቁጠባ ባህል፣ የልጆች ትምህርት፣ በባህሪ እና በአስተሳሰብ ደረጃ የሚስተዋሉ፣ ውሳኔ በመስጠት፣ ወዘተ....)

4. ከዚህ ቀደም በእርሶ የኑሮ እና የህይወት ደረጃ ላይ ይገኙ የነበሩ ነገር ግን በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ያልተደራጁ ወይም ያልተመዘገቡ እና በእርሶ መካከል ያለውን የህይወት ወይም የአኗኗር ልዩነት ቢገልፁልን/ ቢያነፃፅሩልን።
5. ቀድሞ ከነበረው የህይወትና የኑሮ ደረጃ ተደራጅቶ ወይም ተመዝግቦ በለራቶ ያገኙት /ያሳዩት መሻሻል ቢዘረዝሩልን።
6. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተደራጅቶ ወይም ተመዝግቦ በመስራቶ ያሉት አስተያየጥ (እርካታ) ምን ይመስላል?

ክፍል ሁለት:- ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ድህነትን የሚያጋጥሙ ችግሮች/ ተግዳሮቶችን በሚመለከት።

7. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ የወረዳው አስተዳደር የሚያደርገውን ድጋፍ ያሉት አስተያየትንቢዘረዝሩልን። በቂ ነውስ ይላሉ?
8. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ውጤታማ እንዲሆን እንቅፋት ናቸው ብላችሁ የምትገምቷቸውን ችግሮች ቢዘረዝሩልን። ለምሳሌ:-
 - 8.1 ውጫዊ ጉዳዮች:- የመንግስት አካላት ድጋፍ፣ ክትትል፣ ፍትሃዊ አሰራር፣ ብሮክራሲው፣ የንግድ ፍቃድ አሰጣጥ፣ የግብር አጣጣልና አሰባሰብ፣ መብራት፣ ውሃ አቅርቦት፣ የመስሪያ ቦታ አሰጣጥ፣ የገበያ ስፍራ እና ገበያ የማግኘት፣ የህ/ሰቡ አመለካከት፣ የመነገጃ ገንዘብ፣ ብድር የማግኘት፣
 - 8.2 ውስጣዊ ጉዳዮች:- ገንዘብን በአግባቡ መጠቀም፣ የቁጠባ ባህል ማደግ፣ ራስን የመቻልና ስራ የመፍጠር ተነሳሽነት፣ ራስን ከጥገኝነት የማላቀቅ የአስተሳሰብ ለውጥ፣ ድርጅትን በአግባቡ ማስተዳደር፣ የደንበኛ አያያዝ፣ የንግድ ሽርክና ባልደረቦች የስራ ግንኙነት፣
9. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ የበለጠ ውጤታማ እንዲሆኑ መንግስት መስራት የሚገባው ወይም መውሰድ የሚገባው አለ ብለው የሚያምኑት ተግባር ወይም እርምጃ ካለ ቢዘረዝሩልን።

የቃል መጠይቅ 2:- በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ በማደራጀት፣ በመደግፍ እና በመከታተል የመንግስት የስራ ኃላፊነት ላይ የተሰማሩ አካላት የተዘጋጀ የቃል መጠይቅ።

ክፍል አንድ:- ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ድህነትን በመቀነሱ ሂደት ያላቸው ፋይዳ የሚመኩ ሃሳቦች፣

1. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ የተደራጁ ሰዎች በህይወታቸው / በኑሯቸው የሚስተዋሉ ለውጦች ምን ይመስላሉ? ቢዘረዝሩልን። (በወረዳው የሚገኙትን ኢንተርፕራይዞች መሰረት በማድረግ)
2. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ያልተደራጁ ወይም ያልተመዘገቡ እና በተመዘገቡት አካላት መካከል በኑሯቸውና በህይወታቸው ያለውን ለውጥ / ልዩነት ቢገልፁልን ።
3. ከላችሁ ተሞክሮ በመነሳት በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ የተመዘገቡ እና የተደራጁ ሰዎች ከነበሩበት የህይወት ደረጃ ወደ ተሻለ ተሸግግረዋል ብላችሁ ታምናላችሁ? እንዴት? በዚህ ረገድ ያስተዋለችሁት የህይወት እና የኑሮ ለውጦች የሚሏቸውን ጉዳዮች ቢገልፁልን።

4. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ የሰዎችን ህይወት/ ኑሮ በማሻሻል በኩል ምን ያህል ተስፋ ሰጪ ነው ብለው ያምናሉ?

ክፍል ሁለት:- ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ድህነትን የሚያጋጥሙ ችግሮች/ ተግዳሮቶች በሚመለከት።

5. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ውጤታማነት ላይ ውስጣዊ እና ውጪያዊ ችግሮች ናቸው ብላችሁ የምትገምቷቸውን ጉዳዮች ቢዘረዝሩልን።

ለምሳሌ:-

5.1 ውጫዊ ጉዳዮች:- የመንግስት አካላት ድጋፍ፣ ክትትል፣ ብሪክራሲው፣ የንግድ ፍቃድ አሰጣጥ፣ የግብር አጣጣልና አሰባሰብ፣ መብራት፣ ውሃ አቅርቦት፣ የመስሪያ ቦታ አሰጣጥ፣ የገበያ ስፍራ እና ገበያ ማግኘት፣ የሀ/ሰቡ አመለካከት፣ የመነገጃ ገንዘብ፣ ብድር የማግኘት፣ ከህግና መመሪያ አኳያ የሚስተዋሉ ችግሮች።

5.2 ውስጣዊ ጉዳዮች:- ገንዘብን በአግባቡ መጠቀም፣ የቁጠባ ባህል ማደግ፣ ራስን የመቻልና ስራ የመፍጠር፣ ራስን ከጥገኝነት የማላቀቅ የአስተሳሰብ ለውጥ፣ ድርጅትን በአግባቡ ማስተዳደር፣

6. ከላ የተነሱት ችግሮች ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ መሰረታዊ አላማ በማሳካቱ በኩል ሊያሳድሩት የሚችሉ አሉታዊ ተፅዕኖ ምን ያህል ነው? ቢዘረዝሩልን።

7. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ዙሪያ የመንግስት አካላት የሚደርጉት ድጋፍ ምን ይመስላል? ደረጃቸውን ወይም የሚደርጋቸውን ድጋፎች ቢዘረዝሩልን። መንግስት መስራት የሚገባው ወይም መውሰድ የሚገባው አለ ብለው የሚያምኑት ተግባር ወይም እርምጃ ካለ ቢዘረዝሩልን።

8. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ዙሪያ ተጨማሪ ሃሳብ ካለ ቢገልፁልን።

የቡድን መጠይቅ 3:- በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተደራጅቶ ወይም ተመዝግበው ለሚሰሩ አካላት በቡድን ለሚካሄድ ውይይት የተዘጋጀ መጠይቅ።

ክፍል አንድ:- ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ የሰዎችን ድህነትን በመቀነሱ (ህይወት በማሻሻል) ሂደት ያላቸው ፋይዳ የሚመከቱ ሃሳቦች።

1. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ተመዝግባችሁ ለመስራት ለምን ፈለጋችሁ?
2. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ በተመዘገቡ እና በተደራጁችሁ ሰዎች በህይወታቸው / በኑሯቸው የሚስተዋሉ ለውጦችን ላይ ያላችሁን ሃሳብ ብትዘረዝሩልኝ ። (የቤተሰብ አመጋገብ፣ ጤና፣ አሰባሰብ፣ የገዙት እቃ፣ የእሳት ገቢ፣ የልጆች ትምህርት፣ ያፈሩት ቋሚ ሃብት፣ በባህሪ እና በአስተሳሰብ ደረጃ የሚስተዋሉ ፣ ውሳኔ በመስጠት፣ ወዘተ....)
3. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ያልተደራጁ ወይም ያልተመዘገቡ እና በእናንተ መካከል በኑሯችሁ በህይወታችሁ ያለውን ለውጥ / ልዩነት ብትገልፁልኝ ።

ክፍል ሁለት:- ጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ድህነትን የሚያጋጥሙ ችግሮች/ ተግዳሮቶች በሚመለከት።

4. በመንግስት አካላት የሚያደርጉላችሁ ድጋፎችን ብትገልፁልኝ። (ከንግድ ቦታ አደላደል፣ ብድር ማመቻቸት፣ መብራት፣ ውሃ አቅርቦት፣ ከአቅም ግንባታ፣ የሚሰጠውን ድረጋቸውን ወይም የሚያደርጋቸውን ድጋፎች ቢዘረዝሩልን።)
5. በጥቃቅን እና አነስተኛ ኢንትርፕራይዝ ውጤታማነት ላይ ውስጣዊ እና ውጪያዊ ችግሮች ናቸው ብላችሁ የምትገምቷቸውን ጉዳዮች ቢዘረዝሩልን።

ለምሳሌ:-

ውጫዊ ጉዳዮች፡- የመንግስት አካላት ድጋፍ፣ ክትትል፣ ብሪክራሲው፣ ፍትሃዊ ድጋፍና አገልግሎት አሰጣጥ፣ የንግድ ፍቃድ አሰጣጥ፣ የግብር አጣጣልና አሰባሰብ፣ መብራት፣ ውሃ አቅርቦት፣ የመስሪያ ቦታ አሰጣጥ፣ የገበያ ስፍራ እና ገበያ ማግኘት፣ የህ/ሰቡ አመለካከት፣ የመነገጃ ገንዘብ፣ ብድር የማግኘት፣

ውስጣዊ ጉዳዮች፡- ገንዘብን በአግባቡ መጠቀም፣ የቁጠባ ባህል ማደግ፣ ራስን የመቻልና ስራ የመፍጠር፣ ራስን ከጥገኝነት የማላቀቅ የአስተሳሰብ ለውጥ፣ ድርጅትን በአግባቡ ማስተዳደር፣

6. በጥቃቅን እና አነስተኛ ኢንፎርሽን ቴክኖሎጂ የበለጠ ውጤታማ እንዲሆኑ መንግስት መስራት የሚገባው ወይም መውሰድ የሚገባው አለ ብለው የሚያምኑት ተግባር ወይም እርምጃ ካለ ቢዘረዝሩልን።
7. ተጨማሪ ሃሳብ ካላችሁ ብትገልጹልኝ።

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