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ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

An Analysis of the Performance of Women's Entrepreneur in Micro –and Small -Enterprises in Gulele Sub-City of Addis Ababa: Challenges and the Way Forward

By

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A Thesis Submitted to the School of Graduate studies of the Addis Ababa University in partial Fulfillment of the he Requirements of the Degree of Master's of Arts in Public Administration and Development Management

**Addis Ababa, Ethiopia
September 2021**

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ABSTRACT

Micro- and Small Enterprise (MSEs) are becoming important areas of emphasis for many developing countries in general and to Ethiopia in particular, primarily for their immense potential as a source of employment given that there are a many factors that affect their performance. In Ethiopia, the problems related to the growth of MSEs in different parts of the country in general, and in Gulele sub-city in particular face a high rate of failure because most MSEs operate along traditional lines in production and marketing. The purpose of this study was to analyze the factors that affect performance of women's entrepreneurs' in micro and small enterprises in the above mentioned Sub-City. The study used descriptive research design. The total sample size was 155 respondents. The data analysis was processed by IBM- SPSS statistical software version 20 and the data analysis was performed using descriptive statistics. The study found that women entrepreneur's performances in MSEs were constrained by economic factors, social factors and institutional factors. In addition, sseverity rank test result indicated that economic factors are Sever than institutional and social followed by the legal & administrative and social factors. Therefore, financial institutions need to be set up revolving fund aimed at incubating and help grow business of women entrepreneurs in Addis Ababa so they will be economically empowered and able to contribute to the development of the country.

Key words and phrases: Women Entrepreneurs, Micro & Small Enterprises, Performance

ACRONYMS AND ABBREVIATIONS

CSA	Central Statistical Agency
ETB	Ethiopian Birr
FDRE	Federal Democratic Republic of Ethiopia
IBM	International Business Machines Corporation
ILO	International Labor Organization
MSEs	Micro and Small Enterprises
MTI	Ministry of Trade and Industry
MUDC	Ministry of Urban Development and Construction
OECD	Organization for Economic Co-operation and Development
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for the Social Sciences
TVET	Technical and Vocational Education Training
UNDP	United Nations Development Programme
USA	United States of America

ACKNOWLEDGEMENTS

Foremost, I would like to express my deepest thanks and praise to almighty God who sustained me to bear the rigors academic life and research work and made my dream true.

There are numerous individuals who supported in their own capacities that made the successful achievement of this study. My exceptional and honest gratitude goes to my advisor Friehiwot G/Hiwot (Ph.D) for her endless inspiration and in making this thesis a reality. She relentlessly guided and gave me excellent suggestions and comments which always bought about the improved versions of the research.

I am extremely indebted to Dr. Girma Estiphanos, Ermias Tefera, Asimamaw Belete, Fasika Chekole, Saba Yifredaw, Asefa Belay, Tesfaye Mola (Ph.D), Zerayehu Eshete (Associate Prof.) and Kebede Bekele. Also, I am really indebted to Gulele Sub-city small and micro enterprise workers.

Last, but not least, it was my parents, particularly my mother Wro Aselfech Mekonnen and my sons Abraham, Yared and Kalu who stood with me during ups and downs in my life.

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Entrepreneurship is one of the core areas in the development process by contributing and bringing sustainable development via enhancing invention and efficiency. It is a matter of fact altering ideas into opportunities and becomes economic vitality by taking reasonable risks (Solomon et al, 2016; Hisrich, 2005; Addis, 2019). Historically, entrepreneurship had received little attentions in development process in general and firms in particular. But, it is currently getting a great attention by academicians and policy makers.

The reality on ground telling us most of the business firms are owned by men entrepreneur (ILO, 2020). The global experience also indicated that it is rare to find women-owned firms. It was in 1980s, women entrepreneurship was coming into picture. Little was recognized around women entrepreneurship both in reality till the 1980's, rather it focused on men. Since then, the directions of research and practices turned out into women's entrepreneurship and women possessed firms as part of development (Tadesse, 2016).

In the 21st century women are more present in the workplace than at any time in history, and dramatic progress is shown in numbers of women's who succeeded to join managerial and professional careers (Zinash, 2013). Women capacity as leaders, are working through many public and private sectors and nongovernmental institution. In particular women are actively engaged Micro and small enterprises (MSEs).

In the Ethiopian context, the Ministry of Urban Development and Construction (MUDEC) 2013 defined MSEs based upon the number of employees and the assets owned by the enterprises. An enterprise can be defined as micro and small when it has not more than 30 employees and Ethiopian birr (ETB) 1, 500,000 total assets.

Ethiopia introduced "Micro and Small Enterprises Development Strategy" in 1997. The central aim of this strategy was creating enabling and conducive environments for MSEs development in the country. In 2013, the country also introduced Industrial development Roadmap that reveals the growth direction of the industrial sector to realize country's vision of becoming one of lower

middle income countries by the year 2025. In accordance with the policies and strategies of the government, the Addis Ababa City Administration has made significant efforts in enhancing the development of MSEs in the city via provision of various support packages. However, regardless of efforts by the government at various levels, the growth, graduation (to the higher level) and competitiveness of these sectors are not encouraging.

Micro and small enterprises are more labor intensive and they play a key role in poverty reduction employment creation (Tegegne & Meheret, 2010). Study by Habtamu, Aregawi, & Nigus (2013) stated that MSEs are second largest employment creation next to agriculture in Ethiopia.

Although women owned enterprises are steadily growing in Ethiopia, they still own and manage fewer small businesses than men (Atsedo, 2014). This may indicate the presence of some factors hindering the participation and practices of women entrepreneurs in Ethiopia in the area of MSEs. Therefore, the purpose of this study is to examine the performance of women's entrepreneurs in micro & small enterprises in Gulele Sub-City Addis Ababa and also to find out possible forward strategies that can be used to enhance women's entrepreneurship.

1.2. Statement of the Problem

The economic development of every country very much depends on the performance of the private sector development. But the private sector development cannot be realized without the adequate knowledge of the entrepreneurs in the business sector and without addressing the different constraints on enterprise growth and expansion. But, due to the existence of uncertainty and high transaction cost, the large scattered businesses are working independently. In Ethiopia, the weak business networking and social capital make entrepreneurs to operate independently and this resulted in businesses to be slowly growing, stagnant, and for some to shut-down.

The problems related to the growth of MSEs in different parts of the country in general, and Gulele sub-city in particular, MSEs face a high rate of failure because most MSEs operate along traditional lines in production and marketing. Evidences show that the main problem of small businesses in Africa in general and Ethiopia in particular is not confined to small size but also their isolation. This deters market accession, finance, information and any other institutional

support (Mead & Liedholm, 1998; Swierczek & Ha, 2003) which prevent them from realizing their full potential as entrepreneurs.

Since MSEs are small in size, they don't have the economic power to enable them to rapidly introduce new products to the market, and cannot benefit from the economies of scale (Cooney & O'Connor, 1996). Nožička (2012) further highlights the need for customer information, competition and other members around the company to maintain a competitive advantage.

Models and policy networks were inspired both by economic theory as well as innovative systems and clusters (Håkansson et al., 2009). Each firm must find and maintain long-term competitive advantage in the market (Blažková, 2007). BN approach allows for solving the customer's problem and also for using resources in the network. It is suitable for SMEs, which face great competition and are looking for a way to survive in the market and consolidate their position.

The environment of doing businesses is challenging in developing country. The majority of entrepreneurs lack credit access due to lack of collateral. In Ethiopia, formal financial institutions provide credit access for borrowers who have collateral assets. On the other hand, poor individuals /or households who do not have assets for collateral (but they have productive views) can't borrow from formal financial institutions. So, it discourages entrepreneurs from credit access. Ultimately, this credit policy makes the rich becomes rich, and the poor remain poor. Following the poor credit access, entrepreneurs are running their business with low working capital, which leads low or stagnant profit. Therefore, small firms and MSEs, has to adopt the best resource utilization strategy through business networking to insure firms sustainable growth strategy.

Therefore, the novelty of this study is to look the business networking strategy in the view of solving the problems of MSEs growth. Moreover, the researcher envisions assessing the role of institutions in building formal contracts between the actual and potential entrepreneurs and with responsible sectors to formulate the possible strategies that can help to enhance their participation in entrepreneurship in EGZ.

MSEs are largely owned and managed by the urban youth and women– the economically marginalized groups. However, there are limited studies with a focus on assessing the challenges they face in their operation. Some of the existing studies are mainly geared toward the challenges faced by MSEs, without addressing any possible differences between women- and men-owned MSEs. For example, Bekele (2017) conducted a study on the socio-economic impact of micro and small enterprises considering metal and woodwork in Hawassa, focusing on the socio-economic and political dimensions. He identified general challenges of SMEs (metal and wood work enterprises) such as shortage of electricity, inflexible working procedures as well as lack of commitment and responsiveness, lack of credit facility and operators on chat addiction.

The previous studies used either profitability or sales growth to measure Performance of Women’s Entrepreneurs (Endalew Terefe, 2020; Rauch et al., 2009). The current study is going to use the growth of total capital accumulation of the business in addition to profitability and sales growth to measure Performance of Women’s Entrepreneurs.

There are few studies such as Zinashbizu (2017) that focus on the challenges facing women micro and small scale Business Enterprise. In her study, Zinashbizu (2017) examined the major challenges that influenced women micro and small enterprise owners in Jimma town. She identified lack of financial access, business training opportunity, access to technology, access to market information, access to infrastructure, access to raw material, and access to market as the major challenges. However, the study failed to suggest the way forward. Hence, this study is expected to fill the gaps by identifying not only the major challenges in the performance of women entrepreneurs in MSEs in the Gulele sub-city but also the possible measures to be taken to address the challenges.

The novelty of this study is it incorporated cultural factors, economic, demographic, and domestic work factors in the city so as to fill the gap in women entrepreneur challenges unlike the existing study made by Endalew (2020), Tadesse (2016), and Addis (2019). Moreover, the study tries to assess the effect of covid-19 on micro & small enterprises. In addition to this gap the researcher envisions assessing the way forward strategy to sub-city administration and responsible sectors to formulate the possible strategies that can help to enhance their participation in entrepreneurship in Addis Ababa sub cities.

Therefore, this study attempted to address the subsequent research questions.

- ✓ What are the main structural features of women entrepreneurs and women possessed MSEs in Gulele Subcity in Addis Ababa?
- ✓ What looks like the growth of capital accumulation for the women MSE entrepreneurs in the study area?
- ✓ What are the factors that affect women entrepreneurs' performance in MSE's in Gulele sub-city in Addis Ababa?
- ✓ What is needed to address the challenges of women performance in MSE in the study area?
- ✓ Does covid-19 affect the micro & small enterprises?

1.3. Objective of the study

1.3.1. General Objective

The general objective of the study is to analyze the performance of women's entrepreneurs in micro and small enterprises in Gulele Sub-City, Addis Ababa and also to find out possible forward strategies that can be used to enhance women's entrepreneurship.

1.3.2. Specific Objectives

This study will focus on the following specific objectives.

- ✓ To assess the main characteristics of women entrepreneurs and women possessed MSEs in Gulele Subcity in Addis Ababa.
- ✓ To investigate performance challenges that woman entrepreneur's encounter in Gulele sub-city in Addis Ababa.
- ✓ To assess the growth of capital accumulation for the MSE entrepreneurs in Gulele sub-city in Addis Ababa.
- ✓ To put the way forward in addressing the challenges of women performance in MSE.
- ✓ The study tries to assess the effect of covid-19 on micro & small enterprises in Gulele Sub-city.

1.4. Significance of the study

MSE makes up a significant share of the micro-enterprise population, and is considered critically important to poverty reduction strategies. (Gebrehiwot & Wolday, 2005). Hence, women ought to make their occupations and become entrepreneurs as chances of getting employment is presently almost deteriorating if barricades of women entrepreneurs are unraveled (Gemechis, 2007). Generally, the findings of this study will be useful to the stakeholders in the following way. Firstly, the finding may deliver evidence for policymakers with addressing challenges associated with institutions, culture, social and administrative that distress the performance entrepreneurs in MSEs. Secondly, the findings of this study may help MSE in Gulele sub-city and others. Thirdly, findings from this study can assist others researchers in the area in broadening of the prospectus with respect to this study hence providing a deeper understanding of the critical factors that affect the performance of women entrepreneurs in MSEs.

1.5. Scope and limitation of the study

The study is limited to identify the challenges of Women Entrepreneurs in Micro and Small Enterprises in Gulele Sub-city, Addis Ababa and the Way Forward. Gulele sub-city is selected as the study area from the rest of sub-city in Addis Ababa. Since in this sub-city there are a number of women entrepreneurs as well as among them many entrepreneurs' works in MSE. In addition to this, the sub-city is near to gather data. Specifically, the study focuses on the service sector. In terms of time, the study will cover the period from 2015-2020.

1.6. Organization of the Research

This thesis is prepared into five chapters. The first one contains introductory elements with background, problem statement, objective, research questions, scope and the like. The second chapter provides the literature review of the study. The third chapter is about the methodology that the study employs. Chapter four offers the research findings which consist of data presentation, analysis and Interpretations, and the fifth chapter provides the conclusion and the recommendations.

CHAPTER TWO: LITERATURE REVIEW

Review of literature is very important not only in understanding the issues involved but also in identifying gaps, planning, and execution of the experiences of others. Further, the wisdom to identify key questions and gaps of empirical research provides a method to answer the queries and filling gaps to the extent possible which in turn helps in making logical conceptualization of the study. This chapter presents the review of theoretical literature and empirical findings of studies related to women entrepreneurship in MSEs.

2.1. Theoretical Literature Review

2.1.1. The Concept of Micro and small Enterprises (MSEs)

There is no conventionally and universally accepted definition for MSEs. Rather, it depends on purpose and level of development. For instance, the USA defined small enterprises as having 500 employees, but South Africa takes only 20 to 50 employees to defined small enterprises (Agupusi, 2007). Additionally, micro enterprise in industrial sector comprise employs not greater than five including owner, family labor. And, it also considered not more than ETB 100,000 total asset in stated in the industrial strategic documents of Ethiopian government in 2011. However, a business enterprise in service sector employs not more than 5 labor and ETB 50,000 total asset value.

The idea of small enterprise can be seen in industrial sector based on the labor force employed and the capitals the enterprise has. A small enterprise hires 6 to 30 labor including family labor and owner as well as it should have total asset that values in the range of Br.100,001 to 1,500,000. This is a bit different in the service sector which expected to hire same range of labor, but the total asset should be in a range of Br.50,001 to 500,000 (FDRE MSEs Development, Support Scheme, & Implementation Strategies, 2011).

Due to the lack of uniformity in defining MSE, there is no common Understanding on MSE. It is capital as a yardstick taken into consideration by the Ministry of Trade and Industry (MTI) as it designed strategies in 1997 where both labor and capital as yardsticks are important factor to define MSE by the Central Statistical Agency (CSA) (Tiruneh, 2011, (Konjit, 2012).

2.1.2. The theory of Business networking

Business networks are complex and dynamic, and are characterized by direct and indirect relationships. Business networking is a process that requires management with unique applications in different circumstances. Networking creates a comparative advantage through the combined effort resulted beyond the abilities of the single business, jobs can be created and local economies can experience growth, existence of a wide and balanced relationship network basis, repeated transaction, access to information and opportunities (Lipnack & Stamps, 1993; Baker, 2000). Business opportunities can be co-created (Giovagnoli & Carter-Miller, 2000:151), knowledge and relational support can be communicated and exchanged to add value and link the different role players successfully (Breiger, Carley & Pattison, 2003:368). Networking in business relationships is interwoven and the collective results are greater than individual connections would have been. The number of contributions is measured by means of the time saved, the additional revenue received and the estimation of the value of networking (De Man, 2004:2).

Business networks can occur within a business or between businesses and combinations of these networks may differ in terms of the flow and/or sharing of products, services or resources and the relationships between the businesses (Grandori, 1999:92). Therefore, it embodies the relationships between different businesses and the utilization of these relationships to create and support a competitive advantage in business (Wickham, 2004:324). Businesses are empowered through their relationship networks in that societies can be shaped, and the economies of countries can even be affected by these relationship connections through enhancing living standards and economic growth (Bec2000:2). Networks put a business in the position to gain access to larger global markets, to benefit from economies of scale and to compete with the best large businesses across the world (Lipnack & Stamps, 1993:5).

2.1.2.1. The Role of Individual Social Networking and Inter-Organizational Networking

According to Audretsch and Thurik (2004) successful entrepreneurial environments are characterized by thriving supportive networks that provide institutional fabric, and linking individual entrepreneurs to organized sources of learning and resources. The aim of the

networking activities is to provide assistance to entrepreneurs in the form of expert opinions and counseling, shared experiences and role models, information and resources, and support and motivation (Manning, Birley, & Norburn 1989). Hence, individual social networking and inter-organizational strategic network activities are important to a successful start-up and to an ongoing competitive advantage, as they may constrain or facilitate resource acquisition and the identification of opportunities (Beckert, 2010).

Moreover, the inter-organizational networking consists of formal and /or informal collaborative networking activities among entrepreneurial advocates at the public and private levels that may facilitate the entrepreneurial process from an idea generating stage to a development stage via improving entrepreneurial mechanisms (Audretsch & Thurik, 2004). The business networking activity facilitates to better resources and information, as well as offer faster responses to opportunities and challenges (Klyver & Hindle, 2006).

2.1.2.2. Strategic issues in business relationship networks

When building a network, the focus should be on a network that supports one's own business needs and goals (Boe, 1994:153). The focus of a strategic network contributes large amounts of social capital to the relationship in terms of money, goods or services or knowledge of these specific elements (Garton, Haythornthwaite & Wellman, 1997). Each relationship contributes to share more diverse resources among different role players in the network (Hadjikhani & Thilenius, 2005). In the networked structure, highly specialized and competent individuals are linked through the institutions via contractual agreement so that each can contribute their specialized tasks towards the successful completion of the large complex assignment (Larsson & Lundberg, 1998:86-87).

Relationships allow management to change ideas and involve thinking and acting by multiple partners to add to the value of decisions and business activities (Ford, 1998:59). Exploration or exploitation of a network entails the optimal utilization of role-players in terms of productivity, efficiency, reducing costs, and improving existing resources such as information, technology, skill and expertise (Nielsen, 2005:1200). Innovation is cultivated and people tend to be more successful when they have a diverse network with people who drive towards progress (Petrusewicz, 2003).

Strategically coordinating relationships reduce transaction costs and provides the necessary support for the transfer of commercial intelligence and task-specific knowledge. These strategic relationships facilitate inter-business learning and the creation of internal knowledge, adapt technologies to the changes in the business and enable the participants in the relationship network to learn from the feedback received (Boyce, 2001:12). Cooperation clusters offer support and cooperation in production, marketing, distribution and technological development. The critical mass and combinations of diverse skills may lead to competitive advantages for the businesses involved (Gruszczyński, 2005:3).

2.1.2.3. Internal and external business networking

Businesses engage in networking relationships on different levels, for instance on industry level, on a group level and then within the business on their own level of connections (De Man, 2004). Business networking systems involve the tendency of businesses to move closer to its partners through mergers or by forming new alliances. By changing their own or a partner's position in the network, risks may be hedged and competitors may be disrupted, or constricted.

The strategic networked business can easily internalize their production through increasing the flexibility of a business' production function (Chell, 2001:38). Strategic business networking is a crucial, dynamic and evolving part of a business (Boe & Youngs, 1989:1). Business relationships basically consist of a 1: n ratio (one to many) relationships which include the links between the business and its customers, suppliers, bankers, regulations authorities, family and accountants, amongst others (Jones & Tilley, 2003:26). Networks need to be managed as an organizational structure which has definite distinguishing factors, as is the case for other organizational structures such as the cooperation and strategic alliance (Bridgewater & Egan, 2002:10).

A strategically chosen alliance, the relevant businesses enter into an agreement where they share power, resources, expertise, knowledge or technology to create a mutually beneficial situation (Muthusamy & White, 2006). The needs of all the involved parties must be met (Thompson & Martin, 2005:580). This form of business is not only found between businesses in the same field or industry, but also among businesses across industries that form strategically chosen divergent operations along value chains (Desanctis & Fulk, 1999:23).

Different industries can also join in a strategic alliance where the aim is to create, but also enhance the competitiveness of the role-players in that specific situation. Different positions are therefore available, for instance strategic alliances between non-competing businesses, and between competing businesses. A balance of power, a clear indication of the boundaries of each role-player and a clearly agreed level of quality can be regarded as some of the prerequisites for establishing a successful alliance (McGee, Thomas & Wilson, 2005:395-398).

External environment factor plays a very important role as well for firm success. Social network, government support, and legality, are the key strategic dimension in external environment in business success. Networks represent a means for entrepreneurs to reduce risks and transaction costs and also to improve access to business ideas, knowledge and capital. A social network consists of a series of formal and informal ties between the central actor and other actors in a circle of acquaintances and represents channels through which entrepreneurs get access to the necessary resources for business start-up, growth and success (Kristiansen, 2003). In developing areas, satisfactory government support has been shown to be important for small firm success (Yusuf 1995). In many cases, dealing with legal aspects has forced the SMEs to allocate significant amount of financial resources due to bribery practices. Legal aspect is often also used in selection operating decision in order to ensure future business success (Mazzarol & Choo, 2003).

Business success is usually the outcome of the way of doing business and cooperation. Inter-firm cooperation, consultation, performance measurement, and flexibility may play an important role in business success. Inter-firm cooperation contributes positively to gaining organizational legitimacy and to developing a desirable marketplace reputation. Cooperation also may enable the small firm to improve its strategic position, focus on its core business, enter international markets, reduce transaction costs, learn new skills, and cope positively with rapid technological changes. Successful firms were likely to spend more time communicating with partners, customers, suppliers, employees. Use of outside professionals and advisors, and the advice and information provided by customers and suppliers is also important for business success. Networking seems to be important both between and within firms. The proportion of SMEs led by an entrepreneurial team was high among successful SMEs and low among failed SMEs.

In the knowledge-based economy, a rise in non-technological innovation and the emergence of open or network-based modes of innovation enabled also new and small firms to increase their contributions to innovation (OECD, 2010a). Innovation by SMEs is largely influenced by knowledge

spillovers, access to networks and opportunities to partner with other players, including larger enterprises. Networking has increased the importance of entrepreneurs collaboration in innovation – both in obtaining inputs for innovation (ideas, finance, skills, technologies) from individuals and in exploiting its outputs (products and services, patents, licenses, etc.) in both domestic and foreign markets.

2.1.2.4. The role of institutions in leveraging new growth model for business revitalization

The well-functioning institutional arrangements and dynamics can shape the behaviours of social actors (Cardinale, 2018) and engage locals communities and people (Liu and Li, 2017). Even though business networking is the key to long-run growth and entrepreneurship revitalization, the tension between high demand for new business networking for business revitalization and higher potentials of market failure on network creation for entrepreneurs, requires better institutional arrangement. These institutional arrangements encourage multiple players to proactively participate rather than solely rely on competitive market or private firms (Chen et al., 2018c; Edquist, 2018; Long and Liu, 2016).

2.1.3. Factors that affect Women Entrepreneurship in Micro and Small Enterprises

Women are exposed to various cultural and social barriers that distress them to take part in the activities of entrepreneurial comparing with male. Furthermore, the dual responsibility (productivity and reproductivity) of women can also be considered as a major challenge of women engagement in entrepreneurial activities (UNDP, 2019).

Both internal factors and external factors affect the performance of micro and small enterprises in Ethiopia (Solomon, Tadele, Shiferaw, & Daniel, 2016). The internal factors such as weak human facilities and other assets, the external factors such as lack of credit accessibility, lack of market facilities and policy and regulatory bottlenecks are the major determinants.

Accessing plot land, facilities, marketing accession and credit are some of the factors that influences most MSEs in Ethiopia. In addition to these, women entrepreneurs are often exposed to sexual harassment, institutional bottlenecks, technology factors, business development services and becomes weak to penetrate and dominate MSEs performance (Bwisa , 2013; Addis, 2019; Mulugeta, 2010; Tadesse, 2016).

According to Stevenson & St-Onge (2005), in Ethiopian MSEs face challenges in accessing plots of land and facilities to produce and market their products, women entrepreneurs often challenge by sexual harassment when an attempt to conduct their business activities on street corners. Gebrehiwot Ageba and Wolday Amha (2006) stated that MSEs Entrepreneurs faces capital shortage, inadequate business premise, inadequate/uncertain market and high taxes still remain major constraints to expand. According to this study, quite low policy predictability and unable to create good business environment are additional challenges to MSE's. Micro and small entrepreneurs faces financial, marketing, bereucracy, skill,accessability of infrastructure, input accessibility and working place problems in Ethiopia (Ayele, 2018).

There is no clear measurement for performance of small MSE. It can be measured on variables of quantitative such as production (change in sale volume), marketing (change in numbers of customers), efficiency and variables of qualitative such as achievement of goals, discipline level, perceptions of leadership on enterprises performance and individual behavior on enterprises and effectiveness (Taticchi, Cagnazzo, & Botraelli, 2008). According to Endalew Terefe (2020), profitability of the owned business is an important variable to measure Performance of Women's Entrepreneurs. Alsadai & Abdelrahim (2007) stated that the performanc of SMEs can be measured by change in profit, business developmena and turnover. According to Esther K. & Robert (2011) claims that the the change in sale volume, capital accumulation(i.e. investment in physical assets) are an indicator of performance of MSEs.

2.2. Empirical Literature Review

This part discusses empirical works through evaluating the works of other researchers and practitioners in the area of women entrepreneurship in MSEs. In this setting, numerous empirical evidences have been conducted on women entrepreneurship. Nevertheless, the conclusions influencing variables on women entrepreneurship in MSEs are different.

To find the most usually challenges that faced to women entrepreneurship, rigorous and systematic review of literature was done and covers all the litterateurs including the recent one. Among these, Endalew (2020) investigated factors that impact the performance of women entrepreneurs in MSE in Ethiopia. He used explanatory research design and a sample of 180 primary data, followed by quantitative research approach. He found that educational, experience, training and finance access, business information, support of government, ownership of land, and tax are important in explaining women entrepreneurs' performance. However, the research has only consisted of 180 samples so such a number may not represent the whole population of the entrepreneurs of Ethiopian MSEs.

Another study by Addis (2019) assessed factors influencing the performance of MSEs in case of Wolita Sodo Town. He employed both quantitative and qualitative research design as well as primary and secondary data. He took 251 samples as well as statistical techniques descriptive statistics and inferential statistics were applied. Besides, the finding exhibited that technological, financial, political, infrastructure, legal, and business information service are the main driving forces of the performance of MSEs.

Bwisa (2013) also discovering on the development status of micro and small enterprises owned by women in Kitale municipality, Trans-Nzoia County, Rift valley province in Kenya and the factors that influenced the growth. A total of 70 respondents were interviewed using an interview guide instrument carefully developed with structured and unstructured questions by stratified random sampling procedures. The major factors affecting growth were found to be lack of training, finance, and multiple roles. Esther K. & Robert (2011) stated that limited access to finance, corruption, poor utility services, high taxes, and inefficient government bureaucracy were the critical constraints to MSEs in Uganda.

Furthermore, Mulugeta (2010) addressed the characteristics of women entrepreneurs and evaluated the factors that distress the performance of women entrepreneurs in MSEs in light of the supports they acquire from TVET colleges/institutes. A sample of 203 women entrepreneurs engaged in 5 sectors was taken for the study using stratified and simple random sampling. The result shows the personal characteristics of women affect their performance. It also shows that lack of finance, land, training, as well as the existence of stiff competition and lack of access to

raw materials and technology are attributed to poor performance of women entrepreneurs in MSEs. In addition to these, conflicting gender roles, network and social acceptability were the major social issues that affect these entrepreneurs.

Solomon et al (2016) provides microeconomic evidence on the determinants of firm performance in Ethiopia, with a focus on MSEs. This study identifies the determinants of growth and of investment in innovation in MSEs using a survey of 300 firm level data from Addis Ababa, Ethiopia. Both descriptive statistics and econometric methods have been used to analyze both internal and external factors, and the relative impacts of these factors on the performance of MSEs. The findings of the study reveal that MSEs suffer from a host of internal problems (e.g. weak human resources and other assets) and of external factors including lack of access to credit, limited market facilities, policy and regulatory bottlenecks. For small enterprises, access to credit appears to be a binding constraint for their growth as they are ‘too big’ for microfinance institutions, but they are ‘too small’ for formal banks in terms of the size of loan, reflecting the ‘missing middle financial intermediaries’ that serve small enterprises. Hence without renewed focus on promoting firm growth, especially MSEs through improving access to warehouses, relaxing credit constraints, and improving the macroeconomic and regulatory environment, the potential for MSEs for creating more jobs will be severely compromised.

Another study by Tadesse (2016) evaluated the challenges and opportunities of women-owned micro and small enterprises in Asella town, Ethiopia. He applied census primary data on 107 women-possessed MSE and also employed inferential and descriptive statistical techniques. He found that promotion facilities, tax levied, entrepreneurship training, capital, and technology expensiveness should be more important in SME development to solve out hindering factors of the growth of women-possessed SME. The opportunities available in the study includes consultation services, training before starting up business, moral encouragement, loan facility, peace and security are worth mentioning.

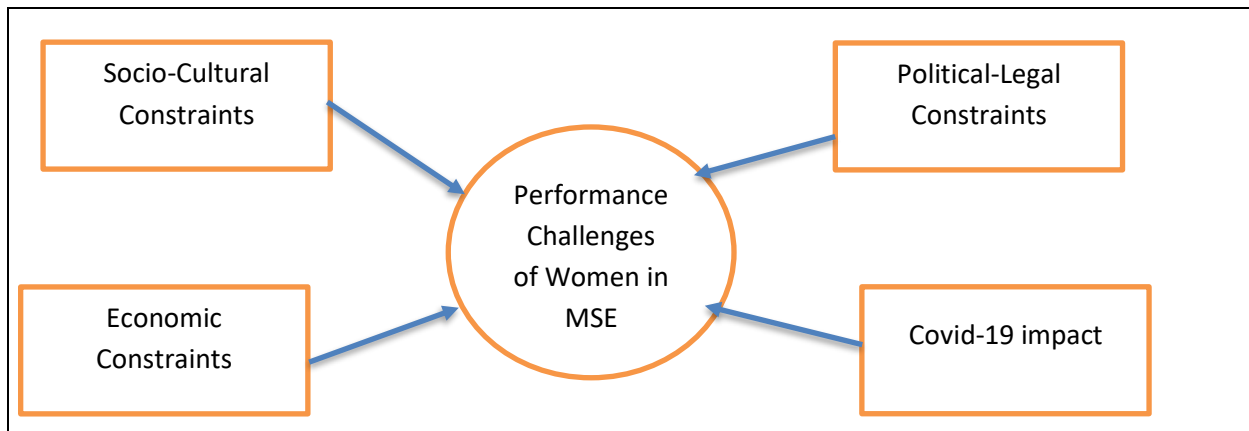
On top of these, I reviewed studies conducted by Carranza, Tekele (2019); Wangari (2017); Assefa, & Cheru (2018); Awoke (2019), Chathurangani et al (2019); Doris (2016), Gizaw et al (2019); Haxhiu (2015); Hundera (2014); Khaleque (2018); Kanapathipillai and Azam (2019); Kyalo (2016); Lucas (2017); Rajan and Ravi (2019); Raheem (2013); Panda (2018); and Zeb

(2018). As an effect, individual characters including experience, education, age, training access, marital status, financial access, market access, information, government support, home responsibilities, Lack of Availability of Resource, Public Attitude and Perception, access to physical infrastructure, land ownership, and tax affects women entrepreneurship in MSEs.

2.3. Conceptual Framework on Performance Challenges of Women Enterprises in SME

There are a number of constraints that influence performance of women in MSE. These in general can be categorized into four: socio-cultural, economic, politico-legal as depicted in the figure 1 below. Women are exposed to a range of barriers in the area of social and cultural that influence their participation in entrepreneurial activities comparing with male. In this regard, women’s dual responsibility productive and reproductive responsibilities, religious or spiritual, working experience, sexual harassment home responsibilities, public attitude and perception, women entrepreneurship in MSEs are considered as socio-cultural constraints of women performance in MSE.

Figure 1: Conceptual Framework of Challenges of Women Performance in MSE



Source: Own summary

Lack of access to finance, access to market, lack of availability of resource, access to physical infrastructure, land ownership, and tax affects access to information are some of the economic constraints that influences the women’s performance in SME

Lack of access to business training, lack of access to government support, and conducive legal framework are the politico-legal factors that impact the women's performance in entrepreneurial activities in SME while weak input facilities, availability of new methods and technology are said to be technological factors that affect women's performance in MSE.

CHAPTER THREE: DATA AND METHODOLOGY

This chapter presents the research design, population, sample size, sampling techniques and method of data analysis.

3.1. Data sources, gathering instruments and procedures

The study employed both primary using questionnaires and secondary source of data from women-owned MSEs. Closed-ended questionnaires is prepared to choose from given alternatives of five liker's scale as prepared by the Office of MSEs Development. Open-ended questions employed to interview some of key informants to further identify and explain the challenges of women entrepreneurs' performance and the measures to be taken to address them. In addition, the study used interview method, particularly open group discussion with some experts.

The secondary data include evidence that are gained mainly from Gulele sub-city enterprises office These are appropriate to the objective of the study, was collected from numerous sources to match the survey-based analysis. The primary source of data was questionnaires distributed to women entrepreneurs and interviews conducted with MSEs.

A questionnaire was prepared to order to answer the basic questions. The first part consists of demographic related questions designed in a close ended format. The second part covers the characteristics of women who are engaged in entrepreneurial activities in MSEs prepared in a close ended format. The remaining parts addressed issues of key factors that influences women entrepreneur's performance in MSEs. The scale ranges from 'strongly agree' to 'strongly disagree' (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree) so as to not limit the response of respondents to some limited ranges. Initially, the questionnaire was prepared in English language and reoriented with literature and prior researches. Given the educational background of respondents, it was later translated in to Amharic. Moreover, in order to get detail information from limited number of respondents, the researcher conducted structured interviews with top officials.

3.2. Design of the study

A descriptive way of analysis used to study analyze the performance of women's entrepreneurs in micro & small enterprises in Gulele Sub-City Addis Ababa the way forward of women entrepreneurship in micro and small enterprises in Addis Ababa Gulele Sub-city, Ethiopia. The reason for using this descriptive research design. This is due to the fact that it allows to pronounce the different factors and challenges that affect women entrepreneurs in MSEs.

3.3. Study Population

The population of this study was Gulele sub-city women Micro and small business owners. The information from Micro and Small Enterprises unit in the study area indicates that the total the total number of women who enter in to business through MSE in the sub-city area are 644.

3.4. Sampling

There were a total of 644 women entrepreneurs who engaged in MSEs in Gulele Sub-city. The general formula developed by Tara Yamane (1967) was employed to determine the sample size of women entrepreneurs. The study will employ 93% confidence interval and $\pm 7\%$ marginal error. Based on this formula, the sample size was determined as follows:

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

Where, n = sample size required, N total women entrepreneurs who are engaged micro and small scale business (644), d = the desired level of precision, I.e. margin of error (0.07).

$$\text{Thus, } n = \frac{644}{(1+644(0.07^2))}, n = \frac{644}{(1+3.1556)},$$

$$n = 155$$

From these, the researcher used the sample sizes of 155 from the total populations of 644 and simple random sampling method was used to give equal chance of being selected.

Simple random sampling method applied to give equal chance of selecting woman entrepreneurs. From the item of the total population, the study selects a sample unit from the population through using lottery method.

3.5. Methods of Data Analysis

After the data has been gathered, is given to each and nourished to excel sheet and then SPSS. Then, the scores are summarized for making the analysis appropriate. By using descriptive and statistical techniques, data were analyzed.

Simple statistical tools such as tables and percentages are used to describe demographic characters of women entrepreneurs whereas deviations and mean scores are generated using descriptive statistics of respondent scores to make comparison among the women entrepreneurs in MSEs. The interview questions were analyzed and supported descriptive narrations.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1. Introduction

In this chapter, the data collected using questioner and presented based on the objectives of the study set above. This section presents and explains data which was obtained from questionnaire. The finding presents on the basis of the specific objectives of the study. The section contains three sub-sections detailing general information and findings of the objectives. To scrutinize the women's entrepreneurs in MSEs in Gulele Sub-city, Addis Ababa sample size of 155 employees was undertaken; from the total sample size 17 respondents were not give back the questionnaire. Descriptive statistics was used to analyze and interpret the results of the study. The descriptive analysis consists of central tendency measurements (frequency and frequency distribution, percentage, & cumulative percentages). Also, tabular explanations are used with the help of SPSS. The data were collected using five point Likert scale which is non-parametric in nature was converted into parametric one by computing the sum and taking the average of each variable.

A total of 155 questionnaires were distributed to the respondents and from that 138 (88.46 %) questionnaires' were collected through a self-administered survey and 138 (88.46%) questionnaires' were properly filled and ready for analysis, then the data were entered into SPSS.. The dataset was rechecked to ensure the accuracy of the data entry. The minimum and maximum data values on each variable related to each case were checked to detect any irregular or unusual data values.

4.2. Demographic information

As can be seen in Table 4.1, age category 30-35 accounts for 26.8 percent of respondents, followed by age category of 26 -30 (which accounts for 24.6 percent), and category of 18 – 25 (which accounts for 20.3 percent). The remaining 16.7 %, 6.5%, 2.9 and 2.2 % corresponds to category of 36-40 years, 41 to 50 years, 45 -50 years and 51 and Above.

Regarding educational level of the respondents, the grade level of Junior Education (5-8) takes the largest share (45.7 percent), followed by college and TVET that accounts for 21.7 percent and then by primary education (1-4) that accounts for 15.2 percent. Besides, 13.8 percent of them

belongs to secondary education (9-12) levels, 2.2 percent of them can't read and write. Finally, 1.4 percent of them who have First degree and above.

Table 4.1: General Background Information of Respondents

No.		Item	Frequency	Percent	Cumulative Percent
1	Age	18-25 years	28	20.3	20.3
		26-30 years	34	24.6	44.9
		30-35 years	37	26.8	71.7
		36-40 years	23	16.7	88.4
		41 to 50 years	9	6.5	94.9
		45 -50 years	4	2.9	97.8
		51 and Above	3	2.2	100.0
		Total	138	100.0	
2	Education	Can't read and write	3	2.2	2.2
		Primary Education (1-4)	21	15.2	17.4
		Junior Education (5-8)	63	45.7	63.0
		Secondary Education (9-12)	19	13.8	76.8
		College certificate/diploma/TVET	30	21.7	98.6
		First degree and above	2	1.4	100.0
		Total	138	100.0	
3	Experience	Less than 1 year	33	23.9	23.9
		2 - 5 year	72	52.2	76.1
		6-10 year	20	14.5	90.6
		Greater than 10 years	13	9.4	100.0
		Total	138	100.0	
4	Marital	Single	57	41.3	41.3
		Married	73	52.9	94.2
		Divorced	5	3.6	97.8
		Widowed	3	2.2	100.0
		Total	138	100.0	

Source: Own computation and survey, 2021

Looking at work experience, 52.2 percent of the respondents have work experiences from 2 to 5 years. On the same note, 23.9 percent of them has work experience less than a year. 14.5 percent

has experience that ranges from 6 to 10 years. Only 9.4 percent of them has work experience greater than 10 years.

Pertaining to marital status, 52.9 percent of the respondents are married, followed by single (that accounts for 41.3 percent. 3.6 percent of them are divorced and 2.2 percent of them are widowed.

4.3.Characteristics of women entrepreneurs in MSEs and women owned enterprises

There are a range of criteria that differentiate women entrepreneurs from men entrepreneurs though there are some communalities. Table 4.2 below demonstrates the features of women and their enterprise by some factors including size of family, work sector, the number of employees, legal ownership status of the business, motives and source of skill to start business, and funding source.

Family size

Table 4.2: Family sizes of the respondents

		Frequency	Percent	Cumulative Percent
Valid	Less than 3	29	21.0	21.0
	3-5	44	31.9	52.9
	5-6	59	42.8	95.7
	More than 7	6	4.3	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As indicated in the table 42.8 of them have 5 to 6 family size. It also shows that 31.9 percent of the women have 3 to 5 household size. And 21 percent of the women with size less than 3. The remaining 4.3 percent have extended family size as more than 7.

Business sector

Table 4.3: Sectors when respondents work

Sector		Frequency	Percent	Cumulative Percent
Valid	Construction	3	2.2	2.2
	Manufacturing	135	97.8	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As per the table 4.3 above that majority of the respondents about 97.8 % of them worked in manufacturing and 2.2 percent of them are in construction sector.

Number of employees in the enterprise

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

Table 4.4: Number of employees hired

Number of employees		Frequency	Percent	Cumulative Percent
Valid	Less than 5	102	73.9	73.9
	6-10	27	19.6	93.5
	11-15	6	4.3	97.8
	More than 15	3	2.2	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As based on the table above, 73.9 percent of them recruiting less than 5 employees in their own business enterprise. But 19.6 percent of the respondents they employ between 6 to 10 labours. The finding also holds that 2.2 percent of the recruiting more than staffs.

What was your main occupation before you started this business?

Table 4.5: Main occupation before this business

		Frequency	Percent	Cumulative Percent
Valid	Salaried employed	52	37.7	37.7
	Self employed	16	11.6	49.3
	New graduate	26	18.8	68.1
	Unemployed	12	8.7	76.8
	Unpaid family business worker	5	3.6	80.4
	House wife	27	19.6	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As per the table 4.5 above majority of the respondents about 37.7 % were salaried employed before started the business followed by 19.6 % were house wife, 18.8 % were new graduate and 11.6 % were self-employed. The table also show that 8.7 % of the respondents were unemployed before started their own business and 3.6 % of the respondents were unpaid family business worker.

What is the current legal ownership status of the establishment?

Table 4.6 shows the legal ownership status of women.

Table 4.6: Legal ownership of the enterprise

		Frequency	Percent	Cumulative Percent
Valid	Sole proprietorship	64	46.4	46.4
	Cooperative	47	34.1	80.4
	Private limited company	8	5.8	86.2
	Partnership	9	6.5	92.8
	Others	10	7.2	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As presented in the table above, majority of the respondents about 46.6% establish their enterprise in the form of sole proprietorship followed cooperative 34.1 %. As per the table also 5.8 % establish their enterprise in the form of private limited company and 6.5 % were established in the form of partnership.

What was the status of this enterprise at the time of establishment?

The following table presents the status of the enterprises during the establishment time

Table 4.7: Status of this enterprise at the time of establishment

		Frequency	Percent	Cumulative Percent
Valid	Micro	82	59.4	59.4
	Small	34	24.7	84.1
	Others	22	15.9	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As per the table above 4.7, majority of the respondents about 59.4 % were micro enterprise at the time of establishment and followed by private about 22.5 %. The table also presented 15.9 % of the respondents were others at the time of establishment.

What is the current status of the enterprise?

Table 4.8: current status of the enterprise

		Frequency	Percent	Cumulative Percent
Valid	Micro	23	16.7	16.7
	Small	95	68.8	85.56
	Others (Medium and Large)	20	14.5	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As per the table above 4.7 presented current status of the enterprise, majority of the respondents about 44.9 % were small and followed by private about 23.9 %. The table also presented 16.7 % of the respondents were micro and 14.5 % others.

Who initiated and started the business?

It is known that some women commence their business depending on their personal initiation and some start enterprises with others including family and friends as a partner. The table below shows the initiators of women entrepreneurs to start own business.

Table 4.8: initiated and started the business

		Frequency	Percent	Cumulative Percent
Valid	Myself alone	38	27.5	27.5
	With a friend/partner	30	21.7	49.3
	With family	14	10.1	59.4
	Other	56	40.6	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As per the table above presented that majority of the respondents about 40.6 % start enterprises with others followed by 27.5 % with their own initiation. Likewise, 21.7 percent commence businesses with partners. Only 10.1 percent working business with family.

My business is profitable

Table 4.9: Profitability of the business

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	127	92.0	92.0
	Agree	11	8.0	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As per the table presented above 4.9, majority of the respondents about 92 % have strongly agreed on the statement that my business is profitable. Similarly as presented in the table 8 % of the respondents have agreed on the statement my business is profitable. Based on the forgoing discussion it can be concluded that small and micro enterprise is profitable in the study area.

Total capital accumulation of the business is growing

Table 4.10: capital accumulation of the business

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	76	55.1	55.1
	Agree	62	44.9	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As presented in the table 4.10 above majority of the respondents about 55.1 % have strongly agreed on the statement that total capital accumulation of the business is growing. Similarly, as presented in the table 44.9 % of the respondents have agreed on the statement Total capital accumulation of the business is growing. Based on the above discussion it can be concluded that small and micro sale volume of goods and service of the business is total capital accumulation of the business is growing.

Sale volume of goods and service of the business is growing

Table 4.11: Sale volume of goods and service

		Frequency	Percent	Cumulative Percent
Valid	Strongly agree	75	54.3	54.3
	Agree	63	45.7	100.0
	Total	138	100.0	

Source: Own computation and survey, 2021

As it presented in table 4.11 above, majority of the respondents about 54.3 % have strongly agreed on the statement that Sale volume of goods and service of the business is growing. Similarly as presented in the table 45.7 % of the respondents have agreed on the statement Sale volume of goods and service of the business is growing. Based on the above discussion it can be concluded that small and micro Sale volume of goods and service of the business is growing in the study area.

4.4. Factors affecting women entrepreneur’s performance in MSEs

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

Economic factors

As per the table 4.12 below, majority of the respondents about 78.71 % have agreed on the statement that I have access to market for my products and followed by about 21.74 % have agreed. On the statement I have access to different business trainings majority of the respondents about 92.03 % have disagreed and followed by about 6.52 % of the respondents have agreed. Regarding to the statement, I have my own working and selling premises (land), majority of the respondents about 92.03 % have disagree and 6.25 % of the respondents have agreed. As per the table majority of the respondents about 93.48 % have disagreed on the statement that I have access to finance/loans at reasonable interest rate and followed by about 5.07 % have agreed. On the statement, I have access to information relevant to my work majority of the respondents about 52.17 % have agreed and followed by 48.38 % have disagreed.

Table 4.12: Economic factors that affect the performance of women entrepreneurs in MSEs

N	Items	Strongly	Disagre	Neutral	Agree	Strongly
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o		disagree	e			agree
1	I have access to market for my products	0%	78.81%	0%	21.74%	1.45%
2	I have access to different business trainings	0%	92.03%	0%	6.52%	1.45%
3	I have my own working and selling premises (land)	0%	92.03%	0%	6.25%	1.45%
4	I have access to finance/loans at reasonable interest rate	1.45%	93.48%	0%	5.07%	0%
5	I have access to information relevant to my work	1.45%	48.38%	0%	52.17%	0%
6	I have access to appropriate technologies	0%	90.58%	0%	7.97%	1.45%
7	I have linkages with other enterprises/companies	1.45%	69.57%	0%	28.99%	0%
8	I don't face stiff market competition for my products	1.45%	42.75%	0%	55.8%	0%
9	I have no challenge in obtaining necessary inputs/raw materials	18.84%	62.32%	0%	18.84%	0%
10	There are adequate infrastructural facilities	10.87%	83.33%	0%	4.35%	1.45%

Source: Own computation and survey, 2021

As per the table 4.12 above presented that majority of the respondents about 52.17 % have agreed on the statement that I have access to information relevant to my work and followed by about 48.38 % of the respondents have disagreed. On the statement, I have access to appropriate technologies majority of the respondents about 90.58 % have disagreed and followed by about 9.75 % have agreed. Regarding to on the statement, I have linkages with other enterprises/companies majority of the respondents about 69.57 % have disagreed and followed by 28.99 % have agreed. On the statement, I don't face stiff market competition for my products majority of the respondents about 55.8 % have agreed and followed by 42.75 % have disagreed. In relation to the statement, I have no challenge in obtaining necessary inputs/raw

materials majority of the respondents 62.32 % have disagreed and followed by about 18.84 % have agreed and also 18.84 % have strongly disagreed. On the statement, there are adequate infrastructural facilities majority of the respondents about 83.33 % have disagreed and followed by 10.87 % have strongly disagreed.

Based on the above discussion it can be concluded that economic factors are a crucial factor for the performance of women entrepreneurs in MSEs.

Social factors

Table 4.13: Social factors that affect the performance of women entrepreneurs in MSEs

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The attitude of the society towards my work and products is positive	0%	1.45%	0%	97.10%	1.45%
2	Other employees have good attitude towards my business and my role in the enterprise	0%	0%	0%	98.55%	1.45%
3	There are no gender biases in terms of access to license, training and other support packages	0%	0%	0%	1.45%	98.55%
4	I have not faced gender based violence (GBV) in this business	1.45%	1.45%	0%	97.10%	0%

Source: Own computation and survey, 2021

As per the table 4.13 above, majority of the respondents about 97.1 % have agreed on the statement that the attitude of the society towards my work and products is positive followed by about 1.45 % have agreed. On the statement Other employees have good attitude towards my business and my role in the enterprise majority of the respondents about 98.5 % have agreed and followed by about 1.45 % of the respondents have strongly agreed. Regarding to the statement, there are no gender biases in terms of access to license, training and other support packages, majority of the respondents about 98.55 % have strongly agreed and 1.45 % of the respondents have strongly agreed. As per the table majority of the respondents about 97.1 % have disagreed

on the statement that I have not faced gender based violence (GBV) in this business and followed by about 1.45 % have disagreed.

Based on the above discussion it can be concluded that social factors is most significant factors that affects performance of women entrepreneurs in MSEs as per respondent’s response.

Policies, regulations and institutional issues

A sound political environment and market systems boost up the development of a business (Hamed, 1995, Zhou, 2014). Success of any nation in terms of entrepreneurial activities is dependent on the policies made by the government which support the entrepreneurship. Environmental factors such as support by the government, political and traditional demands have an important role in the success of small businesses. When it comes to the role of government in fostering entrepreneurship, there are two views. One view supports that the role of government is very crucial to enhance entrepreneurship and the flexible policies of the government like financial, fiscal, and infrastructural leads to the better performance of enterprises (Obaji & Ulugu, 2014). The other view considers that government promotes entrepreneurial culture to a certain extent (study by Zhang & Lai, 2014) and an entrepreneur can even perform well in a weaker institutional environment if he has strong political connections (Ge et al., 2017).

Table 4.14: Policies, regulations and institutional factors that affect the performance of women entrepreneurs in MSEs

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I have easy access to government supports	1.45%	79.71%	0%	18.84 %	0%
2	There are no significant legal, institutional and policy related constraints to my work	1.45%	75.36%	0%	23.19 %	0%
3	I have never encountered bureaucracies and red tapes	1.45%	7.97%	0%	90.58 %	0%
4	The current institutional	0%	23.19%	0%	75.36 %	1.45%

	framework of MSE bureau is good for women entrepreneurs					
5	The tax rates are not discouraging	15.94%	73.91%	0%	10.14 %	0%

Source: Own computation and survey, 2021

Based on the table 4.14 above, majority of the respondents about 79.71 % have disagreed on the statement that I have easy access to government supports followed by about 18.84 % have agreed. On the statement there are no significant legal, institutional and policy related constraints to my work majority of the respondents about 75.39 % have disagreed and followed by about 23.19 % of the respondents have strongly agreed. Regarding to the statement, I have never encountered bureaucracies and red tapes, majority of the respondents about 90.58 % have strongly agreed and 7.97 % of the respondents have strongly disagreed. Based on the table majority of the respondents about 75.36 % have disagreed on the statement that the current institutional framework of MSE bureau is good for women entrepreneurs and followed by about 23.19 % have disagreed. As per the table, majority of the respondents about 79.71 % have disagreed on the statement that the tax rates are not discouraging and followed by about 15.94 % have strongly disagreed.

In conclusion, even if the sale volume and capital accumulation was growing, majority of entrepreneur's faces challenges such as lack of input accessibility (62.32), lack of enough information (48.32%), technological challenge (90.58%), gender biased violence (97.1%), high tax rate (79.71%), lack of government support (79.71%) and lack of credit access (93.48%). the existence of strong economic factors, social factors and political legal factors largely affect the growth of business profits of MSE. Following these, the absence of institutional supported strategic business networking in providing resources, new marketing channel, development of new products, were identified as the major factors that deters the growth of firms business performance. This is because markets by it-self are failed to provide basic infrastructures, markets, information, contract, and innovation etc. Moreover, the weak collaboration between the government and the private sector and between different concerned public sectors (such as labor and social affairs, MSEs, investment offices) in creating strong strategic business networking and correcting the market failures were identified as the basic problem. But, the strong coordination of these business networking brings development among any businesses.

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

Empirical evidences show that social, economic, administrative and legal aspects have their own implications on women entrepreneurs. But, it does not essentially mean that all of them equally impacted. Table 4.15 below obviously associates the impact of some key factors.

Table 4.15: Comparison of the major factors affecting women entrepreneurs ‘Performance

	Minimum	Maximum	Mean	Std. Dev.	Severity rank
Economic factors	2.00	3.20	2.5674	.26199	1 st
Social factors	3.00	4.00	3.9710	.14509	3 rd
Political-Legal factors	1.80	4.00	2.8406	.38373	2 nd

Source: Own computation and survey, 2021

In consideration of both mean and standard deviation, economic factors are stronger than others, followed by legal and administrative factors. However, the impact of the social factors is stronger than the economic, legal and administrative factors.

4.5. Training supports to women entrepreneurs in MSEs

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

Training

Table 4.16: Training factors that affect the performance of women entrepreneurs in MSEs

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I have received entrepreneurship training	0%	42.03%	0%	55.07%	1.45%
2	I have received marketing or	0%	88.41%	0%	10.14%	1.45%

	customer service training					
3	I have gained planning and financial reporting training	1.45%	92.03%	0%	6.52%	0%
4	I have gained machine maintenance or technical skill training	1.45%	92.75%	0%	5.80%	0%
5	The trainings have been relevant	6.52%	25.36%	5.8%	62.32%	0%
6	The trainings have been adequate/sufficient	0%	61.59%	8.70%	29.71%	0%

Source: Own computation and survey, 2021

Based on the table 4.16 above, majority of the respondents about 55.07 % have agreed on the statement that I have received entrepreneurship training and followed by about 42.03 % have disagreed. On the statement I have received marketing or customer service training majority of the respondents about 88.41 % have disagreed and followed by about 10.14 % of the respondents have strongly agreed. Regarding to the statement, I have gained planning and financial reporting training, majority of the respondents about 92.03 % have disagreed and 6.52 % of the respondents have agree. As per the table majority of the respondents about 92.75 % have disagreed on the statement that I have gained machine maintenance or technical skill training and followed by about 5.8 % have disagreed. Based on the table, majority of the respondents about 62.32 % have agreed on the statement that the trainings have been relevant and followed by about 25.36 % have disagreed. Regarding to the statement, the trainings have been adequate/sufficient, majority of the respondents about 61.59 % have disagree and 29.71 % of the respondents have agreed.

From the above discussion it can be concluded that women entrepreneurs in MSEs were not provided with sufficient training from the respective government bodies. Rather depending on indigenous knowledge and experience, learning by doing, learning from the positive externalities (from their friends), women owned businesses are running though it is inefficient by doing alone. The problem is when the indigenous knowledge and experience are not integrated with publicly provided trainings. Then it will lead to inefficient allocation of resources because much of the technical parts of any businesses are solved by innovations derived from the integrations of traditional with modern type of education and training.

4.6. Covid-19 Impact on Micro, Small, and Medium-Sized Enterprises

Table 4.17: The MSEs business operation in pandemic outbreak time

	Item	Frequency	Percent
Was your business in operation as of March 14?	Yes	41	29.7
	No	97	70.3
	Total	138	100.0
Because of the epidemic, what is the percentage of your business's employees who are unable to come to work at present?	0%	43	31.2
	1-10%	44	31.9
	11-20%	13	9.4
	More than 30%	3	2.2
	Unable to judge	35	25.4
	Total	138	100.0
The most significant financial problems for your business's during the outbreak	Staff wages and social security charges	8	5.8
	Rent	48	34.8
	Repayment of loans	9	6.5
	Other expenses	29	21.0
	No specific problem	44	31.9
	Total	138	100.0

Source: Own computation and survey, 2021

As clearly depicts in the above table due to the pandemic majority of the respondents about 70.3 % of women's business out of operation but 29.7 % of the respondent said that their business in operation during the pandemic. As per the table above, due to the pandemic majority of the respondents business about 31.9 % were 1- 10 % percentage of the business employees who are unable to come to work at present and followed by 31.2 % of the respondents all business employees who are able to come to work at present.

According to the respondents during the pandemic rent, other expense and other problems were the most significant financial problems of the business during the outbreak.

Table 4.18: Policy measure during the pandemic

	Item	Frequency	Percent
In the face of the impact of the epidemic, governments at all levels and financial institutions have announced	Reduce rent for small and medium-sized enterprises and lower costs for electricity, gas, logistics, etc.	56	40.6
	Reduction of tax rates, reduction or	51	37.0

relief measures. Which policy do you believe is the most effective for your company?	deferral of taxes		
	Reduction of financing costs for SMEs, extension of loan terms or partial debt relief	13	9.4
	Temporary reduction of social insurance premiums	7	5.1
	Optimization of exporting tax rebate services	5	3.6
	Provide fast-track "force majeure" certification to avoid contract breaches	5	3.6
	Total	138	100.0

Source: Own computation and survey, 2021

During the pandemic governments at all levels and financial institutions were announced relief measures. As per the table above, the followings are policy measure during the pandemic; reduce rent for small and medium-sized enterprises and lower costs for electricity, gas, logistics, etc, Reduction of tax rates, reduction or deferral of taxes and reduction of financing costs for SMEs, extension of loan terms or partial debt relief.

Table 4.19: MSEs Revenue and cost during the pandemic

	Item	Frequency	Percent
Do you expect your business's total revenue in 2020/21 compared to 2019 to	Increase by more than 10%	5	3.6
	Increase, but less than or equal to 10%	8	5.8
	Same as last year	31	22.5
	Decrease of less than or equal to 10%	37	26.8
	Decrease of more than 10%	2	1.4
	Unable to judge	55	39.9
	Total	138	100.0
Can you expect your business's raw materials and total operating costs in 2020/21 compared to 2019 to	Increase, but less than or equal to 10 percent	10	7.2
	Be the same as last year	34	24.6
	Decrease by less than 10 percent	31	22.5
	Decrease by more than 10 percent	8	5.8
	Decrease by more than 10 percent	55	39.9
	Total	138	100.0

Source: Own computation and survey, 2021

Based on the table above, majority of the respondents about 39.9 % were unable to judge business total revenue in 2020/21 compared to 2019 and followed by about 26.8 % of the respondents total revenue in 2020/21 compared to 2019 were decrease of less than or equal to 10%. In addition, 22.5 % of the respondents' business revenue is same across years. As per the table business raw materials and total operating cost decrease by more than 10 percent and followed by be the same as last year.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1. Introduction

This chapter states the summary of the study findings and results. Based on the key findings and results, conclusions are drawn and recommendations are made.

5.2. Summary of Findings

This study was designed to assess the factors that affect the performance of women entrepreneurs' of MSEs. It also tried to address the characteristics of women entrepreneurs in MSEs and their enterprises and the supports they acquire from different institutions. A sample of 138 women entrepreneurs was taken for the study using simple random sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, characteristics of women entrepreneurs and their enterprises, factors that affect the performance of women entrepreneurs in MSEs was designed in a closed ended questionnaire and Likert scales.

After the data has been collected, it was analysed using simple descriptive statistical techniques

- Majority of the respondents are within the age category of 30-35 years (26.8%) followed by those under the category of 26-30 years (24.6%), those under the category of 18-25 years (20.3 %).
- Majority of the respondent's grade level of Junior Education (5-8) (45.7%). This is followed by those who have college certificate/diploma/TVET (21.7 %) and Primary Education (1-4) (15.2%).
- Out of the majority of the respondents about 52.2 % have 2-5 years of experience in their work. In relation to marital status majority of the respondents are married (52.9%) followed by singles (41.3%).
- The majority of the respondents, about 42.8 % have a family size of between 5 and 6 and engaged in manufacturing sector. Majority of the respondents about 73.9 % hire less than 15 employees in their enterprise. Most of the respondents were salaried employed before started the business and currently, majority of the respondents about 46.6% establish their

enterprise in the form of sole proprietorship. At the time of most of the business were micro enterprise and the current status of the business is small enterprise.

- In relation to initiated and started the business majority of the respondents were start enterprises because of others factors. Majority of the respondents about 92 % have strongly agreed on the statement that the business is profitable and total capital accumulation of the business is growing. In addition, the sale volume of goods and service of the business is growing.
- The major economic factors that affect women entrepreneurs in MSEs according to their level Liker scale agreement order are access to finance/loans at reasonable interest rate, working and selling premises (land), access to different business trainings, access to appropriate technologies, infrastructural facilities, access to market for products, linkages with other enterprises/ companies, challenge in obtaining necessary inputs/raw materials, access to information relevant to work and stiff market competition for the products.
- The major socio-cultural factors that affect the respondent women entrepreneurs in MSEs in the sub-city according to their level Liker scale agreement order are attitude of the society towards the work and products, employees attitude towards the business and role in the enterprise, gender biases in terms of access to license, training and other support packages and gender based violence (GBV) in this business.
- The major policies, regulations and institutional factors that affect the respondent women entrepreneurs in MSEs according to their to their level Liker scale agreement order are access to government supports, legal, institutional and policy related constraints, tax rates, the current institutional framework of MSE bureau and bureaucracies and red tapes.
- From the major factors that affect the respondent women entrepreneurs in MSEs the economic factors are sever than the others followed by policies, regulations/institutional factors and social factors.
- Regarding to training support of women entrepreneurs in MSEs taken from different institutions and it includes entrepreneurship training and also the women entrepreneurs in

MSEs were not get adequate training support from the following like marketing or customer service training, planning and financial reporting training.

- In relation to Covid-19 impact on micro, small, and medium-sized enterprises majority of the women's business out of operation and due to the pandemic majority of the respondent's business employees were unable to come to work. During the pandemic rent, other expense and other problems were the most significant financial problems of the business during the outbreak and the policy measures are reduce rent for small and medium-sized enterprises and lower costs for electricity, gas, logistics, etc,

5.3. Conclusion

MSEs are becoming an important area of emphasis for many developing countries in general and to Ethiopia in particular, primarily for their immense potentials as a source of employment given that there are a number of factors that affect their performance. Considering that entrepreneurship is a key driver for economic growth and development (Mandawa, 2016; Mozumdar et al., 2020; Wangari, 2017), understanding the factors which influence the performance of women entrepreneurs appears to be an important research area. In this context, the study provides new empirical evidence on the factors that influence women entrepreneurs 'performance based on the data acquired from 138 women entrepreneurs in Micro and Small enterprises in Gulele Sub-city, Addis Ababa. Generally based on the findings the following conclusions were made:

- Economic factors are significantly affecting the women entrepreneurs in Micro and Small enterprises in Gulele Sub-city, Addis Ababa. This can be associated with the effects of globalization that may create intense competitions in the market and poor performances for those entrepreneurs that cannot easily cope up with changes.
- Policies, regulations and institutional are also other factors that influence women entrepreneurs in Micro and Small enterprises in Gulele Sub-city, Addis Ababa.
- As compared to other factors that affect women entrepreneurs in Micro and Small enterprises socio-cultural factors are minimizing in towns and cities like Addis Ababa

- The entrepreneurship trainings was not given to women entrepreneurs in the sub-city; or even though it is given, it may focus on theoretical concepts than deep-rooted practical trainings.

5.4. Recommendations

Based on the findings of the study, the following recommendations are forwarded

- Since economic factors are crucial factors for women entrepreneurs, financial institutions need to set up revolving fund aimed at incubating and help the growth of business owned by women in Addis Ababa This will ensure the economic empowerment of women economically empowered and ensure they contribute to the development of country..
- Since the women entrepreneurs are not initially provided with trainings facility educational and training intuitions are supplying trained work force to the market. As such they need to go extra mile to freely (social corporate responsibility) to train personnel recruited by women entrepreneurs as well as provide tailor made training for entrepreneurs in metropolitan areas until the companies become self-sufficient and start to invest in their staff for further study.
- There is a need for developing continuous capacity building program to enhance the capability of MSEs, especially human capital through anchoring with relevant training institutions that cater the needs of MSEs
- Many concerns aired by women entrepreneurs in Addis Ababa in the areas of lack of access to market for their products; premises (land) to run their business, information to exploit business opportunities and adequate infrastructures and gender inequalities. Hence, imperative to say concerned government institutions to work to provide mainstreamed service to women entrepreneurs to resolve challenges mentioned herein.
- It is recommended to enhance the integration and linkage of micro and small enterprises with medium and large enterprises through training, experience sharing and access to improved technologies. Networking and sub-contracting with other firms is a key to develop technology capability.

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APPENDIX

ADDIS ABABA UNIVERSITY

Department of Master of Public Administration and Policy

Dear Participants,

My name is Saba Mesfin, a postgraduate student at Addis Ababa University, Department of Public Administration and Development Management. I am conducting an M.A. research entitled, “Performance of Women’s Entrepreneurs in Micro & Small Enterprises in Gulele Sub-City Addis Ababa: Challenges and the Way forward”. The main objective of the study is to examine the performance of Women’s Entrepreneurs in Micro & Small Enterprises in Gulele Sub-City Addis Ababa. I am here to kindly request your participation in this study. Your truthful, accurate and valid response is valuable for the success of this project. I assure you that your response will be kept confidential and used for research purpose only.

Thank you in advance for your cooperation!!

Note: There is no need to write your name.

PART 1: DEMOGRAPHIC INFORMATION

1.1. Age _____

- A) 18-25 B) 26-30) C) 30-35 D) 36-40 E) 41-45
F) 45-50 G) 51 and above

1.2. Level of education and training

- A) Can’t read and write E) Secondary Education (9-12)
B) Can read and write F) College certificate/diploma/TVET
C) Primary Education (1-4) G) First degree and above
D) Junior Education (5-8)

1.3. Work experience: How long have you been operating this enterprise? (in years): _____

1.4. Marital status

- A) Single B) Married

C) Divorced

D) Widowed

1.5. Family size:

A) Less than 3

A) More than 5

C. 4-5

PART 2: CHARACTERISTICS OF WOMEN ENTREPRENEURS IN MSEs AND WOMEN OWNED ENTERPRISES.

1.1. What sector is your business in?

A) Construction

D) Trade

B) Manufacturing

E) Urban agriculture

C) Services

1.2. Number of employees in the enterprise?

A) Less than 5

C) 11-15

B) 6-10

D) More than 15

1.3. What was your main occupation before you started this business?

A) Salaried employed

E) Unpaid family business worker

B) Self employed

F) Housewife

C) New graduate

G) Others (specify) _____

D) Unemployed

1.4. What is the current legal ownership status of the establishment?

A) Sole proprietorship

D) Partnership

B) Cooperative

E) Others (specify) _____

C) Private limited company

1.5. What was the status of this enterprise at the time of establishment?

A) Micro

C) Others (specify) _____

B) Small

1.6. What is the current status of the enterprise?

A) Micro

C) Others (specify) _____

B) Small

1.7. Who initiated and started the business?

- A) Myself alone B) With a friend/partner C) With family D) Other
 (specify)_____

1.8. My business is profitable

- A. Strongly agree C. Disagree
 B. Agree D. Strongly disagree

1.9. Total capital accumulation of the business is growing

- A. Strongly agree C. Disagree
 B. Agree D. Strongly disagree

1.10. Sale volume of goods and service of the business is growing

- A. Strongly agree C. Disagree
 B. Agree D. Strongly disagree

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

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

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

1. 1.1.	Economic factors	Response				
		5	4	3	2	1
1.1.1	I have access to market for my products					
1.1.1.	I have access to different business trainings					
1.1.2.	I have my own working and selling premises (land)					
1.1.3.	I have access to finance/loans at reasonable interest rate					
1.1.4.	I have access to information relevant to my work					
1.1.5.	I have access to appropriate technologies					

1.1.6.	I have linkages with other enterprises/ companies					
1.1.7.	I don't face stiff market competition for my products					
1.1.8.	I have no challenge in obtaining necessary inputs/raw materials					
1.1.9.	There are adequate infrastructural facilities					

1.2.	Social factors	Response				
		5	4	3	2	1
1. 2.	The attitude of the society towards my work and products is positive					
1.1.1.	Other employees have good attitude towards my business and my role in the enterprise					
1.1.2.	There are no gender biases in terms of access to license, training and other support packages					
1.1.3.	I have not faced gender based violence (GBV) in this business					

1.3.	Policies, regulations and institutional issues	Response				
		5	4	3	2	1
3. 1.2. 1.2.1.	I have easy access to government supports					
1.2.2.	There are no significant legal, institutional and policy related constraints to my work					
1.2.3.	I have never encountered bureaucracies and red tapes					
1.2.4.	The current institutional framework of MSE bureau is good for women entrepreneurs					
1.2.5.	The tax rates are not discouraging					

1.4.	Training	Response				
		5	4	3	2	1
1.3.	I have received entrepreneurship training					
1.3.1.						
1.3.2.	I have received marketing or customer service training					
1.3.3.	I have gained planning and financial reporting training					
1.3.4.	I have gained machine maintenance or technical skill training					
1.3.5.	The trainings have been relevant					
1.3.6.	The trainings have been adequate/sufficient					

COVID-19 IMPACT ON MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES

1. Was your business in operation as of March 14?
 - a) Yes
 - b) No
2. Because of the epidemic, what is the percentage of your company's employees who are unable to come to work at present?

(a) 0% (b) 1-10% (c) 11-20% (d) 21-30% (e) More than 30% (f) Unable to judge
3. Please choose the most significant financial problems for your company during the outbreak (up to two options).
 - a) Staff wages and social security charges
 - b) Rent
 - c) Repayment of loans
 - d) Payments of invoices
 - e) Other expenses
 - f) No specific problem
4. Are there any other business problems your company is facing due to the epidemic? (Up to two options)

- (a) Reduction of orders (b) Inability to deliver existing orders (c) Increased difficulty of financing
 - (d) Existing loans cannot be extended (e) Disruption of logistics (f) Upstream and downstream chain disruptions (g) Insufficient protective equipment (e.g., masks) (h) Other _____
5. In the face of the impact of the epidemic, governments at all levels and financial institutions have announced relief measures. Which policy do you believe is the most effective for your company? (Up to two options)
- (a) Reduce rent for small and medium-sized enterprises and lower costs for electricity, gas, logistics, etc. (b) Reduction of tax rates, reduction or deferral of taxes (c) Reduction of financing costs for SMEs, extension of loan terms or partial debt relief (d) Temporary reduction of social insurance premiums and reimbursement of unemployment insurance to enterprises that do not lay off staff (e) Optimization of exporting tax rebate services (f) Provide fast-track "force majeure" certification to avoid contract breaches (g) Other ways _____
6. Do you expect your company's total revenue in 2020/21 compared to 2019 to
- (a) Increase by more than 10% (b) Increase, but less than or equal to 10% (c) Same as last year (d) Decrease of less than or equal to 10% (e) Decrease of more than 10% (f) Unable to judge
7. Can you expect your company's raw materials and total operating costs in 2020/21 compared to 2019 to
- (a) Increase by more than 10 percent (b) Increase, but less than or equal to 10 percent (c) Be the same as last year (d) Decrease by less than 10 percent (e) Decrease by more than 10 percent (f) Unable to judge

PART 4: RECOMMENDATIONS/SUGGESTIONS

What are your suggestions to tackle the constraints faced by women entrepreneurs engaged in MSEs?

Thank you for your time!