COLLEGE OF DEVELOPMENT STUDIES

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DETERMINANTS OF PARTICIPATION IN MICRO AND SMALL ENTERPRISE AND ITS CONTRIBUTION TO HOUSEHOLD FOOD SECURITY IN GUNDISH-MEDA OF GULELE SUB-CITY ADDIS ABABA, ETHIOPIA

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TADELE DEMULA GULUMA

NOVEMBER, 2022

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A THESIS SUBMITTED TO CENTER FOR FOOD SECURITY STUDIES

COLLEGE OF DEVELOPMENT STUDIES

ADDISABABA UNIVERSITY

IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF

MASTER OF SCIENCE IN FOOD SECURITY AND DEVELOPMENT

NOVEMBER, 2022

ADDIS ABABA

Acknowledgments

Above all, I would like to thank the Almighty God, the everlasting father, and the king of peace and love for giving me the endurance and patience in accomplishing this piece of work.

I would like to express my deepest thanks to Dr. Meskerem Abi, my thesis supervisor, for her invaluable advice and constructive ideas. I am thankful to the Center for Food Security Studies' whole team for their dedication, suggestions, and direction over the last two years.

For their unending affection, I am eternally thankful to my loving family, my wife W/o Meskerem Urgecha, and my children. The thesis work would not have been done without their encouragement, inspiration, and support.

My indebtedness and deepest thanks also go to my buddy Kassaye Amosha (MSc) for your knowledge and a lot of helpful suggestions in steering me through this study job. In addition, I am grateful to City administrative level, Gulele sub-city and Two Woredas of Labor, Enterprise and Industry Development Office Experts for assisting me with the essential information and data.

Finally, I'd want to express my gratitude to all responders who took the time to participate in my study. Please accept my apologies for any additional persons that I may have failed to mention here and thank you for all your help during my academic career.

Declaration

I declare that this thesis is my original work, that it has not been submitted for a degree or certification at any other universities or institutions, and that all sources of information utilized in the thesis have been properly acknowledged.

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Tadele Demula Guluma

November, 2022

Addis Ababa

Approval Sheet

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As supervisor of the thesis, I certify that I have read and evaluated the thesis prepared by **Tadele Demula Guluma** entitled "*Determinants of Participation in Micro and Small Enterprise and its Contribution to Household Food Security in Gundish-Meda of Gulele Sub-City Addis Ababa, Ethiopia"* and recommend for open defense as fulfilling the requirement for the degree of **Master of Science in Food Security and Development.**

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As members of the Examining Board of the Thesis Open Defense, we certify that we have read and evaluated the thesis prepared by **Tadele Demula Guluma** entitled "*Determinants of Participation in Micro and Small Enterprise and its Contribution to Household Food Security in Gundish-Meda of Gulele Sub-City Addis Ababa, Ethiopia"* and recommend that it is acceptable thesis required for the degree of **Master of Science in Food Security and Development.**

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List of abbreviations

CSA:	Central Statistical Agency
FEMSEDA:	Federal Micro and Small Enterprises Development Agency
FGD:	Focus Group Discussion
FS:	Food Security
GDP:	Gross Domestic Product
GTP:	Growth and Transformation Plan
HFIAS:	Household Food Insecurity Access Scale
KII:	Key Informant Interview
MoTI:	Ministry of Trade and Industry
MSEHs	Micro and Small Enterprise Heads
MSEs:	Micro and Small Enterprises
NGOs:	Non-Governmental Organizations
PASDEP:	Plan for Accelerated and Sustainable Development to End Poverty
PRSP:	Poverty Reduction Strategic Program
TVET:	Technical and Vocational Education and Training
UPSNP:	Urban Productive Safety Net Program
WB:	World Bank
WFP:	World Food Program

Abstract

Micro and small-scale enterprises are critical to Ethiopia's economy. However, data suggests that the sector is less efficient than expected, and hence less contributed to the national economy. The central purpose of the study was to examine determinants of participation in micro and small enterprise and its contribution to household food security in Gundish-Meda of Gulele Sub-City Addis Ababa, Ethiopia. Data for this study were collected through surveys with, 246, samples house hold key informant interviews, focus group discussions and desk reviews. The descriptive statistics, binary logistic regression model, and ordinary logit model were used to analyze the data. Similarly the Household Food Insecurity Access Scale (HFIAS) was used to analyze the food security status of study households. According to the results of the logit model, MSE membership is more strongly related with MSE health status, access to credit, access to training, and total yearly income. The HFIAS results show that, around 8.9% of homes in the research region were classified as food secure, 25.2% as mildly food insecure, 40.3% as moderately food insecure, and 25.6% as severely food insecure. The ordered logit model also shows that the household head's education, credit, saving, training, total annual income and export status have both positive and negative effects on food security. The key challenges in the sector were a shortage of working spaces, insufficient capital, restricted access to the market, limited access to credit facilities, high raw material prices, and a lack of raw materials. According to the findings, micro and small businesses have a substantial and beneficial impact on program participants, as well as statistically significant changes in their food security.

Keywords: *Micro and Small Enterprise, Participation Determinant, Household Food Insecurity Access Scale, Gulele Sub-city, Addis Ababa*

CHAPTER ONE: INTRODUCTION

1.1.Background

Micro and small enterprises (MSE) play an important role in building the world's economy. In different parts of the world, they are serving as the home of income generation; improving food security, reduction of unemployment, and innovation to economic growth (Addis, 2019). In a cross-section of both developed and emerging economies, the contribution of the MSE sector to total employment, entrepreneurship and innovation cannot be underestimated. For instance, in the countries of East Asia, the need to develop more adaptable and flexible economies and business sectors has resulted in increased emphasis on the development of the MSEs.

A number of observations may be made about the function of MSEs as the entrepreneurial engine of East Asia (Charles and Boon-Chye, 2005). MSEs, for example, are still the engine that drives China's fastest-growing economy. Thanks to a strong MSE sector, Taiwan has proven to be the most successful developing country in the previous 50 years. Korea has profited from its MSEs as a manufacturing and exporting country (Motilew *et.al*, 2015). MSEs, too, remain a major part of the productive sector and play a key role in European investment and innovation. MSEs account for more than 98 percent of all independent business units in France, Germany, Italy, and Spain (Amare and Raghurama, 2017).They not only control the majority of national economies in terms of population, but they also employ the majority of employees and generate a large share of the value generated in these countries (Jennifer et.al, 2015).

Unemployment, underemployment, and low labor productivity are all problems in many African countries. Furthermore, due to demographic factors, a large number of people enter the labor market each year (Iacovone *et al.*, 2012). As a result, these nations have focused on labor-intensive manufacturing industries, promoted labor-intensive infrastructure, expanded micro and small companies (MSEs), and expanded education (e.g., Technical and Vocational Education and Training (TVET)) (Ferede et al., 2014).These countries have recently prioritized the promotion of MSEs as a means of enhancing the well-being of local, national, and regional populations (Gebreyesus, 2007). The MSE sector is an important source of employment in emerging countries, employing half of the urban population and earning around one-third of urban revenue (Prediger and Gut, 2014; Todaro and Stephen, 2012). According to Vandenberg

(2006), MSEs contribute more to urban households' food security, poverty alleviation, and employment creation. The food security agenda, according to Skinner and Haysom (2017), has a rural bias that excludes urban MSE operators, who have significant policy implications for food security in most African countries.

Ethiopia was the first country to use MSE promotion as an official development intervention approach in 2005, when the government announced its first ever urban development policy (Tegegne & Meheret, 2010). Until then, the government had been steadfastly pursuing a rural/agricultural-led growth strategy, ignoring concerns about urban expansion (Getachew and Kassahun 2007). The establishment of MSEs is increasingly crucial for strengthening the shock resilience and food security of urban families. According to Tacoli (2017), household income determines the majority of urban food security in low- and middle-income areas. MSEs assist the poor break the poverty cycle and strengthen their self-empowerment, respect, and social dignity, which help to reduce poverty and vulnerability.

According to the Addis Ababa 2016 report, a growing number of new job seekers are turning to MSEs in the form of corporations, cooperatives, partnerships, sole traders, limited liability companies, and other specifically permitted and labeled types of entities due to limited growth in employment prospects in the public sector and declining absorptive capacity in the agricultural sector. The Ethiopian government is concentrating on MSEs because of their ability to reduce poverty and unemployment more effectively than other sectors. The government has provided considerable support to MSEs through a variety of initiatives, including subsidized credit schemes, financial assistance, marketing links, industry extension services and life skill training, free exhibition areas, free production and operation areas, and promotion, among others (Amare and Raghurama, 2017). Moreover, the MSEs were highlighted as one way to reduce urban food insecurity in the 2015 Urban Productive Safety Net Program (UPSNP). The goal of the 2015 UPSNP is to link the growth of MSEs with urban food security (MUDHCo, 2015; Federal Negarit Gazette, 2016).

However, there existed limited empirical evidence on the factors that influence household involvement in MSEs or how MSEs can help with food security (FS). The contribution of MSEs

in FS is not thoroughly explored, as evidenced by the studies cited above. This study aimed to determine factors that influence household heads' involvement in MSEs and their consequences on their income and food security.

1.2. Statement of the problem

MSEs have proved their significant propellant impact for quick economic growth in many developing nations, including Ethiopia, due to their size, location, capital investment, and potential to produce more jobs. They necessitate less capital while necessitating greater work. In Ethiopia, the MSE sector has also aided economic transition by providing adequate quality and reasonably priced goods and services to a large number of people, particularly in rural areas, and by effectively utilizing the skills and talents of a large number of people without requiring advanced training, large sums of capital, or sophisticated technology (Endalkachew and Mulugeta, 2008). Furthermore, MSEs are thought to be the most valuable in terms of establishing a local production structure (coordinating land, labor, and capital in a certain area) and encouraging economic growth.

Ethiopia approved its first national Micro and Small Enterprise Development Strategy in November 1997. The policy recognized many impediments to the growth of this industry. The policy acts as a guideline for all stakeholders to encourage the development of new businesses while also allowing current businesses to grow and become more competitive. The primary impediments highlighted by this policy include unfavorable legal and regulatory frameworks, undeveloped infrastructure, insufficient company development services, restricted access to funding, and ineffective and poorly integrated institutional assistance (MSEs strategy for Ethiopia, 1997).

According to FeMSEDA (2016), the main goals of the micro and small enterprise development program are to provide a wide platform for the development of competitive domestic industries and private sub-sector, to generate job opportunities, and therefore to eliminate poverty. According to the existing research on LED (Blakely 2010; Rodriguez-Pose and Tijmstra 2007; Tegegne and Richard 2011), there are three key actors in local economic development: government, the private sector, and community sub-sectors. Moreover, MSE has a significant influence on the lives of millions of impoverished people, particularly women. Several

academics and non-governmental organizations have also been attempting to reach out to the underprivileged that have yet to profit from the traditional financial system. MSEs are seen to be useful for everyone since they enable impoverished individuals to secure a modest loan to start a company, pay for school tuition, find housing, or receive health care. Such an undertaking is critical in shifting poverty patterns as a result of better facilities and reducing the initial capital problem. Since the beginning of commerce, MSEs have been transforming people's lives and renewing communities (United Nations, 2005).

Various studies on the impact of MSE on community development, income production, poverty reduction, and women enrolment have been conducted in various parts of Ethiopia (for instance, Addis, 2019; Assefa, 2014; Yaregal, 2018; Araya *et al.*, 2014). According to Yaregal (2018), no nation can achieve sustainable economic growth/development or poverty reduction without the formation of MSE. MSEs generate revenue for rural households, which is critical to their survival. Furthermore, Assefa (2014) stated that MSEs contribute to community development through increasing community capital. The food security condition of households that operate MSEs in Addis Ababa's urban districts, on the other hand, has received little attention. The factors that influence household participation in MSEs and the role of MSE development in improving urban food security are not well understood.

However, empirical research on how involvement in MSEs affects the livelihood and food security of Micro and Small Enterprise Households (MSEH) are few. The purpose of this study is therefore to generate information that would help fill the gap on determinants of participation in MSEs and its effects on enhancing the food security status of households of Gundish-Meda in Gulele sub-cities.

1.3.Objectives of the study

1.3.1. General objective

The general objective of this study was to examine the determinants of participation in micro and small enterprises, and its contribution to household food security in Gundish-Meda of Gulele sub-city Addis Ababa.

1.3.2. Specific objectives

The specific objective of the study is to

1. identify factors determining household's participation in MSEs in the study area.
2. investigate the effect of MSEs in enhancing the food security status of beneficiaries in the study area
3. examine the major problems and constraints that MSEs participants are facing in marketing their products.

1.4.Research questions

This research intended to answer the following basic questions which are derivatives of the above-mentioned research objectives:

1. What are the factors determining a household's participation in MSE in the study area?
2. Does participation in the MSEs enhance the household's food security status in the study area?
3. What are the major problems and key constraints related to marking MSEsproducts in the study area?

1.5.Scope and limitation of the study

The study is confined to Addis Ababa's Gulele sub-city as a research location. In order to gather enough information about them, the survey appears to focus on both those MSEs that have been registered under the Ethiopian government's MSE development strategy and licensed in each selected MSEs sector, as well as ongoing MSEs that have recently become actives and private MSEs sectors in the sub-city. As a result, the scope of the task included locating sample units and completing questionnaires to the best of one's ability. The job also includes the responsibility of performing an in-depth investigation and meticulously analyzing these surveys. The study focuses on the Gulele sub-urban city's MSEs which were formed by government in association form and private MSEs in two Woredas. Despite its restricted scope, the research gave insight into how the program is helping to achieve its main goals. In addition, the study was conducted for the year 2022.

In terms of methodology, binary logit regression was used to identify determinants of household participation in MSEs and their MSEs growth performance factors, as well as the effects of MSE participation on improving food security status and the major challenges MSEs face in promoting local economic development in the study area. As a consequence, the research will work hard to meet its objectives while staying within the established parameters.

1.6.Ethical consideration

After getting ethical permission from Addis Ababa University's College of Food Security and Development Studies' Center for Food Security Studies MSc program, this research began. To guarantee that the research goal was reached with confidence, the ethical permission letter was also validated at the sub-city and *Woreda* levels. In addition, my participants were asked if they would be interested to participate in the research. In addition, these investigations follow anti-plagiarism principles and examine an individual's or my work's thesis conclusion, as well as making correct use of sources.

1.7.Significance of the study

The data collected and analyzed for this study provided empirical insights on the role of MSEs in community development. The impacts of MSEs on improving the food security of the urban poor, as well as the factors that determine household involvement in MSEs and growth performance, have all been measured. The outcomes of this study were supposed to indicate MSEs' contribution to community development. It might also be valuable for other academics who want to perform more research on comparable themes. The findings of the study may be useful to those who need to know about MSEs and their interactions, such as choosing, saving, credit, market, barriers, and training.Last but not least, the findings of this study may be utilized to improve policymaking, assessment, and strategy creation in the MSE sector to solve community development concerns.

1.8.Organization of the thesis

There are five chapters in this thesis. The investigation's history, description of the problem, aims and research questions, scope and limitation, value of the study, and ethical considerations are all covered in chapter 1 of the thesis. The second chapter is devoted to a survey of pertinent

literature. Theories, ideas, and definitions relevant to the subject, as well as empirical literature and conceptual evidence, are evaluated and disputed. Methodological problems such as broad descriptions of the study field, research design, sample process and determination, data sources and collecting strategies, and data analysis procedures are covered in the third chapter. The findings are also analyzed and evaluated in the fourth chapter. Finally, based on the study's findings and outcomes, the fifth chapter provides conclusions and suggestions.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1.Theoretical foundation

Understanding poverty, underdevelopment, and micro and small business has taken on new meanings in recent years. To alleviate poverty and promote development, a variety of strategies have been devised and implemented. Several theories look at employment as a tool for the government to alleviate severe poverty, including Social Cognitive Theory, Malthusian Theory, Bessarabia Theory, Modern Theory, Classical Theory, and Social Capital Theory. This study analyzed and contrasted the traditional and modern views on the origins of MSEs because they were created at separate times (Tambunan, 2006).

According to **traditional thinking,** poverty and the importance of MSE development are favorably related. The economic proportion of MSE to the economy has decreased as a result of fast economic development, whereas large and medium businesses now dominate the economy (Tambunan, 2006). This idea was limited to the link between income levels and MSE growth. The present perspective was created in the 1980s as a result of the theory's shortcomings. The protracted dispute over how to interpret the new global pattern of production induced by globalization pressures and industrial restructuring, according to Modern Theory, was a fundamental basis for the birth of the idea of flexible specialization. According to Tambunan (2006), contemporary theory has three characteristics: flexibility and specialization, a high degree of competitive innovation, and a high level of collaboration. MSEs expand quicker than big firms as a result of their flexible specialization, and they are an essential source of invention, efficiency, and innovation.

As a result, the economic share of MSEs grows over time and contributes significantly to poverty reduction, whereas it falls in conventional models (Tesfaye, 2014). Furthermore, according to Ronge *et al.* (2002), "there is little question that MSEs have already become key aspects of the economic landscapes in many developing nations from any viewpoint." As a result, MSEs are gaining in popularity among academics, practitioners, and policymakers as incubators of labor-intensive innovations and providers of employment and income for the urban poor. Academicians, legislators, and development economists, according to Bereket (2010), have backed the promotion of micro and small business enterprises for job creation, poverty reduction, and innovation.

Micro and small businesses have risen to the forefront of job creation and revenue generating in the face of rising unemployment and poverty. As a result, the industry is thought to be capable of closing the income gap between the affluent and the poor in emerging nations, as well as lowering unemployment rates. In many developing nations, successful small enterprises are the key engines of economic development, such as income growth and poverty reduction. These enterprises can also help to provide a solid basis for community stability and gender equality.

2.2.Concepts of food security and MSE

2.2.1. Food security

Gentilini (2002) and Smith et al., (1993) identified about two hundred and five definitions of Food Security, and Smith, Pointing, and Maxwell counted about two hundred different definitions. The most widely accepted definition that was approved by the 1996 World Food Summit (WFS). According to this summit,

> *"Food security exists when all people, at all times, have physical, [social] and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life". (FAO, 1996)*

The Four Dimensions of Food Security including food availability, access, utilization and stability,were derived from the WFS concept and are equally effective for food security analysis when used together.

Food availability: In the WFS definition, the phrase "adequate" is employed."The amount of food existing in a nation or region as a consequence of all sorts of domestic production, imports, food stockpiles, and food aid, "according to the World Food Programme, (WFP, 2009). The term refers to net commercial imports after subtracting commercial and other exports, and it includes villages and homes as well as countries and territories. "Commercial imports, including cross-border commerce" according to the WFP's previous definition, which is still included in their operations handbook.

Despite the fact that the FAO Founding Conference's final resolution declared that "poverty is the first cause of malnutrition and hunger," food security has long been associated with the availability of food (Shaw, 2007). Most of the work done by academics, practitioners, and educators over the last three decades has focused on proving and persuading people that food

security is more than just a matter of food supply. The belief that food security is determined by the availability of food commodities leads to the assumption that increasing food production will improve food security. Again, agricultural production has consistently outpaced population growth over the last fifty years or so, the amount of food commodities available on Earth (at least in terms of macronutrients) is largely sufficient to feed more than today's world population, and yet some people lack access to food.

Food access: According to the WFS requirements, "have physical, economic, and social access." Food access was first advocated by Sen in the early 1980s, but it is still not frequently acknowledged as an important component of food security. After the Niger food crisis in 2005 and the World food price crisis in 2008, many individuals were inclined to limit the access dimension of food security to its economic or financial nature. "A household's capacity to receive sufficient amounts of food on a regular basis through a mix of purchases, barter, borrowings, food help, or gifts," according to the World Food Programme (WFP, 2009). In reality, food access is influenced by physical, economic, and socio-cultural variables.

- ✔ In fact, the physical dimension is virtually a logistical dimension. An example is a situation in which food is produced in one nation or region but consumed in another, with little or no transportation between the two places and a lack of information. Food is accessible at the point when people (households, etc.) truly need it under a state of food security.
- ✔ As WFP defines it, the economic side of food availability can be characterized. In a scenario of food security, food commodities are accessible where people need them, and households have the financial means to purchase sufficient amounts of food on a regular basis to fulfill their needs.In the history of food security, the realization that food commodities are accessible but not cheap to individual’s results in a condition of food insecurity is still relatively new. However, in recent years, this has become increasingly apparent. As a result, food security analysts and practitioners have shown an increased interest in the sector.
- ✔ Finally, according to the WFS definition, "social" or socio-cultural access to food is the last factor of food access. This refers to the reality that food commodities may be available, geographically close to the consumer with the necessary resources to obtain them, but that socio-cultural barriers may limit access to food, particularly for certain sectors of the population due to gender or social reasons for example. It appears to be one of the topics with the least research, despite some efforts by academics such as Maiga of the University

of Wageningen, who is researching the cultural elements of vulnerability associated with HIV/AIDS and Food Security from a gender perspective (Maiga, 2009).

Food utilization: According to the WFS criterion, "safe and nutritious meals that meet their nutritional demands." It is not enough for food to be available and accessible in households to ensure that people eat a "safe and healthy" diet. Food commodity selection, storage, and preparation, as well as nutritional absorption, are all issues to consider. Food must be of high quality and be safe to eat. Even in so-called traditional societies, it should not be assumed that everyone understands how to use food commodities efficiently, especially given the fact that eating patterns are fast changing, even in so-called traditional civilizations. This dimension thus encompasses not just nutrition but also other aspects relating to the usage, preservation, processing, and preparation of food items. It does, however, demonstrate how intimately nutrition is tied to food security, demonstrating that talking about food security and nutrition is pointless since there can be no food security without good nutrition.

Food stability: According to the WFS definition, "at all times." This stability pertains first and mainly to the three aspects of food security mentioned above. Food security is a "circumstance" that can occur at any time, day, or season, but must exist on a long-term, sustainable basis. The stability dimension of food security distinguishes between chronic and transient food insecurity:

- Chronic food insecurity is described as the inability to meet one's basic nutritional needs over a protracted period of time.
- Transitory food insecurity refers to a temporary or short-term food deficit.

In addition, there is cyclical food insecurity, such as seasonality (Devereux, 2006).FAO defines food insecurity as a situation where some people do not have access to sufficient quantities of safe and nutritious food and hence do not consume the food that they need to grow normally and conduct an active and healthy life.

2.2.2. Micro and small enterprises

A micro-enterprise (or micro business) is a small business with fewer than nine workers and a balance sheet or turnover of less than a certain amount. Despite the fact that the terms microenterprise and micro-business have the same meaning, the word microenterprise is more generally used to refer to a small business that is backed by microcredit. Similarly, the term

micro business (or micro-business) refers to a small, usually legal business that is not backed by microcredit. The majority of microenterprises in the world are one- or two-person operations run by families. The majority of micro business owners desire to be able to support themselves and their families financially. They only extend their business when something in their personal life necessitates it (European Commission, 2017).

Nobel Laureate Muhammad Yunus, founder of the Grameen Bank (Bank of the Rural) in Bangladesh, pioneered the ideas of micro-enterprise and microfinance in 1976. The bank was founded to provide modest loans to the needy, primarily women, in order to assist them achieve economic independence. Credit is a human right, according to the Grameen Bank's founding philosophy. Grameen Bank grew at an exponential rate, from less than 15,000 borrowers in 1980 to 2.34 million by 1998, 7.67 million by the end of 2008, 97 percent of whom are women, and 9.4 million now (Grameen, 2016).

MSEs are challenging to define in a way that everyone agrees on (The World Trade Report, 2016:16; Haile, et al., 2014; Hawando: 2017). Different government agencies have different meanings in different countries. This is because the criteria and procedures used to designate enterprises as Micro, Small, and Medium vary from country to country and organization to organization. The most often used criteria are employment, turnover, and productive assets (Reinecke and White, 2004; World Bank, 2013). In Kenya, the MSE sector is characterized by three factors: the number of workers, the turnover, and the value of the company's assets. Micro Enterprises are defined as firms, trades, services, industries, or business activities with an annual turnover of less than 500,000 Kenya Shillings and fewer than ten employees, whereas Small Enterprises are defined as firms, trades, services, industries, or business activities with an annual turnover of between Ksh500, 000 and Ksh5 million and ten to fifty employees (Kenya's Micro and Small Enterprises Act, 2012).

Until recently, there was no precise definition of the MSE sector at the national level in Ethiopia, making it difficult to build a shared understanding of the sector. While the Ministry of Trade and Industry (MTI) considers capital investment as a criteria, the Central Statistical Agency (CSA) prioritizes capital-intensive technologies and uses employment as a criterion. The MTI definition, which uses capital investment as a yardstick, was developed in 1997 to aid in the

development of micro and small business expansion plans (Addisu, 2019). MTI defines Micro Enterprises as firms with a total asset of less than 20,000 Birr ($1200), whereas Small Businesses have a total asset of less than 500,000 Birr ($30,000). While the Central Statistics Agency defined the sub sector based on the type of technology utilized and the number of the workforce. Handicraft and cottage businesses, in which a single individual or family members do their tasks mostly by hand and without the use of power-driven machinery; and small manufacturing firms employing less than ten people and using motor-driven machinery (MoTI,1997).

However, in 2011, the country revised its definitions of MSEs to align with at least some other countries and an international organization (Abawa & Raghurama, 2017) in order to account for the limitations of previous definitions, to integrate the sector's development with the country's 57-year (2003-2007 E.C) Growth and Transformation Plan (GTP), and to bring the country closer to middle-income status (Abawa & Raghurama, 2017). The revised definition addresses some of the features used by other countries and international organizations, such as job creation, size, asset base, and differing Minimum asset requirements for services and industries (MoUDH, 2016). Micro Enterprises are defined as firms with less than five workers, including family members, and a total asset of less than Birr 100,000 for manufacturing and Birr 50,000 for service businesses. Small firms are defined as those with six to thirty workers and a total capital of less than Birr 1.5 million in manufacturing and Birr 500,000 in service. As previously stated, when there is a disagreement between personnel and total assets, the total asset is employed as the key criteria (Federal Micro and Small Enterprise development agency, 2011). The new FeMSEDA definition of MSEs was used in this investigation.

2.2.3. Poverty and micro and small enterprises

Poverty is a multifaceted notion that encompasses a variety of difficulties; each defined differently by various researchers and is primarily concerned with human deprivation. Poverty is defined by Constance et al. (1995) as economic deprivation. People's lack of economic resources (e.g, money or near-money income) for consumption of economic goods and services such as food, shelter, clothes, education, and transportation is one method of expressing this issue. Poverty, according to the World Bank (2007), is defined as "the inability to achieve a minimal level of life." Poverty is defined by Townsend (1976) as stated by Esubalew (2006) as when individuals, families, or groups in a society lack the resources to meet their goals and

requirements, or to engage in activities and have the living circumstances and amenities that are common to the rest of society. Furthermore, Lipton and Ravallion (1993) defines it as a situation existing when one or more persons fall short of a level of economic welfare believed to comprise a reasonable minimum, either in absolute sense or by the standards of a specific society.

MSEs play a critical role in the global economy. They serve as a source of money generating, job creation, and innovation in many parts of the world. Small companies are the lifeblood of the American economy and the major source of employment. MSEs also make for the largest category of U.S. exporters and are a significant importer of commodities. The American economy continues to be energized by small enterprises. Between 1990 and 1995, they created three-quarters of all new jobs in the economy, an even greater contribution to job creation than they did in the 1980s. They also serve as an access point for new groups into the market. Women, for example, play an important role in small enterprises.Small businesses are also more likely to recruit elderly workers and persons who wish to work part-time. This illustrates how small enterprises are the lifeblood of a country's economy and the source of new jobs. MSEs are widely considered to serve a critical role in socioeconomic development as a method of producing long-term employment and earnings (ILO, 2003).

MSEs and development opportunities are inextricably linked. They necessitate less capital while necessitating more work. When compared to large-scale sectors, MSEs have the ability to provide a far higher degree of job potential with much less capital. Because of the aforementioned factors, they are seen to be the most valuable in terms of establishing a local production structure (coordinating land, labor, and capital in that area) and encouraging economic growth. Governments all across the globe are now recognizing MSEs as a source of economic growth and long-term development (Mrope and Mhechela, 2015; Shitu, et al., 2016). They're also viewed as important tools for economic diversification, revenue production, and distribution, as well as for speeding up a country's economy (Aynadis and Mohammednur, 2014; Lenjisa, 2014; Gebreeyesus, 2014; World Development, 2012). Small businesses, according to Getahun (2016), Abawa, and Raghurama (2017), are the backbone of economic growth. Small companies should be used to mobilize resources and production activities, resulting in employment and income generation for individuals who are unable to work in high-skilled businesses.

Because of their size, location, capital investment, and ability to produce more employment, MSEs have shown to be a potent propellant effect for rapid economic expansion in most emerging nations. Because MSEs do not require high-level knowledge, a large amount of cash, or complex technology, the sector has been regarded as a tool for economic change (Endalkachew and Mulugeta, 2008; Wolde, 2013; Drbie and Kassahun, 2013; Seyoum,2015). For many people, employment provides a means out of poverty and a crucial component of economic and social growth (UN- Habitat, 2016). MSEs make a significant contribution to GDP and jobs. MSE contributions to manufacturing and exports in India, for example, were 45 percent and 40 percent, respectively. MSEs accounted for 53.3 percent of industrial production in Japan. MSEs also house innovation, as well as the provision of raw materials to larger businesses and outsourcing tasks (Ministry of urban development and housing, 2016). MSEs in Malawi provided income to roughly 25% of Malawian families, employed about 38% of the workforce, and generated about 15.6 percent of the country's GDP (MoIT, 2012).

2.3.Empirical literature reviews

2.3.1. Development of micro and small enterprises and strategy in Ethiopia

Nowadays, the significant contribution and potential of the MSE sector in poverty reduction has been recognized in Ethiopia (Adam, 2014). MSEs Sector is the second largest employment generating sector for low-income groups next to the agriculture sector in Ethiopia (Tefera*et al.*, 2013). According to CSA (2003) almost 50% of jobs created in Ethiopia are attributable to small business. In line with this, the federal government of Ethiopia has adapted the MSE development strategy to promote the sector in 1997.The objective of the strategy is to create an enabling environment for the sector (MoTI, 1997). MSE Policy targets reducing poverty in urban areas and laying the foundation for industrial development. The strategy was revised in 2010/11 with renewed interests and targets but having similar objectives. According to the revised MSEs Development Strategy of Ethiopia, the main focus of the government is to create Job opportunities through MSEs development, in order to reduce unemployment problem, alleviate poverty and promote industrial development by considering the MSEs as a base (Joshi and Mihreteab, 2015).

The revised MSE strategy has two major dimensions of MSE development stages. The first is the transition of an enterprise from Micro to Small and from Small to Medium Enterprise level. The second is the process whereby MSEs maintain and strengthen their competitiveness within their own category of MSE. MSE development, being one of the key focus areas of the country‘s development strategy, receives massive support from the government in the form of access to finance, market, technology, training and working space (MoUDH, 2016).Stated by Assefa, *et.al*., (2014) and Seyoum *et.al*(2016): Policy support for MSE development in Ethiopia depends on stages of development in which MSEs are categorized into Start-ups, Growing-middle and Maturity.

Start-up stage Enterprises refers to those enterprises found at their establishment stage and comprises a group or individual aspiring entrepreneurs that seek various supports to make their enterprise operational. The basic challenges at this stage include lack of initial and working capital, poor knowledge of business management and entrepreneurship and lack of knowhow about the different government policies and directives related to the sector. In order to mitigate these challenges, Federal Micro and Small Enterprises Development Agency(FEMSEDA) has designed a strategy that focuses on facilitating access to initial capital, supporting MSEs in the formalization and legalization process and provision of training on business management, entrepreneurship and production techniques.

Growing stage Enterprises refers to those enterprises that are competent in the market in terms of price and quality and successfully utilize the various government support packages and are profitable in their business. However, Enterprises at this stage also suffer from different challenges like financial constraint, lack of appropriate technology and technical skill, absence of sufficient working and sales premises and rent seeking behavior. To alleviate these specific challenges, FEMSEDA has formed a national strategy that focuses on facilitation of financial support and skill and technological development programs. On the other hand, Enterprises are considered to have reached the maturity stage when they are fully profitable and engaged in further expansion and investments in the sector. At this stage FEMSEDA has a strategy that aims to strengthen Enterprises in terms of productivity and product quality. Moreover, at this stage, knowledge of international standards and better production technology are disseminated to Enterprises (Berihu, 2014).

The MSE sub-sector is characterized by highly diversified activities which can create livelihood opportunities for a substantial segment of the population. This implies that the sub-sector is a quick remedy for unemployment and poverty problems. The realization of a modest standard of living through curbing unemployment and facilitating the environment for new job seekers and self-employment requires a direct intervention and support of the government and other concerned stakeholders. Hence, in order to channel all necessary support and facilities to this diversified sub-sector, a definition is needed to categorize the sub-sector accordingly.

However, coming up with a universally applicable definition of MSEs is found to be difficult. This is so because the criteria and ways of categorizing enterprises as small, micro and medium varies from country to country and from organization to organization. The absence of such a uniform definition of MSEs has created a difficulty (Berihu, 2014). In line with this, for instance, Tegegne and Meheret (2010) argued that the absence of a single or globally applicable definition has made the task of counting the number of MSEs and assessing their impact extremely difficult across countries, though the rationale for most governments to make such definition and categorization is mainly for functional and promotional purposes to achieve the desired levels of development of the sub- sector, the High Level Commission on Legal Empowerment of the Poor argued.

Currently, in Ethiopia, the definition of MSE is used based on level of paid-up capital/fixed asset, size of employment, using high tech establishment and consultancy services. This categorization is important for functional and promotional purposes to achieve the desired levels of development. As a result the revised MSEs strategy divides and defines MSEs in terms of product and service. Accordingly, Micro Enterprises are those enterprises having 5 workers including family members and its total asset not exceeding ETB 100,000 for Manufacturing enterprises and ETB 50,000 for service providing enterprises. Small enterprises are those enterprises having 6-30 workers and its total capital not exceeding ETB 1.5 million for Manufacturing enterprise and ETB 500,000 for Service providing enterprises.

The MSE Development Program in Ethiopia meaningfully has been given due attention by the government since 2004. Until 2004, the national strategy was implemented by the Federal SMEs Development Agency organized only at the national level. Because of this, it was very difficult

to make the strategy practical especially in delivering business development service for SME managers. Thus, by considering the critical role of the sub-sector and the constraints faced by SME managers since 2004 the government of Ethiopia decided to establish a SMEs coordinating body at regional level. Accordingly, SMEs development Agencies are set up in all regions, even sub branch offices at zone/district level. The system helps to support a lot of SMEs and thereby to create job opportunities for unemployed youth and women. Currently the government amends SMEs strategy with the objective of that in addition that the sub- sector play alleviating poverty & reducing unemployment, to help out the sub- sector to play its pivotal role as a base to medium and large-scale industry.

2.3.2. Urban micro and small enterprises strategy and its implementation

Urban development in Ethiopia received high attention following the onset of the Poverty Reduction Strategic Program (PRSP) document by the Government. This was followed by the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP). The latter encapsulated the urban development policy as a major component to address the problem of urban areas in the country's overall growth strategy (Tegegne, 2007). In terms of urban development, the strategy indicates that there is a need to focus on urban poverty and welfare as much as on enhancing the contribution of urban centers for national development (MoFED, 2006). The national urban development policy has two main packages: the urban development package and the urban good governance package.

The urban development package has a number of inter-related objectives, including reducing unemployment and poverty; improving the capacity of the construction industry; alleviating the existing housing problems; promoting urban areas as engines of economic growth and improving urban social and economic infrastructure, particularly for the youth (Tegegne, 2007). The package has five pillars: micro/small enterprise development program, integrated housing development program, youth development program, provision of land, infrastructure, services and facilities, and rural-urban and urban-urban linkages.

2.3.3. Role of MSEs in Ethiopia

Gebreyesus (2007) conducted a study using learning model of firm growth to investigate some key determinants of success, particularly employment expansion among micro-enterprises in six

major towns in Ethiopia. The findings indicated that firm's initial size and age are inversely related to growth providing evidence that smaller and younger firms grow faster than larger and older firms and the finding is consistent with the learning hypothesis. A study by Haile *et al.* (2014) revealed that access to credit from formal financial sources, access to infrastructures and access to working premises are significant factors affecting the growth of MSEs. Besides, a study conducted by Tefera *et al* (2013) on growth determinants of MSEs in *Mekele* city indicates that sex of the manager, initial investment on the firm, location of, and the sector in which firms operate determine the growth of MSEs.

Moreover, even though MSE's have important roles in economic development, poverty alleviation, and employment opportunity, they are critically challenged by certain impeding factors to sustain within the sector. The research conducted by Bowen*et al.*(2009) in Kenya revealed that three out of five micro and small businesses failed within the first few months of operation due to competition, managerial inefficiency, insecurity, debt collection, lack of working capital, power interruptions, political uncertainty, cost of materials and low demand of the products. The problem confronting MSE's appears to be similar in least developed or developing countries. However, the extent of the problems varies from country to country and industry to industry; and it depends on firms' characteristics (Aremu & Adeyemi, 2011). Currently, there are many internal and external challenges MSE's face in their operations and hinder their growth in Ethiopia (MUDC, 2013). A hard look at various studies has revealed a number of deterrents to the growth and survival of the MSEs.

The study by Nyangor (2010) indicates that MSEs are a major source of entrepreneurial skills, innovation and employment. In the enlarged European Union of 25 countries, some 23 million MSEs provide around 75 million jobs and represent 99% of all enterprises. MSEs, as the main source of employment in developed and developing countries nearly alike, comprising over 90% of African business operations and contributing to over 50% of African employment. As stated by MoUDC (2013), small enterprises along with medium are major drivers of both employment and economic growth contributing to more than 50% to GDP and 60 % to employment in developed economies. These types of enterprises, however, constitute less than 30% of employment and 17% of GDP in developing countries. Hence, it is possible to underline that

MSEs, play significant roles in the creation of employment opportunities and contribution to growth of GDP in developing and developed countries.

LaMancha (2013) stated in a general sense that marketing helps increase sales. If you have done your marketing right, chances are that any potential clients will be able to instantly recognize your branding efforts, separating your company from your competitors and increasing the likelihood for them to become a future client or make a purchase. At this point, your clients can also become a part of your marketing campaign by writing positive comments about your company and its services or products on social media as well as recommending your company to friends, relatives and other business associates and you may see the sales increasing exponentially as word spreads.Testing growth models of firms using firm level data from Ghana, Teal (1999) finds that the rate of job creation in Ghana's manufacturing sector is highest in medium-sized firms and those small firms do not grow more rapidly than larger firms.

According to the Commission on Legal Empowerment of the Poor (2006), most MSEs in Ethiopia face critical constraints both at the operation and start-up level. Some of these constraints include lack of access to finance, access to premise, infrastructure, training in entrepreneurial and management skills, information on business opportunities, and social and cultural factors particularly related to deficient entrepreneurial culture and excessive corruption. Lack of adequate capital, sufficient loan, and inefficient financial market in terms of facilitating financial resources to entrepreneurs are the major obstacles in doing business particularly in the informal sector. As a result of absence in financing, the creation of new enterprises and the growth and survival of existing ones will be impeded (Commission on Legal Empowerment of the Poor, 2006).

Mulu (2007) found that banks and MFIs do not appear to be supportive of MSE expansion. As a result, 85 percent of those polled have never gotten credit from these official sources. Other informal sources of money, on the other hand, have a positive and considerable impact on growth. This demonstrates that, in the absence of a formal source of credit, MSEs find informal networks more alluring. As a result, enterprises with a greater network of informal sources of credit, such as family, friends, and suppliers, are able to ease credit limitations and develop more quickly. Many studies, such as Rolfe et al (2010), Mbonyane & Ladzani (2011), Olawale &

Garwe (2010), Okpara (2011), and Etumeahu (2009), have identified a lack of money as a critical success factor for MSEs.

2.4.Conceptual framework

A variety of factors influence a household's initial participation in MSEs, as shown in Figure 2.1. These factors are divided into three categories: demographic, socioeconomic, and institutional. Household heads with a higher level of education, for example, are more likely to be food secure and have a lower likelihood of participating in MSE than those headed by uneducated (illiterate) household heads. It is stated in terms of education's contribution to working efficiency, competency, income diversification, and being visionary in establishing a suitable atmosphere for dependents to be educated with a long-term goal of ensuring better living conditions than illiterate ones.Access to finance as an institutional factor from formal financial sources, access to infrastructure, and access to working space are all important factors that influence a household's participation in MSEs. Similarly, a household's total annual income is a significant determinant impacting MSEs' food insecurity and involvement.

Households that have acquired money from a variety of sources will be in a better position to obtain food. It is self-evident that any source of money enhances the household's living conditions. MSE is less likely to be used by high-income families. Finance, working conditions, legal and policy constraints, market linkage, excessive interest rates, and other variables, on the other hand, obstruct involvement in MSEs. However, increasing participation in MSEs is critical in order to minimize urban food insecurity and unemployment. However, socioeconomic, demographic, and institutional factors all have an important impact. This program has an impact on household employment opportunities: household heads who have the opportunity to participate in MSE have a higher chance of reducing food insecurity, and by fostering an energetic and hardworking environment, it improves household access to food security, generates more income, fosters a better saving culture, and makes households more resilient to shocks such as pandemic diseases (e.g. Coronavirus). As a result, enhanced household food security is projected as a result of engaging in MSEs.

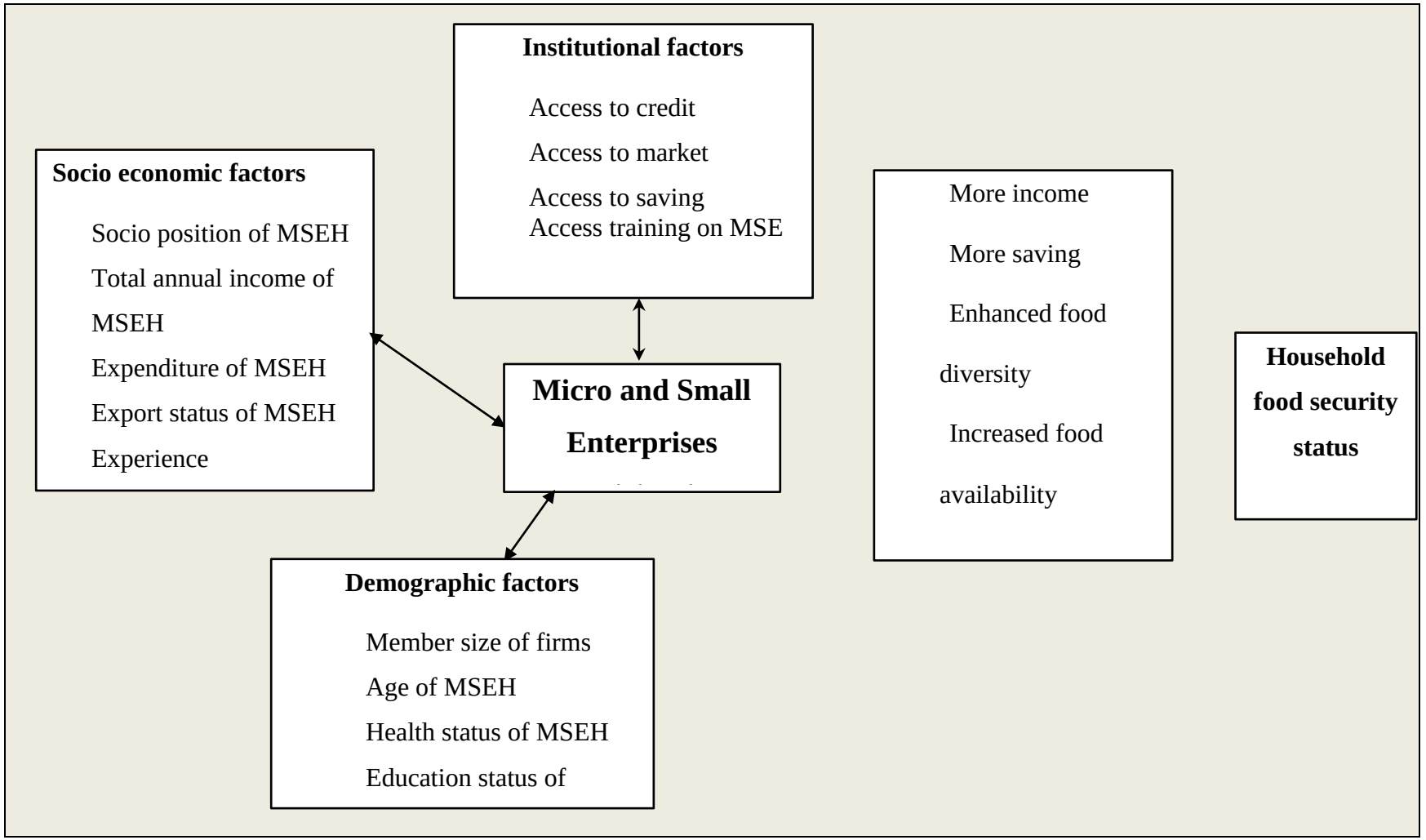

Figure 2.1: Conceptual framework of the study

Source: Formulated based on several literatures reviewed

CHAPTER THREE: DESCRIPTION OF THE STUDY AREA AND RESEARCH METHODS

3.1.Description of the study area

The study was taking place in Addis Ababa's Gundish-Meda district, which is part of the Gulele sub-city. Addis Ababa is Ethiopia's capital city. The city, which is home to 28 percent of Ethiopia's urban population, is undergoing rapid economic expansion and urbanization at the same time (WB, 2015). Addis Ababa accounts for 31% of all urban centers in terms of GDP, according to the State of Ethiopian Cities 2015 Report 2. (UN-HABITAT, 2018).Addis Ababa is also a political center, as it is home to the African Union and the United Nations Economic Commission for Africa.

As illustrated in Figure 3.1, Gulele is one of Addis Ababa's 11 sub-cities.It's located in the northwestern direction of the city, and surrounded by Burayu Town, Yekasubcity, Kolfe-keranio subcity, Arada subcity, and Addis Ketema subcities. Gulele sub-city has a total land area of 3,119.09 hectares (31.19 sq km2), accounting for 6% of the city's total land area. As a result, Gulele is the sixth biggest sub-city in Addis Ababa. In 2017, the total anticipated population was 284,865 individuals, with 137,690 men and 147,175 females. It has authority over ten Woredas (or districts), with a population density per square meter of 9,438.9 (Kassaye, 2020).

This Woreda encompasses 3,119.09 hectares (31.19 square kilometers), approximately 6% of the city's total land area. In 2017, a total of 28,110 individuals were expected, with 13,239 males and 14,871 women. The Woreda has a significant concentration of weaving in the 8 Ketena textile and leather garment sub-sectors, according to statistics from the Woreda commerce and industry office. Shiro-Meda weavers are a regular sight in the Woreda (WB, 2019). The majority of Woreda people live on a medium or lower income, which is reflected in low-quality informal activities (Asefa, 2014).

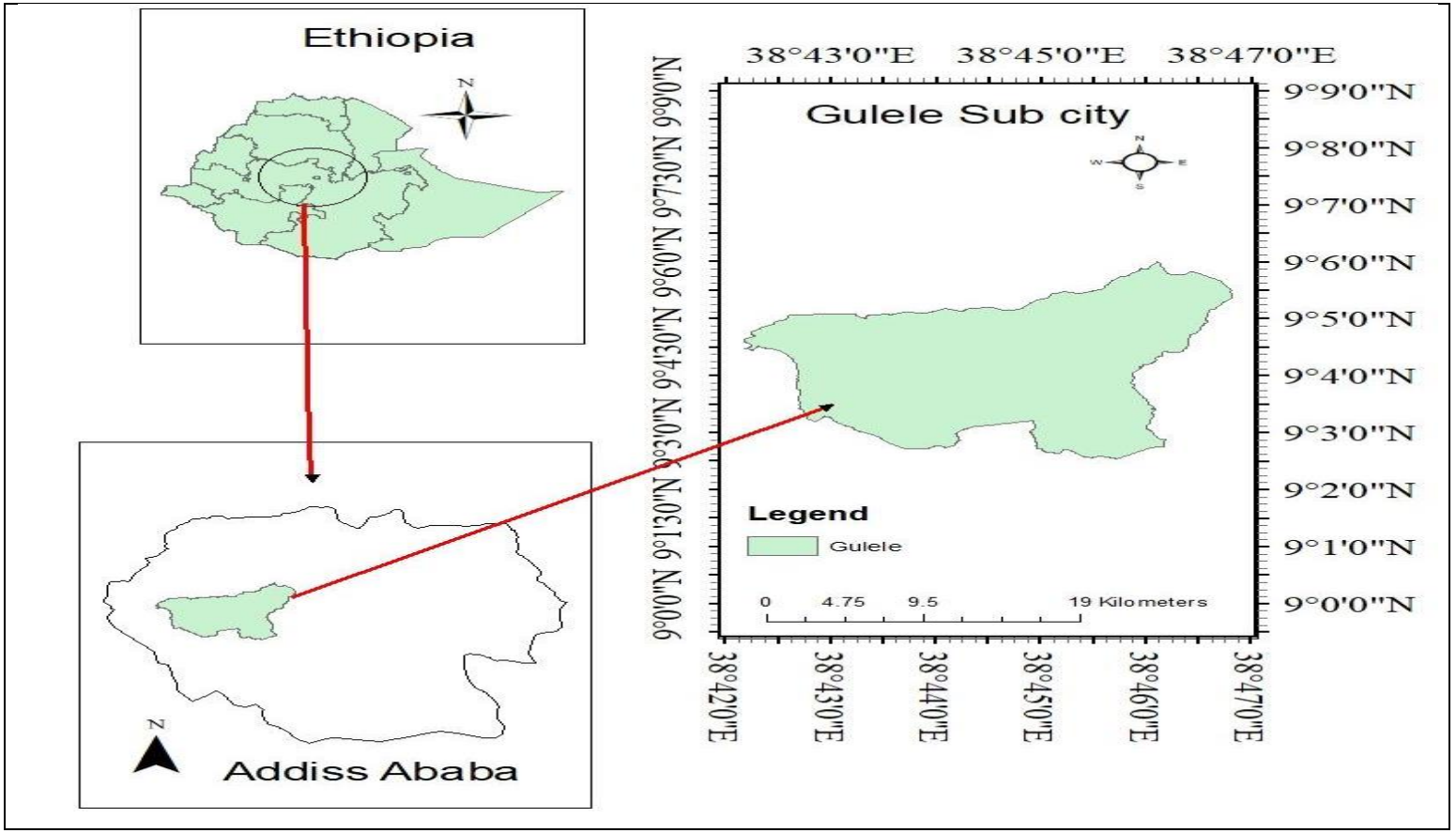

Figure 3.1: Map of study area (Gulele sub city) and Addis Ababa, Ethiopia.

Source:http://www.addisababa.gov.et/fi/web/guest/gulele-sub-cityretrieved at 8:20pm Jan 12, 2022.

3.2.Research design

This study employed a cross-sectional research approach. Cross-sectional research was used to characterize the features of a single person or a group, as well as to assess the frequency with which a variable occurs or its relationship to another variable. A diagnostic research study, to put it another way, looks to see if one variable is linked to another (Sedgwick, 2014). The study employed a mixed approach, both quantitative and qualitative approaches in order to create a comprehensive analysis of the study. The qualitative approach was utilized to get a thorough understanding of the micro and small business program, including its major activities, contribution to the building of MSEHs, livelihood and participation activities, and respondents' perceptions of the program's execution (targeting, market access, training access challenges and their contribution for local market). The quantitative approach comprises numerically quantifying a quantity or amount and observing the connection between variables.

3.3.Type and source of data

Both qualitative and quantitative data were from both primary and secondary sources. Primary data was collected through household surveys, field observations, key informant interviews, and focus group discussions. Household surveys were conducted to collect data on MSEH's socio-economic and demographic information, factors influencing household participation in MSEs, their impact on beneficiaries' food security, and the major problems and constraints that MSEs participants face in marketing their products in a cross-sectional study. To examine the data in such investigations, a number of statistical and economic approaches were utilized. It also uses correlation, binary, and logistic regressions to investigate the relationship between variables. Secondary data was collected from published and unpublished materials such as books, journals, research papers, articles, statistics reports, and official world-wide web sites for literature reviews and information on the subject field were among the sources of data.

3.4.Sampling technique and sample size determination

A multi-stage sampling technique was used to select the study households. At the first stage, the heavily populated Gulele sub-city was purposely drawn. The rapid increase of the urban population, also through migration, has had an influence on housing, sanitation, transportation, water, power, health, and education in the selected sub-city (Rai, 2017). Gulele sub-city is one of the high potentials of MSEs and industries at Addisu Gebeya and Shiro-Meda Markets (Shema

and Dir Tera), market center (and also production center). This sub city was selected because it is one of the top open markets or centers of production, processing and trading activities of weaving products and other manufacturing MSE are taking place for several years (Zerihun, 2017; AACCSA, 2015). In the second stage, two Woredas from Gulele sub-city, Woreda 1 and 3 were purposefully chosen based on the high number of MSEs in the woreda (WB, 2015). In the third stage, four Ketenas out of eleven were purposely chosen from the selected two *Woreda* for this study. These sample ketenes were 1, 3, 2 and 5. The purpose is that the population living in the selected Ketena has a lot in common in terms of socioeconomic context, lifestyle, and MSEs activities.

Lastly, the households within the four ketenas were stratified into two groups: MSE participant heads and Non-MSE participant heads. MSE participants are households who are formed or organized by the government and have 20% of savings from their own capital before starting the business and obtain 80% of the budget capital through credit facilitated by the government. According to MSE Development Policy & Strategy, MSEs shall be encouraged to make their own savings and contribute to their startup capital. Such MSE participants also took working areas (shades), training and certificate of competency from TVET College and formed as MSE at *Woreda* level (AACCSA, 2015; FeMSEDA, 2016). Non-MSE participants are households who started their business from their own capital and most of them are engaged in family members' business. Non MSE do not get any government support like shade, loan, training.

At the end, total 246 MSEHs were simple randomly selected from each Ketenas and following an equal share principle to distribute sampled households in to MSE program participants and non-micro and small enterprises participants (full finance their businesses from their own source) respectively. A representative technique of selection with a precision level of 5% and a confidence range of 95% was used to choose the sample of 246 respondents. The main rationale for this was to have a large enough number of matches to enable for generation depending on research objectives. Using a probability proportionate to population size technique, choose representative samples from four ketenes for each stratum. Finally, by applying the probability proportional to size formula to each category, a representative sample for each stratum was selected from each study *Woreda* and Ketenas (Table 3.1).

Minimum sample size = $\frac{(Z_{\alpha/2})^2 PQ}{E^2}$

Where,

P= proportion =0.5

Q=1-P=0.5

E = Margin of error = ± 0.05 and with level of confidence is 95%, α =0.05, α/2 = 1.96

With this we come up with a 385-sample size.

But both of our population is finite = 683 and we further have a formula

n=m/(1+ (m-1)/N) where m=385 N=683

n=385/(1+(683+384/683)

Then n =246.

Table 3.1: Distribution of sample respondent probability proportional to size by Woredas

Region	Sub city	Woreda	Ketena	Population		Sample
				Type of MSEHs	Total Population	
Addis Ababa	Gulele	01	01	MSEHs	92	33
				Non MSEHs	67	24
			03	MSEHs	97	35
				Non MSEHs	102	37
		03	02	MSEHs	77	28
				Non MSEHs	103	37
			05	MSEHs	84	30
				Non MSEHs	61	22
Total number of MSEHs from two Woredas				**Non-MSEHs**	**333**	**120**
				MSEHs	**350**	**126**
Total sample population and sample size					**683**	**246**

Source: Computed based on data obtained from *Woreda*1 and 3 administrations, 2022.

3.5.Tools and techniques of data collection

Data for the research study was gathered by a household survey, focus groups, field observation, and key format interviews.

3.5.1.Household surveys

In order to conduct a cross-sectional study and find the factors impacting household involvement in MSEs, household surveys were used to collect data on the socio-economic and demographic characteristics of 246 households. It is also the contribution of MSEs to household income diversification and improvements, as well as the genuine advantages of the program on beneficiary families' food security, and attitudes of MSE beneficiary households and non-beneficiaries. Similarly, respondents' impressions of the program's execution were elicited using interview-based household surveys (institutional support, beneficiary awareness of the MSE program, impartiality, and impact on their food security).Before beginning the surveys, the researcher provided information about the research objectives and contents in order to prevent the collection of false data.

3.5.2.Key informant interviews (KII)

The qualitative method was used to get a comprehensive knowledge of the MSEs program, including its major operations, the process of choosing recipient houses, and the impact of MSEs on increasing the food security of urban poor people. In addition, MSEs were interviewed about the main challenges in the research domain. Over all three KIIs were employed in this study; with the main target groups being a sub-city administrator, MSE participants and non-participants using semi-structured interviews. The interview was used to collect data on the impact of MSE interventions on household livelihoods, the variables that influence MSE participation, the challenges they confront in terms of growth at the *Worada* level as well as in sub-city level, and to examine the program's effectiveness in terms of outcomes and drawbacks.

3.5.3.Focus group discussion (FGD)

To augment the information gained through surveys and semi-structured interviews, focus groups were required. Two focus groups comprising eight to ten male and female participants were conducted. The low number of FGD responders can be attributed to the coronavirus pandemic. The benefits of MSEs on enhancing family food security, the factors that influence

MSE participation and growth performance, the program's effects and drawbacks, and more are all explored.

3.5.4. Field observation

Researchers utilize observation as a qualitative approach to learn about the perspectives of the study households. Participants' subjective reports of what they believe and do are balanced by observational facts (Mitchell and Fraser, 2015). One of the most important data collecting tactics is observation. Field observation was used to obtain a sense for the terrain and to enhance data gathered via other methods. This approach may also be used to investigate the influence of MSEs on their livelihoods and program implementation status, as well as the process of choosing participants' activities, housing achievement, and study area disadvantages.

3.5.5.Secondary data collection

In addition to the aforementioned data gathering methodologies and procedures, intensive desk reviews of published and unpublished literatures such as books, journals, articles, reports, and e-resources were performed. MSE papers from different Ketenas, Woreda, Sub-city, and Minster level reports, plans, and publications from various government departments and non-governmental organizations (NGOs) functioning in the region.

3.6.Technique of data analysis

Data were analyzed using descriptive statistics, food security analysis and econometric models were used to analyze the data collected through quantitative techniques. Statistical Packages for Social Science (SPSS 26) and “STATA Version 16” software was employed to manage the data. Qualitative data collected through interviews, field observation and focus group discussion were thematically analyzed.

3.6.1. Descriptive statistics

Descriptive statistical approaches are required to provide a clear picture of the MSEs in the sample. The purpose of descriptive statistics was to describe the demographic and socioeconomic structure of sample households, as well as the impact of participation on MSEs of food security in the study area. Hence, descriptive statistics such as tabulation, mean, standard deviation, and percentage were utilized to analyze the data.

3.6.2. Analysis of food security

The food security status of study MSEs was analyzed using the Household Food Insecurity Access Scale (HFIAS). HFIAS is used to measure the prevalence of food insecurity in the United States (US) on an annual basis. The method is based on the concept that food insecurity (access) induces predictable behaviors and responses that can be gathered and quantified via a survey and summarized in a scale (Wehler *et al.,* 1992; Hamilton, 1997).

The HFIAS is made up of two sorts of questions: occurrence questions and the frequency of occurrence questions. There are nine occurrence questions that inquire if you have ever experienced a specific symptom connected with food insecurity in the last four weeks (30 days). A frequency of occurrence question follows each severity question, asking how often a certain condition happened in the previous weeks. Each occurrence question has a stem (time period for remembering), a body (refers to a particular action or attitude), and two answer alternatives (0 = no, 1 = yes). A "skip code" appears next to each "no" response. When a respondent says "no" to an occurrence question, this code tells the enumerator to skip the follow-up question on frequency of occurrence (Jennifer *et al.,* 2007).The respondent is asked how often the condition reported in the preceding occurrence question occurred in the previous four weeks in each HFIAS frequency of occurrence question. Each answer option corresponds to a particular frequency range (1 = seldom, 2 = occasionally, 3 = frequently).

The HFIAS score variable is first calculated for each residence by adding the codes for each frequency of occurrence question. In all circumstances when the response to the linked occurrence question is "no," the data analysis should code occurrence frequency as 0 (i.e., if Q1=0, then Q1a=0). In the same way, if Q2=0, Q2a=0, and so on. The highest score for a household is 27 (the household answers "frequently" to all nine frequency of occurrence questions, coded response code 3); the minimum score is 0 (the interviewer misses the frequency of occurrence questions, and the data analysis codes it as 0). The higher household score, the greater the household's food insecurity (access). The lower a household's score, the less food insecurity (access) it has (USAID, 2007).

3.6.2. Econometric model specification

Econometric models such as binary logit and ordered logit regression were used to analyze relationships between the dependent and independent variables.

Binary logistic regression model

When the dependent variable is dichotomous, binary logistic regression is used to investigate the relationship between the independent factors and the dependent variable. When a research incorporates a qualitative response variable, or regress, that takes two values, Gujarati (2004) recommends using binary logit. The regress is a binary (or dichotomous) variable, to put it another way. The goal of regression is to figure out how likely it is for E (Yi | X1i, X2i,..., Xki), where the X's are quantitative and qualitative repressors, and Y is qualitative. As a result, qualitative response regression models are also known as probability models, and they're commonly estimated as a function of individual characteristics using a STATA statistical model such as the probit or logit model.

This was for determinants of household engagement on MSEs that might occur as participants or non-participants in the program. The dependent variables have binary values, with 1 representing participation in the MSE and 0 indicating non-participation. In order to measure the relationship between the result variable and the independent factors, binary regression was performed. The model's mathematical (functional) statement is as follows:

$$probit(Y) = 0 + 1X1i + 2X2i + \cdots + Xni$$

The functional form of the regression model estimates the factors that affect the household participation and food security of MSE beneficiary households in Addis Ababa. f

Where:

Y= MSE participation

X = explanatory factors

E=error term

The explicit estimable binomial logistic econometric model is formulated as follows for determining MSE household participation and effect on food security.

Ordered logistic regression model

The ordered logit model was the other model used in the study. This is used to calculate the relationship between MSE and food security. Because food security measured in HFIAS has four outcomes, the dependent variables are divided into four categories: 1, 2, 3, and 4. According to the concept (Stata, 2013), 1 represents food security, 2 represents mild food insecurity, 3 represents moderate food insecurity, and 4 represents severe food insecurity.

Where y, (x) denotes the farm household's food security situation.

Given one or more independent variables, the ordered logit model is used to predict an ordinal dependent variable. We used ordinal regression to see which of our independent factors (if any) had a statistically significant influence on our dependent variable. The following assumptions have been verified. On an ordinal scale, the dependent variable is measured. Categorical or ordinal variables make up the four independent variables. While the independent variables are substantially correlated with one another, there is no multicollinearity. A proportional odd means that each independent variable has the same influence at each cumulative split of the ordinal dependent variable (Gujarati, 2004).

The order Logit model becomes for each category or order =ß0+ß1 sex + ß2 age + ß3mark +ß4 firmsize + ß5 health + ß6 dependency + ß7 education + ß8 credit + ß9 saving + ß10 income + ß11 expenditure + ß12 training + ß13 form MSE+ ß14 export

Where:

ß0 = Y-intercept

ß1, ß2 ---------- ß are the slopes of the equation in the model

U = disturbance term/Error term

After logistic regression, a post-estimation test was performed for this study. The existence of multicollinearity was tested using the Variance Inflation Factor on both continuous and discrete explanatory variables (VIF). According to this statistical study, the factors do not have a substantial relationship. As a rule of thumb, if a variable's VIF is more than 10, it is considered very collinear, and multicollinearity is considered a concern (Gujarati, 1995). A link test and a

goodness-of-fit test were also used to determine autocorrelation and model adequacy. The qualitative data acquired from focus group discussions was examined.

Marginal effect

In a categorical response model, the marginal impact of a predictor predicts how much the likelihood of being food secure rises/reduces as the predictor variables fluctuate. The marginal effect of a continuous predictor is a partial derivative of the likelihood of being food secure in respect to the predictor of interest. It is the difference in event probability when the levels of a binary category predictor are modified. The Average of Marginal Effects is a measure of the predictor's overall influence (AME). It's also clear that qualitative components can interact, which could lead to the multicollinearity issue. Contingency coefficients were calculated for each pair of qualitative variables to discover this issue.

3.7. Definition of variable and working hypothesis

Based on the review of the literature and practical experiences, explanatory variables which have logical and justifiable rational in determining households' participation in MSE and its effects on food security were identified. The variables were continuous and discrete variables in order to find out how to answer the research questions of the study. These are presented as follows;

3.7.1. Dependent variables

The involvement of the household in the MSE is the dependent variable. The variables have a value of 1 for the household that engaged in MSE and a value of 0 for the family that did not participate. In addition, the dependent variable is MSE grantees and non-beneficiaries' home food security status, which is defined using ordinal values. The ordinal values were derived from the HFIAS model, which was used to assess the study homes' food security situation. The independent variables that used in this study sex, age, firm size, market access, health status, dependence ratio, education, credit, saving, income, expenditure, training, export status.

3.7.2.Hypothesis

The following hypothesis was established for the outcome variable based on the study's scope.

Hi= There is no association between the explanatory variable and participation in MSE

Ho= A link exists between participation MSE and the explanatory variable.

And

H1i= There is no link between food security and MSE

H1o= There is a link between food security and MSE.

3.7.3.Independent variables

The model's independent variables are those that are predicted to have a link with MSE involvement and its impacts on food security, while the outcome variables were chosen based on the research. The following are the demographic, socioeconomic, and institutional elements that are thought to influence the dependent variable and outcome variables.

Sex of MSE head (SexMSEHs): It refers to the sex of the household or MSE head taking a value of 1 for female and 2 for male. Labor supply plays a great role; due to lack of labor female headed households they are forced to rent their land. Male-headed households are in a better position to pull more labor force than the female-headed ones; sex of the MSE head is an important determinant of livelihood security, participating on MSE in the study area. Based on this assumption, it is hypothesized that households who are female-headed, were less likely to gain from the MSE program and probability of household to be participant will be higher for male headed than female-headed. According to Munira (2012), gender gap resulted due to the predominant types of activities/business categories (such as construction, woodwork, metalwork) that are substantially operated by men and due to cultural constraints women have less involvement in such sectors.

Age of the MSE heads (AGEMSEHs): It is a continuous variable measured in years. Age of a MSE head plays a significant role in increasing its own productivity by exerting his/her labor and also it may affect adoption to new technologies. MSE heads with young age will have strong labor which can produce more, high chance to participate in MSE and seek new technologies to improve his/her livelihood. It is hypothesized that the probability of being food self-sufficient and accumulating will be higher for young aged MSE heads than elders.

Type of firm (TYPEMSEHs): It is a continuous and categorical variable measured in formation of MSEHs and it is an essential factor for diversified whether the MSE owner is a sole-proprietor, partnership or cooperatives, corporation and other.

Education level of MSE head (EDUMSEHs): It is a continuous and categorical variable measured in MSEHs education level and it is an essential factor for diversified activities in human life. Education level could measure the household's human capital and therefore attainment of higher level of education is expected to provide higher levels of household welfare (Datt *et al*., 2018).

Total annual income of MSEHs (TOTINMSEHs): Although it is argued by Dugger (2014) that MSEs programs benefit the moderately poor more than the very poor or destitute, and thus impact can vary by income group (better off benefit more from MSE) the survey result indicate that MSEs benefits more people who do not have sources of income previously.

Saving access of MSEHs (SAVING): It refers to the saving habits of the MSE heads taking a value of 1 for yes and 2 for no. Micro and small enterprises having the saving habit have a chance to participate in MSE especially for startup capital and forming as MSE and it has positive relationship with participation.

Credit service /credit/: It is a dummy variable that measures credit access of MSE heads taking a value of 1 for yes and 2 for no. Credit services are provided based on MSEs' performance and the amount of savings in the preceding at a given time and have a positive effect on their livelihood consistency.

Experiences of MSE heads (EXPERIENCE): It refers to the experiences of the MSE head taking a value of 1 for less than five years and 2 for MSEHs with more than five years. The problems of MSE's management arise from the limited knowledge and ability of the owner or shortage of competent staff to advise the owner on management policies (Stephen & Wasiu, 2013). Decision-making skills, sound management and accounting practices are very low for MSE operators in developing countries (Aremu & Adeyemi, 2011). In addition, lack of managerial skills leads to problems in production due to lack of coordination of production process, and inability to troubleshoot failures on machinery and/or equipment and they cannot afford to employ specialists in the fields of planning, finance and administration (CLEP, 2006).

Training Access of MSEHs (TRAINING): Training and education play an important role in enhancing human capital by improving the quality of labor and to become productive. The training access of the MSE heads takes a value of 1 for yes and 2 for no. Asefa (2014) argued that human capital is made real by investment in education and training, and labor as an asset is made operative by being free from illness or debilitating health problems. So, training has a positive effect on MSE development and participation.

Market access of MSEHs (MARKET): Marketing access and knowledge is important for the promotion, growth and development of Micro and small enterprises. In this regard, the Ethiopian government has formulated MSE's strategies to ease marketing challenges by creating inter-linkage mechanisms with other institutions, providing training on marketing, developing export support programs and marketing information center (MoTI, 1997). Creating a market linkage plays a pivotal role in the effectiveness of micro and small enterprises at all levels of their development. However, inability to sell the products and services; lack of adequate marketing channels, and lack of marketing skills are the problems to the starting of business and further growth of the sector (MUDC, 2013; MoFED, 2011).

Table 3.2: Description of explanatory variable and the expected sign

Explanatory variables	Nature of Variable	Unit of measurement	Expected sign
Sex of household Heads	Dummy	1 for F and 2 for M	+/-
Age of household Heads	Continuous	Years	+/-
Formation of Firm (Member Size)	Continuous	Number	+/-
Marital status of MSE heads	Categorical	Family status	+/-
Health Status of MSE heads	Dummy	1 for 'Yes' and 2 for 'No'	+/-
Experience of MSE	Continuous	Years	+
Education of MSE Heads	Categorical	Year	+/-
Credit Access of MSE	Dummy	1 and 2	+/-
Saving Access of MSE	Dummy	1 and 2	+/-
Total annual income of MSE	Continuous	Birr	+/-

Expenditure of Micro and Small Enterprises	Continuous	Birr	+/-
Access to training of MSE	Dummy	1 for 'Yes' and 2 for 'No'	+
Market Access of MSE	Dummy	1 for 'Yes' and 2 for 'No'	+
Export status of MSE	Dummy	1 for 'Yes' and 2 for 'No'	+/-

Source: Researchers own interpretation based on the literature, (2022).

CHAPTER FOUR: RESULTS AND DISCUSSIONS

This chapter presents and discusses the results of the study. It comprises four subsections. The first subsections present the demographic, socioeconomic and institutional characteristics of the study households. The second subsection deals with the study households' participation in MSE and the third subsection presents the food security status of MSE participants and non-participants. The final section, section four presents the major constraints related to MSE in the study area.

4.1.Demographic and socio-economic characteristics of study households

This section describes the household characteristics that explain information on demographic, socioeconomic, and institutional characteristics such as MSE Heads' age, sex, marital status, member size MSEs, health status MSEHs, educational level MSEHs, access to credit, access to savings, total annual income MSEs, expenditure MSEs, export status MSEs, access to training, experience MSEs, and types of MSEs, which is assumed to be true.

About 54.8 percent of the study MSEHs was male headed and 36.2percent was female headed. Among these 61.9% male households and 38.1% of female households participate in MSE (Table 4.1). The result shows that male-headed families are more likely to benefit from and engage in MSE than female-headed households though there is no statistically significant difference between the two groups. The outcome is consistent with Assefa's findings (2014) who found that male MSE operators make up 62.7 percent of MSE operators in Gulele Sub-city, while female MSE operators make up just 37.3 percent. This might be because men are more involved in income-generating activities than women. In terms of health status, 13.4% of MSE heads experienced a health problem, while 86.6 percent of them did not (see Table 4.1).

Approximately 12.6 percent of MSE participants were disable, whereas 87.4 percent had no such problem. The result also shows that only 15% of the study households had access to credit services, while the other 85% of households did not. Similarly, a small proportion of MSE participants (32%) had access to credit services, while the majority of them did not have access to credit services from government organizations, while the remaining 32.4 percent did. About 4.8 percent of non-participant MSE heads had access to financing, while the remaining 95.2 percent did not. MSE participants have had easier access to credit than non-participants. The

results of the chi-square test also indicated that there is a substantial significant difference in loan availability between MSE users and non-participants at the 1% level.

Table 4.1: Demographic and socio-economic characteristics of study MSEHs dummy variables

Name of the variables	Category	Participant (N=126)		Non-participant (N=120)		Total value (N=246)		Chi2 -value (probability)
		N	%	N	%	N	%	
Sex MSEHs	Female Male	4878	38.1 61.9	4179	34.2 65.8	89 157	36.2 54.8	0.522
Marital status	Married Unmarried	69 57	54.8 45.2	63 57	76.7 23.3	132 114	81.7 18.3	0.722
Disability status	Yes No	13 113	12.6 87.4	6 114	14.6 85.4	19 227	13.4 86.6	0.019**
Credit	Yes No	1002 6	79.4 20.6	28 92	23.3 76.7	1281 18	52.0 48	0.000***
Saving	Yes No	1081 8	85.7 14.3	22 98	18.3 81.7	1301 16	52.8 47.2	0.000***
Training	Yes No	103 23	81.7 18.3	55 65	45.8 54.2	1588 8	64.2 35.8	0.000***
Export	Yes No	24 102	4.2 95.8	11 109	9.2 90.8	35 211	2.4 97.6	0.027**

Note: ***, **, *, show significance at p<0.01, p<0.05, and p<0.1 respectively
Source: Survey results (2022).

Table 4.1also reveals that 64.2 percent of respondents had access to training, whereas 35.8 percent did not. Non-participants had access to training in just 45.8% of cases, whereas MSE grantees got access to training in 54.2 percent of cases. The chi-square test also revealed that, at the 1% level, there is a significant difference in training availability between MSE members and non-participants.

This observation is in line with KII's assertion:

> *''The Woreda Micro Small Enterprise Office and the Technical and Vocational, Educational and Training Centers facilitate training for me at various times beginning with our enrollment in this program. Now, I'm enrolled in an Entoto Poly Technic College TVET industry extension program in textile garment/sewing/skills and entrepreneurship at my place of*

employment. Each of the four packages in their curriculum has its unique importance in my work: technical skill, KAIZEN, Entrepreneurship, and Technology Exchange….' (Interview MSE program beneficiary 01, January, 12 2022, Addis Ababa).

Few respondents in the research region thought the MSE's ability to participate in export was similarly underrated. Table4.1 also shows that around 2.4 percent of respondents export their goods, whereas the remaining 97.6 percent do not. The majority of MSE participants (4.2 percent) were involved in export services; however none of the non-participants have access no to export. The statistical test reveals that there is a significant difference in export between the MSE participant and non-participant groups. The chi-square test also found that there is a significant difference in access to training between MSE participants and non-participants at the 0.027 percent level.

As shown in Table 4.2, the average age of MSE participants were 33.3 years, whereas non-participants were 34.1 years, implying that MSE participants are younger than the non-participants. However, there was no significant difference between the two groups in terms of ages of respondents. On the other hand, MSE participants' average mean member size was 7.67 compared to 1.52 for non-participant respondents, indicating a significant difference between the two groups at the (P 0.00) significance level. The number of members in this case determines participation, and as the number of unemployed members rises, so does the likelihood of participating in MSEs.

The data also indicated that the MSE participants' average year of schooling was 8.40, compared to 7.12 for non-participants. Participants in the program are less motivated to pursue education than non-participating MSE heads. The mean difference in MSE head education status between participants and non-participants was found to be statistically insignificant. Similarly, the mean experience of MSE participants was 9.52 and for non-participants groups were 8.54 and there is no statistically significant.

However, the kind of MSE (sole proprietorship, partnership, corporation, cooperative, and other) was discovered to be a significant factor of MSE involvement. The participants' average mean type of MSE was 2.04, whereas the non-participant group's average mean form was 1.37. The p-value indicates that the MSE form is significant at the (P 0.000) level. Similarly, total annual

income of the household was shown to have a considerable impact on household MSE involvement's participant members and non-participants had average mean incomes of 25885.71 and 7848.33, respectively. Furthermore, the mean difference was determined to be statistically significant at the 1% level, meaning that MSE members had higher yearly income than non-participants.

Table 4.2: Demographic and socioeconomic characteristics of study MSEHs continuous variable

Name of the variables	Participant (N=126)	Non-participant (N=120)	Total value (N=246)	T-value	P-value
	Mean value	Mean value	Mean value		
Age MSEHs	33.3 (9.02)	34.1 (7.85)	33.68 (8.46)	-0.7839	0.4338
Members size of firms	7.67 (9.44)	1.52 (1.30)	4.67 (7.47)	-7.0774	0.000***
Education MSEHs	8.40 (0.92)	7.13 (1.20)	7.78 (1.24)	-9.3347	0.000***
Experience	9.28 (0.70)	8.37 (0.75)	8.33 (0.73)	0.9596	0.3382
Type of MSE	2.04 (0.87)	1.37 (0.69)	1.71 (0.86)	-6.5823	0.000***
Total annual income	25885.71 (36341.0)	7848.33 (2476.7)	17086.7 (150516.9)	3.3901	0.008***
Expenditure	156329.4 (168054.4)	87661.46 (154631.4)	122832.8 (164942.7)	3.3304	0.001***

Note: ***, **, *, show significance at p<0.01, p<0.05, and p<0.1 respectively

( ): means standard deviation

Source: Survey results (2022)

In terms of MSE spending, participants spent an average of 156329.4 per year, whereas non-participants spent 87661.46 per year. The statistical test also demonstrates that there is a significant difference between the two groups at 1% significance level. Because it is dependent on monthly revenue obtained through livelihood activities, the amount of spending differs between participants and non-participants. The participant groups have less expenditure than

non-participant groups and the participant group saves their income than the non-participant group.

4.2.Household participation in MSE

4.2.1. Model diagnosis test results

This study included a model specification test for overall model fit (goodness of fit), a multicollinearity, problem, and a link test or model specification error test. To find the determinant factors impacting MSE participation, the explanatory variables were tested for multicollinearity or relationships with the dependent variables. The presence of multi-collinearity in the explanatory variables was checked before running the regression model (a variable with 1 VIF that is not moderately correlated between 1 and 5 has a high correlation) as a rule of thumb (Kassaye, 2020). In this case, the mean VIF was 1.26, suggesting that each variable had only little collinearity (See appendix 3).

Because the tolerance across explanatory variables was more than 10.3 percent, the model revealed no major concerns with multicollinearity (Table 4.3). As a result, the model is estimated using all explanatory variables. The logistic regression model's goodness of fit test demonstrates that the model is robust enough to explain the dependent variable. This is demonstrated by the model's Pseudo R2 statistics of 0.4233, which falls between 0 and 1. The results showed that the model's explanatory factors (independent variables) could explain the dependent variable and that the model was well fitted (See appendix 3).

Table 4.3: Diagnostic test result for regression models

Tests	Test name	Factors of participation
Estat gof	Pearson>chi2	0.4233
Link test	Hat	0.000
	Hatsq	0.363
VIF	Multi-collinearity	1.28

Source: Own competition result using STATA 14 (2022)

According to Gujarati (2004), the model test is performed before the logistic regression, and the model specification error test (link-test) is performed after the regression is completed. If the hatsq p-value is not significant, we reject the null hypothesis and affirm that our model is adequately characterized. The link test indicated a model specification mistake when key variables were excluded from the model or one or more irrelevant variables were included in the model. The null hypothesis states that the model definition is correct. Because the p-value of hatsq is not significant, we cannot reject the null hypothesis in this investigation. Thus, we conclude that the model is adequately constructed.

4.2.2. Regression analysis and interpretations for participation

The binary regression method is utilized to assess the relationship between household participation rates in MSE and the explanatory factors presented in Table 4.4 As it is indicated, MSE program participation was highly impacted by explanatory factors included in the binary regression model. Only six of the twelve explanatory factors, namely MSE membership, MSE disability status, MSEHs education states, access to credit, access to saving, and total annual income had a significant effect on household participation in MSE at the 1% and 5% level of significance.

The results presented in Table 4.4 show that MSE member size had a positive and significant effect on MSE program participation. The coefficient variation indicates is positive and 0.78 implying that the number of MSE members increases the probability of participating in MSE also increases by 78%.

The recruitment process was explained by the FGDs as:

> *"Understanding one another in members is a fundamental tool for every business. For example, the person who cuts metal has all responsibility for cutting an acceptable design and size for the welders. Otherwise, there's a chance that a cutter and a welder will collide. Because of the misunderstanding, it will cost time, money, and the overall quality of the task. This has a significant impact on market calculations as we attempt to combat poverty reduction. Similarly, the other response emphasizes the importance of motivation for the group's members. They stated that the members should assume that we work for ourselves rather than the group. As a result, it is the sum of each individual's efforts inside the group*

that makes the organization market-competent and profitable. As a result, there is a potential to meet the governments and our own poverty-reduction goals" … (FGD 01, March 24, 2022, Addis Ababa).

The health state of the household head has a substantial and favorable effect on the likelihood of the household participating in the MSE program at a 5% significance level. This might be due to the fact that able bodied and/or household heads with good health status will have better opportunities to participate in MSE than the ill health and disabled household heads.

Table 4.4: Binary logit result for household participation on MSEs

Variables	Coef.	Std. Err.	Z	P>z	95% Conf.	Interval
Sex MSEH	-1.150	.617	-1.86	0.062	-2.359	.588
Age MSEH	.013	.040	0.34	0.732	-.064	.092
Mar status MSEH	1.006	.659	1.53	0.127	-.285	2.299
Member size of MSEHs	.757	.171	4.42	0.000***	.421	1.093
Type of MSE	-.0314	.363	-0.09	0.931	-.743	.680
Health status	2.705	1.086	2.49	0.013**	.576	4.835
Education status MSEHs	.645	.240	2.69	0.007**	.174	1.117
Access to credit	1.523	.598	2.41	0.016**	-3.249	-.349
Access to saving	2.282	.625	4.52	0.000***	-4.054	-1.602
Training participation	.574	.724	0.79	0.428	-1.994	.845
Total annual income	-.000	.000	1.92	0.055*	-5.10e	.000
Expenditure	-.000	0.000	-0.26	0.794	-.000	.000

Note: the sign ***, ** and* denote the coefficients are statistically significant at 1%, 5% and 10% respectively.

Source: Owen regression result using STATA 14

Access to credit had a statistically significant and positive effect on the likelihood of household participation in the program at 5% significance level. This suggests that in the first participation stage, the majority of household heads with better access to credit have a higher likelihood of participating in MSE than those without credit. As a result, while engaging in any type of MSE

program, the household head should have linkage with micro-credit institutions. Similarly, access to saving has positive and significant effects on MSE participation.

Similarly, as shown in Table 4.4 a household's education status significantly and positively influences the probability of household participation in the MSE program at 1% significance level. This suggests that household heads that have better education status have a higher possibility of participating in MSE than those with less education status. Moreover, household heads with better education status will have a higher understanding of the MSE industry they are involved in.

Although the regression coefficient shows that there is no association between the total annual income and household's participation in MSE, annual income is statistically significantly and negatively influencing the probability of the household's participation in the program at 10% significance level. This means that household heads with a high total yearly income have a lower likelihood of joining MSE, whereas households with a lower annual income have a higher chance of joining MSE. As a result, poor and pro-poor households have a better chance of being included in MSE.

Overall, it can be argued that explanatory factors can explain the likelihood of a household's involvement in MSE. The null hypothesis was rejected in this study; there is a significant association between explanatory factors and beneficiary household involvement in MSE.

4.3.Food security status of the study households

4.3.1. Household food insecurity access scale

The HFIAS module offers data on food insecurity in the home (access). The Household Food Insecurity Access Prevalence (HFIAP) status indicator was used to evaluate household food insecurity (access) prevalence and determine regional targeting decisions. For example, if 60% of households are severely food insecure (access) at the beginning of the program and only 30% are severely food insecure (access) at the end, the prevalence of household food insecurity (access) has decreased by 30% (or by a factor of 50%).Because it is a continuous variable, the average HFIAS score is more sensitive to capturing smaller increments of change over time than the HFIAP indicator. As a result, the HFIAP indication should be offered alongside, rather than

instead of, the average HFIAS Score for program monitoring and assessment.

As shown in Figure 4.1, the HFIAP indicator divides respondent families into four levels of household food insecurity. According to the data, just 8.9% of respondent families were food secure, while the majority of survey households (40.3%) were moderately food insecure. The remaining 25.6 percent and 25.2 percent of respondent families were severely food insecure and mildly food insecure respectively. According to the food security status of MSE members, some 19% were food secure and 58% of MSEs are moderately food insecure. The result shows that 44% of MSE participants are mildly food insecure, whereas only they were severely food insecure. On the other hand, the majority of non-participant households are slightly and moderately food insecure. Both categories have a tiny number of people who are food secure, and even fewer who are significantly food insecure. From the MSE non-participation side, the majority of them are moderate and severely food insecure 58% and 25.6%. The remaining 3% and 18% are food secure and mildly food insecure.

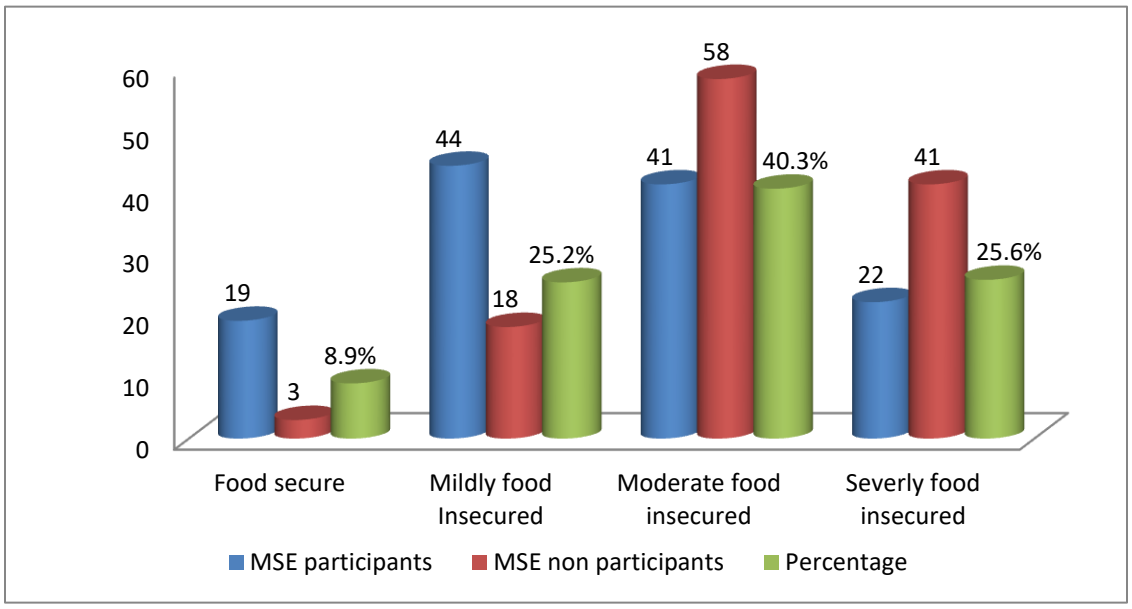

Figure 4.1: Participations and food security status of MSE heads

Source: Survey result (2022)

4.3.2. Ordered logit

Ordered logistic regression is a sort of logistic regression analysis in which the response variable is divided into more than two categories, each with its own natural order or rank. We utilize ordinal logit when a dependent variable contains more than two categories and the values of each

category have a meaningful sequential order in which one value is "greater" than the preceding one.To forecast the impacts of MSEs,a participant program on the food security status of sample urban families, the researcher used an ordered logit regression model. An ordered logit model of estimate was employed to investigate the impact of a specific relationship category on the food insecurity status of study families (Kassaye, 2020). The number of observations is 246. The LR Chi-squared test with a value of 243.3 (P-value =0.000) shows that models fit the data well as compared to the null. The Pseudo R2 = 0.1068 (See appendix 8).

Table 4.5: Ordinary logit result for effects of MSE on food security status of MSEHs

Variables	**Coef.**	**Std. Err.**	**Z**	**P>z**	**95% Conf.**	**Interval**
Sex of MSEHs	-.3603	.259	-1.39	0.164	-.868	.147
Age of MSEHs	.003	.015	0.21	0.832	-.026	.032
Marital status MSEHs	.088	.258	0.34	0.732	-.417	.594
Type of MSE	.081	.153	0.53	0.596	-.219	.382
Disability status MSEHs	.230	.461	0.50	0.617	-.673	1.134
Education of MSEHs	-.244	.111	-2.19	0.029**	-.463	-.025
Access to credit	.724	.314	2.30	0.021**	.108	1.340
Saving	.896	.325	2.76	0.006***	.258	1.534
Training access	.640	.321	2.00	0.046**	.011	1.269
Total income	.000	4.830	2.29	0.022**	1.600	.000
Expenditure of MSEHs	-.000	.000	-1.27	0.204	-.000	.000
Export	1.080	.294	3.67	0.000***	.503	1.657
/cut1	2.367	1.624			-.816	5.550
/cut2	3.800	1.625			.613	6.987
/cut3	6.239	1.664			2.977	9.501

Source: Own computation of regression result using STATA 14, 2022.

Note: the sign ***, ** and* denote the coefficients are statistically significant at 1 %, 5% and10% respectively.

The result of regression indicates that, Education status, Training access, Credit access, Saving access, total annual income and Export status of household head are statically significant. The rest of the variables are not significant. However, it appears that the p-values of six factors strongly affected and determined the likelihood of the MSE home in the research region becoming food insecure. The p-values of these six variables are either below 0.05 or above the Z score of 1.96, as shown (See Table 4.5 and 4.6).

Education status: As shown in Table 4.5, this variable has a statistically significant and negative influence on family food security at 5% (P=-.029 and -.463). The findings show that in the research region, household heads with a college degree are more likely to be in the food secure and moderately food insecure categories, and less likely to be in the moderate and severely food insecure MSEH. Furthermore, the marginal effect in Table 4.6 shows that if one person's MSEH education increases by 0.01 percent and 0.03 percent, the probability of being food secure increases respectively, while the probability of being in the moderate and severely food insecure categories also decreases by -.0.01 percent and -0.03. This means that MSE severely and moderate food insecure households who have an education base are food insecure than mildly food insecure and food secure MSEHs.

Credit of MSEH: credit access of MSEHs has a statistically significant positive link with household food security at P 0.1 or 10% (P=0.021), according to the results of the ordered logit regression model in Table 4.5. It shows that the credit of the household, the more likely it is to be in the food secure group and less likely to be in the food insecure category. Table 4.5 shows that as household credit increases by one birr, the probability of being in the food secure and mildly food insecure MSEH in level increases (less likely in two categories) by -0.06 percent and 0.09percent, respectively, while the probability of being in the moderate and severely food insecure category increases (more likely in both categories) by 0.04 percent and 0.10 percent. This is owing to the fact that as the age of moderate and severely food insecure households rises, so does their capacity to work in a variety of occupations. The coefficient fluctuation also indicates that there is a 1% chance of being food secure. Because they have steadily gained experience and become more efficient and successful in their jobs.

Saving of MSEH: Saving MSEH has a statistically significant positive link with household food security at P0.1 or 10% (P=0.006), (Table 4.5).As indicated in Table 4.6 the household saving increases by one birr, the probability of being in the food secure and mildly food insecure MSEH level of food security increase (less likely in two categories) by -0.07 percent and -0.11 percent, respectively, while the probability of being in the moderate and severely food insecure category increases (more likely in both categories) by 0.05 percent and 0.13 percent. This is owing to the fact that as the age of moderate and severely food insecure households rises, so does their capacity to work in a variety of occupations. The coefficient fluctuation also indicates that there was 89% chance of being food secure. Because they have steadily gained experience and become more efficient and successful in their jobs.

Table 4.6: Marginal effects after ordered logit model

Variables	**Marginal effect dy/dx for food secure**	**Marginal effect dy/dx for mildly food insecure**	**Marginal effect dy/dx for moderate food insecure**	**Marginal effect dy/dx for severely food insecure**
Sex MSEHs	.029	.045	-.022	-.051
Age MSEHs	-.000	-.000	.000	.000
Mar status MSEH	-.007	-.011	.005	.012
Type of MSEHs	-.006	-.010	.005	.011
Disability status	-.018	-.028	.014	-.033
Education of MSEHs	.019**	.030**	-.015**	-.035**
Credit	-.059**	-.090**	.045**	.104**
Saving	-.073***	-.112***	.056***	.129***
Training	-.052**	-.080**	.040**	.092**
Total income	-9.030**	-1.390**	6.930**	1.600**
Expenditure	2.28	3.500	-1.750	-4.030
Export	-.088***	-.135***	.067***	.155***

Source: Regression result using STATA 14, 2022.

The recruitment process was explained by the FGDs as:

> *'... We (the MSEs) are squandering a significant amount of money that could be used to expand our businesses. This is due to our unwillingness and inability to work together. For example, if we buy raw materials together, we'll have more negotiating and bargaining power with suppliers. Obviously, this leads to a significant reduction in input prices. The money we saved from such 'robbery' of raw material suppliers could be re-invested in our enterprises thanks to our collaboration...'(FGD 02, March 24, 2022, Addis Ababa).*

Training access: As shown in Table 4.5, this variable has a statistically significant positive impact on the degree of food security of MSEH at 5% (P=0.046).The findings show that in the research region, MSE heads who have access to training are more likely to be in the food secured. Furthermore, the marginal effect in Table 4.6 shows that training access if one times in food secure and mildly food insecure MSEHs increases the probability of being food secure less likely by -0.05 percent and -0.08 percent, respectively, while the probability of being in the moderate and severely food insecure categories increases and more likely by 0.04 percent and 0.09 percent. Because higher training access in moderate and severely food insecure MSEH increases the likelihood of food security, and the outcomes are dependent on training access.

Total annual income: Annual income has a statistically significant positive link with food security of MSEHs at 5% (P=0.022), The findings show that in the research area, MSE heads who have a high amount of income are more likely to be in all food secure categories. Furthermore, the marginal effect in Table 4.6 shows that if the total annual income increase by one Birr by food secure and mildly food insecure MSEH increases the probability of being food secure by -9.03 percent and -1.39 percent, respectively, while the probability of being in the moderate and severely food insecure categories increases by 6.93 percent and 1.60 percent. Because the value of adding one birr in moderate and severely food insecure MSEH has a strong change or increases the likelihood of food security, and the outcomes are dependent on total cash income per year, the findings are dependent on total cash income per year.

Export status: As with saving access, this variable has a statistically significant positive impact on food security at 1% (P=0.000), as seen in Table 4.5 above. The findings show that in the

research region, household heads who export their commodities are more likely to be food secure in all food security MSEH categories. Furthermore, the marginal effect in Table 4.6 shows that increasing the export status of a food secure and mildly food insecure MSEH family by one product increasing (less likely in two categories) by -0.08 percent and -0.13 percent, respectively, while the probability of being in the moderate and severely food insecure category increases (more likely in both categories) by 0.06 percent and 0.15 percent. This is owing to the fact that as the export of moderate and severely food insecure households rise, so does their capacity to work in a variety of occupations and become food secured. The coefficient fluctuation also indicates that there was 10.8% chance of being food secure. Because they have steadily gained additional birr and become more efficient and successful in their export status.

4.4.Major problem and constraints of MSE in study area

This sub-section, based on the descriptive analysis, outlines the key challenges and restrictions that MSEs, participants confront in the research region, from production to consumer. Micro and small enterprises have the potential to contribute to the country's overall growth and in particular, the local economy. In order for nations to establish policies and programs to encourage and enhance MSE engagement in the nation-building process, their contribution must be acknowledged in various regions of the world. A large number of individuals, particularly those who are economically disadvantaged, are active participants in MSEs and benefit from the services provided by these sub-sectors. Despite their significant contribution to the growth of the local economy, they face several challenges. According to the respondents the core challenges were identified as: lack of working spaces, lack of sufficient capital, limited access to market, limited access to credit facilities, high price of raw material and lack of raw materials, and others.

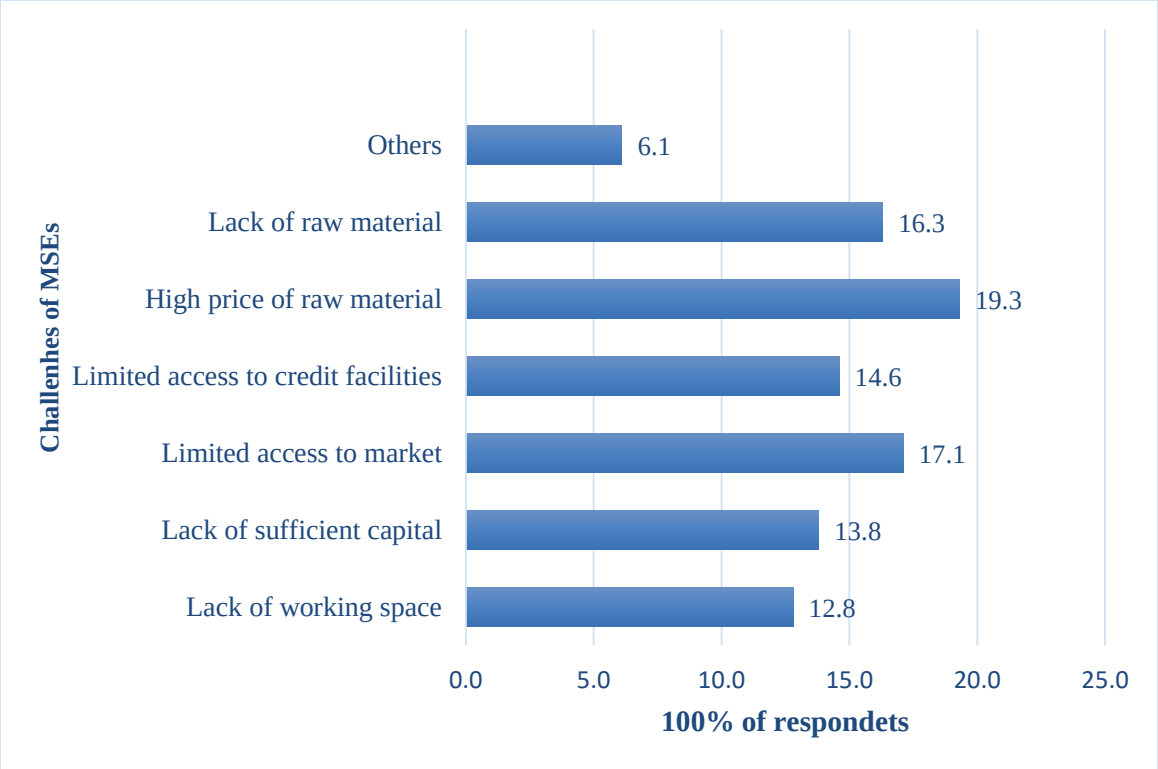

Figure 4.2: Problem and constraints for the development of MSEs in study area

Source: Survey result.

High price of raw materials: According to the findings of this study, 19.3% percent of respondents in Gulele Sub-city believe that high raw material prices have a negative impact on SMEs' growth and development (Figure 4.2). As a result, it can be concluded that the majority of SMEs managers in the sub-city do not have significant difficulties in obtaining finance. According to one of the main sources from the W 03 MSE office,

I sought the opinion of a key informant, MSE participant Head (47):

> *'... The role of MSEs would have been quite impressive had the government's political interests been divorced from it." Higher-ups in MSE agencies at the federal level are more concerned with the political implications of MSEs than with their contribution to controlling the price of raw material volatile, making interconnection and market linkage and community support. Because of bottlenecks caused by political interests, I believe that available resources are not being adequately utilized and that they are not reaching the greatest community at all levels ...' (Interview 02, March 23, 2022, Addis Ababa)*

Limited market linkage: According to the findings of this survey, 17.1 percent of respondents feel that market linkage is vital for company growth and development, and that SMEs' capacity to contribute successfully to local economic development would be jeopardized if it is not available (Figure 4.2).Furthermore, at all phases of growth, creating a market linkage is crucial to the success of micro and small firms. Too many suppliers contending for too few clients, as well as SMEs' failure to develop and sell their products and services successfully, are common causes of market access. As a result, SMEs' productive efforts will have minimal influence on the economy if their goods and services do not find acceptable clients. The impact of limited market access on SMEs' growth and development in Sub-city is depicted in Figure 4.2.The majority of MSEHs gave limited access to the market a bad rating, as seen in the graph above. Similar items and low-cost imports that serve the same market, however, have a detrimental influence on business development, according to respondents.

I sought the opinion of a key informant, on MSE non-participant head (42):

> *The primary stumbling block to my company's expansion is the marketing issue. Although the government has committed to create market connectivity in collaboration with stakeholders, this commitment has yet to be fulfilled. As a result, I sell my goods to clients that come to my place of business. MSEs and medium and large businesses do not have a strong market-driven relationship. Bazaars and trade events, which could help me sell my things, do not occur frequently. Furthermore, the government-provided structure is not conducive to the sale of my products. Customers are unaware of it because the government does not publicize or promote it. In addition, I don't have adequate workspace because I share a small workspace with other cooperative members. Given this, I frequently question if I have the strength to maintain my business in the face of the current market's negative conditions. (Interview 03, March 22, 2022, Addis Ababa).*

Lack of raw materials source: 16.3 of the MSEHs perceived that lack of raw materials on SMEs growth and development in Gulele Sub- city. It is clear from the figure provided above and third stage that the majority of the managers or heads rated limited access to credit. Therefore, it can be concluded that the majority of SMEs heads in the Sub- city do not experience severe impact with regard to lack of raw materials.

Limited access to credit facilities: According to the findings of this survey, 14.6 percent of respondents in Gulele Sub-city felt that SMEs' growth and development has been limited by a lack of access to financial resources. The majority of MSEs rated limited access to credit facilities as low, as seen in the graph above. Access to financing, high interest rates imposed by lenders, and lengthy loan application procedures have all been identified as important challenges influencing company viability and MSE owners' food security. As a result, it is reasonable to assume that the majority of SMEs in the sub-city have no trouble acquiring financing.

Lack of sufficient capital: Around 13.8 percent of respondents reported a lack of funds or a capital constraint. Working capital constraints, exorbitant lending institution interest rates, and time-consuming loan application procedures have all been identified as major factors impacting business performance. One of the most major impediments to MSE establishment and expansion is a lack of suitable capital, which has a negative influence on the development of manufacturing and industrial sub-sectors in particular, as well as SMEs in general, severely affecting the local economy. The issue of having enough capital is crucial, especially for organizations with high development potential. SMEs require adequate funds to obtain crucial skills and raw materials in order to remain competitive, expand, and thrive. As a result, a scarcity of funds will be an issue. As a result, SMEs were unable to hire more personnel or expand due to a shortage of financing. This will, unavoidably, have a negative impact on the local economy (Ermias, 2016).

Lack of working spaces: Working space is one of the most crucial parts of a small business's growth and development, and SMEs' ability to contribute successfully to local economic development will be limited if they lack it. A scarcity of working space was cited by 12.8 percent of the families in the research as the principal cause of marketing production. We may deduce from the data that a shortage of working space has a substantial influence on the operations of sub-city MSEs.

Other difficulties include: Other obstacles in MSEs in the study area are also mentioned by roughly 6.1 percent of respondents. Epidemic infections such as Corona virus or COVID-19, shock taxation, government laws and regulations, and a shortage of technical skill sources are only a few of the obstacles.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1.Conclusions

The aim of this study was to analyze factors that influence household participation in MSEs, as well as the impact of MSEs on beneficiaries' food security in Gulele sub-city. The empirical data acquired from the research sites was analyzed using descriptive statistics and econometric methodologies in this study. According to the findings of the descriptive study, MSEH members vary from their non-participant counterparts in a variety of demographic, socioeconomic, and institutional viewpoints.

The MSE membership, MSEH disability status, education status of MSEHs, credit availability, saving availability, and total yearly income are statistically significant determinants of household engagement in the research area, according to the binary regression model. The amount of an MSE's membership has a statistically significant positive relationship with the food security of its members. The money enables the recipients to purchase food, boosting their food security. MSEH's health also has an influence on household participation. Furthermore, the household head's access to credit has a positive and considerable impact on MSEH program participation. Similarly, statistically important criteria like access to savings and total annual income determine a household's participation in MSE. The study discovered that sample family food security is determined by MSEH membership, and that there is a statistical difference between MSE participation and sample household food security. These factors have a positive implication in a MSEH member, (participation) of a study area.

The HFIAS score was used to measure the extent of food insecurity among micro and small business owners. According to the statistics, 58 people (40.3%) were moderately food insecure, 44 people (25.2%) were mildly food insecure, 41 people (25.6%) were severely food insecure, and just 19 people (8.9%) were food secure. This result indicated that increasing the size of a food secure and mildly food insecure MSEH members. This implies that MSEs participants were moderate. This suggests that urban food insecure households with high members are more food insecure than food secure and slightly food insecure MSEH. The impact of MSE on food security is assessed using an ordered logit model. According to the study's findings, six out of thirty characteristics become significant. Education, credit access, saving access, training access, total annual income and export status all predict MSE's impact on food insecurity in the research

area's households. This disparity demonstrates that the MSE program is more effective than non-participants in improving critical welfare outcomes for participant households. MSE's marketing challenges include a lack of working space, inadequate funds, restricted market access, limited financing facilities, high raw material prices, and a scarcity of raw resources.

In general, this study found that MSE had a favorable impact on household food security, with families participating in MSE being more food secure and slightly food insecure than those who did not.

5.2. Recommendation

In light of the above discussion and conclusion, the following recommendations have been proposed for critical consideration based on the study's findings. The recommendations are expected to provide insight into future policy development in the areas of MSEs and food security, as well as provide information for further research in the country. Furthermore, this policy approach has the potential to address concerns connected to socioeconomic and demographic challenges faced by residents of the Gundish meda of Gulele sub city, as well as residents with similar characteristics in other parts of the country.

- ✍ According to the findings, actions should be implemented at the sub-city and woreda levels to enhance the socioeconomic status of MSE household food security. This will go a long way toward enhancing food security in the cities in the region. Participants should receive more training and information about how to improve their livelihood from development agents such as the Addis Ababa City Administration Technical and Vocational Education and Training Agency (AATVETA), which is in charge of transferring knowledge on appropriate industry extension packages such as technical skills and technology transfer as well as promoting entrepreneurship training.
- ✍ According to this study, the major components that contributed to improved MSE performance were education status, training access, saving access, and export status. As a result, the government and other interested parties should offer MSEs a lot of help in these areas. They should have to give credit opportunities, suitable market, cash handling, conflict resolution, life skills and others.
- ✍ MSEs face a number of issues as part of the local economic development process, despite the fact that their impact is restricted in the Sub-city. A lack of economical access to raw materials and inputs, a lack of market connection, and a lack of raw materials source are all major issues.As a result, Labor, Enterprise and Industry Development offices and Trade and Industry Offices (federal, municipal, sub-city, and woreda level) should make a major emphasis on these challenges in order to enhance MSE performance and thereby boost their contribution to livelihood.
- ✍ Despite the fact that the Creation and Enterprise Development Office and other affirmative measures are utilized to encourage women to work in MSEs, the study revealed that

women’s participation in the MSEs sub-sector is relatively low. Hence, more focus should be made to boost their participation. Though there is enough stated at the legislative level to encourage women to work in MSEs, more awareness, the provision of a special credit window, and women-specific special training are all needed to increase their numbers of women participation in MSE. So, Labor, Enterprise and Industry Development offices at Bureau, Sub city and *Woreda* level should provide opportunities for the future livelihood of women. This will make it simpler for women to contribute significantly to the local economy's growth.

- ✍ Finally, more research should be conducted in various locations in order to obtain more empirical findings on the effect of MSEs in improving beneficiaries' food security status, as well as major constraints or challenges that MSE participants face in marketing their products in Addis Ababa and other MSE beneficiary cities in Ethiopia, and policies and other regulations at all levels must gear toward transparent planning, implementation, and monitoring.

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Appendixes

Appendix 1: Explanatory variables of the study and it's descriptions

Name of the variables	Descriptions
SEX MSEH	Sex of Micro and Small Enterprise Heads
AGE MSEH	Age of Micro and Small Enterprise Heads
MAR STATUS MSEH	Marital status of MSE heads
MEMBER SIZE	Member Size of Firm
DISABILITY STATUS	Disability Status of Micro and Small Enterprise Heads
EDUCATIONMSEHS	Education of Micro and Small Enterprise Heads
EXPERIENCE	Experience of Micro and Small Enterprises
CREDIT	Credit Access of Micro and Small Enterprises
SAVING	Saving Access of Micro and Small Enterprises
TOTAL INCOME	Total annual income of Micro and Small Enterprises
EXPENDITURE	Expenditure of Micro and Small Enterprises
TRAINING	Training Access of Micro and Small Enterprises
MARK STATUS	Market Access of Micro and Small Enterprises
EXPORT STATUS	Export status of Micro and Small Enterprises

Appendix 2: Regression result of participation on micro and small enterprise

```
. reg PPMSE SEXMSEHs AGEMSEHs MARSTATUSMSEHs MEMBSIZEMSEHs TYPEMSE DISABILITY EDUMSEHs CREDIT SAVING TRAINING TOTALINCOME EXPENDMSEHs
```

Source	SS	df	MS		
Model	39.4509975	12	3.28758312	Number of obs =	246
Residual	22.0124172	233	.094473893	F(12, 233) =	34.80
				Prob > F =	0.0000
Total	61.4634146	245	.25087108	R-squared =	0.6419
				Adj R-squared =	0.6234
				Root MSE =	.30737

PPMSE	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
SEXMSEHs	-.048844	.0415932	-1.17	0.241	-.1307908	.0331029
AGEMSEHs	.0003761	.0024041	0.16	0.876	-.0043604	.0051126
MARSTATUSMSEHs	.0675744	.04199	1.61	0.109	-.0151542	.1503031
MEMBSIZEMSEHs	.0099491	.0029403	3.38	0.001	.0041561	.015742
TYPEMSE	.0590674	.0257052	2.30	0.022	.008423	.1097118
DISABILITY	.1861225	.0754687	2.47	0.014	.0374344	.3348107
EDUMSEHs	.087658	.0178711	4.91	0.000	.0524484	.1228675
CREDIT	.1849497	.0502997	3.68	0.000	.2840501	.0858493
SAVING	.374111	.0517401	7.23	0.000	.4760491	.2721729
TRAINING	.0226081	.0510216	0.44	0.658	.1231308	.0779145
TOTALINCOME	1.51e-06	7.81e-07	1.94	0.054	-2.73e-08	3.05e-06
EXPENDMSEHs	-1.39e-06	4.32e-06	-0.32	0.747	-9.90e-06	7.11e-06
_cons	.4698634	.2455505	1.91	0.057	-.0139196	.9536465

Appendix 3: Logistic model test (goodness of fit and link test) of participation on MSE

```
. estat gof
```

Logistic model for PPMSE, goodness-of-fit test

```
       number of observations =       246
 number of covariate patterns =       246
           Pearson chi2(233) =       236.53
                 Prob > chi2 =         0.4233
```

. linktest

Source	SS	df	MS		
Model	39.4672366	2	19.7336183	Number of obs	= 246
Residual	21.996178	243	.090519251	F(2, 243)	= 218.00
				Prob > F	= 0.0000
Total	61.4634146	245	.25087108	R-squared	= 0.6421
				Adj R-squared	= 0.6392
				Root MSE	= .30086

PPMSE	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
_hat	1.061173	.1521638	6.97	0.000	.7614449	1.360902
_hatsq	-.0581247	.13723	-0.42	0.672	-.3284368	.2121874
_cons	-.0067626	.0349975	-0.19	0.847	-.0756997	.0621746

Appendix 4: Multi-collinearity test (VIF) of logistic (logit) regression

```
. estat vif
```

Variable	VIF	1/VIF
SAVING	1.74	0.575694
CREDIT	1.64	0.608168
TRAINING	1.56	0.642095
EDUMSEHs	1.49	0.672167
TYPEMSE	1.26	0.793963
MEMBSIZEMS~s	1.25	0.798566
TOTALINCOME	1.20	0.833300
MARSTATUSM~s	1.14	0.875943
AGEMSEHs	1.07	0.931754
DISABILITY	1.06	0.946094
EXPENDMSEHs	1.06	0.947631
SEXMSEHs	1.04	0.961418
Mean VIF	1.29	

Appendix 5: Logistic (logit) model for participation MSE

```
. logit PPMSE SEXMSEHs AGEMSEHs MARSTATUSMSEHs MEMBSIZEMSEHs TYPEMSE DISABILITY EDUMSEHs CREDIT SAVING TRAINING TOTALINCOME EXPENDMSEHs

Iteration 0:   log likelihood = -170.44103
Iteration 1:   log likelihood = -65.326756
Iteration 2:   log likelihood = -52.346547
Iteration 3:   log likelihood =   -48.8547
Iteration 4:   log likelihood = -48.781024
Iteration 5:   log likelihood = -48.780871
Iteration 6:   log likelihood = -48.780871

Logistic regression                             Number of obs   =        246
                                                LR chi2(12)     =     243.32
                                                Prob > chi2     =     0.0000
Log likelihood = -48.780871                     Pseudo R2       =     0.7138
```

PPMSE	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
SEXMSEHs	-1.150522	.6170522	-1.86	0.062	-2.359922	.058878
AGEMSEHs	.0136849	.0400306	0.34	0.732	-.0647736	.0921434
MARSTATUSMSEHs	1.006876	.6593753	1.53	0.127	-.2854759	2.299228
MEMBSIZEMSEHs	.7573204	.1714727	4.42	0.000	.4212401	1.093401
TYPEMSE	-.0314566	.3630561	-0.09	0.931	-.7430334	.6801203
DISABILITY	2.705878	1.086362	2.49	0.013	.5766473	4.835109
EDUMSEHs	.6459731	.2405043	2.69	0.007	.1745934	1.117353
CREDIT	1.523086	.5986684	2.54	0.011	2.696454	.3497175
SAVING	2.828136	.6254547	4.52	0.000	4.054004	1.602267
TRAINING	.5745098	.7247308	0.79	0.428	1.994956	.8459365
TOTALINCOME	.0000246	.0000128	1.92	0.055	-5.10e-07	.0000497
EXPENDMSEHs	-.000027	.0001033	-0.26	0.794	-.0002293	.0001754
_cons	-2.994828	3.410063	-0.88	0.380	-9.678428	3.688773

```
Note: 0 failures and 11 successes completely determined.
```

Appendix 6: Marginal effects of logistic regression for participation of MSE

```
. mfx

Marginal effects after logit
      y  = Pr(pptmses) (predict)
         =  .93305518
```

variable	dy/dx	Std. Err.	z	P>|z|	[95% C.I.]		X
sexhhh	.0061515	.03151	0.20	0.845	-.055606	.067909	1.55285
agehhh	-.0003479	.00169	-0.21	0.837	-.003661	.002966	33.622
marsta~h	-.0157194	.02288	-0.69	0.492	-.06057	.029131	1.5813
member~e	.0549551	.01816	3.03	0.002	.019365	.090546	5.32927
health~s	.0935727	.06129	1.53	0.127	-.026545	.21369	1.80081
eduction	-.0122918	.0145	-0.85	0.396	-.040703	.016119	3.6626
expria~e	-.0004609	.01422	-0.03	0.974	-.028332	.02741	2.52846
credit	-.1118504	.06862	-1.63	0.103	-.24635	.022649	1.84959
saving	.0434152	.03809	1.14	0.254	-.031236	.118066	1.30081
training	-.1650424	.08666	-1.90	0.057	-.334887	.004803	1.52846
totann~c	-5.97e-07	.00000	-1.81	0.070	-1.2e-06	4.8e-08	78454.8
expend~e	4.48e-08	.00000	0.31	0.758	-2.4e-07	3.3e-07	80861.5

Appendix 7: Logistic model test for effects of MSE on food security (HFIAS)

```
. tab HIFAS PPMSE
```

	Participation of MSE		
HIFAS	0	Yes	Total
Foo Secure	3	19	22
Mildly Food Insecure	18	44	62
Moderately Food Insec	58	41	99
Severely Food Insecur	41	22	63
Total	120	126	246

Appendix 8: Order logistic (logit) regression for HFIAS

```
. ologit HFIAS SEXMSEHs AGEMSEHs MARSTATUSMSEHs TYPEMSE DISABILITY EDUMSEHs CREDIT SAVING TRAINING TOTALINCOME EXPENDMSEHs EXPORT

Iteration 0:   log likelihood = -315.63122
Iteration 1:   log likelihood = -282.89943
Iteration 2:   log likelihood =  -281.9226
Iteration 3:   log likelihood = -281.92092
Iteration 4:   log likelihood = -281.92092

Ordered logistic regression                     Number of obs   =        246
                                                LR chi2(12)     =      67.42
                                                Prob > chi2     =     0.0000
Log likelihood = -281.92092                     Pseudo R2       =     0.1068
```

HFIAS	Coef.	Std. Err.	z	P>|z|	[95% Conf.	Interval]
SEXMSEHs	-.3603393	.2591002	-1.39	0.164	-.8681665	.1474878
AGEMSEHs	.0031964	.0150717	0.21	0.832	-.0263435	.0327363
MARSTATUSMSEHs	.0884939	.258102	0.34	0.732	-.4173767	.5943646
TYPEMSE	.0815983	.1537181	0.53	0.596	-.2196837	.3828803
DISABILITY	.2308831	.4612014	0.50	0.617	-.673055	1.134821
EDUMSEHs	-.2445049	.1117596	-2.19	0.029	-.4635498	-.02546
CREDIT	.7243591	.3142779	2.30	0.021	.1083857	1.340333
SAVING	.8968396	.3254779	2.76	0.006	.2589146	1.534765
TRAINING	.6406922	.3210557	2.00	0.046	.0114346	1.26995
TOTALINCOME	.0000111	4.83e-06	2.29	0.022	1.60e-06	.0000205
EXPENDMSEHs	-.000028	.000022	-1.27	0.204	-.0000712	.0000152
EXPORT	1.080581	.294496	3.67	0.000	.5033792	1.657782
/cut1	2.367186	1.624412			-.8166031	5.550976
/cut2	3.800105	1.625998			.6132079	6.987003
/cut3	6.239629	1.664495			2.977278	9.501979

Appendix 9: Marginal effects of logit for food security and its outcomes

```
. mfx, predict |outcome |1||

Marginal effects after ologit
      y  = Pr|HFIAS==1| |predict, outcome |1||
         =  .08956816
```

variable	dy/dx	Std. Err.	z	P>|z|	95% C.I.		X
SEXMSEHs	.0293841	.02148	1.37	0.171	-.012706	.071475	1.63821
AGEMSEHs	-.0002607	.00123	-0.21	0.832	-.002669	.002148	33.6829
MARSTA~s	-.0072163	.02107	-0.34	0.732	-.048517	.034085	1.46341
TYPEMSE	-.006654	.01259	-0.53	0.597	-.031339	.018031	1.71545
DISABI~Y	-.0188275	.03768	-0.50	0.617	-.09267	.055015	1.92276
EDUMSEHs	.0199383	.00945	2.11	0.035	.001415	.038461	3.61789
CREDIT	-.0590684	.02697	-2.19	0.029	-.11193	-.006206	1.47967
SAVING	-.0731334	.02808	-2.60	0.009	-.128162	-.018105	1.47154
TRAINING	-.0522457	.02681	-1.95	0.051	-.104789	.000297	1.35772
TOTALI~E	-9.03e-07	.00000	-2.20	0.028	-1.7e-06	-9.8e-08	33667.5
EXPEND~s	2.28e-06	.00000	1.26	0.206	-1.3e-06	5.8e-06	5756.91
EXPORT	-.0881167	.02639	-3.34	0.001	-.139849	-.036385	1.72764

```
. mfx, predict |outcome |2||

Marginal effects after ologit
      y  = Pr|HFIAS==2| |predict, outcome |2||
         =  .20236775
```

variable	dy/dx	Std. Err.	z	P>|z|	95% C.I.		X
SEXMSEHs	.0451014	.03272	1.38	0.168	-.019034	.109237	1.63821
AGEMSEHs	-.0004001	.00189	-0.21	0.832	-.004098	.003298	33.6829
MARSTA~s	-.0110762	.0323	-0.34	0.732	-.074385	.052233	1.46341
TYPEMSE	-.0102131	.01927	-0.53	0.596	-.047974	.027548	1.71545
DISABI~Y	-.0288982	.05778	-0.50	0.617	-.142142	.084346	1.92276
EDUMSEHs	.0306031	.0145	2.11	0.035	.002182	.059024	3.61789
CREDIT	-.0906634	.04098	-2.21	0.027	-.170983	-.010344	1.47967
SAVING	-.1122517	.04269	-2.63	0.009	-.195915	-.028589	1.47154
TRAINING	-.0801914	.04107	-1.95	0.051	-.160693	.000311	1.35772
TOTALI~E	-1.39e-06	.00000	-2.21	0.027	-2.6e-06	-1.5e-07	33667.5
EXPEND~s	3.50e-06	.00000	1.26	0.209	-2.0e-06	9.0e-06	5756.91
EXPORT	-.1352494	.04018	-3.37	0.001	-.214001	-.056498	1.72764

```
. mfx, predict (outcome (3||

Marginal effects after ologit
      y  = Pr(HFIAS==3| (predict, outcome (3||
         =  .53348606
```

variable	dy/dx	Std. Err.	z	P>|z|	[95% C.I.]		X
SEXMSEHs	-.0225604	.01816	-1.24	0.214	-.058163	.013042	1.63821
AGEMSEHs	.0002001	.00094	0.21	0.832	-.001651	.002051	33.6829
MARSTA~s	.0055405	.01626	0.34	0.733	-.026333	.037414	1.46341
TYPEMSE	.0051088	.00986	0.52	0.604	-.014213	.02443	1.71545
DISABI~Y	.0144553	.02931	0.49	0.622	-.042998	.071909	1.92276
EDUMSEHs	-.0153082	.0091	-1.68	0.093	-.033152	.002536	3.61789
CREDIT	.0453513	.02656	1.71	0.088	-.006701	.097403	1.47967
SAVING	.05615	.02924	1.92	0.055	-.001165	.113465	1.47154
TRAINING	.040113	.02466	1.63	0.104	-.008228	.088454	1.35772
TOTALI~E	6.93e-07	.00000	1.74	0.082	-8.8e-08	1.5e-06	33667.5
EXPEND~s	-1.75e-06	.00000	-1.17	0.243	-4.7e-06	1.2e-06	5756.91
EXPORT	.0676539	.03103	2.18	0.029	.006835	.128472	1.72764

```
. mfx, predict (outcome (4||

Marginal effects after ologit
      y  = Pr(HFIAS==4| (predict, outcome (4||
         =  .17457803
```

variable	dy/dx	Std. Err.	z	P>|z|	[95% C.I.]		X
SEXMSEHs	-.0519251	.03749	-1.39	0.166	-.125395	.021545	1.63821
AGEMSEHs	.0004606	.00217	0.21	0.832	-.003799	.00472	33.6829
MARSTA~s	.012752	.03721	0.34	0.732	-.06017	.085674	1.46341
TYPEMSE	.0117584	.02214	0.53	0.595	-.031626	.055143	1.71545
DISABI~Y	.0332704	.0665	0.50	0.617	-.097063	.163604	1.92276
EDUMSEHs	-.0352333	.01622	-2.17	0.030	-.067015	-.003452	3.61789
CREDIT	.1043805	.04547	2.30	0.022	.015256	.193505	1.47967
SAVING	.1292351	.0474	2.73	0.006	.036341	.22213	1.47154
TRAINING	.0923241	.04671	1.98	0.048	.00078	.183868	1.35772
TOTALI~E	1.60e-06	.00000	2.26	0.024	2.1e-07	3.0e-06	33667.5
EXPEND~s	-4.03e-06	.00000	-1.26	0.208	-.00001	2.2e-06	5756.91
EXPORT	.1557123	.04387	3.55	0.000	.069733	.241692	1.72764

Appendix 10.I: Household survey questionnaire

Introduction to the Subject

My name is Tadele Demula Guluma, and I'd like to introduce myself to you. I am a Master's science student in the Center for Food Security Study at the University of Addis Ababa. I am now working on a project called "Determinants of Micro and Small Enterprise Participation and its Contribution to Household Food Security in Gundish-Meda of Gulele Sub-city Addis Ababa, Ethiopia." The goal of this study is to identify the determinants of household participation in MSEs to investigate the impact of MSEs on food security, and to assess the major challenges MSEs face in promoting local economic development in the study areas. The responses provided by the respondents for this survey will be kept private and used exclusively for the purposes of this study. The researcher also believes that the real answers provided by the respondents are extremely valuable and could be used by policymakers, planners, and other aid and development agents working on technology transfer to Micro and Small Enterprises as part of the country's poverty reduction program. As a result, I ask that you respond honestly and openly. Furthermore, any information you submit will be useful to this research. It takes 25 minutes to complete the questionnaire. I'd want to express my gratitude for your cooperation and commitment of your valuable time.

Are you interested in taking part in the interview?

Yes_____ (continue the interview). No_____ (Thank you for your time and consideration.)

Instructions for Use

While answering the questions with a choice, make a tick mark or a circle.

Interview date: ___ /___/2022Started time of interviewing: _____Ended time: _____

Name of *Woreda*: ____ Ketena: _____

Respondent ☐MSE beneficiary 0☐on-beneficiary

Part I: Socio-demographic characteristics of the household

No	Question	Response	Code
1	Sex of the MSEH	0. Female 1. Male	
2	Age of the MSEH	In years_____	
3	Religion	1. Orthodox 2. Protestant 3. Catholic 4. Muslim 5. Other (specify):_____	
4	Marital status	1. Married 2. Unmarried	
5	Since when you started participating in MSEs?	Specify in year:_____	
6.	MSE size /Forms of business ownership/		
6.1.	How many people are member in your MSE?	Specify the No: _____	
6.2.	Please, identify your MSE forms of business ownership?	1. Sole proprietorship 2. Partnership 3. Corporation 4. Cooperative 5. Other (specify):_____	
6.3	Indicate your business type and specify your production?	a. Manufacturing: _____ b. Industry:_____ c. Service:_____ d. Trade: _____ e. Other _____	
7.	Household Health status		
7.1.	Is there a member of MSE who has a permanent/chronic disease, health issue, or disability?	0.No 1.Yes	

7.2.	If yes, what is the kind of disability/disease?	1. Blindness 5. Mental retardation 2. Deafness 6. Paralysis 3. Dumbness 7. chronic illness 4. Amputation 8. Other (specify) :_____	
8.	Household education level		
8.1.	Would you tell the level of your education?	specify_____	
9.	Would you tell the estimated capital you have /fixed and non-fixed asset/	Specify: _____Birr	
10.	Would you mind sharing your estimated capital /fixed and non-fixed asset/ and how you choose market access?	1. High market access 2. Medium access to market 3. Low access	
11.	Do you have access to training once you've enrolled in this program?	0. No 1. Yes	
10a	If so, what type of training does this program provide?	1. Life skill training 2. Entrepreneurship 3. Other (specify) _____	

Part II: Information on employment, income and saving

1. What were you doing before you engage in the current job?

A. □Unemployed B. □ Student C.□ Private employee

D □ Government employee E □ Other (specify) _____

2. Were you permanently employed before you started to work in this enterprise?

A. □ Yes B. □ No

3. How many employees do the enterprise have?_____

A. Permanent: Male_____ Female _____

B. Temporary: Male_____ Female _____

C. Family member: Male_____ Female _____

D. Unpaid worker: Male_____ Female _____

4. Please tell us your income?

Daily per-capita income:_____ Birr

Monthly per-capita income _____Birr

Annual per-capita income _____Birr

5. Total expenditure: _____Birr

6. What is your most important income expense?

1. □ Household consumption 2. □ Health and education 3. □ Ceremonies

4. □ Business expansion 5. □ Debt payment 6. □ Other (specify) _____

7. How do you evaluate your income condition after you start the business?

1. □ Increased 2. □ Decreased 3. □ No change

8. Do you save form what you earn per day/week/month?

1. □ Yes 2. □ No

9. Where does your household save?

1. □ MFI only 2. □ Iqub only 3.□ Formal bank only 4. □ MFI and formal bank

5. □ MFI and Iqub 6. □ Iqub and formal bank 7. □ MFI and other people

8. □ MFI, formal bank and Iqub 9. □ MFI, formal bank and home

10. □ MFI, Iqub and home 11. □ Home only 12. □ Others (specify) _____

10. Do you have other source of income?

□ Yes □ No

11. Does your saving increased after your engagement in this business?

1. □ Agree 2. □ Disagree

12. Do you have other source of income?

□ Yes □ No

13. What is growth status of your MSEs?

A. Starter MSEs

B._____

C._____

D._____

E._____

F. others _____

Part III: Food access information (Household Food Insecurity Access Scale) and causes of urban food insecurity.

No	Questions	Responses	Code
1	Have you been concerned about your family's food supply in the last four	0=No (skip to Q2) 1=Yes	

	weeks?		
1.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
2.	Were you or any family member unable to consume the meals you preferred in the last four weeks due to a lack of resources?	0=No (skip to Q3) 1=Yes	
2.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
3.	Did you or any family member have to consume a limited variety of meals in the last four weeks owing to a lack of resources?	0=No (skip to Q4) 1=Yes	
3.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
4.	Have you or any of your family members had to consume meals you really didn't want to eat in the last four weeks due to a lack of means to buy other sorts of food?	0=No (skip to Q5) 1=Yes	
4.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four	

		weeks)	
5.	Have you or any of your family members had to eat a smaller meal than you required in the last four weeks due to a lack of food?	0=No (skip to Q6) 1=Yes	
5.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
6.	Have you or any other family member had to eat fewer meals each day in the last four weeks due to a lack of food?	0=No (skip to Q7) 1=Yes	
6.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
7.	Was there ever a time in the last four weeks when your household had no food to eat of any type due to a lack of means to obtain food?	0=No (skip to Q8) 1=Yes	
7.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
8.	Did you or any member of your family go to bed hungry in the last four weeks because there wasn't enough food?	0=No (skip to Q9) 1=Yes	

8.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	
9.	Have you or any of your family members gone a day or night without eating in the last four weeks due to a lack of food?	0=No (questionnaire is finished) 1=Yes	
9.a	How frequently did this occur?	1=Rarely (once or twice in the past four weeks) 2=Sometimes (three to ten times in the past four weeks) 3=Often (more than ten times in the past four weeks)	

IV: Challenges facing small and micro enterprises

1. Do you face Problem or constraint?

□ Yes □ No

2. What is the impact of the categories of issues listed below on your business on the scale provided if you are facing challenges? Low or High? Check with an (□) mark and rank depending upon your relative answer in the table provided below.

Types of challenges	**Impact**		**Rank**
	Low	***High***	
Lack of working spaces			
Lack of sufficient capital			
Limited access to market			
Limited access to credit facilities			
High price of raw material			
Lack of raw materials			
Others. please, list down			

V: Interview guidelines for concerned MSEs to respondents.

1. What is the total number of MSEs in your Woreda?
2. What kind of support does your office provide to MSE operators during and after their first setup?
3. Are there any organizations with which you collaborate? What problems did you find?
4. What is the overall socioeconomic impact of MSEs on food security?
5. What are the most significant internal and external barriers that MSEs face in attaining their objectives?
6. What exactly is the problem with training, credit, and dedication?

VI. Guidelines for concerned MSEs FGD participants.

1. How would you characterize the income generated by working on MSEs?
2. How would you compare your living situation prior to and following your participation in MSEs?
3. What challenges and limitations did you face in your daily operations?
4. What are the market problems you're having?
5. What are the advantages of investing in MSEs in terms of income diversification?
6. Is there any supervision, follow-up, or monitoring services provided by the company?

Appendix 10.II: Amharic questionnaire

በአዲስ አበባ ዩኒቨርስቲ
የልማት ጥናት ኮሌጅ
የምግብ ዋስትና ጥናት የትምህርት ክፍል

በአዲስ አበባ ከተማ አስተዳደር ጉለሌ ክ/ከተማ ወረዳ 01 እና 03 ለሚገኙ በወረዳውየጥቃቅና አነስተኛ ኢንተርፕራይዝተጠቃሚዎች እና ተጠቃሚ ያልሆኑ ቤተሰቦች የሚሞላ መጠይቅ ነው፡፡

ውድ የዚህ ጥናት ተሳታፊዎች፡፡

እኔ ታደለ ደሙላጉሉማእባላለሁ፡፡ በአዲስ አበባ ዩኒቨርስቲ የልማት ጥናት ኮሌጅ በምግብ ዋስትና ጥናት የትምህርት ክፍል የምረቃ ተማሪ ስሆን ለማስተርስ ዲግሪ ማሟያ ጽሁፌ በአዲስ አበባ ከተማ አስተዳደር በጉለሌ ክ/ከተማ በወረዳ 3 ውስጥ ለሚገኙ ቀጠናዎች ተለይቶ የከተማ የጥቃቅና አነስተኛ ኢንተርፕራይዝ ተጠቃሚዎች በወረዳ የጥቃቅና አነስተኛ ኢንተርፕራይዝ በከተማ በዝቅተኛ የኑሮ ደረጃ የሚኖሩ ዜጎችን የምግብ ዋውስትና ለማረጋገጥ ያለው አንድምታ ምን እንደሚመስል ለመገምገም ሲሆን ትንተና ለማከናወን እርስዎ የሚሰጡት ትክክለኛ መልስ ለጥናቱ ውጤት አስተማማኝነት ወሳኝ ነው፡፡ ለቃለ መጠይቁ የሚሳተፉት በእርስዎ ፍቃደኝነት ሲሆን አጠቃላይ አራት ክፍሎች ያሉትና 25 ደቂቃ ልወስድብዎት ይችላል፡፡

ስለትብብርዎ በቅድሚያ አመሰግናላሁ!!

የቃለ መጠይቁ መለያ ቁጥር፡ _____

ቃለ መጠይቁን ለመመላት የጀመሩበት ሰዓት፡ _____ የጨረሱበት ሰዓት፡_____

ቀን፡ ___/___/2013 ዓ.ም ወረዳ፡ _____ ቀጠና፡ _____

እባኮ (O) የክብ ምልክት ቢቻ ያስቀምጡ::

በወረዳዎየጥቃቅና አነስተኛ ኢንተርፕራይዝ ተጠቃሚ ኖት? 1. አዎ 2. አይደለሁም

ክፍል 1፡ከማሕበራዊናስብዓዊሁኔታዎችጋርየተያያዙጥያቄዎች፡-

ተ/ቁ	ጥያቄዎች	ኮድ	ምርመራ
1.	ፆታ	1. ሴት 2. ወንድ	
2.	በማህበሩ ውስጥ ያለው ሀላፊነት?	1. ሰብሳቢ 2. ጸሀፊ 3. ሌላ /ይግለጽ/: _____	
3	እድሜ	በቁጥር፡ _____	
4.	ሀይማኖት	1. ኦርቶዶክስ ክርስቲያን 2. መስልም 3. ፕሮቴስታንት 4. ካቶልክ 5. ሌላ (ይገለጽ)_____	
5.	የጋብቻ ሁኔታ	1. ያገባ/ች 2. ያላገባ/ች	
6	የቤተሰብ ሁኔታ		
	በማህበሩ ውስጥ አባላት ብዛት ስንት ነው?	፡_____	
	በየትኛው የእድሜ ክልል ውስጥ ናቸው? /ሁለት ምርጫ መምረጥ ይቻላል/	1. ከ0 — 15 2. ከ16 - 34 3. ከ35 - 50 4. ከ51 — 65 5. ከ65 አመት በላይ: _____	
7	የጤና ሁኔታ		
7.1	ከበማህበሩ አባላት ውስጥ የጤና ችግውር ያለበት ሰው አለ እንዴ?	1: አዎ 0: የለም	
7.2	መልሶ "አዎ" ከሆነ ምን አይነት የጤና ችግር ነው?	1.ህመም 2.እድሜ 4.ሌላ ካለ ግለፅ 3.የአካል ጉዳት ፡_____	
8	የትምህርት ሁኔታ		
8.1	የእርሶ ትምህርት ደረጃ	----------	
8.2	የጥቃቅና አነስተኛ ኢንተርፕራይዝ ተጠቃሚከሆኑ ስንት አመት ሆነዎት	1. አንድ እና ሁለትአመት 2. ሶስት እናአራትአመት 3. አምስት እና ስድስት አመት 4.ሌላ ካለ /ይግለጽ/: _____	
8.3	በማህበሮ ውስጥ ስንት በቅጥርሰራተኛ ይገኛሉ?	ይግላ_____	
8.4	የማህበሮ አደረጃጀት በምን መልክነው?	1. የግል ማህበር 2. ህብረት□ ስራ ማህበር 3. ህብረት ሽርክና 4._____	

ክፍል 2፡ ስለ ቅጥር፤ብድርና ቁጠባን የተመለከቱ ጥያቄዎች

9	የስራ ሁኔታ፤ብድርና ቁጠባን ሁኔታ		
9.1	ይህን ስራ ከመቀላቀሎ በፊት ምነ አይነት ስራ ስሰሩ ነበር	1: የመንግስት ስራ 2. ሌላሰው ጋር ተቀጥሬ ስሰራ ነበር 3. የግል ስራ 4. ስራ አልነበረኝም 5. ሌላ ካለሆነ ይግላጹት _____	
10	ከ2010 - 2013 ዓ.ም የብድር አገልግሎት አግኝቷል?	1: አዎ 0: የለም	
10.1	መልሶ "አዎ" ከሆነ ብድሩ ከማን አገኙ?	1. ከግል ድርጅት 2. ከመንግስት 3. ከግለሰብ 4. ሌላ ካለ /ይግለጽ/: _____	
10.2	ምን አይነት የብድር አገኙ?	1. ገንዘብ 2. የመስሪያ ማሽን ወይም ጥሬ ፍጆታ ዕቃዎች 3. የስራ እቃዎች 4. ሌላ ካለ /ይግለጽ/: _____	
11	የቁጠባ አጋጣሚዎችን ተጠቅመው ይቆጥባሉ ?	1: አዎ 0: የለም	
11.1	መልሶ "አዎ" ከሆነ ምን ያህል ገንዘብ በየወሩ ይቆጥባሉ?	_____	
11.2	ፕሮገራሙ ውስጥ ከተቀላቀሉ በኃላ ስልጠና ማግኝት ችለዋል	0. አይ አላገኘሁም 1. አዋ አግንቻለው	
11.3	መልሶ "አዋ" ከሆነ፡ ምን አይነት ስልጠና ከፕሮገራሙ አገኙ?	1. የህይወት ክህሎት ስልጠና 2. የስራ ፈጠራ ስልጠና 3. ሌላ ካለ ግለጽ: _____	
	የገቢ ሁኔታ		
12	ምን ያክል ገቢ የገኛሉ?	1. የቀን ገቢዎ፡- _____ብር 2. የወር ገቢዎ_____ብር 3. የአንድ አመት _____ብር	
12.1	የገቢዎ ምንጭ ብገልጹልን?	1. በ_____ ስራ	
13	ሌላ ገቢ ካሎት?	ተጨማሪ ገቢዎትን ይግለጹ፡ _____ _____ በብር	
14	ጠቅላላ በቀንና በወር ውስጥ ወጭዎ ስንት ይሆናል?	የቀን_____ብር የወር_____ብር	

ክፍል3፡ ከቤተሰብየምግብዋስትና ጋርተያያዥጥያቄዎች

Household Food Insecurity Access Scale (HFIAS)					ምርመራ
(አሌፎአሌፎ፡ 1 እስከ 2 ጊዜ፣አንዳንድጊዜ፡ 3 እስከ 10፣ሁልጊዜ፡ከ10 ጊዜበሊይ)					
1	ባለፈው 4 ሳምንት ቤተሰቡ በቂ ምግብ ባለማግኘቱ የተጨነቀበት ቀን አለ? ወይም ምግብ ለማግኘት የተጨነቀበት ቀን አለ? (ከሌለ ወደ ጥያቄ 2 ይሂዱ)	1: አዎ	0: የለም		
1a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
2	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባል በሪሶርስ/በሀብት እጥረት ምክንያት የሚስማማውንና የሚወደውን በቂ ምግብ ማግኘት ያልቻ አለ? (ከሌለ ወደ ጥያቄ 3 ይሂዱ)	1: አዎ	0: የለም		
2a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
3	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባል በሪሶርስ/በሀብት እጥረት ምክንያት ውስን የምግብ ዓይነት (limited variety) የተመገበ አለ? (ከሌለ ወደ ጥያቄ 4 ይሂዱ)	1: አዎ	0: የለም		
3a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
4	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባል በሪሶርስ/በሀብት እጥረት ምክንያት ጥቂት የምግብ ዓይነት ብቻ የተመገበ እና ሌሎች የምግብ ዓይነቶችን መመገብ የማይፈልግ አለ? (ከሌለ ወደ ጥያቄ 5 ይሂዱ)	1: አዎ	0: የለም		
4a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁሌጊዜ	
5	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባሌ በቂ ምግብ ባለመኖሩ ምክንያት ከሚያስፈሌገው በታች ትንሽ የምግብ ዓይነት ብቻ የተመገበ አለ? (ከሌለ ወደ ጥያቄ 6 ይሂዱ)	1: አዎ	0: የለም		
5a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
6	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባሌ በቂ ምግብ ባለመኖሩ ምክንያት በቀን ከሚያስፈልገው በጣም ያነሰ ምግብ የተመገበ አለ? (ከሌለ ወደ ጥያቄ 7 ይሂዱ)	1: አዎ	0: የለም		
6a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
7	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባል በሪሶርስ/በሀብት እጥረት ምክንያት ፈጽሞ ምግብ ያላገኘ አለ? (ከሌለ ወደ ጥያቄ 8 ይሂዱ)	1: አዎ	0: የለም		
7a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
8	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባል በቂ ምግብ ባለመኖሩ ምክንያት እንደራበው የተኛ አለ? (ከሌለ ወደ	1: አዎ	0: የለም		

	ጥያቄ 9 ይሂዱ)				
8a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	
9	ባለፈው 4 ሳምንት ማንኛውም የቤተሰቡ አባል በቂ ምግብ ባለመኖሩ ምክንያት ሙሉ ቀንና ለሊት ምንም ዓይነት ምግብ ያልተመገበ አለ?	1: አዎ	0: የለም		
9a	በየምን ያህል ጊዜ ይከሰታል?	1: አልፎ አልፎ	2: አንዳንድ ጊዜ	3: ሁልጊዜ	

ክፍል4ሰለ የጥቃቅና አነስተኛ ኢንተርፕራይዝ ችግሮች መልያ ጥያቄዎች

30. በሚሰሩበት ስራ ላይ ችግር ገጥሞዎት ያውቃል

☐ **ዎ** ☐ **አላገጠመኝም**

መልሶ አዎ ካሉ የችግሮችን ክብደት በመለየት ተራ ቁጥር ይስጡበት

	ችግሮች	**የችግሩ መጠን ስለካ**		**በደረጃ ያስቀምጡ**
		ዝቅተኛ	ከፍተኛ	
31	የመስሪያ ቦታ እጥበት			
32	የመስሪያ ገንዘብ እጥረት			
33	የገቢያ እጥረት			
34	የብድር አቅርቦች እጥረት			
35	የጥሬ እቃ ዋጋ መጨመር			
36	የጥሬ እቃ አለመኖር			
37	ሌሎችም ችግሮች ካሉ ይግለጹ			

ከልብአመሰግናለሁ!!

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Analyzed document	Tadele Final MSc Thesis.doc (D149983752)
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Submitted by	Meskerem Abi
Submitter email	meskerem.abi@aau.edu.et
Similarity	9%
Analysis address	meskerem.abi.aauni@analysis.urkund.com

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