

**Growth Prospects of Registered and Women Operated
Micro Enterprises in Increasing their Operators' Income:
A Case Study of Lideta and Addis Ketema Sub-cities**

Mellese Dejenie

**Advisor:
Mihret Ayenew, (PhD)**

**A Thesis Submitted in Partial Fulfillment of the Requirement
for Masters Degree in Public Administration**

**Department of Public Administration and Development
Management
Faculty of Business and Economics
Addis Ababa University**

**Addis Ababa,
August 2007**



Addis Ababa University
School of Graduate Studies

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Mellese Dejenie

Approved by Board of Examiners:

Meheret Ayene Melkior Ayen Aug. 14/2007

Advisor

Teferi Repassa

Internal Examiner

13/08/07

Tadesse Biru

External Examiner

14/08/07

Acknowledgement

With the help of God this has become a reality. Therefore, my innumerable praise is first and for most to the Almighty that guided me throughout my life.

Next to that, I am grateful to my Advisor Dr. Mihret Ayenew without whom support and guidance this paper wouldn't have materialized. Also, I am grateful to my supervisor, Ato Aseged Assefa, for his understanding, tolerance and moral support that contributed to make my study a reality and am highly indebted to my colleagues, W/t Selamawit, Wro. Sosina, Wro. Gimja, Ato Teshome and Ato Wondwosen.

Further, my sincere thanks goes to my sister Wt. Adanech, my brothers Ato Mathewose, Ato Kassahun and Ato Hailu, and my friends especially: Ato Dereje, Ato Eyob, Wro.. Lulit, and Ato Abraham, and staff members of the Department of PADM particularly Wt. Tigist Abera.

Last but not least, I am indebted to Micro and Small Enterprises Development Extension Workers at each Kebele, and Officials in the two sub-cities for their invaluable support and cooperation.

Abstract

Micro enterprises are important tools in poverty alleviation through employment creation and income generation for low income groups with limited opportunities. Women, which constitute the largest proportion of this group, the responsibility of handling domestic tasks and generating income for their family. Hence, many poor women operate micro-enterprises individually or in group.

Among the poor urbanites of Ethiopia, Addis Ababa is believed to have the largest concentration. And among the sub-cities of Addis Ababa, the largest concentration of dwellers as well as Micro-enterprises is found in Addis Ketema and Lideta. Therefore, they are selected for this study since they shed light on the performance of women operated micro-enterprises.

The number of women operated micro enterprises have been increasing from time to time, with slow and gradual growth. As a result, most operators abandon the enterprise in pursuit of other alternatives as they did not see any improvement in their personal income.

The study assessed the operation of the such enterprises vis-à-vis the change in their employment, customer size, business turnover, customer size, product portfolio and profitability. Primary data for the study are collected using questionnaire, interview and group discussion. Also Secondary sources are used to collect pertinent data.

The study has learned that most women operated enterprises in the two sub-cities are at their earlier years of operation. Likewise, the income of most of the operators did not show increment. In order to facilitate the growth of women operated micro enterprises and improve the income of women operators, the concerned bodies should make an in-depth study on the operating condition of the enterprises. A special support package shall be designed to women operators and also the support shall be extended towards the growth of enterprises beyond startup. In order to provide technical support and advice the sub-cities need to build the capacity of their staff both at Kebele and sub-city levels.

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Acronyms

AfDB:	African Development Bank
CEDAW:	Convention on the Elimination of Discrimination Against Women
CSA:	Central Statistics Agency
FDRE:	Federal Democratic Republic of Ethiopia
FeMSDA:	Federal Micro and Small Enterprises Development Agency
ILO:	International Labor Organization
MFI:	Micro Financing Institutions
MoTI:	Ministry of Trade and Industry
MSE:	Micro and Small Enterprises
MSEDP:	Micro and Small Enterprises Development Program

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Chapter I

Introduction

1.1 General

Micro-enterprises contribution is significant to economic growth, social stability and equity. The sector is one of the most important vehicles through which low-income people can escape poverty. With limited skills and education these peoples get economic opportunities in micro and small enterprises as business owners and employees. Increased income earned by women is reinvested in the health, education and housing of their families. As micro-entrepreneurs, women not only make huge contribution to national income, but they create reliable safety net for their families and communities (Sirinivas, on <http://www.gdrc.org>). Women had been wrongly perceived as a marginal economic group, rather than as a positive socio-economic force. As entrepreneurs, however, they had significant untapped potential as wealth creators (AfDB and ILO, 2004).

with in poor families, women must earn an income to support themselves and at the same time their family. 'The double function' weighs most heavily on poor working women, who have the responsibility of combining their household duties along with income generating activities. Since working hours in formal sector employment are rigid and not adapted to the double function of women, they are pushed into micro-enterprise activities where incomes are usually relative (Oberai, 1993).

The General Assembly of the United Nations adopted the International Convention on the Elimination of All forms of Discrimination Against Women (CEDAW) in 1979, and this paved the way for greater government attention everywhere on the role of women in development programs and on strategies for eliminating discriminatory practices against women. Micro enterprises are among the tools that could help in empowering women and help them participate in economic development programs. The state of women in enterprise development: the starting and growing of individual enterprises is a major concern among governments in most countries (AfDB and ILO, 2004).

The Ethiopian Government adopted National Policy on Women in 1993 aiming at eliminating gender and cultural bias that hinders women from participating equally in the economic and social development of the country (ILO, 2005). This together with the Micro and Small Enterprises Development Strategy, which was released in November 1997 (MoTI) by identifying women as a target group for relevant support measures, indicates that the Government of Ethiopia has put in place the necessary regulatory and policy direction to encourage participation of women in economic and social development.

Currently, Ethiopia has a population size of about 77.1 million according to the Central Statistics Agency(2006). Micro and Small Enterprises Development Program (MSEDP) estimates that more than 8 million of the total population is assumed to live in urban areas. And about 37% of the urban dwellers is believed live under poverty line. Unless proper vices for economic development are put in practice in urban areas that allow urban centers to absorb the population growth, they will face economic and social crises (MSEDP, 2006). According to the Central Statistics Agency's Annual Statistical Report (2006), Addis Ababa has a total population of 3,059,000 out of which 1,589,999 are female.

In Market economic system, Micro and Small Enterprises (MSEs) have a considerable role and are mostly the favorite for the majority of the population very low income. The importance of MSEs in contributing for job creation and output growth is widely accepted in both developed and developing countries. Their development can deepen the manufacturing sector and foster competitiveness. It can also help a more equitable distribution of the benefits of economic growth and there by help alleviate some of the problems associated with uneven income distribution (MoTI, 1997).

The significance of MSEs in the development of an economy is recognized not only in the developing countries, but also in the developed countries where big corporations dominate the economy. For instance, in the United States there are about 6,200,000 small businesses and out of these 5,400,000 employ less than 20 employees each. Irrespective of the importance of the MSEs as important instruments of development, MSEs in many

African countries enjoy lukewarm support. They lack effective organization and knowledge of modern management techniques. Organizations created to promote them are not sufficiently prepared for the task and the interface with policy-makers leaves much to be desired (Asmelash, 2002).

This study has looked into the performance level of women operated Micro and Small Enterprises (MSEs) that have been registered in the two sub-cities. The study also tried to relate the change in the personal income of operators with the growth level of the enterprise.

In the subsequent sections of this chapter background to the study, problem statement together with objectives of the study, methodology, limitation, and organization of the study are discussed.

1.2 Background to the Study

As stated by Liedholm and Mead (1999), most MSEs are owned and operated by women. In addition, since working proprietors are the single largest categories of labor force the majority of workers are also women. Women enterprises are concentrated and dominated by more traditional manufacturing activities such as brewing, knitting, dressmaking, crocheting, retailing, etc.

Cognizant of the role of micro and small enterprises in employment creation, generation income for the poor, governments are advocating the importance of these enterprises and using them as a strategy for enhancing development and growth. The Federal Government of Ethiopia by recognizing of the role of MSEs in expediting the development of the country and alleviation of poverty, has issued 'Micro and Small Enterprises Development Strategy in 1997'¹. The strategy puts the MSEs as core development partners and paved the way for the formation of an agency² that will facilitate their functions and gives them technical assistance, training, etc at a federal level. Regional agencies (Bureaus) also shall assist the development, and operation of the

¹ Federal Democratic Republic of Ethiopia (FDRE), Ministry of Trade and Industry (MoTI), Micro and Small Enterprises Development Strategy, November 1997, Addis Ababa.

² Federal Micro and Small Enterprises Development Agency.

MSEs at their respective region. According to the overview report of AfDB and ILO (2004) about 64.8% of MSEs are owned by women in Ethiopia.

From this we can learn that the government has given a special focus on the formation, survival and growth of Micro and Small Enterprises, as they comprise the largest share of the total enterprises and employment opportunity in the non-agricultural sectors. The number of micro enterprises in Ethiopia has doubled between the years of 1997 and the 2004 (AfDB and ILO, 2004 and Solomon, 2004). In Addis Ababa micro enterprises are provided support during their establishment and licensing (registration) by One Stop Service Centers at their respective Kebele. However, based on the survey undertaken in 13 African countries, Asmelash argues that the policy and regulatory environment for MSEs in Ethiopia is disabling and remained the same as of 2002 (2002).

Regardless of the level of the development of a country as indicated by AfDB & ILO(2004), smaller businesses are less likely to employ hired workers, grow more slowly (if at all) are less likely to borrow from bank, access personal networks for advice and support, and tend to dominate lower growth sectors. Most of women-owned enterprises start at the micro-level and do not grow beyond five employees.

1.3 Statement of the Problem

Millions of people are engaged in small trading, retailing and wide diversity of activities. They bang out pots and pans from scrap metals, make mop and brooms, shape pieces of furniture, sell fruits and vegetables, etc. These activities are important ways for providing employment opportunity and source of income to the poor (Liedholm and Mead, 1999).

A study conducted by African Development Bank (AfDB) and International Labor Organization (ILO), revealed that about 64.8% of the total MSEs in Ethiopia are operated by women (2005). As micro entrepreneurs, women not only make a huge contribution to national income, but also create reliable social safety nets for their families and communities (Sirinivas, on <http://www.gdrc.org>).

The sector is one of the most important vehicles through which low-income people can escape poverty and women participation is increasing from time to time (Sirinivas, on

<http://www.gdrc.org>). However, there is little evidence of specific and concrete policy measures or programs to address particular barriers challenging women-owned MSEs, and virtually no provisions have been made to facilitate growth-oriented women entrepreneurs (ILO, 2005).

Although there are a number of women owned (operated) enterprises in Ethiopia in general and Addis Ababa in particular, only few show growth in terms of capital, employment, product portfolio, customer size etc. Since the profit gained from the enterprises are spent for household consumption, they will be left with nothing to expand and meet the growth challenge. Most of these institutions grow very slowly or do not grow at all and remain at a point where they were at their earlier years of operation. As a result, the personal income of the operators either declines from time to time or remains the same, even if it increases the increases might be marginal. This forces most of the operators to abandon their enterprises and resort to other activities.

Therefore, the study is conducted to address and answer the following critical questions:

1. Are women operated MSEs in Addis Ketema and Lideta Sub-cities growing in terms of capital, product portfolio, profitability, business turnover, customer size, and employment size from the level they were at their earlier years of operation?
2. Is there any change in the personal income of the operators resulting from their enterprises' growth?
3. Where do the enterprises belong either to survivalists; which struggle to remain in business or to non-growers: that have a very marginal growth or to graduates; that have transformed themselves into the next higher level?

1.4 Objectives of the Study

1.4.1 General Objective

The study generally assesses the performance of women operated micro enterprises registered in Lideta and Addis Ketema sub-cities to evaluate their growth level and the change in the personal income of the operators.

1.4.2 Specific objectives

In addition to the above mentioned general objective, the study has the following Specific objectives.

- 1 Assessing the performance of women operated MSEs in regard to change in their employment, capital, business turnover, customer size, product portfolio, and profitability.
- 2 Assessing the contribution of MSEs' growth to increase the personal income of women operators.
- 3 Proposing possible ways of strengthening the growth of women operated MSEs.

1.5 Rationale (Significance) of the Study

According to Todaro (2000) women make up a substantial majority of the world poor. The prevalence of female headed households, lower earning capacity of women, and women's limited control over their spouses' income contribute to this alarming phenomenon of poverty. Lack of access to basic social services and formal sector employment have worsened the situation and made the financial resource of poor women weak and meager relative to men. In Ethiopia, women are presumed to make more than 50% of the total population of the Country and 54% of the urban dwellers live under poverty line (Abebe, 1999). Helping women to have a sustainable and reliable income is one way for women empowerment and alleviating poverty.

The role of micro and small enterprises in empowering poor women can not be overemphasized since the business can be started with small initial capital and highly depends up on local skills and knowledge. Though it is believed that MSEs help in generating income for the poor especially women, it is widely believed that women use the profit from their venture for household consumption (ILO, 2005; UNCTAD/ITE/TEB/5). This has direct impact on the graduation of micro enterprises in to the next higher level. This in turn has a significant impact on the socio-economic condition of the city.

Addis Ababa has the lion share of urbanites of the country and a good number of its dwellers live under extreme poverty without any form of employment in the formal sector with permanent income. Among other sub-cities, Lideta and Addis Ketema have the largest number of residents of 325,022 and 348,063, respectively (Addis Ababa City Administration, 2003). Women are the main actors and participants in the MSEs in their bid to get employment and supplement their family income. According to UNCTAD, enabling a woman amounts to enabling a family and the growth of women owned and operated MSEs contribute to the betterment of their family. However, it is difficult for African women entrepreneurs to access the skills and resources necessary to move beyond the micro enterprise level (UNCTAD/ITE/TEB/5).

Therefore, the study will shed light on the general condition of women operated MSEs in these sub-cities in particular and the city in general.

1.6 Methodology of the Study

1.6.1 Method of Data Collection

The study employed both primary and secondary data. The primary data required for the study was collected using: questionnaire, interview and group discussion.

- Questionnaire was designed and distributed to women MSE operators.

- Interview was administered for women MSE operators, and selected government officials.
- Group discussion was made with women MSE operators that were drawn from different Kebeles.

Secondary data was collected from reports, statistical abstracts, official and unofficial documents.

1.6.2 Sampling Design

Addis Ababa City is divided into 10 sub-cities and 99 Kebeles. Among these sub-cities, Addis Ketema and Lideta have the largest population size and density (Addis Ababa City Administration, 2003; CSA,2006) and are believed to have the largest concentration of poor women and micro enterprises. Therefore, these sub-cities are selected for the study as they can give relatively reliable picture of the performance of women operated enterprises.

The study is conducted using non-probabilistic sampling techniques of :

- Snowball sampling with the help of Micro and Small Enterprises Development (MSED) Extension workers at Kebele level in the identification of the subject of the study for the questionnaire
- Snowball sampling together with purposive sampling was used in identifying the MSE operators to be interviewed again with the help of MSED extension workers

In identifying individuals for the group discussion, simple random selection of the operators from a class size of 50 participants was made until the required number of participants is found. Two groups with a member size 10 operators each were formed for the study purpose with care not to take more than one operator from the same enterprise/group.

1.6.3 Distribution and Collection of Questionnaire

Both Addis Ketema and Lideta Sub-cities have 9 Kebeles, each. A total of 90 questionnaires were distributed in the two sub-cities in the following order:

- 45 questionnaires were distributed to each sub-city, and 5 to each Kebele respectively.
- The questionnaires distributed to each Kebele were planned to be filled by operators engaged in the sectors of Food Preparation, Textile and Garment, Construction, Wood and Metal Works and Municipal Service.

However, upon collecting the questionnaires back, it was learned that:

- In some Kebeles there were no women operators in the sectors of wood and metal works and construction sectors, and some of the questionnaires were returned blank.
- In some Kebeles, especially where there are no operators in construction and wood & metal work sectors, more than one questionnaire was filled in and returned from one sector. Moreover, questionnaires from operators other than the identified sectors were also filled-in and returned.
- Also due to the reluctance of operators, some more questionnaires were not collected.

Hence, a total of 57 questionnaires were returned: 30 from Addis Ketema and 27 from Lideta sub-cities. The number of questionnaires distributed to each Kebele and the returned ones is summarized in the table attached to this study (Annex 2).

1.6.4 Interview Made with Micro Enterprise Operators and Government Officials

A total of 18 MSE operators were interviewed: 9 from each sub-city. The operators were interviewed concerning their operation, business turnover, personal income, profitability of their enterprise, product portfolio, etc. The identification and selection of operators was made with the help of the Micro and Small Enterprises Development (MSED) Extension workers of each Kebele. Interview was also conducted with women working at the industry zones. One MSE operator from each Kebele was interviewed, and priority was given to those operating in Construction, and Metal and Wood Work sectors since they were less represented in the questionnaire. Those women that were covered by the questionnaire are deliberately excluded from the interview.

Selected officials both at Kebele and Sub-city levels were also interviewed in connection to the performance, growth and problems, etc of women operators and the support provided to them so that they can expand and transform themselves.

1.6.5 Group Discussion

The other method employed for data collection was group discussion. During the time of data collection, both Sub-cities were conducting training to MSE operators on different topics and the researcher took advantage of these sessions. Women drawn from different sectors, (basically most of the participants were from Food Preparation and Municipal Service sectors) were made to discuss the growth trend of their respective enterprises, challenges they encountered to expand, change in their personal income, etc.

1.6.6 Data Analysis Technique

The study mainly employed qualitative technique to analyze, interpret and present the collected data. Also some quantitative (statistical) techniques are used to summarize and present the information.

The analysis is made for each sector against the factors of employment size, capital, customer size, business turnover, product portfolio, personal income and profitability in

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The analysis is made for each sector against the factors of employment size, capital, customer size, business turnover, product portfolio, personal income and profitability in

each Sub-city and finally the data for the two sub-cities are aggregated and discussed. Moreover, the enterprises in each sub-city are assessed and analyzed against each factor (factor based analysis is made).

1.7 Scope of the Study

The study does not include the informal operators that have been recognized as part of micro enterprise in the Micro and Small Scale Enterprises Development Strategy of the Ethiopian Government (MoTI, 1997). In addition the study will cover only those enterprises that are registered and licensed by One Stop Service Centers of each Kebele.

1.8 Limitations of the Study

The study was planned to be conducted on five major sectors of Food, Textile, construction, Metal and Woodwork and Municipality services. However, during the course of the study, it was identified that the participation of women in the sectors of Construction, and Wood and Metal works is much lower than expected. Women owned MSEs in the two sub-cities are concentrated in the sectors of food, municipal service and textile in descending order. Hence, it was not possible to cover two sectors in a similar manner as the rest of the sectors.

Also significant proportion of the respondents operate in group and the number of sole proprietors or individual MSE owners included in the study is minimum. Hence, the study mainly reflects the position of MSEs that operate in group, though the MSE sector also includes private (individual) operators.

Moreover, absence of structured and sex disaggregated record both at Sub-city and City levels, has to some extent affected the study as data on the number, type, capital, size, etc of women operated micro enterprises was not considered in the study.

1.9 Organization of the Study

The study is organized into five chapters. The first chapter so far has discussed the general introduction, background to the study, statement of the problem, objectives and significance of the study, and scope and limitations of the study.

The Second chapter presents the relevant literatures and concepts while the third chapter presents the findings of the study from primary and secondary data. The fourth chapter discusses and analyses the findings of the study. The final Chapter will present the conclusions and recommendations of the study.

Chapter II

Concepts and Literatures on Micro and Small Enterprises

There are two approaches in relation to the emergence and expansion of MSEs, and increase in the number of people engaged in such activities. One approach perceives the situation as an outcome of improved opportunities for people (including the poor and the disadvantaged) to participate in ways that empower and nourish them. On the other hand, the 2nd approach views the emergence and expansion of MSEs as an indication of failure of an economy to provide productive jobs, forcing people to take refuge in activities that provide only minimal subsistence support (Gebrehiwot and Wolday, 2004 and Liedholm and Meads, 1999).

According to the study of Gebrehiwot and Wolday (2004) people enter into MSE business mainly for the following reasons:

1. Belief that it will be profitable
2. Because of skill in the area of business
3. Lack of alternative (belief that the business is the only option for engagement)
4. Influence of prior experience of parents, and relatives in the business

Reasons 1 and 2 suggest that many operators were engaged in MSEs were picked up by operators with the options that exercised choice in picking their respective businesses based on consideration of expected profitability or comparative advantage in skill. On the other hand, the third and fourth reason it is learned that a good number of MSEs were taken as activities of last resort by individuals searching for ways to sustain them.

2.1 Definition of Micro and Small Enterprises

There is no universally accepted definition to micro, small and medium-sized enterprises. No single definition can reflect the differences between firms, sectors or economies of different size and different levels of development. The issue of definitions is further

complicated by the tendency of NGOs, donors and authors of various studies quoted in the country reports to adopt classifications and definitions that suit their own purpose (Asmelash, 2002 and UNCTAD/ITE/TEB/5).

The basis of the definition depends either on the amount of paid-up capital or the number of workers. For instance in the USA, Japan and South Korea the number of workers is used to define the MSEs (Asmelash, 2002 and DEOK-Hui, 2006).

In the case of Ethiopia, both methods were employed by different institutions: by the Ministry of Trade and Industry and Central Statistics Agency.³ The Ministry of Trade and Industry adopted the following definitions for the sector in its MSE Development Strategy (1997, p.8) and this is widely in use by stakeholders:

1. “Micro-enterprises⁴ are those small enterprises with a paid-up capital of not exceeding Birr 20,000, and excluding high tech consultancy firms and other high-tech establishments.”
2. “Small enterprises are those business enterprises with a paid-up capital of above Birr 20, 000 and not exceeding Birr 500,000; and excluding high tech consultancy firms and other high tech establishments.”

The study shall use this definition of MSEs to differentiate them from other form of institutions.

Generally, the three most commonly used measures of size for micro, small and medium sized enterprises is: assets/financial investment, employment size and sales volume (UNCTAD/ITE/TEB/5).

³ The Agency (the then Central Statistics Authority) employed the criteria of number of Employees: those institutions that employ up to 10 persons and not more than 50 employees were classified as Micro and Small Enterprises, respectively for their 1997 survey of the informal sector.

⁴ In this classification, the Strategy has deliberately included the informal sector operators, but it is not included in this study.

2.2 Types and Characteristics of Micro and Small Enterprises

Micro and Small Enterprises which have roles in the creation of employment and potential in alleviating poverty, are major features of the economic landscape in all developing countries. These enterprises are gaining wide acceptance for their role in participating the disadvantaged groups and providing them with opportunities (Liedholm and Mead, 1999).

The MSE sector consists diverse groups that require variety of support to grow and improve. Many of their owners are poor with limited access to services having potential. Thus, self employment is the central characteristics of the MSE world. Majority of them in most developing countries, are owned and operated by women. Those MSEs headed by women tend to be concentrated in narrow range of activities like local beer brewing, knitting, dress making, crocheting, retail trade, etc. They are more likely than their male counterparts to operate from home (Liedholm and Mead, 1999).

Liedholm and Mead (1999) categorize the MSEs into four major categories:

- New starts: these are enterprises just getting underway. The needs of this group for support are significantly different from those enterprises that have been in existence for some time and that have managed to overcome their start-up problems.
- Non-growing enterprises: are enterprises that have survived the perils of start-up but have not added to their employment starting from their establishment.
- Small growers: these are enterprises that have been in existence for some time and have added to their workforce since starting, but have grown only in small amount.
- Graduates: these are enterprises that started from a very small base and have made a transition to reach at least the middle ranges of the small enterprises spectrum.

Based on a study conducted in six countries⁵, Liedholm and Mead (1999) indicated that the number of employees increases as we move across the new starts to graduates. However, the share of Micro and small enterprises declines significantly as the enterprises move towards graduating to medium scale enterprises. The share of graduated enterprises in the countries covered in the study is 0.6%. As we can observe from the table below, the largest proportion of MSEs are categorized under the non growing enterprises.

Table 1: Characteristics of MSEs

Contribution	New start (%)	Non-growing (%)	Small growers (%)	Graduated (%)
Share of existing enterprises	28.1	42.8	12.0	0.6
Source of new employment	80	0	10	5
Ave. no. of workers	1.8	1.2	2.9	16.3
Av. no. of months worked /year	10.6	10.9	11.2	10.7
Av. No of days worked /month	23.3	24.2	25.4	24.8
100% contribution to household income	30.7	35.6	34.0	21.7
50-99% house hold income	33.3	35.5	41.9	59.5
< 50% house hold income	36.0	28.9	24.2	18.7
Percentage of female owners	56.9	60.4	38.5	8.4

Source: Liedholm and Mead (1999, p. 86)

Small business owners, as per the observation of Storey (1994), work considerably longer hours than the norm for full time employees.

The following table summarizes the basic characteristics of MSEs (UNCTAD/ITE/TBE/5):

⁵ The countries included in the study were Botswana, Kenya, Malawi, Swaziland, Zimbabwe and Dominican Republic.

Table 2: Characteristics of Enterprises

	Micro enterprise	Small Enterprise	Medium-sized Enterprise
Entrepreneur	<ul style="list-style-type: none"> • Acquisition of income through specialized activity • Elementary technical competencies • Self-employment, sometimes family or apprentices 	<ul style="list-style-type: none"> • Entrepreneurial spirit • A certain level of expertise • Owner/Manager, family, apprentices and salaried staff 	<ul style="list-style-type: none"> • Entrepreneurial spirit, medium and long-term vision • Technical and managerial competencies • Owner/manager and staff
Activity	<ul style="list-style-type: none"> • Main activity very small, sometimes seasonal 	<ul style="list-style-type: none"> • Well-defined activity on full time basis 	<ul style="list-style-type: none"> • Specialized activity, sometimes diversified, exercised as usual profession
Regulatory Environment	<ul style="list-style-type: none"> • No well defined legal status, but often pays taxes 	<ul style="list-style-type: none"> • Rudimentary legislation, often registered (individual enterprise), pays taxes. Membership of professional organizations 	<ul style="list-style-type: none"> • Registered member of chamber of commerce. • Sometimes incorporated as a company.
Entry barriers	<ul style="list-style-type: none"> • Elementary technologies • Elementary production (little equipment), sometimes without permanent location • Need some working capital (stocks of Raw material) 	<ul style="list-style-type: none"> • Elementary technologies and investment • Investment and light equipment, fixed premises • Capital required (equipment) and working capital (rent, raw material, etc) 	<ul style="list-style-type: none"> • Technological complexity in production • Relatively adapted production means, special site. • Significant capital (office equipment, training), and sometimes significant working capital
Development Potential	<ul style="list-style-type: none"> • Low or horizontal diversification. • Reproductive logic rather than growth logic. 	<ul style="list-style-type: none"> • Beginning of capital accumulation. Sometimes with growth potential but mainly reproduction logic(family enterprise) 	<ul style="list-style-type: none"> • Capital accumulation and growth potential.

Source: UNCTAD/ITE/TBE/5

In addition to the abovementioned characteristics, women operated MSEs have the characteristics that prevented the operators from spending long hours on the enterprises' activities. These activities are necessary for rapidly growing businesses. Also the concentration of women owned MSEs in sectors which provide few opportunities for rapid business growth, lack of confidence on business matters are the characteristics of women owned MSEs (Storey, 1994).

2.3 Contribution of Micro and Small Enterprises to Development

The case of nurturing and supporting micro and small enterprises becomes obvious when one considers their potential for development as manifested in their labor intensive nature, income-generating possibilities, capital-saving capacity, and potential use of local resources and reliance on few imports, flexibility, innovativeness and strong linkages with other sectors of the economy (Asmelash, 2002).

The basic contribution of Micro and Small Enterprises are believed to be income generation and employment creation. Including the conventional contribution of employment creation and income generation for the poor, Liedholm and Mead (1999) have identified and summarized the following as the contributions of MSEs to development:

- 1 Contribution to household income and welfare:
 - Providing income maintenance for those with few options
 - Providing basis for growth in income and welfare through asset accumulation, skill development and access to more rewarding economic opportunities
 - Providing employment opportunities.
- 2 Contribution to self-confidence and empowerment of the individual:
 - Recognition of the dignity of individual
 - Spreading the vision that change is possible

3 Contribution to social change, political stability and democracy:

- Through increasing confidence in local representative and community based institutions;
- Through developing of individual feelings of responsibility and participation in governance;
- Through the creating institutional structures reflecting people's needs and objectives.

4 Contribution to distributional or developmental objective:

- Providing new opportunities for the poor
- Providing new opportunities for women
- Providing new opportunities for those in rural areas and isolated locations

5 Contributions in the area of demographic change:

- Through reduction in Birth rates;
- Through reduction in rural-urban migration.

2.4 Factors Affecting the Success of Micro and Small Enterprises

A study has revealed that there is a direct relationship between MSE initial size (measured in employment) and the probability of survival. Firms that started the smallest, other factors kept constant were more likely to survive than their counter parts that started being larger. It is also learned from the study that the sector in which a micro enterprise is engaged plays a significant role in determining the survival of the enterprise. Location of a business plays a crucial role in determining the success of the enterprise. In addition, the gender of micro enterprise operators plays a significant role in determining the survival rate of the enterprise. Female owned MSEs are less likely to survive more than a year: personal reason being the cause of closure. Also the level of education and earlier

business experience of the operators affect the success/ survival of a micro enterprise. Among the obstacles for the development of MSEs is limited availability of finance for initial investment and expansion. Also the possibility of getting the required working capital for the flexibility and work of the enterprise after start-up is a very important factor for the success of MSEs (Liedholm and Mead, 1999).

The final and the most important factor is the macroeconomic condition of the country that highly affects the chance of survival (success) of the enterprise; when an economy is expanding the enterprise will have a good opportunity of success where as when the economy stagnates, there will be high risk of closure for the MSEs (Liedholm and Mead, 1999).

2.5 Micro and Small Enterprises Development and Support Programs

Cognizant of the role of micro and small enterprises in employment creation and generation of income to the poor, governments are advocating the importance of these enterprises and using them as a strategy for enhancing development and growth. The Federal Government of Ethiopia issued its 'Micro and Small Enterprises Development Strategy in 1997'. The Federal Micro and Small Enterprises Development Agency (FeMSDA) was formed to facilitate the start-up and growth of MSEs and provide them with technical assistance, training, etc.

Regional states and the City of Addis Ababa have their own institutions that have the following major objectives according to the Micro and Small Enterprises Development Strategy (MoTI, 1997):

- Encourage and facilitate the growth and development of MSEs for the creation of employment opportunity and improvement of the income level of residents;
- Identify the obstacles and hindrances on the development and growth of the existing MSEs and provide them with the necessary support, and
- Contribute in reducing the level of unemployment in the region through the creation of new and development and growth of existing MSEs.

Recently, as an indication of the Ethiopian Government's commitment for the formation, survival and growth of MSEs, a program called 'Micro and Small Enterprises Development Program (MSEDP)' was launched under the auspices of the Ministry of Trade and Industry (2006). The program has prepared a 5 year plan for the development and support of the MSEs. The Program also prepared training and business development manuals for the Textile and Garment, Food Processing, Construction, Metal and Wood Works, Municipal Services and Urban Agriculture sectors⁶. The manuals are developed with active participation, technical and financial assistance of donor agencies working in the area.

According to UNCTAD, although micro and small enterprises support agencies have been in existence in many developing countries for some time, their impact on business formation and their survival and growth have generally been negligible. They have been criticized for their bureaucratic nature, inability to recruit and retain competent and motivated staff, lack of coherence and coordination, insufficient geographical coverage and overemphasis on business start-ups with too little focus on other stages of an enterprise's trajectory of growth. In addition, their programs fail to address the underlying constraints faced by MSEs particularly in the context of the growth of knowledge-intensive production and the intensification of competition in the global market (UNCTAD/ITE/TEB/5).

The key challenge for government and development partners is to help more women grow beyond the micro and small enterprise level (AfDB and ILO, 2004).

2.6 Growth of Women Operated Micro and Small Enterprises

Research has shown that income of women is more likely to contribute towards improving the well-being of the family and society than the income of men. Women Entrepreneurs have also proved to be less of a risk than men in repaying loans (UNCTAD/ITE/TEB/5).

⁶ This sector is a recent addition to the MSE Sectors.

In developed economies, women are generally under-represented in the population of business owners as compared to men. Men in developed countries are two to three times more likely to involve in business ownership than women. In developing economies, the situation is somewhat different. For example, the level of participation of women in entrepreneurship is almost equal to that of men in a number of developing countries. In the context of developing countries, one of the most critical structural improvements that can be made by governments is to provide special assistance to women entrepreneurs (AfDB and ILO, 2004). Therefore, the challenge in relation to developing women's enterprises in developed countries is different from the developing countries. In developed countries, the initial challenge is increasing women's share of business ownership by encouraging more women to start business ownership by encouraging more women to start business, removing impediments, and improving their access to economic resources (e.g. credit, business advice, entrepreneurship training). The second challenge is addressing their growth barriers to increase the percentage of women-owned enterprises that grow rapidly. In developing countries, a higher percentage of women are often found in the micro-enterprise sector, particularly among the informal enterprises, so the challenge (in the short term) is less about trying to increase the number of women entrepreneurs and more about to legitimize and strengthen the base of their activity so they can grow their enterprises (AfDB and ILO, 2004).

Nevertheless due to patriarchal culture and institutional structures embodied in East African Countries, according to AfDB and ILO (2004) the effort required to support and facilitate the formation and growth of MSEs in the region is much more difficult than elsewhere.

Male and female entrepreneurs have different goals regarding firm growth/ expansion in that the latter are concerned about 'income stability and economic security', hence 'may be more prone to avoid taking the risks involved with firm expansion and hence may be more likely to diversify' rather than expand an existing enterprise. Female operators' dual domestic and productive responsibilities may also hamper growth and may also mean that business profits are more likely to be used to maintain household consumption rather than expansion (Gebrehiwot and Wolday, 2004).

Based on research, it is understood that it is possible for women to make transition from micro to small enterprise under the right circumstances. About 70% of the women entrepreneurs currently engaged in small enterprises had started them as micro-enterprises and grown them over time. However, unless micro-enterprises are able to access financing beyond the micro finance ceiling, they are forced to grow horizontally (ILO, 2005).

The major obstacles for the expansion of women owned enterprises, as indicated in the ILO study (2005), are lack of market access and information; lack of affordable technology (including training in business skills); lack of sufficient financial resources to buy inputs in bulk (lack of economies of scale); lack of appropriate growth financing; and low levels of education. Generally, being born into a certain socio-economic class within the African context, may contextually limit the possibilities open to a woman entrepreneur.

Table 3: Growth Characteristics of Micro Enterprise in six Countries⁷

No	Category	No Growth	Small Growth	Graduates	Total
	All Micro Enterprises	77.2	21.7	1.1	100
	Female-owned enterprises	84.7	15.2	0.2	100
	Male-owned enterprises	75.1	23.3	1.6	100

Source: Liedholm and Mead (1999, p. 87)

The AfDB and ILO study (2004) has revealed that women take different paths to growth, often growing ‘horizontally’ rather than ‘vertically’, and owning more than one business simultaneously. Being unable to secure finance beyond the ceiling which is imposed by micro-finance institutions or the capacity of their savings group, women in the micro-enterprise sector often incrementally pursue a number of tiny ‘niche opportunities identified within their own community in order to increase their revenue base. It should be noted that some women expressed their preference for growing ‘horizontally’ as a

⁷ Five of the six countries are African countries (Botswana, Kenya, Malawi, Swaziland, and Zimbabwe).

specific business growth strategy for diversifying risk: if things are not going well in one business, they have another business to rely on.

2.7 Women Owned Micro and Small Enterprises in Ethiopia

A study by ILO (2005) in regard to knowledge on women in the Ethiopian MSE sector has identified serious gaps on the absence of data on the entry, survival and growth of micro enterprises. Information on comprehensive demographic profiling of women owned enterprises, comparative studies of women and men in MSEs, factors affecting women owned enterprises, etc were not also available. The study also identified that there is not robust and sex disaggregated data on MSEs since the 1997 survey by the then Central Statistics Authority (CSA)⁸ though there is dynamic growth of the sector.

Among the MSEs in Ethiopia 64.8% of them are owned and operated by women while 47.7% is in the case of Kenya and about 43% in Tanzania according to the overview report of the African Development Bank (AfDB) and the International Labor Organization (ILO) (2004).

Many women in Ethiopia resort to micro enterprises because they are marginalized and are not able to find employment in the formal sector. Some of the driving forces behind women starting such business, therefore, are unsatisfied household subsistence needs, family pressure on girls to earn their own living, and credit facilities being offered to women (Zewdie and Associates, 2004 and ILO, 2005). According Gebrehiwot and Wolday (2004), a higher proportion of female-owned enterprises covered by their study, cited lack of other alternative as the reason for getting into the business under consideration, indicating that resort to MSEs as a sustenance mechanism is more common among female operators

The table below indicates the number of MSE in Ethiopia, Tanzania and Kenya, the employment size, and the proportion of women operated MSEs in these countries.

⁸ The Designation of the institution has been changed to Central Statistics Agency (CSA).

Table 4: Women's Share of MSE in Ethiopia, Kenya and Tanzania

Description	Ethiopia (1997)	Kenya (1999)	Tanzania (2003)
Percent of MSEs with fewer than 10 employees	99.4%	99.3%	NA
Share of MSE employment in firms with fewer than 10 employees	88.2%	93.2%	NA
Total Number of Micro and small Enterprises	586,644	1,283,575	1,700,000 - 2.8m)
Number of women owned MSEs	380710	612,848	730,000 - 1.15m
Percentage of women-owned MSEs	64.8%	47.7%	43.0

Source: AfDB and ILO (2005: p.30)

The number of MSEs, as we can see in the table below, has doubled between year 1997 and 2004. Also the share of employment has increased from its 82.5% to 95%. This change depicts how crucial the MSEs are becoming in the economy of the Country.

Table 5: Number of Establishments and Employment of size MSEs

No	Description	No of Establishments	Employment
1	MSE	1,480,361	2,051,637
2	Medium & Large Enterprises	796	94,310
3	All	1,481,157	2,145,947
4	Share of MSEs	99.9%	95.6%

Source: Solomon, W. (FeMSEDA, 2004)

However, the domestic responsibilities and large family size coupled with inability to secure proper operating premises confined the women entrepreneurs to be home based and to engage in less risky activities that prevent them from information on better opportunities, market, and business assistance(ILO, 2005 and Zewdie and Associates, 2002). The situation of Ethiopian women in MSE was summarized by the study made by ILO as:

“... Ethiopian women entrepreneurs are severely disadvantaged in both the economy and society. They generally have very low levels of education,---, and average of six children and are responsible for assuming domestic responsibilities of food preparation and child care, while at the same time carrying on their enterprise activities to earn enough income to cover the basic necessities of life. In terms of sector activity, women tend to pursue areas where they have gender-based skills and know-how, such as food processing, clothing, and hair dressing, and gender-biases in the technical training sector tend to confine them to these areas” (2005, p.11).

Also, MSEs in Ethiopia face competition from three main sources: i) imports ii) large Scale enterprises; and iii) other MSEs. Market liberalization and trade liberalization in particular, enables importers to bring in goods that undercut the market for local MSE products, that is: MSEs face stiff competition from imported goods which may be of relatively higher quality and lower prices. Although this may encourage healthy competition and improve the quality of MSE products, it could also constrain development of the MSE sector (Gebrehiwot and Wolday, 2004).

Chapter III

Data Presentation and Analysis

Data required for the study, as indicated in the methodology section of this study, is collected using questionnaire, interview and group discussion with women MSE operators. The data collected from each sub-city is presented and analyzed against the factors of employment size, capital, customer size, product portfolio, personal income and profitability. Following that the findings of the study from group discussions made with women micro-enterprise operators and interview conducted to officials in the two sub-cities are presented. Finally, responses of the operators in the two sub-cities are aggregated for each factor and presented.

The questions raised in the instruments of the study, among other things, concentrate in the following major areas:

- Section I- Personal Information: in this section data in regard to age, educational background, marital status and family size, prior occupation of the respondents are sought from respondents.
- Section II - Business Related Information and Relation: questions on the date of establishment, registration and operation license of the enterprise, range of products or services, place of business, number of salaried employees, difficulty facing the enterprise, working hours, future plan of the enterprise, and engagement in other micro business activities are raised.
- Section III- Market and Income Related Data: questions in regard to customer size, business turnover of the enterprise, trend in the personal income of operators, source of family income, profitability of the enterprise over periods are presented.
- Section IV-Credit and Record Keeping: in this section questions on record keeping, credit history and relation with micro financing institutions are raised.

- Section V-Capital and Related Information: in this section respondents were requested to give data on the capital size of their enterprise, source of capital, additional asset, machineries and /or tools purchased or disposed after establishment.
- Section VI: under this section information on the benefits generated from the enterprise, problems facing the enterprise and other information were sought from respondents.

The information collected on the operation of women owned micro enterprises through questionnaire, interview and discussion are presented, discussed and analyzed in the subsequent sections. Before moving to factor based and sectoral presentation and comparisons, the first section shall discuss findings of the study in respect to general operating conditions and background of the operators in the two sub-cities.

3.1 General Information and Background of Operators

The largest number of women micro enterprise operators that responded to the questionnaire are aged below 40 years. These operators have the proportion of 68.42% of the total respondents. Those operators with the age of 40 years and above make 31.87% of the total respondents. If we see the further breakdown of this age group for each sub-city: 21.05% of the total number of respondents or 44.40% of the respective respondents of Lideta sub-city are aged below 30 years where as in Addis Ketema only 12.28% of the total respondents or 23.33% of the respondents in the sub-city are below this age. This shows that relatively the operators in Lideta sub-city are younger than those operators in Addis Ketema.

Most of the respondents indicated that they do have below secondary level of education, making about 73.33% and 59.2% of the operators in Addis Ketema and Lideta, respectively. The percentage of operators that have college diploma and /or vocational training is about 29.6% in Lideta and 16.66% in Addis Ketema Sub-cities. These show that relatively, operators in Lideta Sub-city have better academic record than Addis Ketema.

As it can be seen from the table below, the largest proportion of enterprises in the two sub-cities are young and have been in operation for less than 4 years.

Table 6: Operation years for enterprises covered by the study

No	Age	Lideta		Addis Ketema		Total	
		No	%	No	%	No	%
1	Less than or equal to 2 years	17	63.00%	18	60.33%	35	61.4%
2	Between 2 and 4 Years	8	29.60%	9	30.00%	17	29.82
3	Between 4 and 6 Years	1	3.07%	2	6.66%	3	5.26
4	Greater than 6 Years	1	3.07%	1	3.33%	2	3.51
Total		27	100%	30	100%	57	100%

Source: Survey Data

The enterprises that have been in operation for less than 4 years make 91.22% of the total respondents. As it has been stated by Liedholm and Meads (1999), age is one of the important factors that determine the growth of micro enterprises. The more they stay in business, the more they get experience and skill required to stay in action and grow.

In addition, a small proportion of the respondents' enterprises in both sub-cities have valid and renewed license/ registration. Only 18.5% and 36.66% of operators in Lideta and Addis Ketema sub-cities respectively have valid and renewed registration. The rest operate without renewed registration. The reasons given for this by the respondents are:

- In ability to maintain proper book of records
- They were not asked to renew their license and saw no reason to renew it
- Lengthy formalities required by the Center (One Stop Service Centers) to renew or issue main registration
- Formalities required by auditors

From this data we can learn that relatively Addis Ketema sub-city has better performance in terms of the renewal of registration certificate.

Only 62.29% of the respondents in Lideta and 66.66% of them in Addis Ketema spend their full time working in their enterprises. The remaining respondents indicated that they do not spend their full time working in the enterprise.

As it has been indicated by Liedholm and Meads (1999), most of women MSE operators establish another micro-enterprise with the objective of minimizing the risk of failure associated with expanding the existing enterprise. This is what is called horizontal growth (expansion). However, only one respondent out of the total number of respondents has another micro enterprise, the others do not have any other enterprise. But those operators that do not spend their full-time engage themselves in petty trading (street vending) and similar activities such as: baking and selling 'Injera', and making a local beer 'Tella'.

More than 75% of the operators in the two sub-cities operate on a plot/ premises given by Kebele/ Sub-city administration on rent basis. Only 4 enterprises (7%) operate on premises/ houses rented from individuals, while the rest do not require plot for their operation, or refrained from answering such question. Most of the respondents that operate on premises given by government authorities have cited the following problems:

- The places they have been given are away from main road amidst of residential areas (villages) and are not suitable (convenient) for the task.
- The plots (premises) do not have the necessary facility like water and electric lines.
- Due to the location of their premises they are forced to transport their products to their client at their own expenses and this placed pressure on the financial conditions of their enterprises.
- The premises are not accessible to potential users.

The largest proportion of the operators were housewives prior to the establishment of their respective enterprise amounting to 33.33% of the total respondents. The larger proportion (14.03% each) of the operators in the two sub-cities were student, and employees of private undertakings like shop. Similarly, about 12.28% of the respondents

were jobseekers (unemployed). The remaining portion of the respondents were engaged in other activities like street vending, brewing and selling local drinks, etc.

Due to this, the largest proportion of the respondents established their enterprises or formed a group with the main aim of employment creation and income generation. This group of respondents make 75.43% of the total. This figure indicates that most of the operators in the two sub-cities were convinced that they can get employment and generate income for themselves and their family. The other category of operators (15.78% of the total respondents) indicated that they entered into this business simply due to lack of alternative. This group of respondents, as one can learn from their response, considered the sector as a choice of last resort, if otherwise, they could have engaged in some other activities.

About 87.77% of the total respondents indicated that they do not get any form of support from gender based governmental and non-governmental organizations while the remaining portion of respondents refrained from responding.

3.2 Factor Based Assessment

3.2.1 Lideta Sub-city

The performance level of women operated MSEs in the sub-city is analyzed against the factors of employment, customer size, capital, product portfolio, business turnover and personal income and presented in the following section.

i) Employment Size

The largest number and percentage of respondents of the sub-city indicated that the employment size of their respective enterprises did not show any change since their formation and all of them do not have any paid employee. These respondents amount to 74.07% of the total.

About 22.22% of the respondents indicated that their enterprises have created employment opportunity to other individuals. The employment size created by these

enterprises, however, is very small, the largest being for two individuals by one enterprise working on wood and metal works sector. The remaining employment opportunity is created by one enterprise each engaged in the sectors of Food, Wood and Metal Works, and Construction sectors.

The remaining one respondent (3.70%) indicated that her enterprise has decreased the number of its paid employees from what it was during their early years of operation. The respondent attributed the decrease to lack of market, and decrease in customer size.

The largest proportion (66.67%) of the interviewed individuals indicated that their enterprises did not create employment opportunity to other non-member individuals. The remaining interviewees, 3 operators (33.33%) indicated that their enterprises have created employment.

ii) Capital

The capital of 29.63% of the respondents' enterprises have increased and remained unchanged for about 62.96% (17 respondents). The remaining one respondent has indicated that the capital of her enterprise decreased due to numerous reasons.

Out of the interviewed nine operators, 5 (five) indicated that there is no change in their capital size while 3 of them have increased their capital level from its previous amount. The remaining one interviewee stated that the capital of her enterprise has decreased from its initial position.

iii) Business Turnover

About 62.96% of the respondents (17 individuals), indicated that their enterprises enjoyed increased business turnover over the period of their operation. They mentioned hard work, supply and delivery of good quality of products and services at a reasonable price as the main reason for the increased business turnover.

The remaining 14.81% (4) of the respondents replied that the turnover of their enterprises did not show any form of increase or decrease since the commencement of operation, while the remaining one respondent (3.7%) did not respond to this specific question.

5 respondents or 18.51% of the total respondents have indicated the decline of their business turnover. The reasons given for the decrease are:

- Ever increasing price of goods and services forced them to increase the price of their products and services. Hence, their customers stayed away from them.
- The locations of their enterprises are not suitable for their business, and not closer to their potential market. Some replied that they do not have reliable sales outlet.
- Price escalation goods and services has required them increased working capital and they were unable to get additional loan for working capital from microfinance institutions due to inability of the members to submit guarantor or collator, and also due to reluctance of some members to borrow. As a result, the production levels of their enterprises have decreased.
- Inconsistent quality of services and products among different workgroups have forced customers to other operators.
- Increased competition from similar micro enterprises and private or individuals operating informally.

Of the interviewed operators 5 i.e., 55.55% replied that their institutions have enjoyed increased business turnover due to the reasons of reasonable price and continual supply/delivery of good quality of products and services. The remaining interviewees have seen decrease in their business turnover.

iv) **Product Portfolio**

The largest proportion of the respondents' enterprises did not diversify their products or did not introduce new products into their product portfolio. These respondents make about 81.48% of the respondents. All of the remaining operators aggregating 18.81% (5 persons) stated that their enterprises have started new products or services since the early years of their operation.

All of the interviewed operators stated that the product portfolio of their enterprises remained unchanged. But one of the enterprises has finalized its preparation to start the production of a new product.

v) **Customer Size**

The customer size of 16 enterprises which are about 59.26% of the respondents have increased over the period of their operation. The reasons mentioned for the increase are: cheap price of the goods and services coupled with the quality, and commendable customer service (customer handling) by the members. On the other hand, 5 enterprises which are 18.52% of the respondents experienced decrease in their customer size. The main reasons for the decrease as indicated by the respondents are:

- Inconsistency on the quality of products and services among different shift as the skill level of the members vary, this especially is the case in the food sector: those that cook and serve food.
- Lack of commitment on the part of fellow members for the betterment of their enterprise.
- Lack of harmony and mutual trust among the members
- Disagreement among the members,
- Solid waste collecting trucks do not collect full containers regularly, as the containers are seen full and the wastes are not disposed regularly, the community sees no reason in paying to the collectors.
- Discontinuance of the construction of condominium houses as the Houses Development Agency is the main customer of some of operators in the Construction sector.

Nevertheless, 22.22% of the respondents indicated that their customer size did not show any form upward or downward change.

From the interviewed operators it was possible to learn that six (66.66%) of them have faced decrease in their customer size while the number of customers for the remaining three (33.33%) has increased.

vi) **Personal Income**

This factor is used to assess a change in the personal income of a micro enterprise operator.

A little less than half of the respondents indicated that the personal income they get from the enterprise have shown some form of increase either from causal payment to regular payment; rise in the amount payment or from no income to some amount of periodic income. This group of respondents makes about 48.15% of the total or 13 individuals.

9 respondents which make about 33.33% of the respondents saw no change in their personal income over the period of the operation of the enterprise while it decreased for 3 individuals or 11.11% of the respondents, and no specific reason was mentioned for the decrease.

The final 7.4% of the respondents (2 operators) have confirmed that they do not get any form of regular payment from the enterprise. The reasons for not receiving payment are:

- The enterprise is new and does not have the capacity to pay to its members
- The financial position of the enterprise is very weak and a small payment to the members will drain the enterprise
- The members deliberately left the payment to enable their enterprise get the finance needed to expand their business. This is well inline with the observation of Rhyne and Otero that: "... savings are important for enterprise growth, for it is from saving that most investment in enterprises comes." (1994, p. 13).

For five of the interviewed individuals their personal income has increased over the operation period of their enterprise and remained unchanged for the remaining 4 individuals.

vii) Profitability

The largest proportion (37.03%) or 10 of the respondents indicated that their enterprises were operating with a marginal profit. The next higher group of respondents that are about 25.92% of the respondents indicated that their enterprises have neither earned profit nor incurred loss during. Only 5 enterprises, (18.52%) indicated that their enterprises have been operating with a relatively good profit. One of the respondents, however, indicated that her enterprise is operating at loss since its formation. The remaining two respondents did not respond to the questions raised in the questionnaire.

Among the interviewed MSE operators, 4 have indicated that their enterprises operate with marginal profit while the remaining five stated that their enterprises operate at breakeven, according to their assessment.

3.2.2 Addis Ktama Sub-city

The performance of micro enterprises in the Sub-city vis-à-vis the factors are assessed below from the questionnaires returned to the researcher and responses of interviewed MSE operators. A total of 30 questionnaires were returned to the researcher from operators in the sub-city, and also 9 women operators were interviewed.

i) Employment Size

No employment is created by 70% of the respondents' enterprises during their operation. However, 16.67% of the respondents have created employment opportunity for non-members; from a point of no employment at their initial year of operation. On the other hand, the employment size of about 10% of the enterprises decreased i.e., excluding the members that work in the enterprise on full-time basis. Those operators that did not respond to the questions raised to this end make 6.67% of the total respondents.

Among the interviewed individuals 22.22% (2) have replied that their enterprises have created employment for others while the remaining 7 interviewees replied that their enterprise did not create any form of employment.

ii) **Capital**

Over the period of their operation about 36.6% of the enterprises have experienced increase in their capital level while 46.67% of them faced decrease in their capital from the level it was when they started operation. The reasons given for the decrease are:

- Some members quitted their membership
- Most of the fixtures and utensils of the enterprises have been damaged and are not replaced

Those operators that are about 16.67% of the total respondents failed to respond to the questions dealing with the capital level of their enterprises.

Among the interviewed individuals, 5 operators replied that there was no change in the capital size of their enterprise. The rest of the respondents indicated that the capital size of their enterprises have increased.

ii) **Business Turnover**

In terms of sales volume (business turnover) about 60% of the respondents indicated that their business turnover has increased over the period of their operation, while 23.33% of them have faced a decreased business turnover. The reasons for the decrease were mentioned as: price increase in their products, competition from similar enterprises, and deteriorating quality of products and services. However, the business turnover of the 16.67% of the enterprises remained unchanged.

The largest proportion of the interviewees 66.66% (6 operators) saw increase in the business turnover of their enterprises while the rest have experienced decrease. The main reason given for the decrease is more or less similar to those reasons given in the returned questionnaires for such questions.

iv) **Product Portfolio**

Product diversification is one of the growth indicators of a business indicating the capability of the enterprise to introduce new products/ starting additional services. In

terms of this, significant number of the enterprises in this sub-city neither introduced any new product or service nor discontinued a product and/or service due to various reasons. The percentage of the respondents that replied accordingly is 73.33% of the sub-city respondents. The enterprises that introduced new products/ services make 10% of the respondents. The size of respondents that have discontinued certain products is also 10% of the respondents. The final 6.67% failed to answer the questions raised in regard to the increase or decrease of product portfolio.

All but one of the interviewed individuals' enterprises did not either introduce new product or discontinue. The remaining one operator stated that due to the non viability of the product and lack of market, her enterprise has discontinued a product that used to be served by her enterprise.

v) **Customer Size**

The number of customers for 56.67% of the micro enterprises has increased during the period of their operation. The major reasons mentioned as contributing to the increased customer size were the delivery of quality products and services at a reasonable price. Others also mentioned that their customer handling/customer service/ as the main reason for the increased number of customers together with the commitment of members.

Decrease in the number of customers was experienced by 26.67% of the respondents' enterprises while 13.33% have seen no change in their customer size during their operation. The final 6.67% of the respondents failed to respond to a question raised in this respect. Those enterprises that faced decrease in customer size stated that: lack of commitment on the part of members, price escalation, imported cheap materials, failure of the government unit to collect solid waste in due time, expansion of waterlines into the villages of the sub-city as the major reasons for the decrease in customer size.

It was learned from the interviewed individuals that the customer size of six enterprises have increased from what it was at the early years of the operation of their enterprise while it decreased for the remaining three enterprises.

vi) Personal Income

The income of women operators have increased from the level it was at the initial year's operation of the enterprise for 50% of the respondents. About 16.67% of the respondents, on the other hand experienced decrease in their income level. Also the same percentage of respondents saw no change in their personal income from the enterprise.

10% of the women operators have indicated that they do not get periodic payment from the enterprise either because their enterprises are new or the financial condition of their enterprises is weak and could not afford to pay to members. The final 6.67% failed to give their reply to a particular question raised to this effect.

The personal incomes of 4 interviewees have increased and remained unchanged for the other two individuals. Only one of the interviewed operators replied that her personal income has decreased from what she used to get previously. The remaining two indicated that they do not get income from their enterprises in any form.

vii) Profitability

Enterprises operating with a marginal profit make about 40% of the returned questionnaire. The next higher proportion of respondents, 26.67% replied that they are operating at a breakeven i.e., neither made profit nor incurred loss over the period of their operation. Only 16.67% and 6.67% of the respondents indicated that their enterprises are making a good profit, and are operating at loss, respectively.

The remaining portion of the respondents failed to respond to questions raised in this respect totaling 6.67% and the rest 3.33% replied that they do not really know the operating position of their respective enterprises.

Based on the interview made with the MSE operators, no enterprise was operating with loss. But 4 respondents indicated that their enterprises are operating with a marginal profit, while 3 of the remaining operate at breakeven and one of the respondent's enterprise operates at a very good profit. One interviewee, however, indicated that she does not know the profitability of her enterprise.

3.3 Sector Based Analysis and Presentation

3.3.1 Addis Ketema Sub city

i) Food Preparation

Women operators of this sector that have been organized in each Kebele were established either to prepare and supply dry food items like 'Injera', 'Shiro', 'Berbere', etc, to cook food and serve it to the community at a reasonable price or to undertake both. The type of undertaking is highly dependent on the amount of capital solicited from the members, credit secured from micro financing institutions, working premises (plot) size and location of the plot.

This sector consists the largest number of operators in each Kebele and also the largest number of respondents. This is believed to be because of the skill and capital required to establish the business and the available local skill for the job inline with the observation of Liedholm and Meads (1999) and the study made by UNCTAD (UNCTAD/ITE/TEB/5). A total of 11 questionnaires were returned from the operators of the sector and all of them are considered in this study and the table below summarizes the responses.

Table 7: Summary of Responses from Operators in the Food Sector

No	Factor	Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size	2	18.18%	1	9.09%	6	54.55%	2	18.18%	-	-	11	100.00%
2	Bus. Turnover	7	63.64%	3	27.27%	1	9.09%	-	-	-	-	11	100.00%
3	Capital	6	54.55%		0.00%	5	45.45%	-	-	-	-	11	100.00%
4	Customer size	6	54.55%	3	27.27%	2	18.18%	-	-		-	11	100.00%
5	Product portfolio	2	18.18%	1	9.09%	6	54.55%	2	18.18%	-	-	11	100.00%
6	Personal income	5	45.45%	1	9.09%	2	18.18%	-	-	3	27.27%	11	100.00%

Source: Survey Data

The employment size of most of the enterprises remained unchanged or they did not create any form of employment since their formation. This group makes about 54.55% of

the total respondents. Only 18.18% of the respondents indicated that their business has created employment. One of the respondents indicated that their employment size decreased during the operation of the enterprise due to inability of the enterprise to pay salary to the employee.

Those enterprises that created employment opportunity for the non-members are groups of women that have been in operation since 2002. They were formed by the Addis Ababa Women Development Project which provided the seed fund required for the establishment of the enterprises, and also training in financial record keeping and other skills necessary for the work.

The Project supported the enterprises in different aspects until they became strong enough to operate by themselves. These enterprises are enjoying the benefit of first comer in terms of securing locations suitable for the work and other support.

The rest of the enterprises were formed just before the 1997 election following the restructuring to the City Administration.

The business turnover of 63.37% of the respondents has increased from its initial position at their early years of operation, while 27.27% of the enterprises have experienced decrease in their sales volume and value. Only 9.09% of the respondents saw no change in their turnover.

When we see the performance of the enterprises from the perspective of change in capital: 54.54% of them have increased their capital while 45.45% of them saw no change in the capital of their enterprises according to the respondents. The additional capital for those enterprises whose capital have increased was mainly met from the operating surplus of the enterprises and loan taken from micro financing institution (MFI).

The customer size of 54.54% of the enterprises has increased and the increase is mainly attributed to the quality of their product and reasonableness of their price. But 27.27% of the respondents' enterprises have faced decrease in their customer size due to price increase in their products or services.

Most of the enterprises in this sector making 54.54% of the respondents indicated that there was no product or service introduced since the formation of their enterprises. Only 18.18% (2) of the enterprises have introduced new product or service. One respondent's organization has discontinued a product due to the additional money required to supply it.

From the operator's personal income perspective, the largest proportion of the operators amounting to 45.45% saw increase in their personal income. The increase could be from no income to some form of payment, increase in the amount of income, or fixed and periodic payment from no payment or casual payment. 18.18% of the respondents saw neither increase nor decrease in the level of their periodic income. On the other hand, 27.27% of the respondents replied that they do not get any form of payment from the enterprise. The reason for this is that either the enterprise is young and can not afford to pay to the members or the agreement among members to strengthen the financial position of their enterprise to meet additional capital requirement.

Two operators of the sector were interviewed and both saw increase in the business turnover of their respective enterprise and no change in terms of their customer size, product portfolio and number of employees. On the other hand, one of the enterprises has increased its capital and there is increase in the number of customers while the other experienced no change in the level of their capital and decrease in their customer size. Personally both of the interviewee indicated that they do not get any form of income from the enterprise as their enterprise is young and struggling to stand on its feet.

ii) Textile and Garment

The enterprises operating in this sector mainly undertake tailoring, knitting, embroidery, and similar activities. A total of 7 respondents returned the questionnaire. Out of them 42.86% saw increase in their business turnover while the other 42.86% saw neither increase nor decrease on their business turnover. On the other hand, one of the enterprises 14.28% has indicated that their business turnover decreased. The major reason cited by the respondents for the decrease or no change was due to cheap imported materials and second hand clothes that made their products relatively expensive.

The operators of the sector see absence of proper training on the skill required for the work, lack of sales outlet and increased price of goods and services as the main problem in expanding their business. However, the capital of about 42.86% of the respondents increased from what it was at early years of their operation. While the other 42.86% indicated that their capital did not show any form of change during the period of their operation. The final 14.28% of the respondents failed to respond to the question in this respect.

The customer size of the operators in this sector did not show improvement or decline for 42.86% of the respondents while 28.57% has faced a decreased customer size from what it used to be. The final 28.57% of the respondent's enterprises have enjoyed increase in their respective customer size.

The type of products and service marketed by the operators did not show any change for 42.86% of the enterprises while 28.57% of them have discontinued some of their products due to lack of sales outlet. Only one of the respondents indicated that they have introduced new product or service and another one respondent failed to give her response in this respect.

The personal income of the largest proportion of the respondents increased from what it was at the early years of operation. This group makes 42.86% of the total. The remaining 28.57% have faced decrease in their personal income and the remaining 28.57% saw neither increase nor decrease in their personal income. The number and proportion of respondents to each factor is summarized in the following table.

Table 8: Responses of Operators in Textile & Garment Sector of Addis Ketema

No	Factor	Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size	1	14.29%		0.00%	6	85.71%	-	-	-	-	7	100.00%
2	Bus. Turnover	3	42.86%	1	14.29%	3	42.86%	-	-	-	-	7	100.00%
3	Capital	3	42.86%		-	3	42.86%	1	14.29%		-	7	100.00%
4	Customer size	2	28.57%	2	28.57%	3	42.86%		0.00%		-	7	100.00%
5	Product port folio	1	14.29%	2	28.57%	3	42.86%	1	14.29%		-	7	100.00%
6	Personal income	3	42.86%	2	28.57%	2	28.57%		-	-	-	7	100.00%

Source: Survey

iii) Construction

Only one questionnaire was returned from a woman operator engaged in this sector as the number of women engaged in this sector is very limited due to numerous reasons.

The customer size, capital, business turnover and employment size of the respondent's enterprise has increased during the period of its operation and as a result the members of the enterprise earn an increased personal income. This enterprise has been in operation for four years and passed many testing and difficult situations especially during the first two years. It started its operation with a credit secured from Addis Saving and Credit S.C on a plot allotted by the Sub-city. Currently, the enterprise is operating at a very good profit and is planning to introduce new product and other related activities that require additional capital. The capital required for the expansion will be met from the enterprise's operating surplus and credit from micro financing institution, according to the respondent. The success of the enterprise is attributed to the endurance of the members to at difficult times, hard work and commitment of the members, and the support and

cooperation served to the enterprise from different institutions like Addis Saving and Credit S.C, MSED Office of the Sub-city, Mugger Cement Factory.

As the data from the questionnaire indicate only the success of one operator, effort was made to interview more operators in the sector, but it was possible to find only two operators that work jointly with men. The following points are learned from the interview:

- Both of the interviewees' enterprises saw increase in their business turnover, capital, and customer size over the period of their operation.
- The product portfolio of the enterprises remained unchanged.
- The employment size for one of the enterprises has increased while the other did not create any form of employment opportunity.

iv) **Wood and Metal works**

Two operators of this sector returned the questionnaire. Both operators have indicated the increase of their respective enterprise's business turnover. However, only one of them saw increase in its capital, customer size, product portfolio and personal income while the other enterprise has seen no change in its capital, product portfolio and personal income. Its customer size, however, has decreased from what it was at the early period of its operation. Both of the enterprises did not create employment opportunity for non-members.

In a similar manner to the operators in the Construction Sector, most of the operators in this sector are male and there is no group that is wholly formed and operated by women. But there are some that work jointly with male member operators. The possible reason for this is according to the information from an interviewed official at the sub-city; activities in both of the sectors require basic skill which is missing for most of the women and laborious nature of the activities.

However, to balance the information collected from the respondents of the questionnaire, two more operators were interviewed⁹ and the following points were learned from the interview:

- Though there is increase in their business turnover, the interviewees replied that there was no change in their personal income. Also the capitals of their enterprises remained unchanged.
- The increase in their business turnover was the result of slight increase in the number of customers buying their products.
- One of the enterprises has started making a new product, while the other neither started nor quitted producing a new product.
- Both indicated that their respective enterprises are operating at a marginal profit which is kept in a saving account established for the purpose to meet future expansion needs.

v) **Municipal Service**

The operators in this sector mainly provide the services of solid wastes collection from residences, and street cleaning service (scavenging service). The highest number of women owned enterprises (groups) following the food sector operate in this sector. Most of the enterprises have been in operation for less than 4 years. 7 questionnaires were returned from respondents and are considered for the study.

The business turnover three of the respondents' enterprises (42.86%) remained unchanged during the period of their operation, while 28.57% of the respondents indicated that their business turnover have increased and the same proportion of the respondents stated that their business turnover have decreased. Similarly, 42.86% of the respondents stated that the capital of their enterprises remained unchanged. Two of the respondents (28.57%) reported that their capital has increased while the other two did not respond to the questions raised in regard to capital size.

⁹ Two of these operators operate with male group members.

Also the largest proportion of the respondents (42.86%) saw that there was no change in their customer size while 2 of the respondents (28.57%) saw decrease in the number of their customers. The remaining 28.57% have enjoyed increased customer size. Nevertheless, 85.71% (6 out of 7) of the respondents affirmed that they did not introduce or discontinue a product since the commencement of operation. The remaining respondent did not indicate her response in this respect.

The personal income for 4 of the operators (57.14%) has changed positively (improved) while three of the respondents indicated that their personal income has decreased from what it was at the early years of operation. Five of the respondents confirmed that their enterprises did not create employment for other individuals while the remaining two did not answer the question submitted in this respect. The respondents' responses are summarized in the following table.

Table 9: Summary of the Responses of Municipal Sector Operators' in Addis Ketema

No	Factor	Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size		0.00%		0.00%	5	71.43%	2	28.57%	-	-	7	100.00%
2	Bus. Turnover	2	28.57%	2	28.57%	3	42.86%	-	-	-	-	7	100.00%
3	Capital	2	28.57%	3	42.86%	2	28.57%		0.00%		-	7	100.00%
4	Customer size	2	28.57%	2	28.57%	3	42.86%		0.00%		-	7	100.00%
5	Product portfolio		0.00%		0.00%	6	85.71%	1	14.29%		-	7	100.00%
6	Personal income	4	57.14%	3	42.86%		0.00%		-	-	-	7	100.00%

Source: Survey Data

From the interview made with two women operators engaged in this sector, it was possible to learn the following:

- Two of the operators indicated that their product portfolio, capital and employment size neither increased nor decreased over the period of their operation.

- The business turnover for both of the enterprises has decreased. The customer size of one of the entrepreneurs, on the other hand, has increased while it decreased for the remaining one.
- The personal income of one of the operators increased and the other did not see any change in her income.

vi) **Other Operators**

One operator engaged in 'BONO' (water vending) service and another group providing shower and laundry service filled in and returned the questionnaire. These operators could not be categorized in either of the sectors discussed above, but they are registered and operate as a micro enterprise.

The enterprise that provide shower and laundry service has experienced increase in its business turnover and customer size while its capital, employment size and product portfolio and personal income of the operators did not change during its operation. The enterprise has been operating for the last two years on a plot and facility provided by the Sub-city.

On the other hand, the operator in 'BONO' service indicated that the business turnover of her enterprise has substantially declined and as well their customer size has decreased. The main reason for the decrease is: the residents of the area are getting their own water line. This activity did not create any form of employment to the non members and some of the members are withdrawing from the enterprise to engage themselves in informal activities.

3.3.2 **Lideta Sub-city**

i) **Food Sector**

In a similar manner to Addis Ketema sub-city, this sector has the largest number of women operators than the rest. A total of 9 questionnaires were returned from the operators of the sector.

The sector created employment only for one individual in one of the respondent's enterprise. The rest of the enterprises neither created employment nor decreased their employment size during their operation.

The business turnover for 6 enterprises (66.67%) has increased while it decreased for the remaining three enterprises. In a similar manner 77.78% of the respondents indicated that their customer size have increased while it decreased for one enterprise which is 11.11% of respondents in the sector. The remaining one enterprise saw no change in its customer size.

In regard to capital size, 4 individuals (44.44%) saw increase in the their enterprises' capital size while it remained unchanged for another 4 enterprises. One of the respondents of the sector failed to respond to a question submitted to this end. Among the respondents' enterprises, only two enterprises introduced new products or services while the remaining 7 (77.78%) neither introduced nor discontinued a product to/ or from their product portfolio.

The personal income of 55.56% of the respondents (5 individuals) remained unchanged during the operation of the enterprise and it increased for two of the remaining respondents. The final two operators indicated that they do not get any form of income from the enterprise due to the reason that it is new and can not afford to pay to its members.

Table 10: Summary of the Responses of Operators in the Food Sector in Lideta

No	Factor	Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size	1	11.11%		0.00%	8	88.89%		0.00%		0.00%	9	100.00%
2	Bus/Turnover	6	66.67%	3	33.33%		0.00%		0.00%		0.00%	9	100.00%
3	Capital	4	44.44%		0.00%	4	44.44%	1	11.11%		0.00%	9	100.00%
4	Customer size	7	77.78%	1	11.11%	1	11.11%		0.00%		0.00%	9	100.00%
5	Product port folio	2	22.22%		0.00%	7	77.78%		0.00%		0.00%	9	100.00%
6	Personal income	2	22.22%			5	55.56%		0.00%	2	22.22%	9	100.00%

Source: Survey Data

ii) Textile and Garment

Three questionnaires were returned from the operators in this sector. All of the respondents saw no change in their employment size, capital and product portfolio. Similarly, two of the respondents saw no change for the remaining factors of business turnover, customer size and personal income. Only one enterprise's business turnover has increased. The customer size of the other enterprise has decreased from its earlier position. One of the respondents did not respond to the questions raised in regard to her personal income.

One operator was interviewed and she indicated that the business turnover, capital and number of employees increased from its earlier position. But its customer size has decreased and the enterprise neither introduced nor discontinued a product or service into/from its product or service range.

Table 11: Responses of Operators in Textile and Garment Sector in Lideta

No	Factor	Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size		0.00%		0.00%	3	100.00%		0.00%		0.00%	3	100.00%
2	Bus. Turnover	1	33.33%		0.00%	2	66.67%		0.00%		0.00%	3	100.00%
3	Capital		0.00%		0.00%	3	100.00%		0.00%		0.00%	3	100.00%
4	Customer size		0.00%	1	33.33%	2	66.67%		0.00%		0.00%	3	100.00%
5	Product portfolio		0.00%		0.00%	3	100.00%		0.00%		0.00%	3	100.00%
6	Personal income		0.00%		0.00%	2	66.67%	1	33.33%		0.00%	3	100.00%

Source: Survey Data

iii) Construction

Three operators returned the questionnaire distributed to them. All of the respondents saw increase in their business turnover and personal income. 2 of the respondents saw no

change in the employment size and capital of their enterprises. For the remaining one operator, its employment size and capital have decreased from its earlier position. Also three of the enterprises, neither introduced nor discontinued a product or service into/ from their product portfolio.

Increased customer size, employment and capital were experienced by 2 and 1 of the respondents' enterprises, respectively.

As it was not possible to find a woman operator in the sub-city other than those considered in the questionnaire, interview was not conducted for the operators in this sector.

iv) Municipal Service

This sector has the largest number of women operators following those engaged in the food sector. Similarly, the largest number of questionnaire but the food sector was returned from the operators of this sector. A total of five questionnaires were returned.

Table 12: Summary of the Responses of Municipal Operators in Lideta

No	Factor	Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size	1	20.00%		0.00%	4	80.00%		0.00%		0.00%	5	100.00%
2	Bus. Turnover	2	40.00%	1	20.00%	2	40.00%		0.00%		0.00%	5	100.00%
3	Capital	1	20.00%		0.00%	4	80.00%		0.00%		0.00%	5	100.00%
4	Customer size	2	40.00%	2	40.00%	1	20.00%		0.00%		0.00%	5	100.00%
5	Product portfolio		0.00%		0.00%	5	100.00%		0.00%		0.00%	5	100.00%
6	Personal income	2	40.00%	2	40.00%	1	20.00%		0.00%		0.00%	5	100.00%

Source: Survey Data

Increase in the business turnover of two of the respondents enterprises was observed and it remained unchanged for another two enterprises. For the remaining one enterprise, it decreased from its earlier position. The capital of 4 enterprises (80% of the respondents in the sub-city) remained unchanged and increased for one of the respondents. 2 of the enterprises have enjoyed increased customer size while the other two have faced a decreased customer size, and it neither increased nor decreased for one of the enterprises.

The product portfolio of all of the respondents remained unchanged i.e., there is no product added to or deducted from the range products. In regard to the personal income of respondents, two of the respondents indicated that their income has increased from its earlier position while two of the remaining respondents indicated the decrease of their personal income. No change in the income level was seen for one of the respondents.

Only one enterprise created employment for non-members and the remaining four enterprises did not create any from of employment or decrease their employment from its earlier position.

Two individual operators were interviewed and both of them indicated that there was no change in their customer size, product portfolio, capital and number of employees. In regard to their business turnover, one of the interviewee's enterprise has experienced increased business turnover and it has decreased for the other enterprise. Similarly, the personal income of one operator has increased and the other saw no change at all.

v) Metal and Wood Works

Four questionnaires were returned from the operators of this sector. The business turnover of two enterprises has increased, and decreased for one enterprise. The remaining one failed to respond to a question raised in the questionnaire. Again two of the respondents indicated that the capital and customer sizes of their enterprises remained unchanged and increased for one of the enterprises, and decreased for the remaining one.

Two of the respondents' enterprises have started the production and delivery of new products or services and the remaining two neither introduced nor reduced a product/ service into/ from their range of products/ services.

The income of two of the respondents has increased, and decreased for one respondent. For the remaining, it neither increased nor decreased.

Two operators of the sector were interviewed. The business turnover and customer size of one of them increased while it decreased for the other. However, both of the enterprises saw increase in their capital and employment size while their product portfolio increased due to the introduction of new products. One of the interviewees saw no change in her personal income and it increased for the remaining. None of the interviewees' enterprises have created employment for other individuals.

The following table summarizes the number and proportion of respondents to the questionnaire.

Table 13: Summary of the Responses of Operators in Wood & Metal Works Sector in Lideta

No	Factor												
		Increased		Decreased		No change		No response		No income		Total	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Employment Size	1	25.00%	1	25.00%	2	50.00%		0.00%		0.00%	4	100.00%
2	Bus. Turnover	2	50.00%	1	25.00%		0.00%	1	25.00%		0.00%	4	100.00%
3	Capital	1	25.00%	1	25.00%	2	50.00%		0.00%		0.00%	4	100.00%
4	Customer size	2	50.00%	1	25.00%	1	25.00%		0.00%		0.00%	4	100.00%
5	Product port folio	2	50.00%		0.00%	2	50.00%		0.00%		0.00%	4	100.00%
6	Personal income	2	50.00%	1	25.00%	1	25.00%		0.00%		0.00%	4	100.00%

Source: Survey Data

vi) Other Operators

Three operators that work in the areas of secretarial service, milk vending and Urban Agriculture filled-in and returned the questionnaires.

The customer size, business turnover, and personal income of the three operators have increased. The capital of two of the enterprises remained unchanged and it increased for the remaining one enterprise. Similarly, two enterprises have created employment for non-members and the remaining one enterprise saw no change in its employment size. All of the enterprises neither introduced new product/ service nor discontinued any from their product/ service range according to the respondents.

An operator engaged in the provision of shower and toilet service was interviewed and she indicated that there is increased number of customers of her enterprise which resulted in high business turnover. Consequently, her personal income has increased from what it used to be. But the capital, product portfolio, and employment size of her enterprise did not change since the formation of the enterprise.

3.4 Group Discussions with Women Micro Enterprise Operators

Two groups of women micro enterprise operators were selected from participants of training programs conducted and coordinated by the two sub-cities. The groups consisted member size of 10 operators each. The members were made to discuss their operation, identify the problems of their respective enterprises, discuss the trend in their personal income, business turnover, and other related issue. Most of the participants of the training programs were from food and municipal service sectors, and the members of the group were mainly composed from these sectors. The following major points were learned from the discussion.

Most of the participants drawn from food preparation sector replied that their enterprises are struggling to remain in business. Due to large member size for each enterprise, the income they get from the enterprise is very small, and their future is bleak due to the reasons of:

- Price escalation of consumables and food items required them large amount of working capital, and due to their inability to submit guarantor, they were unable to get credit from micro financing institutions.

- The premises of the businesses are not suitable for such products, and services.
- Disagreement among members is affecting the quality of products and services, and the existence of the enterprise.
- Misappropriation due to absence of proper follow-up.
- Absence of proper record keeping and follow-up on the records of the enterprise by the concerned government unit.

On the other hand, the following points were learned from the discussion made with those operators engaged in the municipal sector:

- The revenue they generate from their work will be distributed equally to the members who were on duty for the whole month after deducting about 30% of the revenue for deposit in the saving account of the enterprise.
- Most of the members are illiterate and have no idea on record keeping, and how to run the day to day activities. Hence, it is difficult for the executive members to monitor the collection of their revenue and disbursements.
- Due to absence of timely disposal and extended delay of collecting trucks, they have reached a point of not being able to further collect solid wastes from their customers leaving alone adding new customers.
- Competition among similar intuitions (groups).
- Irresponsible act of members i.e., not respecting time or not executing their duty to the satisfaction of customers.
- Disagreement among members is common in such enterprises.
- Dilapidations of collecting utensils and lack of financial capacity to replace them.

- In ability to borrow money from micro financing institutions as they could not get collateral or guarantor. This has also prevented them from changing their area of business.
- The operators do not have proper skill or training in record keeping. Furthermore, most of the members are illiterate to monitor the activities of their executive members.
- Most of the participants indicated that they do not have plan for the expansion of their enterprises and they operate in this sector simply because they do not have alternative and skill to resort to other activity. Also lack of financial resource is one of the major reasons that kept most of the member in the sector.

3.5 Interview Made to Selected Government Officials

Interview was conducted to four selected officials of the two sub-cities in regard to the operation of women operated enterprises, support and assistance given to them, difficulties facing the enterprises, and other related points.

From the interview conducted with the officials in the two sub-cities, the following points are learned in regard to training and support:

- There is no gender specific training and support program. Most of the enterprises were established before two years and are given premises/ plot with two years rent exemption. Considering the position of most of the enterprises, they are not requested to pay rent even though the two years time has elapsed.
- The sub-cities have been providing skill upgrading, refresher and other training to the enterprises operating in the respective sub-cities with the help of donors. As most of the operators in the sub-cities are women, they are indirectly benefiting from the programs.
- 'One Stop Service Centers' formed at Kebele level are playing a very crucial role in resolving the problems faced by the enterprises. These centers, as they are

closer to the operators and the extension workers of the centers closely follow the activities of the enterprises.

- As most of the groups are characterized by frequent disagreement among the member, the extension workers assist in resolving such disagreements.
- The qualification and composition most of the extension workers is found to be insufficient to provide the required technical support and identify the training and support needs of the operators.
- Both sub-cities, as they are situated at the central and oldest parts of the city, have shortage of space. So most of the premises given to the operators are not suitable for their work. Though arrangement was made with other sub-cities that have empty spaces, most of the operators are not willing to move to other places in other sub-cities and to the industry centers.
- The workers at Kebele and sub-city levels make effort to solve the market problem of the operators and create network. Their effort, however, is limited and not satisfactory due to various reasons.
- Information is one of the important tools in the success of any business, and most of the micro business operators especially women do not have access to this tool. Hence, the officials both at the sub-city and Kebele offices are doing their level best to narrow this information gap. But this is highly affected by the capacity and manpower of different actors at Kebele and Sub-city levels.

For the questions raised on the registration and renewal of licenses, the officials indicated that:

- The micro-enterprises are registered at one service centers. Upon their formation they are given 'Provisional Registration Certificate' for one year time before being given 'Main Registration Certificate' which is issued for five years time. The enterprises after operating for one year, are requested to submit their audited statements for which maintaining proper financial records is crucial. But, most of

the enterprises are operating with their provisional registration though they have been operating for more than two years. The main reason is that most of the financial records of the enterprises especially those engaged in food and municipal sectors are incomplete and not suitable for audit.

The officials replied in the following manner for the questions raised in connection to the performance level of the women operated micro enterprises:

- There are some enterprises that have better performance and potential to transform themselves. But their number is very small. According to a senior official in one of the sub-cities: "---most of the micro enterprises are struggling to survive, and many of similar enterprises have been dissolved previously and many others will do so in the near future. Especially, those enterprises fully operated by women have the danger of going out of business due to business related and non business causes."
- Under a given circumstances, the enterprises engaged in the food, textile and municipal service sectors, among others, are not in a position to transform themselves. They are struggling to remain in business.
- Most of the enterprises remain in business not because they are viable ventures and profitable, but only because most of the operators work at a very small monthly payment and most of the enterprises are operating on the plots provided by government. This indicate that the enterprises are subsidized by their members and somehow by government.
- The number of enterprises requesting for the liquidation of their group is increasing from time to time due to numerous internal and external problems.
- Most of the enterprises were formed without thorough study and consideration. Added to this, significant number of the operators are illiterate and lack entrepreneurial skill. Hence, the viability of most of them is still questionable.

Finally, in regard to availability of data on the type, size, and number of enterprises, the study identified that: the exact number of women MSE operators is not available in both the sub-cities and there is no record maintained in this respect. The main reason were mentioned by the officials as:

- Most of the employees both at the sub-city and Kebele levels are new for the task as well as the office.
- Also no one saw the importance of the information, and officials at Kebele level were not required to submit such information or maintain such information.
- As most of the workers in this area were transferred from other activities, there was an inbuilt dissatisfaction on the part of the employees.
- Most of the activities are decentralized only recently and no one was assigned to hold such information and handle such task. The offices do have sufficient manpower but do lack qualified, enthusiastic and competent personnel.
- The micro enterprises were not given proper attention for their growth and expansion.

3.6 Comparison of the Performances of Enterprises in the Two Sub-cities

Employment created by the operators in both of the sub-cities is very small and the largest proportion of the respondents in the two sub-cities neither created employment nor decreased their employment size. However, Lideta has larger proportion employment creation while only one enterprise in each sub-city decreased the number of its employees from its earlier position. From the interviewed individuals, also it was learned that the largest proportion of the enterprises in the two sub-cities neither employed nor terminated the employment of any individual. The proportion for the two sub-cities is 66.66% for Lideta and 77.78% for Addis Ketema among the interviewed individuals.

Higher number of enterprises in Lideta have experienced increased business turnover than Addis Ketema, though more than half of the respondents, 62.96% for Lideta and

53.33% for Addis Ketema, indicated the increase of their respective enterprises business turnover. In the case of decreased volume of business turnover, Addis Ketema has larger proportion of respondents than Lideta 23.33% and 18.52%, respectively. Similarly Addis Ketema has larger number of respondents that experienced neither increase nor decrease in their turnover which is 23.33% and 14.81% respectively. Among the interviewed individuals, however, Addis Ketema has larger proportion and number of respondents (66.67%) that have increased business turnover during the period of their operation than Lideta sub-city that is 55.56%. The remaining percentage of respondents in the two sub-cities experienced decrease in their business turnover.

Lideta sub-city has larger number or percentage of (74.07%) respondents that did not make change in their range of product than Addis Ketema that has 63.33% of the respondents. Lower number of enterprises (2 enterprises) operating in Lideta have discontinued a product or service from their product/ service range than Addis Ketema (3 enterprises). Furthermore, larger proportion of enterprises (18.52%) in Lideta have introduced new product or service than 13.33% of Addis Ketema.

Among the interviewed micro enterprise operators, larger proportion of individuals that operate in Addis Ketema saw no change in their product portfolio than that of Lideta which are 88.89% against 77.78%. In terms of those enterprises that introduced new products among the interviewed entrepreneurs, Lideta has larger proportion of 22.22% than that of 11.11% of Addis Ketema.

Larger proportion of operators in Addis Ketema (43.33%) have increased the capital of their enterprises than those in Lideta (29.63). Where as the capital of 62.96% and 40% of the operators in Lideta and Addis Ketema, respectively remained unchanged since the formation of their enterprises. While there is no decrease in the capital of any enterprise in Addis Ketema, one enterprise in Lideta faced decrease in its capital size. However, the number of non respondents for this respective question is very high in Addis Ketema than Lideta. The increase in customer size is better in Lideta both in terms number and proportion than Addis Ketema, where as the proportion and number of enterprises that have faced decrease in their customer size is high in Addis Ketema. Similarly the largest

proportion of enterprises in Addis Ketema did not see any change in their customer size. Those individuals that have been interviewed indicated that Addis Ketema has better proportion of respondents whose customer size has increased. Similarly, the proportion of enterprises that have faced decrease in customer size is higher in Lideta sub-city than Addis Ketema. In general terms, however, operators in Lideta Sub-city are in a better position from the perspective of customer size than enterprises that operate in Addis Ketema Sub-city.

The proportion of operators that saw increase in their personal income is almost similar in the two sub-cities. Also the proportion of operators that do not get income from their enterprise is higher in Addis Ketema than Lideta. The number of operators that have lesser personal income from the earlier years is higher in Addis Ketema than Lideta. The largest proportion of individuals that saw no change in their regular income is larger in Lideta than Addis Ketema. From the interviewed individuals, it was possible to learn that the proportion of operators that get increased personal income is higher in Lideta sub-city than Addis Ketema. Where as the proportion of operators that saw decrease in their income is higher in Addis Ketema whereas no interviewee in Lideta sub-city has a decreased income. Therefore, those enterprises in Lideta sub-city have better performance in increasing the personal income of women operators than those that operate in Addis Ketema.

The following table summarizes the total responses of operators in the two sub-cities to the factors of business turnover, customer size, capital, product portfolio, employment and Personal income. Also the following charts will compare the responses of operators in the two sub-cities:

Table 14: Comparative Summary of the Relative Performance of Women Operated Enterprises in Addis Ketema and Lideta

NO	Factor	Increased				Decreased				Unchanged				No response			
		Lideta		Addis Ketema		Lideta		Addis Ketema		Lideta		Addis Ketema		Lideta		Addis Ketema	
		No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%
1	Employment	6	22.22%	4	13.33%	1	3.70%	1	3.33%	20	74.07%	21	70.00%			4	13.33%
2	Capital	8	29.63%	13	43.33%	1	3.70%		0.00%	17	62.96%	12	40.00%	1	3.70%	5	16.67%
3	Business Turnover	17	62.96%	16	53.33%	5	18.52%	7	23.33%	4	14.81%	7	23.33%	1			0.00%
4	Product portfolio	5	18.52%	4	13.33%	2	7.41%	3	10.00%	22	81.48%	19	63.33%		0.00%	4	13.33%
5	Customer	16	59.26%	13	43.33%	5	18.52%	9	30.00%	6	22.22%	8	26.67%			1	3.33%

NO	Factor	Increased				Decreased				Unchanged				No response				No income			
		Lideta		Addis Ketema		Lideta		Addis Ketema		Lideta		Addis Ketema		Lideta		Addis Ketema		Lideta		Addis Ketema	
		No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%
	Personal income	13	48.15%	14	46.67%	3	11.11%	5	16.67%	9	33.33%	6	20.00%					2	7.41%	3	10.00%

Source: Survey data

Figure 1: Change in the Employment Size of Enterprises

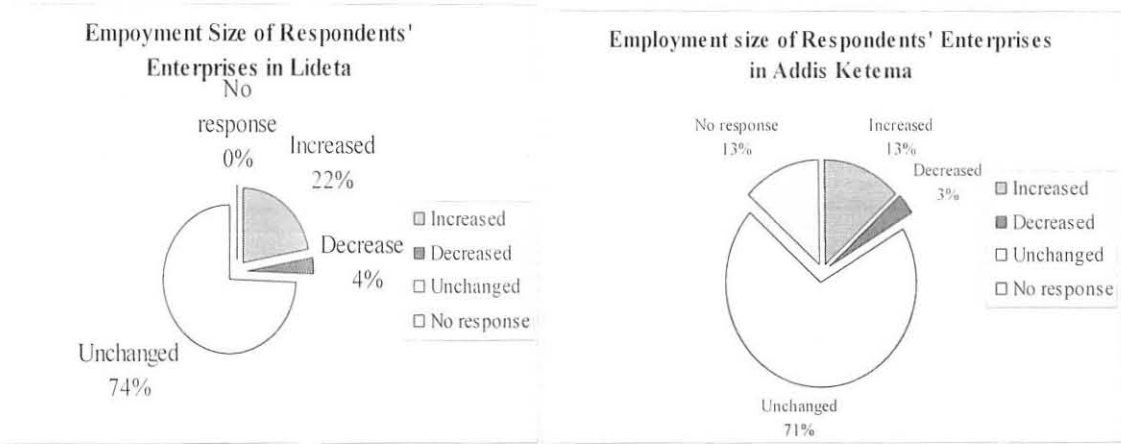


Figure 2: Proportion of Change in the Capital Size of Micro Enterprises

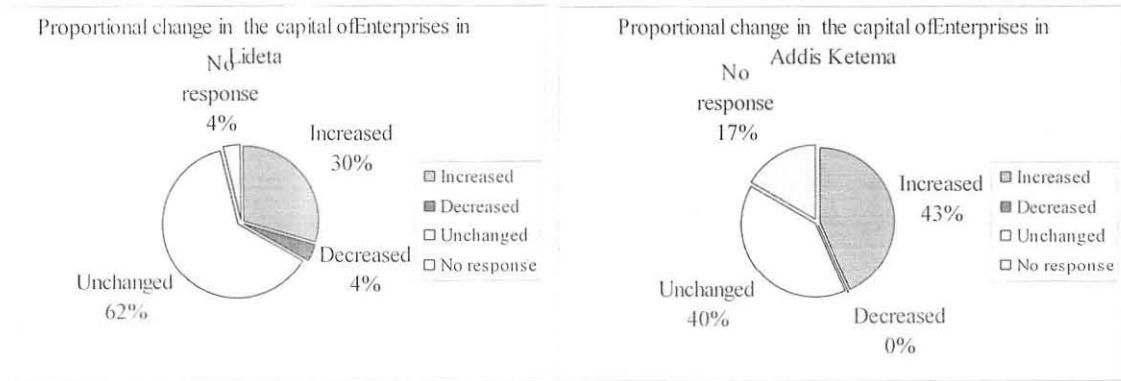


Figure 3: Change in the Business Turnover of Micro Enterprises

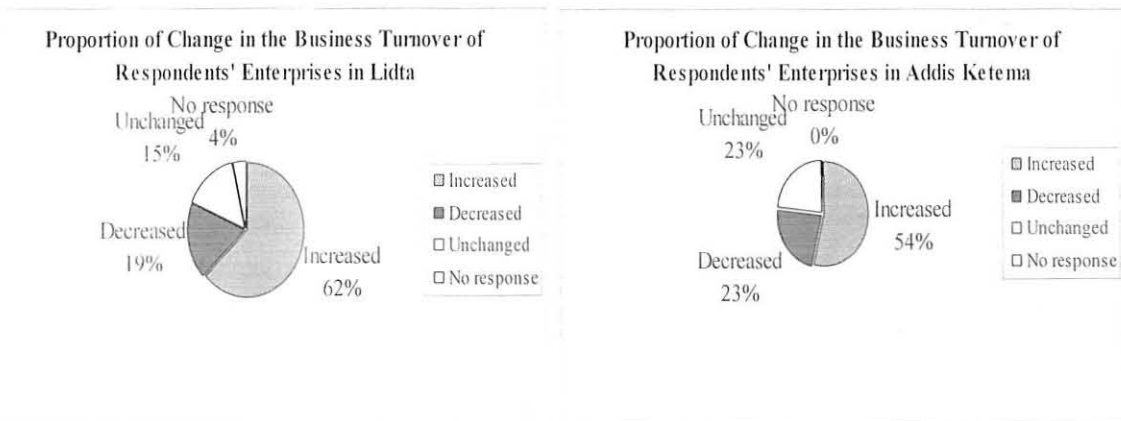


Figure 4: Change in the Product portfolio of Enterprises

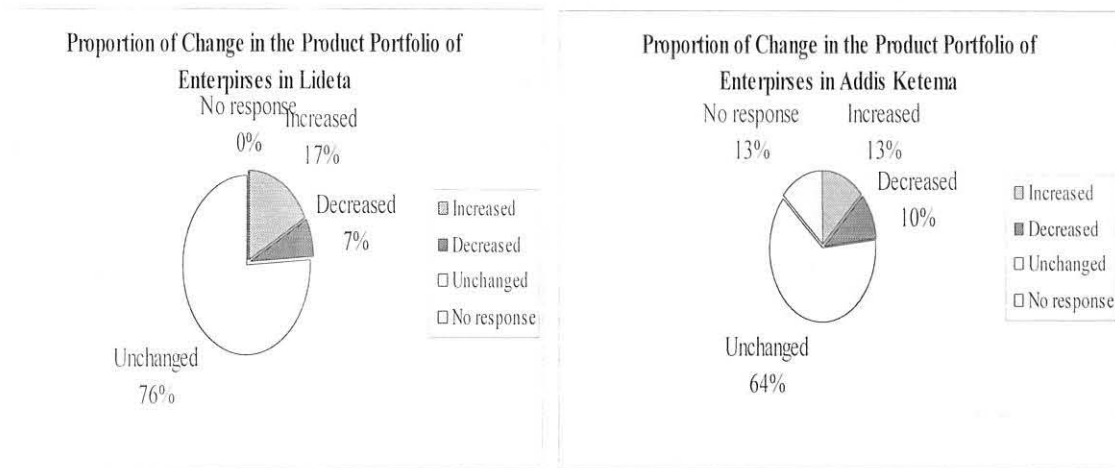


Figure 5: Change in the Customer Size of Enterprises

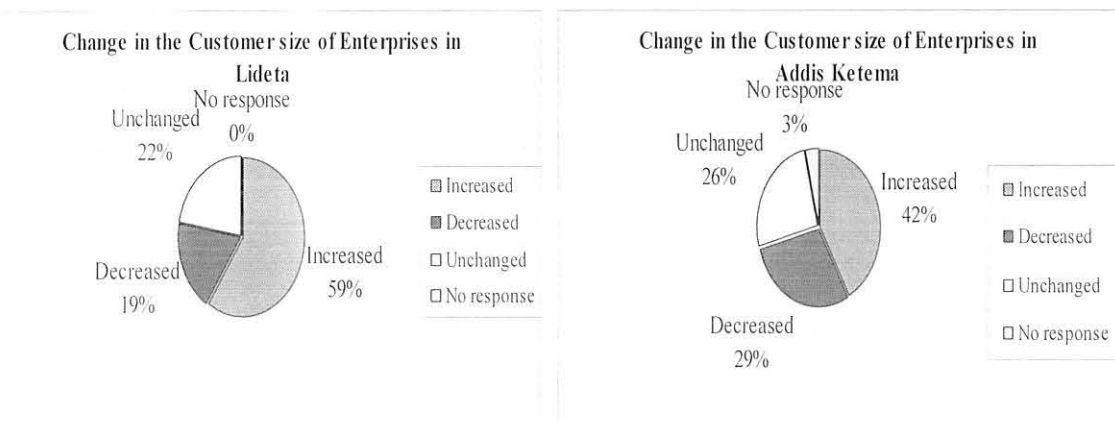
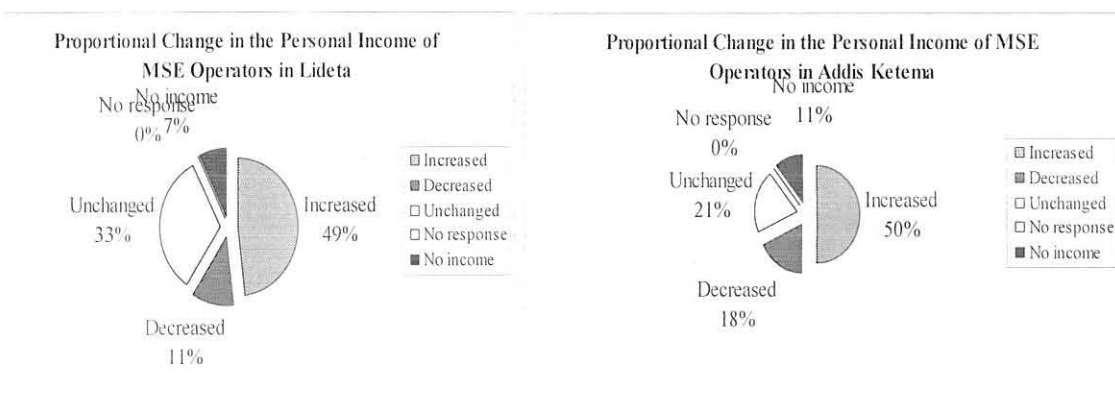


Figure 6: Change in the Personal Income of MSE Operators



When we see the operation of women operated micro enterprises from profitability point of view, the largest proportion of enterprises in Lideta amounting to 70.37% have been operating with a marginal profit or at breakeven(with out any profit or loss) where as those of Addis Ketema sub-city have the proportion of 66.67%. Also the proportion of enterprises that have been operating at a reasonable profit is higher in Lideta (18.52%) than Addis Ketema (16.67%). Moreover, Addis Ketema has the largest number of enterprises that operate at loss than Lideta. All of the interviewed operators in Lideta indicated that their enterprises have never incurred loss while 11.11% of interviewees' enterprises in Addis Ketema operate at loss. No interviewee in Lideta stated that her enterprise has been operating profitably since its establishment, whereas Addis Ketema has one enterprise that has been operating profitably.

Table 15: Summary Responses on the Profitability of Micro Enterprises in the two Sub-cities

No	Factor	Lideta Sub-city				Addis Ketema Sub-city				Total			
		Interview		Questionnaire		Interview		Questionnaire		Interview		Questionnaire	
		No	%	No	%	No	%	No	%	No	%	No	%
1	Operating profitably		0.00%	5	18.52%	1	11.11%	5	16.67%	1	5.56%	10	17.54%
2	Operating with marginal profit	4	44.44%	10	37.04%	4	44.44%	12	40.00%	8	44.44%	22	38.60%
3	Operating at breakeven	5	55.56%	9	33.33%	3	33.33%	8	26.67%	8	44.44%	17	29.82%
4	Operating with loss		0.00%	1	3.70%		0.00%	2	6.67%	0	0.00%	3	5.26%
5	No response		0.00%	2	7.41%		0.00%	2	6.67%	0	0.00%	4	7.02%
6	Do not Know		0.00%		0.00%	1	11.11%	1	3.33%	1	5.56%	1	1.75%
Total		9	1	27	1	9	1	30	1	18	1	57	1

Source: Survey data

3.7 Aggregate Performance of the Enterprises in the Two Sub-cities

As we can see from table 16 below which summarizes the responses of the total respondents against each factor, the largest proportion of the respondents' enterprises in the two sub-cities see no change in their employment size, product portfolio and capital.

The largest proportion of the respondents' enterprises have experienced relative increase in their customer size and business turnover. Increase in the business turnover of the enterprises is believed to have increased the personal income of the largest proportion of women operators.

Table 16: Aggregated Responses of Operators

	Increased		Decreased		Unchanged		No response		No Income	
	No	%	No	%	No	%	No	%	No	%
Employment	10	17.54%	2	3.51%	41	71.93%	4	7.02%	-	-
Capital	21	36.84%	1	1.75%	29	50.88%	6	10.53%	-	-
Business Turnover	33	57.89%	12	21.05%	11	19.30%	1	1.75%	-	-
Product portfolio	9	15.79%	5	8.77%	41	71.93%	4	7.02%	-	-
Customer	29	50.88%	14	24.56%	14	24.56%	1	1.75%	-	-
Personal Income	27	47.37%	8	14.04%	15	26.32%	0	0.00%	5	8.77%

Source: Survey data

The capital size of only 36.84% of the operators' enterprises increased from their earlier years of operation. The increase could help such enterprises to strengthen themselves, and procure additional equipment necessary for their operation. This in turn will enable them to remain in operation and become competitive. But, since most of the enterprises started business with limited capital which is barely sufficient for their business, the proportion of enterprises that increased their capital size is not satisfactory. Hence, it can be argued that the operators are not working with full capacity, and to the level they were supposed to. This can be further substantiated by a very low rate of product differentiation, and concentration of most of the operators in one or two sectors.

Chapter IV

Data Discussion and Analysis

Large numbers of women operated enterprises (groups) in the two sub-cities mainly concentrate on specific sectors, which are food preparation, municipal service and textile and garment.

The first reason for the women concentrate on these sectors might be because these sectors require low level of skill and can be operated with the available local skill that is at hand. The other possible reason might be the small working capital size requirement of these enterprises. These sectors also allow flexibility to the operators to discharge their domestic responsibility since they do not require the members to commit eight hours a day and five to seven days with in a week.

Based on the collected questionnaires, interviews conducted with operators and officials, and group discussions, it was learned that most of the enterprises (groups) have been in operation for less than four years. In addition, among these enterprises more than 65% of them have been in operation for less than two years. This indicates that most of these groups are at young age since they are in operation for less than two years. Moreover, it was found that the establishment of the enterprises was not based on detailed analysis. This might have contributed at some percent to the present state of function the enterprises.

Most of the operators are either housewives without any from of personal income or students that just got out of school, and encouraged to engage themselves in business to create employment for themselves in order to generate income.

This has contributed a lot for the participation of women to a larger extent in these sectors. The largest proportions of the operators in the two sub-cities are aged below 40 years with primary level of education or less.

The employment size for most of openly operated enterprises remained the same over the period of their operation. They created employment opportunity mainly for their own fellow group members, while only very few enterprises created employment opportunity for non-members. Furthermore, the employment opportunities created by the few enterprises is far from reaching the level of demand. This indicates the fact that the employment creation capacity of most enterprises in both of the sub-cities is yet to be strengthened. Employment from the expansion of such enterprises is also yet to materialize.

According to Rhyne and Otero (1994) as micro enterprises expand, they need to invest in assets such as tools, equipment or improved premises. For this purpose raise in capital is a pre requisite. But many micro enterprises often fail to secure the capital they need and miss the opportunity of growth in their business. Assessments conducted on the change in the capital size of enterprises operated by women indicate that large number of operators in both sub-cities did not experience raise in the capital size of their enterprises. In effect, there are no additional facilities and tools, equipment, machine etc purchased and capitalized starting from the formation of the enterprises. Besides this, the capital size of some enterprises has declined due to various reasons. Nevertheless, based on the given information and proportion of respondents, enterprises in Addis Ketema sub city have better performance in terms of increasing capital size than Lideta sub city.

The price escalation of goods and services has required an increased value of working capital to maintain the level production or service of the enterprises for which the operators do not have the capacity to meet from their personal saving or can not provide guarantor to finance it with credit from micro financing institution. This has reflected what was observed by Rhyne and Otero (1994) as: micro-enterprises for the prosperity of their business must have a sufficient supply of working capital for the purchase of supplies and inventories.

In addition to the aforementioned factors, which are employment size and capital change in business, turnover is also used as one aspect of assessing the expansion of micro enterprises. Though the business turnover for more than 50% of the respondents'

enterprises has increased from the level it was at their earlier years of operation, level of performance is not encouraging provided the potential of the area. The areas are highly commercial where there is high concentration of dwellers, retailers, and wholesalers among other things. Had the enterprises used these potentials, they could have performed by far better than what they have achieved.

In addition to what has been stated earlier there are a considerable proportion of enterprises that experienced decrease in their business turnover. Enterprises in Lideta sub-city have relatively better performance in regard to business turnover than Addis Ketema.

The other dimension, which is used in this study to assess the growth of women operated enterprises, is the level of product diversification or the introduction of a new product or service into the product or service portfolio. Diversification of products and services according to the observation of Liedholm and Meads (1999) will help to reduce dependence on a single or limited number of products/ or services. This will help to cushion the adverse market condition of a product or service. Similarly, Storey (1994) indicated that innovation and identification of market niche and introducing new products as a key elements for the rapid growth of small enterprises.

However from the subjects of the study, it was found out that: only very few of the operators' enterprises found in the two sub-cities managed to introduced new products or services starting from their formation. Nearly 72% of the enterprises covered by the study did not introduce any product or service since their formation. In addition to this, about 13% of the respondents have indicated that there are products or services ceased from their product portfolio. Therefore, most of the enterprises are not benefiting from diversification that will enable them to serve different groups of customers, increase business turnover, and ultimately increase the profitability of their enterprises and personal income. Lack of diversification could result from lack of required skill, exposure, and information and above all working capital. The introduction of a new product or service requires additional working capital. As it was learned from the respondents, most of the operators could not get the required money from any other

source. Those enterprises or groups in Lideta sub city, which introduced a new product or service since their start-up, have higher proportion of product diversification than that of Addis Ketema.

The other important indicator concerning the expansion of micro enterprises is change in the customer size of the enterprise. The performance of the enterprises in both sub-cities is not encouraging as such. As it has been learned from the responses of the operators, only 50.88% of the respondents saw increase in their customer size since their creation. Furthermore, the enterprises that saw decrease in their customer size are another point to worry about. Absence of product diversification together with the prevalence of competition from private operators or informal operators in the two sub-cities could be the possible reason, which led the enterprises towards such kind of weak performance.

The cumulative good or weak performances of the enterprises in the above discussed areas have direct reflection on the income level of their operators. It is only 47% of the respondents that saw increase in their personal income from the enterprise since the formation of their respective enterprises. This figure is much closer to the enterprises that have observed increase in their customer size and business turnover. From this we can understand the interdependence of these factors, and more or less their proportional relationship. On the other hand, a little higher than a quarter of the respondents' experienced no change in their personal income while 14% of the respondents have seen a decreased personal income. There are also some enterprises that do not make payment to its operators in return.

The largest proportions of women operated micro-enterprises are operating with a marginal profit or at breakeven (no profit or no loss) point. As most of the operators are paid a very small amount of periodic payment, the enterprises were able to make marginal profit or operate at breakeven. Had it not been for that, the profit could have gone down to the level of loss and those enterprises that operate at breakeven could have gone out of business. But the situation is as it was expressed by one of the interviewed operators in Amharic as 'ጌሀ ጉልበቱን አያስባገም' meaning, the poor does not charge

much for his/her labor. Also under a given circumstance the sustainability of the business and their marginal profit are questionable.

Among the women operated enterprises in the two sub-cities, those enterprises in Lideta have better performance in terms of profitability than those operating in Addis Ketema. This could be mainly due to the fact that Addis Ketema's declining business turnover along with diminishing customer size. And also the presence of relatively large number of competitors in the area, i.e., private operators or similar groups, could be among the reasons for the lower level of profitability of enterprises in Addis Ketema.

The ever-increasing price of goods and services seems to have an effect on the operation and profitability of most micro enterprises. Due to the increase in price of goods and services, the enterprises are required invest additional money to meet the increased working capital requirement. The working capital should be generated either from the personal accounts of the operators, which is not manageable for most of the operators or from the operational surplus of their respective enterprises, which is also negligible to meet the required amount, if any. The third alternative might be looking for loan from micro financing institution, which is not again easily accessible for most of the operators. Therefore, this macro economic phenomenon will ultimately jeopardize the existence of most enterprises as they have no the capacity to stand such shocks.

The foregoing discussion is with respect to the vertical expansion of women operated micro-enterprises in Lideta and Addis Ketema sub-cities. With regard to horizontal expansion of women operated enterprises, where by women operators in pursuit of diversifying the risk associated with putting in additional money in one enterprise will establish another micro business. Except involving in some form of informal activities around their residences, none of the operators covered by this study replied to own additional enterprise. But one of the operators indicated that she is a member of another group operating elsewhere, even though her enterprise is not a result of the expansion of the existing enterprise. Likewise the vertical expansion of micro enterprises, absence of horizontal expansion can be justified by the absence of sufficient operational surplus from the existing enterprises and consequential growth in the personal return to the

operators. The financial return is not enough to cover the cost of expansion and at the same time it hardly covers their personal expenses (living cost).

Chapter V

Conclusion and Recommendation

4.1 Conclusion

Women consist more than half of Ethiopian Population as well as that of Addis Ababa City (CSA, 2006). According to the ILO and African Development Bank study (2004) more than 37% of the dwellers of the City live under poverty. And also they have no reliable source of income for themselves and their family.

Micro-enterprises are recognized as a very important tool in addressing problems related to the employment and income for this group of individuals. Based on this general belief the Government of Ethiopia in general and the Addis Ababa City Administration in particular encourages and support the formation and operation of micro and small scale enterprises. As women are part of the poorest of the poor, they have higher rate of participation in micro businesses in Ethiopia. However, women micro business operators in Africa in general and in Ethiopia in particular conjure up the images of a poor, uneducated, with few if any of her own assets, and limited means of accessing necessary resources from others (AfDB and ILO,2004). The sub-cities covered by the study (Lideta and Addis Ketema sub-cities) have relatively the largest concentration of population, as well micro enterprises.

As we can learn from the foregoing sections, the performance of micro enterprises vis-à-vis factors of employment creation, customer and capital size, business turnover, product portfolio and profitability, the enterprises with in the two sub-cities are struggling to survive or stay in business. To use the term of Liedholm and Meads (1999), most of the enterprises are survivalists. This could be due to the joint actions of the factors such as lack of skill, lack of information, premises not suitable for the work, market related problems and absence of suitable sales outlet, absence of experience, etc. Furthermore, the following points could have contributed for the non-growth (retarded growth) of the enterprises, which operate in the two sub-cities:

- From the very beginning of their formation, of the enterprises were based on proper study concerning their viability and suitability.
- The enterprises are not accorded with the necessary technical support in different aspects of their operation. And once formed, the enterprises were left alone to function by default.
- The operators entered into action with very limited (traditional), technical and business related skills and were not provided with the necessary guidance by the concerned government offices in this respect.
- Inconsistency in the quality of products or services, and inability of the operators to improve the quality of their products through time.
- Absence of shared vision among the members on the future of their enterprises and disagreement among them.
- Inability of the members to inject additional capital which is important for the expansion of their enterprise and meet the additional working capital required.
- Absence of proper recordkeeping, which could result from lack of exposure and support in this respect.

Unless remedial measures are taken by all stakeholders concerned, most of women operated enterprises in the two sub-cities especially those engaged in food, textile and garment, municipal services might face the possibility of going out of business. These situation lead the enterprise members to unemployment resulting in reduced or no family or personal income at all.

Based on the interview conducted with the operators and government officials, most of the enterprises operating in the two sub-cities are relatively young, and are not changed much from their condition during their start-up. They even faced the possibility of being closed down. More or less the enterprises in the two sub-cities are

much similar, since the operating condition and the problem they experience are more or less similar.

However, this does not mean that there are no enterprises with better performance having the potential for transformation. There are few women operated enterprises with slow growth rate (small growers) that could transform themselves and become graduates in a very short period, if they are given sufficient and the right support. The personal income of the operators in such enterprises have improved from the level it was at the earlier years of the enterprises. From this we can observe that the personal income of only few enterprises will further improve provided that the enterprises are supported to graduate.

4.2 Recommendation

The study has identified that women operated micro-enterprises in the two sub-cities are survivalists and do not show as such significant vertical expansion and no horizontal expansion at all. These enterprises are struggling to remain in business due to their institutional, financial, macroeconomic, etc problems.

Therefore, the study recommends the following points to be considered by the concerned:

- There is a need for an in-depth study and analysis on what really contributes to the non-growth of the enterprises in the City. Also the operating condition of the enterprises vis-à-vis the current macroeconomic condition need to be studied.
- One Stop Service Centers in each Kebele should critically assess the capacity and viability of activities to be undertaken by applicants (groups). The start-up support given to the enterprises should be aimed to contribute for their future growth.
- Women operators have no resources or assets, have dual responsibility, do lack information necessary for their operation, etc. Assisting the growth of women owned enterprises is also assisting their dependents /family member. It is also one of the instruments used to empower women. Therefore, government and other nongovernmental institutions should design a special support packages that will mitigate the problem faced by women operators and will facilitate the growth of their enterprises.
- Efforts should be made to increase the awareness of MSE operators in the areas of record keeping, the benefits of diversification, role of credit in facilitating the growth of enterprises. The sub-cities should put in place the necessary mechanism to inspire the operators through sharing the experience of other successful MSE operators.
- So as to provide the necessary information to policy makers and other interested bodies, the City Administration, sub-cities and Kebele administrations should

maintain complete and proper records on enterprises in operation and that have returned their license (registration certificate) in gender disaggregated manner.

- Most of the operators do not have their own saving, can not manage to obtain loan from commercial banks or micro financing institutions due to their inability to submit collateral or guarantor. Hence, viable ideas that could bring about change in the life of the operators as well as others, will not be implemented. Hence, the city administration should make the necessary arrangement with micro financing institutions and/ or donors so that financially, economically and socially sound business ideas of micro-enterprises can be financed and see the light of implementation.
- The training programs provided to the operators should be made after thorough identification of the training needs of the operators. The training should be tailored to the needs of the enterprises. Also mechanisms should be devised for post-training follow-up, when applicable.
- The Operators lack market information and sales outlet for their products. Most of them directly sell to users, and use words of mouth to give information concerning their respective products. So, it is important if the sub-cities arrange the necessary promotional facilities, bazaars, display rooms, events like quality competition, etc.
- The Administrations of the two sub-cities along with the MSE Development Teams should look into the possibility of devolving the centralized audit task to Kebele level. Also the auditors should prepare schedule and audit the book of accounts/ records of enterprises on a regular basis instead of waiting for requests from the respective office or micro-enterprise.
- The City Administration's policies on MSEs should give more emphasis on quality improvement rather than increasing the number of enterprises. The range of support provided should be expanded from mere start-up support to growth support.

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በሴቶች የተያዙ የአነስተኛ እና ጥቃቅን የንግድ ተቋማት እድገትና የመሥራቾቹን የገቢ መጠን በማሳደግ ረገድ ያላቸውን አስተዋፅኦ ለመፈተሽ የተዘጋጀ መጠይቅ

ክ/ከተማ _____
ቀበሌ _____

ይህ መጠይቅ በአዲስ አበባ ዩኒቨርሲቲ ለሁለተኛ ዲግሪ ማሙዋያ የሚያስፈልገውን ጥናት ለማካሄድ የሚረዳ መረጃ ለመስብሰብ ታስቦ የተዘጋጀ ነው።

በዚህ መጠይቅ ውስጥ የሚሰጥ ማንኛውም መረጃ በምንም መልኩ ለሌላ ወገን አይተላለፍም (አይገለጽም)። ስለሆነም ይህንን መጠይቅ በተገቢው መንገድ በመሙላት፤ ትክክለኛ እና ግልጽ መረጃ በመስጠት ለጥናቱ አስተዋፅኦ እዲያደርጉ በማክበር ይጠየቃሉ።

ይህ መጠይቅ 6 ዋና ዋና ክፍሎች አሉት። በአያንዳንዱ ክፍል ሥር ያሉትን ጥያቄዎች እንዲመልሱ ይጠየቃሉ። በአያንዳንዱ ሳጥን ውስጥ (×) ምልክት በማስቀመጥ እና ገለፃ ለሚፈልጉት ደግሞ በአጭሩ በመጻፍ ይመልሱ።

አስፈላጊ ሆኖ ከተገኘ ተጨማሪ ወረቀት ወይም ከአያንዳንዱ ገጽ ጀርባ ያለውን ባዶ ቦታ መጠቀም ይቻላል።

ክፍል 1
ግለ ሁኔታ

1. ዕድሜ: _____
2. የትምህርት ደረጃዎ

<input type="checkbox"/> የቁስ ትምህርት /ማንበብ እና መጻፍ	<input type="checkbox"/> የመጀመሪያ ደረጃ ትምህርት ያጠናቀቀ
<input type="checkbox"/> የሁለተኛ ደረጃ ትምህርት ያጠናቀቀ	<input type="checkbox"/> የሙያ ትምህርት ስልጠና የተከታተለ
<input type="checkbox"/> የኮሌጅ ዲፕሎማ እና ከዚህ በላይ	
3. የጋብቻ ሁኔታ

<input type="checkbox"/> ያላገባ	<input type="checkbox"/> ያገባ	<input type="checkbox"/> በፍቺ የተለያየ	<input type="checkbox"/> በሞት የተለያየ
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4. የቤተሰብ ብዛት

<input type="checkbox"/> አንድ	<input type="checkbox"/> 2-4	<input type="checkbox"/> 5-6	<input type="checkbox"/> 7-10	<input type="checkbox"/> 10 ያልበለጠ
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5. የልጆች ብዛት _____
6. ከልጆቻዎ ውስጥ የእርስዎን የቅርብ ክትትል እና እገዛ የሚፈልጉት ስንት ናቸው?

7. በተቋምዎ ውስጥ የሚሰራ የቤተሰብዎ አባል አለ?

<input type="checkbox"/> አዎ ከክፍያ ጋር	<input type="checkbox"/> አዎ ያለ ክፍያ	<input type="checkbox"/> የለም
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8. ይህን ድርጅት ከመቋቋምዎ በፊት ሌላ የንግድ ሥራ ልምድ ነበርዎት?

<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
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- 9. ከላይ ለቀረበው ጥያቄ መልስዎ አዎን ከሆነ ልምዱን የትና እንዴት አገኙት?
 - በራሱ የንግድ ድርጅት ውስጥ
 - በሌላ የንግድ ድርጅት ውስጥ
 - በቤተሰብ የንግድ ድርጅት ውስጥ
 - በሌላ:-----

- 10. ድርጅትዎን ከማቋቋም በፊት የተሰማሩበት የሥራ መስክ
 - የቤት እመቤት
 - በጉሊት /በሌላ ንግድ
 - በቤተሰብ ድርጅት ውስጥ
 - የሰውቤት ሠራተኛ
 - የጉልበት ሠራተኛ
 - ባህላዊ መጠጦችን አዘጋጅቶ መሸጥ
 - የግል ድርጅት ተቀጣሪ
 - ተማሪ
 - ሥራ አጥ
 - የመንግስት ሠራተኛ
 - ሌላ:-----

ክፍል ሁለት
ተቋማዊ ሁኔታ፣ የሥራ ሂደት እና ግንኙነት

- 1. ድርጅትዎ መቼ ተቋቋመ/ ሥራ መቼ ጀመረ ?

- 2. ድርጅትዎን ሲያቋቁሙ አስፈላጊውን ካፒታል ከየት አገኙት?
 - ከቆጠብኩት ገንዘብ
 - ከቁጠባ ተቋም ተበድራ
 - ከዘመድ/ከቤተሰብ ተበድራ
 - በአካባቢዬ ካሉ አበዳሪ ግለሰቦች ተበድራ
 - ከቤተሰቦቼ ባገኘሁት የገንዘብ ድጋፍ
 - ከቤተሰቤ ባገኘሁት ውርስ
 - ሌላ ምንጭ:-----

- 3. ድርጅቱን ለማቋቋም ምን አነሳሳዎት?
 - ለራሴ የስራ እድል ለመፍጠር
 - በሌሎች ተገፋፍቼ
 - ምንም ሌላ አማራጭ ስላልነበረኝ
 - የመንግስት አካላት ስለገፋፉኝ
 - ለራሴ የገቢ ምንጭ ለመፍጠር
 - የተሳካለት የንግድ ሰው ለመሆን
 - ሌሎች የተሳካላቸውን ሰዎች በማየት
 - ብድር ለመውሰድ ብዬ
 - አላውቀውም

- 4. ድርጅትዎን ባቋቋሙበት ወቅት የሚያመርቱዎቸው ምርቶች ወይም የሚያቀርቡዎቸው አገልግሎቶቹ ምንድን ነበሩ?

- 5. ከዚያ ወዲህ የተጨመሩ ምርቶች ወይም አገልግሎቶች ካሉ ቢገለጹ:

- 6. በመጀመሪያዎቹ ዓመታት ከነበሩት ምርቶች የተቀነሱ (የተቋረጡ) ምርቶች/አገልግሎቶች ካሉ ቢገለጹ ለምንስ ተቋረጡ?

- 7. የድርጅቱን የአለት ተዕለት ሥራ የሚያካሂዱበት ቦታ የት ነው?
 - በተከራየሁበት ቤት ቅጥር ግቢ በመኖሪያ ቤቱ ቅጥር ግቢ ውስጥ
 - ከመንግስት በተሰጠኝ ቦታ ላይ በገዛሁት /በሊዝ በወሰድኩት ቦታ ላይ
 - ቦታ የለኝም

- 8. በዎታ ላይ ከሚሰሩ ግብረ -ሰናይ ድርጅቶች የምታገኙት ድጋፍ ካለ ቢገለጽ:

- 9. አሁን በድርጅቱ ያሉ ደመወዝ የሚከፈላቸው ሠራተኞች ብዛት (አባላትን ሳይጨምር)
 - የለም አንድ 2-5 6-9 ከ10 በላይ

- 10. ድርጅቱ በተቋቋመባቸው የመጀመሪያዎቹ አመታት የነበሩት ደመወዝተኛ ሠራተኞች ብዛት (አባላትን ሳይጨምር)
 - የለም አንድ 2-5 6-9 ከ10 በላይ

- 11. እርስዎ ሥራ በሚውሉበት ወቅት የቤት ውስጥ ሥራ በመስራት የሚያግዝዎት ማን ነው::
 - ማንም የለም የቤት ሠራተኛ
 - ልጆች ባለቤቱ
 - ዘመዶች ሌላ:-----

- 12. ለቤት ሠራተኛ (ሰራተኛ ካለውት) የሚከፍሉትን ወይም ለዘመድዎ የሚያስፈልጉ ክፍያዎችን (ወጪዎችን) እንዴት ይሸፍናሉ?
 - ከድርጅቱ በማገኘው ክፍያ በዘመድ እርዳታ
 - ከሌላ የቤተሰብ ገቢ ይሸፈናል እንደቤተሰብ አባል ስለሚታዩ ምንም ክፍያ አያስፈልግም

- 13. ድርጅትዎ በሴቶች የተቋቋመ በመሆኑ ምክንያት የደረሰበት (አየደረሰበት ያለ) አስቸጋሪ ሁኔታ ካለ ቢገለጽ:

- 14. መረጃን በወቅቱ እና በተገቢው መንገድ በመስጠት የሚያግዝዎ መንግሥታዊም ሆነ መንግስታዊ ያልሆነ ድርጅት ወይም ቡድን አለ? ካለ በጠቅሱልን:

- 15. ሙሉ ጊዜዎትን በድርጅቱ ሥራ ላይ ያሳልፋሉ::
 - አዎን አይደለም

16. ከላይ ሰቀረበው ጥያቄ መልስዎ አዎን ከሆነ በቀን ምን ያህል ሰዓት ይሰራሉ? በሳምንትስ ምን ያህል ቀናት?

በቀን _____ ሰዓት
በሳምንት _____ ቀናት

17. ሙሉ ጊዜዎን በድርጅቱ ሥራ ላይ የማያሳልፉ ከሆነ ቀሪውን ጊዜ የት እና እንዴት ያሳልፋሉ?

18. አሁን ካለዎት ድርጅት ሌላ አነስተኛ ድርጅት አለዎት?

አዎን የለኝም

19. ሌላ ድርጅት ወይንም ተቋም ካለዎት የተሰማራበት የሥራ ዘርፍ ምንድን ነው?

20. የነበረውን ድርጅት ከማጠናከር ይልቅ አዲስ ማቋቋም ለምን አስፈለገዎት?

ክፍል 3
ገበያንና ገቢን በተመለከተ

1. የምርታችሁ ወይንም አገልግሎታችሁን የሚጠቀሙት እነማን ናቸው?

2. ከመጀመሪያዎቹ የድርጅቱ የሥራ ጊዜያት ጋር ሲነጻጸር አሁን ያለዎት የደንበኞች ቁጥር:

በጣም ቀንሷል በመጠኑ ቀንሷል
 ለውጥ የለውም በመጠኑ ጨምሯል
 በጣም ጨምሯል አላውቀውም

3. የደንበኞችዎ ቁጥር ጨምሮ ከሆነ ለመጨመሩ አስተዋፅኦ ያበረከተው ምንድን ነው ይላሉ?

4. የደንበኞችዎ ቁጥር ቀንሶ ከሆነ ለመቀነሱ አስተዋፅኦ ያበረከተው ምንድን ነው ይላሉ?

5. የምርት ግብዓቶችን በማግኘት ረገድ ችግር የሚገጥሞዎት ከሆነ ችግሩን ቢጠቅሱልን:

6. ችግሩን እንዴት አየተወጡት ነው?

7. ቀደም ካሉት ጊዜያት ጋር ሲነፃፀር አሁን ያለውን የድርጅቱን ገቢ እንዴት ይመዘኑታል?

<input type="checkbox"/> በጣም ቀንሷል	<input type="checkbox"/> በመጠኑ ቀንሷል
<input type="checkbox"/> ለውጥ የለውም	<input type="checkbox"/> በመጠኑ ጨምሯል
<input type="checkbox"/> በጣም ጨምሯል	<input type="checkbox"/> አላውቀውም

8. ድርጅቱ ከተቋቋመበት ጊዜ ጀምሮ ከድርጅቱ በግልጽ የሚያገኙትን ገቢ እንዴት ያዩታል?

<input type="checkbox"/> በጣም በፍጥነት ቀንሷል	<input type="checkbox"/> በመጠኑ ቀንሷል
<input type="checkbox"/> ለውጥ የለውም	<input type="checkbox"/> በመጠኑ ጨምሯል
<input type="checkbox"/> በጣም በፍጥነት እየጨመረ ነው	<input type="checkbox"/> ምንም ገቢ አላገኝም
<input type="checkbox"/> አስተያየት የለኝም	

9. የድርጅቱን ገቢ ለግል ጉዳይ ይጠቀማሉ?

<input type="checkbox"/> በፍፁም	<input type="checkbox"/> በጣም አጣጣሪ እና አንገብጋብ ለሆኑ ጉዳዮች ብቻ
<input type="checkbox"/> ጥቂት የግል ወጪዎችን ለመሸፈን	<input type="checkbox"/> የኔና የቤተሰቤ ዋነኛ የገቢ ምንጭ ነው

10. ድርጅቱን ከማቋቋም በፊት የቤተሰብዎ የገቢ ምንጭ ምንድን ነበር?

<input type="checkbox"/> የቤት ኪራይ	<input type="checkbox"/> የጡረታ አበል	<input type="checkbox"/> የባለቤቱ ደሞዝ
<input type="checkbox"/> የልጆች ፅገዛ	<input type="checkbox"/> የራሱ ደሞዝ	<input type="checkbox"/> አነስተኛ ንግድ
<input type="checkbox"/> ከቀን ሥራ የሚገኝ ገቢ	<input type="checkbox"/> ሌላ:-----	

11. ከድርጅቱ በቋሚነት የሚያገኙት ክፍያ አለ?

<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም	<input type="checkbox"/> አልፎ አልፎ ብቻ
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12. ከድርጅቱ ከሚያገኙት ገቢ ሌላ ተጨማሪ የቤተሰብ የገቢ ምንጭ አለዎት?

<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
------------------------------	------------------------------

13. የድርጅትዎን የሥራ እንቅስቃሴ (ትርፋማነት) እንዴት ያዩታል?

<input type="checkbox"/> እየጨመረ የሚሄድ ትርፍ በማግኘት ላይ ነው
<input type="checkbox"/> መጠኑን ትርፍ እያገኘ ነው
<input type="checkbox"/> ትርፍም ሆነ ኪሳራ የለውም
<input type="checkbox"/> በኪሳራ እየተንቀሳቀሰ ነው
<input type="checkbox"/> በርግጥ አላውቀውም

14. የድርጅቱን ትርፍ (ትርፍ ስም) ለምን ተግባር ያውሱታል?
- | | |
|--|---|
| <input type="checkbox"/> ለራሱ እጠቀምበታለሁ | <input type="checkbox"/> የቤተሰቤን ገቢ እደገምበታለሁ |
| <input type="checkbox"/> በቁጠባ ሂሳብ ይቀመጣል | <input type="checkbox"/> ድርጅቱን አስፋፋብታለሁ |
| <input type="checkbox"/> የቤት ቁሳቁስ እገዛበታለሁ | <input type="checkbox"/> የድርጅቱን ብድር እከፍልበታለሁ |
| <input type="checkbox"/> የራሴን ብድር እከፍላለሁ | <input type="checkbox"/> የልጆቼን የትምህርት ወጪ እሸፍናለሁ |
| <input type="checkbox"/> ለሌላ ተግባር አውሰዋለሁ:----- | |

ክፍል 4
የሂሳብ አያያዝና ብድርን በተመለከተ

1. ድርጅትዎ የታደሰ ፈቃድ አለው?
 አዎን የለውም

2. ከላይ ለቀረበው ጥያቄ መልስዎ የለም ከሆነ ፈቃድ ሊያገኙ ያልቻሉበትን ምክንያት ወይም ፈቃድዎን ያላደሱበት ምክንያት ቢገልጹ ?

3. የድርጅቱን ገቢ እና ገንዘብ ከግልዎ እና ከቤተሰብዎ ገቢ ነጥለው ለብቻው ያስቀምጣሉ?
 አዎን የለም

4. ከላይ ለቀረበው ጥያቄ መልስዎ የለም ከሆነ ምክንያቱን ቢገልጹልን:-

5. ድርጅቱ ተገቢ የሆነ የሂሳብ መዝገብ አለው?
 አዎን የለውም

6. የሂሳብ መዝገብ አያያዝን በተመለከተ በስልጠና ወስደው ያውቃሉ?
 አዎን ግን ረስቼዋለሁ አዎን ግን ለመተግበር በቂ አይደለም
 አዎን እየተገበርኩት ነው::: በፍፁም አልሰለጠንኩም

7. ቀጥሎ ከተመለከቱት መካከል የሂሳብ መዝገብ በመያዝ ረገድ የሚያገኙት ድጋፍ/እገዛ/ ይኖራል?

የመንግስት ተቋም	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
መንግስታዊ ያልሆነ ድርጅት	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
የቁጠባና የብድር ተቋማት	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
የግል ድርጅቶች /ግለሰቦች/	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም

8. ከገንዘብ ቁጠባና ብድር ተቋማት ቀጥሎ ለተመለከቱት ተግባራት ተበድረው ያውቃሉ?
 ለድርጅቱ ቋሚ ዕቃዎችን ለመግዛት አዎን የለም
 ተጨማሪ ካፒታል ሲያስፈልግዎ አዎን የለም
 ሌላ ድርጅት ለማቋቋም አዎን የለም
 ለአስቸኳይ እና ድንገተኛ የገንዘብ ፍላጎት አዎን የለም
 ለተጨማሪ የጥሬ ዕቃ /ግብዓት/ ፍላጎት አዎን የለም

9. ከቁጠባ እና ብድር ተቋማት የወሰዱትን ብድር በወቅቱ ይከፍላሉ?
አዎን የለም

10. ከላይ ለተጠየቀው ጥያቄ መልስዎ የለም ከሆነ ምክንያቱም ቢጠቀሱልን:-

11. ድርጅትዎ ከተቋቋመ በኋላ ብድር ወስደው ከሆነ ለምን ዓላማ እንዳዋሉት ቢጠቅሱልን:-
 ማሸን መሣሪያ ወዘተ ለመግዛት ኪራይ እና ሌሎች ወጪዎችን ለመሸፈን
 ተጨማሪ ጥሬ ዕቃዎችን ለመግዛት አዳዲስ ምርቶችን /አገልግሎቶችን ለመጀመር
 የግል /የቤተሰብ ወጪን ለመሸፈን አንገብጋቢ ለሆነ የግል ጉዳይ
 ቅርንጫፍ /የመሸጫ ሰቅ /ለመክፈት ንግዱን ለማስፋፋት
 ሌላ ምክንያት

12. ከብድር ገንዘብ ቁጠባ ተቋም ጋር የሥራ ግንኙነት ካለዎት የአገልግሎት አሰጣጣቸውን እንዴት አገኙት?
 ደካማ መጠነኛ አርኪ ጥሩ በጣም ጥሩ

13. ብድርና ገንዘብ ቁጠባ ተቋም ለድርጅቱ አገልግሎት ተበድረው የሚያውቁ ከሆነ የብድሩን መጠን እንዴት አገኙት?
 አነስተኛና የማይበቃ
 የደንበኛ ጥያቄ የሚያሟላ እና በቂ ነው
 ለአጭር ጊዜ የሚያስፈልግ የሥራ ማስኬጃ ብቻ ይሸፍናል
 ለመጀሪያ ጊዜያት የማይበቃ ቢሆን ቀጣይ ብድሮች ግን በቂ ናቸው።
 የሥራ ማስኬጃ እንኳ አይሸፍንም
 ለማስፋፋያ ሥራ የሚያስፈልግ ወጪን ለመሸፈን ያስችላል
 አስተያየት የለኝም

14. የብድር ጥያቄ ለገንዘብ ቁጠባና ብድር ተቋም አቅርበውና ተከልክለው ያውቃሉ? ለምን?

ክፍል 5
ካፒታልና ተዛማጅ መረጃዎች

1. የድርጅትዎ መነሻ ካፒታል ምን ያህል ነው?
ብር _____

2. ድርጅቱን ለማቋቋም የሚያስፈልገውን ገንዘብ (የካፒታል መዋጮ) ከየት አገኙት?
 በግል ካስቀመጥኩት ከቁጠባ ተቋም ተበድራ
 በውርስ ከዘመድ /ጓደኛ የተገኘ ብድር
 ከአራጣ አበዳሪዎች የቤተሰብ ዕገዛ
 ከእርዳታ ሰጪ ድርጅት
 ሌላ ምንጭ

3. የገንዘብ ምንጩ ለድርጅቱ አስፈላጊ የነበረውን የካፒታል መጠን ለመሸፈን በቂ ነበር?
 አዎን የለም

4. ከላይ ለቀረበው ጥያቄ መልስዎ የለም ከሆነ ቀሪውን ገንዘብ እንዴት አሟሉ (አገኙ)?
 ሌላ ብድር የራሴን ገንዘብ ተጠቀምኩ
 ቤተሰቦቼ ረድተውኝ በቡድን ተደራጀሁ
 መንግስታዊ ያልሆነ ድርጅት ረዳኝ ባገኘሁት ብቻ ጀመርኩ
 ሌላ ምንጭ

5. የአሁኑ የድርጅቱ የካፒታል መጠን ምን ያህል ነው?
ብር _____

6. በመጀመሪያ ከነበረው የካፒታል መጠን ለመጨመሩም ሆነ ለመቀነሱ ምክንያት ምን ይሆን?

7. ድርጅቱ ከቋቋሙት በኋላ የዘገዙት ተጨማሪ ቋሚና ተንቀሳቃሽ መሣሪያዎች ማሸኖችና እቃዎች አሉ? አጠቃላይ ዋጋቸውስ?
 አዎን ዋጋቸውም ብር _____ ነው።
 የለም

8. በተለያዩ ምክንያቶች የተወገዱ የድርጅቱ መሣሪያዎች፣ ማሸኖች፣ እና ዕቃዎች አሉ?
 አዎን ዋጋቸውም ብር _____ ነው።
 የለም

ክፍል-6
ሌሎች-መረጃዎች

1. ድርጅቱ በሴት ባለቤትነት የተቋቋመ በመሆኑ ለድርጅቱ የሚሰጥ የተለየ ድጋፍ አለ?
 አዎን የለም

2. ድጋፍ የሚያገኙ ከሆነ ድጋፉን ከየት እንደሚያገኙ እና የድጋፉን ዓይነት ቢገልጹልን፡

3. ከሚከተሉት ውስጥ የትኛውን ጥቅም ከድርጅቱ እንዳገኙ ቢያመለክቱ /ከአንድ በላይ መምረጥ ይቻላል/
 የሥራ ዕድል
 ልጆችንና ሌላ የቤተሰቡን አባል ትምህርት ቤት መላክ
 የራስን የትምህርት ወጪ መሸፈን
 ለቤተሰቡ የገቢ ምንጭ ማስገኘት
 ተጨማሪ የገቢ ምንጭ ማስገኘት
 ሌሎች የሥራ ዕድል መፍጠር
 ዕውቀትን ችሎታን የሥራ አመራር ጥበብን ወዘተ ማዳበር
 የነበረብኝን የገቢ ጥገኝነት መቀነስ እና የራስን ወጪ መሸፈን
 ሌላ ጥቅም-----

4. የቴክኒክ ድጋፍና እገዛ በሚያስፈልግዎ ጊዜ የሚሰጥዎት ተቋም ወይም ቡድን ካለ ቢጠቅሱልን
 አዎን ተቋሙም-----
 የለም

5. ድርጅትዎን በተሻለ መንገድ ለመምራት የሚያስችል የሥልጠና ፍላጎት አለዎት?
 አዎን ሥልጠናውም-----
 የለም

6. ከሚከተሉት ውስጥ በየትኛው መስክ ችግር ገጥሞዎት ያውቃል? /ከአንድ በላይ መምረጥ ይቻላል/

የሥራ ማስኬጃ	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
ካፒታል	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
ለሥራው የሚያስፈልግ ዕውቀት	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
መገለገያ ቁሳቁሶች መሣሪያዎች	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
ጥሬ ዕቃ	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
በቂ ብድር አለማግኘት	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
የሥራ ቦታ	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
ምርትን ለመሸጥ	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
መረጃ በመሰብሰብ እና በመተንተን	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
ከሌሎች ተመሳሳይ ድርጅቶች ጋር የሥራ ግንኙነት መፍጠር	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም
የቤት ኃላፊነት	<input type="checkbox"/> አዎን	<input type="checkbox"/> የለም

7. ባለትዳር ከሆኑ ባሌቤትዎ ሥራዎን ይደግፋሉ?

- አዎን በሁሉም መልኩ ይደግፋሉ
- አዎን ግን የሥራ መስኩን እንደለውጥ ይመክሩኛል
- አዎን አሁን ግን ድርጅቱ ለውጥ ስላላመጣ ድጋፋቸውን እየነፈጉኝ ነው
- አዎን ድርጅቱ ጥሩ ትርፍ እንዲያስገኝ ይጠበቃሉ።
- የለም እቤት ወይ የቤት ውስጥ ሥራዎችን እንደሰራ ይፈልጋሉ።
- የለም ሴቶች በዚህ ዓይነት ሥራ ላይ መስማራት የለባቸውም ብለው ያምናሉ።
- የለም ይህንን ሥራ እንደተው በተደጋጋሚ ነግረውኛል።
- የለም በዚህ ሥራ ምክንያት የቤተሰቤ ሕልውና አደጋ ላይ ይገኛል።
- የለም ሥራውን የምሰራ ከሆነ የቤት ወጪ እንደሽፍን ይፈልጋሉ።

8. ድርጅትዎ አሁን ያለበትን ሁኔታ እንዴት ያዩታል / ከአንድ በላይ መምረጥ ይቻላል/

- ህልውናውን ለማስጠበቅ በመፍጨርጨር ላይ ያለና ጥሩ ተስፋ ያለው
- ህልውናውን ለማስጠበቅ በመፍጨርጨር ላይ ያለና ከስሮ ሊዘጋ የሚችል
- በተቋቋመበት ወቅት የነበረበት ደረጃ ላይ ያሉ / ለውጥ የሌለው
- በጥሩ ሁኔታ በመስራት ላይ ያለና ወደፊትም ይኸው የሚቀጥል
- በጊዜ ገደብ ውስጥ መጠነኛ ዕድገት በማሳየት ላይ ነበር
- በኪሳራ የሚንቀሳቀስ ቢሆንም ወደፊት ጥሩ ተስፋ አለው
- እያደገና እየተስፋፋ በመሄድ ላይ የሚገኝ ድርጅት ነው
- በየተለያዩ ችግሮች ምክንያት በቅርቡ ሊዘጋ ይችላል።

9. የድርጅትዎ የወደፊት ዕቅድ ምንድን ነው?

- | | |
|--|---|
| <input type="checkbox"/> ድርጅቱን ማጠናከር | <input type="checkbox"/> የካፒታል መጠኑን ማሳደግ |
| <input type="checkbox"/> ሥራውን ማስፋፋት | <input type="checkbox"/> አዳዲስ ምርቶችን ማምረት |
| <input type="checkbox"/> ድርጅቱን መቀየር | <input type="checkbox"/> ድርጅቱን ዝግቶ ሥራ መፈለግ |
| <input type="checkbox"/> ምንም አላቀድኩም | <input type="checkbox"/> ድርጅቱ ያለበትን እዳ ከፍሎ መዝጋት |
| <input type="checkbox"/> ምንም አስተያየት የለኝም | |

10. የድርጅቱን ሥራ በመምራት ሂደት ሴት በመሆንዎ የደረሱበዎ ወይም በድርጅቱ ላይ የደረሱ ችግር ካለ ቢጠቀሱ:-

11. ተጨማሪ አስተያየት ካለዎት:-

ስለ ትብብርዎ ከልብ እናመሰግናለን!!

**Questionnaire on the Growth of women owned Micro and Small Enterprises
and Their Contribution in Increasing Operators' Income**

Sub City: _____

Kebele: _____

This questionnaire is designed for a study to be conducted for the fulfillment of academic requirement for a post graduate study. The purpose of the study is purely academic and your enterprise is selected randomly for the study. Any information you give in this questionnaire will be used for such purpose and will not be disclosed to a third party in any way. Therefore, you are requested to cooperate with the researcher and assist him by responding to the questions below honestly and openly.

The questionnaire has six sections which are related to the study. Please put (X) mark where applicable and also briefly answer the questions that require so. If required, you may use additional paper or the space at the back of each page.

**Section I
Personal Information**

1. Age: _____
2. Educational Level:
 - Traditional /read and Write
 - Completion of Primary education
 - Completion of Secondary Education
 - Completion of Vocational training
 - College diploma and above
3. Marital Status
 - Single Married Divorced Widowed
4. What is your family size?
 - Single 2-4 5-6 7-10 >10
5. How many children do you have?

6. Does any of your family member work in the enterprise?
 Yes with payment yes without payment No
7. Do you have any prior business experience?
 Yes No
8. If your response to the above question is 'yes', where did you get the experience?
 Working on Own Business Employed by other Enterprises
 Working in family Business Other: _____
9. What was the area of your occupation prior to the establishment of the enterprise?
 House wife Petty trader
 Employee of private enterprise Student
 Working in family business unemployed
 Government employee house maid
 Preparing & selling traditional liquor Daily laborer
 Other _____

Section II Business Information and Relation

1. Please indicate the date of establishment of your enterprise:

2. Do you have valid and renewed license for the enterprise/ association?
 Yes No
3. If your response to the above question is 'No', please explain why you failed to get license or renew your license?
4. Why did you establish the enterprise?
 To create employment Encouraged by other people
 Has no other alternative means To get source of income
 Persuaded by government office saw other successful persons
 To become effective businesswoman
 Do not know

5. Upon establishment, what were the products or services of the enterprise?
6. Is there any product or service introduced or removed from the product portfolio of the enterprise? Please indicate:
7. Is there any product or service discontinued since the establishment of the enterprise? Why?
8. Where do you undertake the day to day business of the enterprise?
 Rented house/ premises
 Own residence/ premises
 Plot or premises provided by Government
 Purchased / leased house or premises
 Other _____
9. Is there any support you receive from gender based civil organizations and what is the type of support you get?
10. What is the current the number of salaried employees (excluding members of the group)?
 None one 2-5 6-9 >10
11. What was the number of salaried employees of the enterprise during its earlier years of operation (excluding members of the group or association)?
 None one 2-5 6-9 >10
12. When you perform activities of the enterprise who gives you a hand in handling domestic tasks?
 None a housemaid children My spouse
 Relatives Other: _____

13. How do you cover the monthly expense of your housemaid, or relative, if any?
 Proceeds from the enterprise
 Covered by other incomes of the family
 Support from relatives
 Treated like family member & no separate expense
14. Is there any difficulty facing the enterprise because it is owned and operated by women, if yes please state the problem?
 Yes No
15. Is there any institution, group, or NGO that provide you with timely and reliable market information? If so, please indicate:
16. Do you spend your full-time working in the enterprise?
 Yes No
17. If yes, how many hours do you spend per day working on the enterprise, also how many days do you spend per week?
_____ Hours/ day
_____ Days/ week
18. If you do not spend your full time working on the activities of the enterprise, where do you spend the remaining time?
19. Do you own other micro or small enterprise?
 Yes No
20. What is the area of operation of the other (additional) enterprise, if any?
21. Why did you establish the enterprise instead of strengthening the existing one?
-

Section III
Market and Income related Data

1. Who are your customers (who use the products / services of your enterprise)?

2. Compared to your previous year operations, how do you see the number of your customers?
 Decreased significantly Decreased slightly
 No change Marginally increased
 Increased significantly

3. What factors contributed to the increased number of your customers?

4. What factors do you think forced your customers not to use your product or service?

5. Please indicate a problem, if any, you face in getting inputs?

6. Compared to the early years of operation, how do you rate the current business turnover (revenue) of the enterprise?
 Decreased very fast Decreased slightly
 No change Increased Marginally
 Increased at a faster rate

7. Since the establishment of the enterprise, how do you see the trend of your personal income (income from the enterprise) over the period of its operation?
 Decreasing very fast Decreasing slightly
 No change/ constant Marginally Increasing
 Increasing at a faster rate No income from the enterprise
 No comment

8. What was the source of family income before the formation of the enterprise?
- Pension Rental of house Other business
 Salary of spouse Support of children Daily/ weekly wage
 From employment Petty trade
 Other: _____
9. Do you have other source of income for your family?
 Yes No
10. Do you have periodic payment from the enterprise, in a form of salary, pocket money, etc?
 Yes No Sometimes
11. How do you use the operating surplus (profitability) of the enterprise, if any (you may mark more than one option)?
- Use it for personal consumption
 Use it to supplement family income
 Put it aside for future purposes
 Purchase some furniture and equipment for home use
 Finance children school or college fees
 Meet own schooling or college fee
 Use it to repay loan
 Other purpose _____
12. How do you see the operation of the enterprise over periods?
 Operating with profit that has been increasing over periods
 Operating with marginal profit
 Operating at break even
 Operating at loss
 Do not know

Section IV
Data on Credit and Recordkeeping

1. Do you keep proceeds of the enterprise separately from your personal income?
 Yes No
2. If your response to the above question is 'No', please explain why?

3. Do you maintain proper record of accounts for the enterprise, i.e. for revenue, expenditure, overheads, etc?
 Yes No
4. Did you ever attend formal education or training on the record keeping and maintaining book of account?
 Yes, but forgot it Yes, am applying
 Never attended Yes, but not enough to implement
5. Among the below listed institutions, is there any support you receive in regard to maintaining book of accounts and record keeping?
- | | | |
|------------------------------------|------------------------------|-----------------------------|
| Government office (institution) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Non Governmental organization (s) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Micro Financing Institutions | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Private institutions (individuals) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
6. Did you ever borrow money from micro financing institutions for the following reason(s)?
- | | | |
|---|------------------------------|-----------------------------|
| To purchase assets for the enterprise | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| To finance additional capital requirement | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| To establish other enterprise | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| To meet some urgent and accidental needs | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| To cover additional raw material needs | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
7. Do you regularly pay the money you borrowed from Micro financing institutions?
 Yes No
8. If your answer is 'No' please state the reason:
9. If you had taken additional credit since then, please indicate the purpose of the loan:
- To purchase machines, tools, etc
 - To pay periodic rent or other related expenses
 - Purchase of additional raw materials / inputs
 - Expansion of business/ opening of branches and outlets
 - Introduce new product or service
 - To cover some personal expenses
 - To meet some pressing financial needs of my family
 - Other reason: _____

6. Is there any reason for the increase or decrease of capital from its initial amount?
7. Is there any additional tool, machine, equipment, etc purchased after the establishment of the enterprise?
 Yes No
8. If your response to the above question is 'yes', what was the aggregate cost of the materials and where did you get the money required for the purchase?
9. Is there any tool, machine, equipment, etc of the enterprise disposed due to various reasons?
 Yes No
10. If your answer to the above question is 'Yes', what is the estimated cost of the item(s)?
 Br., _____

Section-VI
Other information

1. Please indicate the personal benefits, if any; you got from the enterprise (you may select more than one item):
- Employment for myself and family members
 - Sending children &/or other family members to school
 - Financing own education
 - Generating income for the family
 - Supplementing family income
 - Saving some amount of money for future needs
 - Creating employment opportunity for others
 - Expanding skills, knowledge, managerial skills, etc
 - Lowering income dependence and financing own costs
 - Other: _____

2. Is there an institution that gives you technical advice on technical matters when necessary? If yes, please indicate the institution:
 Yes No
-
3. Do you have a training need that will enable you to run the enterprise in a better manner? Please indicate your training need(s):
4. If you are given a sufficient amount of money, what will be your course of action in regard to your business practice?
 Use the fund to strengthen my enterprise
 Shift to other business activities
 Pay all the outstanding debt and close the business
 Purchase public transport vehicles
 Close the enterprise and use the money wisely
 Establish other business and run both enterprises
 Use the money to acquire some assets necessary for the business
 Use the money to fulfill personal needs without closing the business
5. Do you have any problem in regard to:
- | | | |
|--|------------------------------|-----------------------------|
| Working capital | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Capital | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Technical skill to run the business | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Equipment & facilities | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Raw material | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Access credit and loan | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Working areas/ premises | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Selling finished products | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Getting information | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Networking with other similar enterprises | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Running the enterprise due to responsibility at home | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
6. Does your spouse, if any, support your involvement in this venture?
 Yes, supports me in every aspect
 Yes, but encourages me to change the area of business
 Yes, but not now as the enterprise is not growing to his expectation
 Yes, but expects too much in a form of return
 No, wants me to stay at home & attend to family related issues
 No, he believes that women should not engage in such activities
 No, He always discourages and tells me to quit
 No, our family is in trouble due to the enterprise
 No, he requests me to share part of the house hold expense

7. If you are requested to assess the current position of your business, the enterprise (you may mark more than one options):
- Is struggling to survive but with bright future
 - Is struggling and has a possibility of failure
 - Is on the same level up on establishment
 - Is operating successfully and will continue like that in the future
 - Is growing slightly over periods
 - Is operating with loss but have a very good future
 - Is expanding to and creating more employment opportunities
 - Will be closed soon due to different problems
8. What is your future plan for the enterprise?
- | | |
|--|--|
| <input type="checkbox"/> Strengthen the enterprise | <input type="checkbox"/> Expand the business |
| <input type="checkbox"/> Inject additional capital | <input type="checkbox"/> Introduce new products |
| <input type="checkbox"/> Change the area of business | <input type="checkbox"/> Close it and get employment |
| <input type="checkbox"/> Pay outstanding loan and close it | <input type="checkbox"/> Have no plan for future |
| <input type="checkbox"/> No comment | |
9. In running your business, is there any problem related to your gender (emanating from being a woman):
10. If you have any thing to mention in regard the operation, growth, income level, etc :

Thank you very much for your time and assistance!!

Summary of questionnaires Distributed and Collected from Respondents

Lideta

No	Sector	Kebele																		Subcity Total	
		02/03		18/01		04/06		05/08		12/33		14/07		17/16		11		09		Distributed	Collected
		Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected				
1	Food Preparation	1		1	1	1	2	1	2	1	1	1		1	1	1		1	1	9	9
2	Textile & Leather	1		1		1		1		1	1	1	1	1	1	1		1		9	3
3	Construction	1	1	1	1	1		1		1		1		1		1		1		9	2
4	Wood & Metal works	1	1	1		1		1	1	1		1		1		1		1		9	2
5	Municipal Service	1		1	1	1		1	1	1	1	1		1		1	1	1		9	5
6	Other Activities		1				1						1		2				1	0	6
		5	3	5	3	5	3	5	4	5	3	5	3	5	4	5	2	5	2	45	27

Addis Ketema

No	Sector	Kebele																		Subcity Total	
		01/02/03		10/11/12		13/15		14/21		04/05		16/17		19/20		08/09		06/07		Distributed	Collected
		Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected	Distributed	Collected				
1	Food Preparation	1	1	1	2*	1	1	1	1	1	1	1	2*	1	1	1	1	1	1	9	11
2	Textile & Leather	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1		9	7
3	Construction	1		1		1		1	1	1		1		1		1		1		9	1
4	Wood & Metal works	1		1		1		1		1		1		1		1	1	1	1	9	2
5	Municipal Service	1	1	1		1	1	1		1	1	1	1	1	1	1	1	1	1	9	7
6	Other Activities				1								1							0	2
		5	3	5	1	5	3	5	3	5	4	5	2	5	3	5	4	5	3	45	30

Note:

* Additional questionnaires from other sectors that do not have women operators were filled in and returned. Hence, 11 questionnaires were returned from the subcity from Food sector.

Declaration

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

Mellese Dejenie

Signature: 

Date: August 13, 2008

Confirmed by university advisor:

Mihret Ayenew, (PhD)

Signature: _____

Date: _____