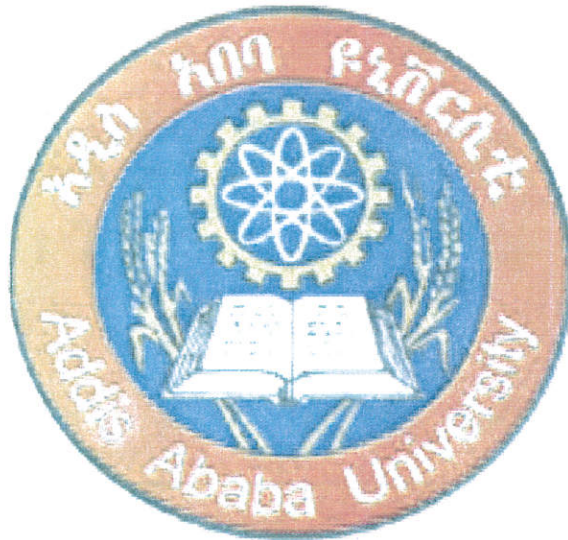
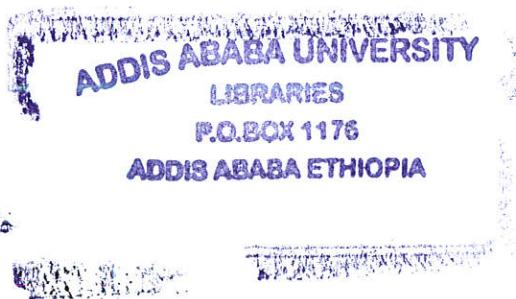


**ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES**



**PROBLEMS OF TECHNICAL AND VOCATIONAL
EDUCATION AND TRAINING (TVET) GRADUATES IN
OPERATING MICRO AND SMALL ENTERPRISES
(MSE) IN ADDIS ABABA:
THE CASE OF SELECTED SUB-CITIES**

**BY:
SOLOMON MENGESTEAB DEMISSIE**



**JUNE 2010
ADDIS ABABA**

**ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS EDUCATION**

**PROBLEMS OF TECHNICAL AND VOCATIONAL
EDUCATION AND TRAINING (TVET) GRADUATES IN
OPERATING MICRO AND SMALL ENTERPRISES (MSE) IN
ADDIS ABABA:
THE CASE OF SELECTED SUB-CITIES**

**BY:
SOLOMON MENGESTEAB DEMISSIE**



**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE
STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS
IN MANAGEMENT OF VOCATIONAL EDUCATION**

**JUNE 2010
ADDIS ABABA**

**ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**PROBLEMS OF TECHNICAL AND VOCATIONAL
EDUCATION AND TRAINING (TVET) GRADUATES IN
OPERATING MICRO AND SMALL ENTERPRISES (MSE) IN
ADDIS ABABA:
THE CASE OF SELECTED SUB-CITIES**

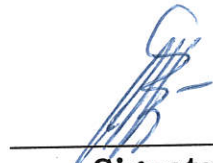
**BY:
SOLOMON MENGESTEAB DEMISSIE**

Approval of Board of Examiners

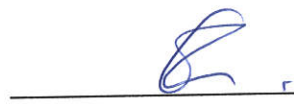

**Chairperson, Department Graduate
Committee.**

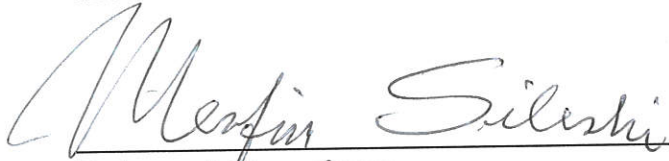

Signature.

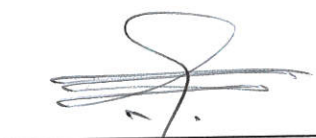

Advisor.


Signature.


Internal Examiner.


Signature.


External Examiner.


Signature.

***Dedicated to my beloved mother W/o Fanaye Abebe and my sister
Sr. Enguday Masresha, whom I always think and said, in my life:***

***“OF ALL THE BESTS I GOT,
YOU ARE THE MOST.”***

Solomon Mengesteab



ACKNOWLEDGMENTS

I would like to express heartfelt appreciation and respect I have to my Advisor Ato Lemma Setegn, with gratitude for his advice and merciful treatment he provided me whenever I went to him for advice.

Meanwhile, my gratitude extends to those who supported me in terms of moral, finance, and materials in addition to providing the necessary information worthwhile to the study, My nephew, Ato Dereje Tesfaye (Atlanta, USA), Ato Yared Fekade and Eng. Fekadu Asrat (GTZ, ecbp), Ato Yared Seyoum (ICAP, Ethiopia), Ato Ketma Zewdie, W/o Konjit Debela and Ato Ayalew Bekele (AATIDB), Ato Muluneh Nigussie and Ato Arega Abate (Arada Sub-City), Ato Giday Amare and Ato Tesfaye Asfaw (kirkos Sub-City), Ato Seyoum Tafesse (Bole Sub-City), Capitan Mekonen Kabtehymer, Ato Daniel Mebrhatu, Ato Yetbarek Alemu, Ato Yergalleme Fekadu and Ato Fekadu Kassahun. Regarding the source of the photographs, some are from Dr. Yikonuamlak Alemu, and others are from AATIDB (The captions are the researcher's idea). Moreover, because of shortage of place those who, your names are not listed here, including Government and Non Government offices that played a crucial role to the study to come true. I am very much grateful for all what you did, in which without you the study would not have come true in such a way.

The Researcher

TABLE OF CONTENTS

	Page
Dedication.....	iv
Acknowledgments.....	v
Table of Contents.....	vi
List of Tables.....	viii
List of Figures and Photograph Captions	x
List of Annexes.....	xi
List of Abbreviations and Acronyms.....	xii
Abstract.....	xiii

CHAPTER I

1. BACKGROUND OF THE STUDY	1
1.1. Introduction	1
1.2. Statement of the problem.....	4
1.3. Objectives of the study.....	5
1.4. Research question.....	5
1.5. Significance of the study.....	6
1.6. Delimitation of the study.....	6
1.7. Limitations of the study.....	6
1.8. Research design and methodology.....	7
1.8.1. Source of data.....	9
1.8.2. Sample.....	9
1.8.3. Instruments of data collection.....	9
1.8.4. Procedures of data collection.....	10
1.8.5. Methods of data analysis.....	10
1.9. Definitions of terms.....	10

CHAPTER II

2. REVIEW OF RELATED LITERATURE..... 12

 2.1. Microenterprises Development and Stakeholders
 Role..... 12

 2.2. The Significance of TVET and MSE Development ... 14

CHAPTER III

3. DATA ANALYSIS AND INTERPRETATION..... 3

CHAPTER V

4. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS..... 60

 4.1. Summary..... 60

 4.2. Conclusions..... 62

 4.3. Recommendations..... 63

 References:..... 66

 Annexes:

LIST OF TABLES

	Page
Table, 3.1: Respondents by Sex, Age and Marital status.	35
Table, 3.2: Respondents by Field of study and Educational Standard.....	36
Table, 3.3: Respondents by Year of Graduation and Experience in Operating MSE.....	37
Table, 3.4: Percentage Distribution of Respondents by MSE Sub- sector and Reason to choose MSE Sub-sector.....	38
Table, 3.5: Amount of Initial or Startup Capital.....	39
Table, 3.6: Source or Startup Capital.....	40
Table, 3.7: The Degree of Loan Repayment Status to Micro-Finance Institutions.....	41
Table, 3.8: Respondents by Number of Members, Members of TVET Graduates and Employees.....	42
Table, 3.9: The Result Obtained After Joining MSE and Improvement in Life Situation.....	43
Table, 3.10: Means of Evaluation of Strength and Weakness of MSE.....	44
Table, 3.11: The Usefulness of the Skill Acquired by TVET Training Institutions to Operate MSE.....	45
Table, 3.12: Type of Training Attended by Operators after Starting MSE.....	46
Table, 3.13: The Degree of the Problems Faced Before and After Joining MSE.....	48
Table, 3.13.1: The Degree of the Problems Faced in terms of Loan And Loan related, Before and After Joining MSE.....	49
Table, 3.13.2: The Degree of the Problems Faced in Terms of Government Bureaus and Staff Related, Before and After Joining MSE.....	50

Table, 3.13.3: The Degree of the Problems Faced in terms of Working Place, Quality of Production or Services and Market related, Before and After Joining MSE.....	51
Table, 3.13.4: The Degree of the Problems Faced in terms of Individual Members of MSE knowledge, Skill and Behavior related, Before and After Joining MSE.....	52
Table, 3.14: Advertising or Promotional System of MSE's use to Promote Products or Services.....	53
Table, 3.15: Problems Faced, Measures taken to solve the Problems and the Result Obtained in the Process of Operating MSE.....	54
Table, 3.16: The Expectation of MSE Operators as a Major Responsible Body to Solve the Problem Faced in the Process of Operation.....	56
Table, 3.17: The Major Bottleneck Problem to Expand MSE.....	57

LIST OF FIGURES AND PHOTOGRAPH CAPTIONS

	Page
Figure 1.1: TVET backed up by Machinery.....	3
Figure 1.2: Construction MSE Sub-Sector Operators in Team Work...	11
Figure 2.1: Working together is a base to MSE Development.....	13
Figure 2.2: Displayed Products of Leather MSE Sub-Sector.....	13
Figure 2.3: Tailor Training Supported by Practice.....	15
Figure 2.4: Major Sub-Sectors of MSE.....	19
Figure 2.5: Source of Finance for Initial Investments by Small Enterprises in some African countries. (Percentage of initial investment by source.).....	22
Figure 2.6: Products of Urban Agriculture MSE Sub-Sector.....	24
Figure 2.7: Municipal Service of MSE Operators at Work.....	25
Figure 2.8: Some, Field of studies provided by Addis Ababa TVET Institutions	26
Figure 2.9: Work in Metal Workshop, Individuals Commitment Matters	34
Figure 3.1: Food MSE Sub-Sector Operators at Work.....	47
Figure 3.2: Displayed Products of Food MSE Sub-Sector.....	53
Figure 3.3: Textile MSE Sub-Sector Operator at Work.....	55
Figure 3.4: MSEs need Convenient Working place, Woodwork Operators at Work.....	59

LIST OF ANNEXES

- ANNEX I: - A Questionnaire to be filled by MSE operators of TVET graduates.
- ANNEX II: - Interview guide for TVET Students and/or Graduates.
- ANNEX III: - Interview guide for Government officials and professionals of Addis Ababa Trade and Industry Development Bureau, MSE development facilitators at Regional and Sub-city Level.
- ANNEX IV: - Interview guide for Officials and professionals of Micro finance Credit and saving Institutions.
- ANNEX V: - Interview guide for Officials and Professionals of Addis Ababa TVET Agency.
- ANNEX VI: - Interview guide for Officials and Professionals of Addis Ababa TVET Institutions.
- ANNEX VII: - Personal Profiles of Category A. Interviewees
- ANNEX VIII:-Personal Profiles of Category B, C, D, and E, Interviewees
- ANNEX IX: - MSE Data of Arada Sub-city Keble 04/05
- ANNEX X: - Type of Support or Assistance that MSE's obtained from the given Institutions

LIST OF ABBREVIATIONS AND ACRONYMS

AABoE: - Addis Ababa Bureau of Education

AATIDB: - Addis Ababa Trade and Industry Bureau

E.C.: - Ethiopian Calendar

FeMSEDA: - Federal Micro and Small Enterprises Development Agency

ILO: - International Labor Organization

IYB: - Improve Your Business

MDG: -Millennium Development Goal

MFI: - Micro Finance Institution

MoE: - Ministry of Education

MSE: - Micro and Small Enterprise

MTI: - Ministry of Trade and Industry

n.d.: - no date

OECD: - Organization for Economic Cooperation and Development

PASDEP: - Plan for Accelerated and Sustained Development to End
poverty

ReMSEDA: - Regional Micro and Small Enterprises Development Agency

SYB: - Start Your Business

TGE: - Transition Government of Ethiopia

TVET: - Technical, Vocational Education and Training

UNESCO: - United Nation Educational, Scientific, and Cultural
Organization

ABSTRACT

The study is mainly, aimed at investigating the problems encountered by TVET graduates in the due course of engaging and operating Micro and Small Enterprises (MSE). Moreover, an attempt has been made to assess the process of MSE development and Micro Finance loan delivery in relation to TVET graduates. To investigate the problems, initially available 81 target respondents from selected three sub-cities namely, Arada, Bole and Kirkos sub-cities have been taken as a sample target and potential respondents. The selected three sub-cities could reasonably represent the ten sub-cities of Addis Ababa. Availability sampling method was used to select the respondents and include in the study. In order to achieve the objectives of the study, descriptive survey method has been employed. To meet the purpose of the study additional documents and related literature review has been made; in the mean time, primary data are collected through structured questionnaires, in addition, interview, observation, and focus group discussion also took place. Findings revealed that, TVET graduates under the study are surrounded by various problems, such as the problem of finance, place for work and sales, the problem of market, technology, backwardness of working materials, poor business management, market research, financial management skill and lack of continuous training in business and business related areas, are some. Those problems are not only the problem of target respondents but also they are the problems that hinder the development of MSE sector as a major bottleneck. The researcher believes that the findings in the study are sensible and timely wake-up call, to all concerned bodies. It needs an urgent action to solve the major bottleneck problems by filling those identified gaps that hindered the TVET and MSE sector development; the powerful tools to bring about all rounded development in Addis Ababa.

CHAPTER I

1. BACKGROUND OF THE STUDY

1.1. Introduction

It is a widely accepted truth that vocational education is positively interrelated with the overall growth and development of a country. Vocational education system produces the necessary skilled and trained manpower required for the economic, social and political activities. Accordingly, every vocational education institution is expected to provide skilled work force to the society (Solomon, 1993).

Vocational education is part of education, which makes an individual more employable in one group than another. The basic objective of vocational education is meeting the skilled manpower need of the society, increasing options available to each student, and serving as a motivating force to enhance all types of learning are some among others.

The oldest method of meeting manpower needs was for the father to pass the skill they had learned by trial and error during a generation of productive work on to his sons or from parents to children. But when a technological revolution such as the substitution of agriculture for hunting or the substitution of bronze for stone tools occurred, transmission of the family heritage was no longer a satisfactory educational program for workers in the newly generated occupations (Evans, 1971). Moreover, the Education and Training Policy of Ethiopia asserted that Technical and Vocational Training in agriculture, industrial arts, commerce and home science will be provided after primary education for those who may not continue general education (TGE, 1994).

Vocational and Technical Education serves in preparing individuals for gainful employment. It provides job opportunities for unemployed individuals if they are qualified with vocational and technical education. Thus, preparation of individuals for entering into the world of work is increasingly required by the growth of business, industry, construction and others. Even if, vocational education is so vital in playing the role for the development of the national economy, by creating job and employment opportunity for the job seekers, it has been given less attention as compared with the status of general education. This tendency was traditionally reinforced by there being no possibility of continuing with further tertiary level of vocational education. The cost of TVET programs are high and more expensive than general education and teacher – student ratio is less than average, less capital is incurred through practical training. Thus, still under funding is a structural problem of TVET sector, particularly in the public system (Ministry of Education, 2008).

As stated on Conceptual Framework for the development of The Ethiopian National Qualifications Framework, in Ethiopia like in any other African countries, TVET suffers from misconception of relatively poor public image. It is mostly associated with less personal development opportunities, blue-collar jobs, low salaries, yet, it is partly because of the low quality of the programs that does not qualify the graduates to meet the skilled man power need of the labor market (MoE, 2008:42). Especially in rural area, blacksmiths, potteries, weavers and tanners were isolated from other social group. Moreover, they were given a name lower with evil spirit, and even killed by fellow compatriots.

On the other hand, UNESCO (1996:31) as cited in Aregash (n.d.:3), the link between training programs and industries is not strong. Some industries and enterprises are not willing to enroll inexperienced

apprentices. This is due to the low capacity of the enterprise and fear of risk; the trainees are often not insured against accidents.

The economic development of a country requires the availability of trained manpower in the production centers. This in turn calls for the establishment of different educational institutions with the objective of creating manpower for the society. Among these, vocational education takes the greatest portion for the preparation of skilled manpower for the world of work. Therefore, establishing close relationship between TVET Institutions and Companies and Industrialists is very crucial.

Obviously, vocational education and training plays a significant role in preparing individuals not only for employment by working for others but also for self-employment by producing young entrepreneurs. That is why this research is aimed at Technical, Vocational Education and Training (TVET) graduates who are operating in Micro and Small Enterprises (MSE). Micro and small enterprises are considered to be the source of finance for entrepreneurs. Moreover, these enterprises have major contribution in creating employment opportunity for job seekers, and involving in income generating activities.

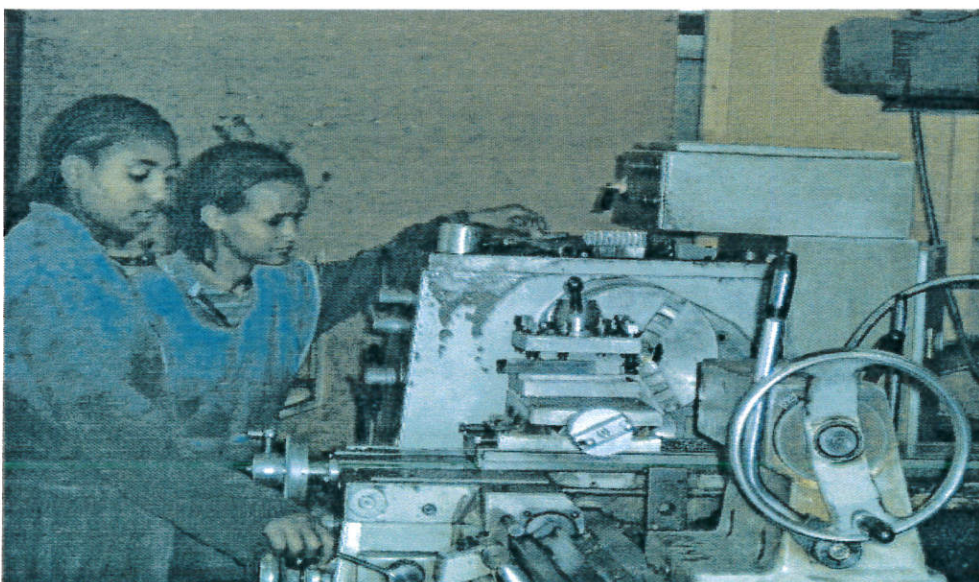


Figure 1.1: TVET backed up by Machinery

Micro and Small enterprises differ in their capacity and application of technology and include shops, metal works, wood woks, hairdressing, textile and garment, etc... (ILO, 2004) as cited in (AABoE, 2008).

The World Bank shows that supporting strong MSE's in terms of financial and non-financial services will empower entrepreneurs and allow them to grow from micro to small and medium size enterprises. A study undertaken by Dawson (1990), as cited in Mesfin (2008), revealed that lack of market information is the major problem for MSE, which leads to saturated markets and little room for growth. Fantahun (2003), as cited in Mesfin (2008), indicated that the loan size and terms do not particularly suit the needs of Micro and Small Enterprises operators.

1.2. Statement of the Problem

Now a days a number of TVET institutions are in progress producing graduates from different vocational training programs on the assumption that they can fill in the gap of the middle level skilled manpower need of the country. Aregash (n.d.: 5), stated that "even though, the country is paying attention for the training of TVET, so as to produce adequate skilled manpower and to facilitate national development, due to low level of economy and misconception of the society about TVET" shows the high respect to white collar jobs as compared to blue collar jobs as a result, the need for qualified and skilled manpower is not attained.

On the other hand, the government is trying to hold TVET graduates and other experienced skilled individuals under MSE to help themselves and contribute their share to the over all development of the country, by creating job opportunity, initiating creativity, generating tax etc... so as to eradicate poverty.

Thus, the purpose of this study is to assess and address the problems of TVET graduates in operating Micro and Small Enterprises so as to narrow the communication, information and relationship gap between TVET and MSE sector. Hence, specifically the objectives are set as follows.

1.3. Objectives of the Study

Specifically the study attempts to:

1. Identify the major problems encountered by TVET graduates in operating MSE.
2. Assess whether there is or not established system to exchange information between TVET institutions and MSE facilitators.
3. Identify if there are mechanisms to create awareness of TVET students/graduates about MSE.
4. Assess the business development service (BDS) system provided by micro and small enterprise facilitators in relation to helping the TVET graduates.
5. Explain the efforts made by TVET graduates to overcome the problems they faced.
6. Investigate the relationships that exist between concerned officials of TVET and MSE bodies.

1.4. Research Questions

1. What are the major problems of TVET graduates faced in engaging and operating MSE?
2. Is there any established system to exchange information, and work together between TVET Institutions and MSE facilitators? (i.e. Addis Ababa Trade & Industry Development Bureau).
3. Is there any mechanism to create awareness of TVET students/graduates about MSE from both TVET institutions and MSE facilitators?

4. What major problems and constraints of TVET graduates need immediate solutions so as to run MSE in a better situation?
5. Is there any Business Development Service (BDS) provided by MSE facilitators to enhance the capacity of MSE operators with regard to TVET graduates?
6. What are the efforts made by TVET graduates to overcome the problems they encountered?

1.5. Significance of the Study

TVET and MSE are playing pivotal role in creating employment opportunity. This leads to development, and yet, there is undeniable gap and problems observed. Hence, the significance of this study is beyond question. The following are some among others.

1. It helps to fill in the information gap between TVET agency and MSE facilitators.
2. Give highlight or shade light on the problems under investigation to help the policy makers in order to act accordingly.
3. The findings will be worthwhile for those graduates of TVET who want to engage in MSE.
4. Serve as a source, for researchers who want to conduct research on similar issue.

1.6 Delimitation of the Study

The study is delimited to the problems of TVET graduates who are operating in MSE such as textile, metalwork, food, construction, municipal works, urban agriculture and others in Arada, Kirkos, and Bole sub-cities until, 2002 Ethiopian Calendar, in Addis Ababa.

1.7. Limitations of the Study

Although an attempt is made to design the research as properly as possible, the researcher faced problems by external or uncontrollable

factors such as, lack of updated literature in the area, usual time born situations in the study sites. Moreover, Addis Ababa Trade and Industry Development Bureau as a responsible body to facilitate the MSE sector development could not provide the right and well organized appropriate data about TVET graduates who are engaged in and operating MSE. In the meantime, Addis Ababa TVET agency being, newly organized Institution does not have enough related literatures and appropriate data in the area of TVET graduates activities in MSE sector development. In addition, the limited number of TVET graduates who are operating MSE leads to sampling restrictions. Furthermore, unwillingness or carelessness of the respondents is considered being uncontrollable variable that confront or limit the investigation. Moreover, according to Ledgerwood (1991:51), as cited in Solomon (2003:3), the respondents may lack transparency and honesty in responding to the questionnaire accurately for various reasons, such as:

- embarrassment;
- fear of taxation;
- not wanting others in the community to know;
- wanting to impress the person asking the question;
- wanting to please the person asking the question;
- a different way of calculating things than the objective of questionnaire; and,
- respondents may not know the answer to the question

1.8. Research Design and Methodology

In order to achieve the aforementioned objectives of the study, descriptive survey method was employed. To meet the purpose of the study additional documents and related literature review have been made. In the mean time, primary data are collected through structured questionnaires, semi-structured interview; observation, and focus group

discussion also took place. To investigate the problems, initially available 81 target respondents from selected three sub-cities namely, Arada, Bole and Kirkos sub-cities have been taken as sample target and potential respondents. The selected three sub-cities could reasonably represent the ten sub-cities of Addis Ababa. Availability sampling method was used to select the respondents to include in the study. The respondents were told not to respond to any of the questions if they do not want to, and their response would remain confidential to avoid inaccurate responses and antagonizing the respondents. Because of the shortage of time to avoid delay and, to enhance the accuracy of the responses the questionnaires were filled face to face at a time convenient for the respondents. Out of the 81 collected questionnaires, one was excluded because of its incompleteness. Additionally, interview was conducted by categorizing interviewees into the following five categories.

Category, A: TVET Students and/or Graduates, Category, B: Officials, Professionals of Addis Ababa Trade, and Industry Development Bureau, MSE Development facilitators working in regional and sub-city level. Category C: Officials and professionals of Micro finance Credit and saving Institutions. Category, D: Officials and professionals' of Addis Ababa TVET Agency, Category E: Officials and professionals of TVET Institutions, totally 88 interviewees Also took part in the study.

The qualitative data collected through structured questionnaire and the information collected from the concerned officials through interviews being guided by semi-structured interview guide are tallied, tabulated and frequency count was made to change into percentage. Qualitative analyses has been used in addition to quantitative analysis. The collected data are systematically organized and tabulated for the purpose of analysis. The analyzed data is interpreted using narrative approach, that is, descriptive comparative method of analysis.

1.8.1. Source of Data

To meet the purposes of the study, attempts have been made to assess, and analyze documents and review related literatures. Besides, primary data were collected through structured questionnaires, field observation and focus group discussion. From Arada, kirkos and Bole sub cities MSE operators and concerned officials from both TVET and MSE sectors are considered as potential sources of data.

1.8.2 Sample

Still there are no well organized data from MSE offices about the employment opportunity created particularly for TVET graduates. Moreover, it is believed that the number of TVET graduates in MSE is minimal in number. From Arda, Kirkos and Bole sub cities approximately for about 270 TVET graduates' employment opportunity has been created, on the assumption that each kebeles on the average create the opportunity for nine TVET graduates. In the study, a sample of 30 Percent from the selected sub cities were selected using availability sampling technique, which led to a total of 81 samples. They were taken, as target respondents in addition to the concerned professionals and officials who are working in Addis Ababa TVET agency, Microfinance Institutions and MSE development facilitators and TVET Institutions.

1.8.3 Instruments of Data collection

To gather relevant data from TVET graduates open and close ended structured questionnaire has been administered. The interviews with the concerned officials were guided by semi-structured interview guide, In addition to field observation and focus group discussion were used as data collection instruments.

The data gathering tool were tested through a pilot test and commented by senior professionals to assure whether it can generate the desired information worthwhile to the research or not. As a result, based on the

feedback obtained some ambiguous questions were improved and modified.

1.8.4 Procedures of Data collection

Data were collected from the field where Micro and Small Enterprises are operating in addition to the information collected from the concerned officials through interviews that are guided by semi-structured interview guide. These include concerned officials of TVET Agency and Institutions, MSE development facilitators and Micro finance sector as well as TVET students and/or graduates. Observation and focus group discussion were also taken in to account in collaboration with research assistants.

1.8.5 Methods of Data Analysis

The quantitative and qualitative data collected through structured questionnaire and the information collected from the concerned officials through interviews being guided by semi-structured interview guide respectively were tallied, tabulated and frequency count were made to change in to percentage. Qualitative analysis has been used in addition to quantitative analysis.

1.9 Definition of Terms

1. "Arata Abedari":- Is Amharic term for a traditional moneylender who extends credit at exorbitant interest rates (ILO, 2002:11).
2. "Birr":- Is Amharic term for Legal tender of Ethiopia.
3. Business Development Services: - non-financial services for micro-entrepreneurs, including business training, marketing and technology services, skills development, and sub sector analysis (Ledgerwood, 1998:78).
4. Credit: - is a borrowed fund with specified terms for repayment (Legerwood, 1998:266).
5. "Ekub":- Is Amharic term to communal type of saving arrangement whereby people raise capital for their business (ILO, 2002:11).

6. Micro and Small Enterprises: - micro enterprises are those small business enterprises with paid- up capital of not more than Birr 20,000 (2,500 USD). On the other hand, small enterprises are business enterprises with paid - up capital of more than Birr 20,000 (2,500 USD) but not more than Birr 500,000 (62,500) USD (MTI, 1997), as cited in (AA BoE 2008:33).
7. Micro finance: - The provision of financial services to low-income clients, including the self-employed (Legerwood, 1998:268).
8. Operators: - Individuals who are engaged and working on MSE.



Figure 1.2: Construction MSE Sub-Sector Operators in TeamWork

CHAPTER II

2. REVIEW OF RELATED LITERATURE

2.1. *Microenterprise Development and Stakeholders role*

Micro-enterprise Development is a vital component to bring about the development of countries at global level, regardless of their economic development in general and in developing countries like Ethiopia in particular. Poverty is a primary manifestation of developing countries. The economic of developing countries is captured by the vortex what is known as 'vicious circle of poverty where poverty breeds poverty'. Where, the income, savings and the capital formation is significantly low (Lal, 1978).

ILO (1994), as cited in AABoE (2008), the problem of unemployment and underemployment as long term persistent that affects 30 per cent of the global labor force, about 829 million. The figure does not sufficiently convey the fear, anger, poverty, insecurity, and hunger of those without an adequate means of livelihood. Self-employment in the formal sector is characterized by hand to mouth way of living and acts as a safety valve in response to joblessness. In contrast, it has a significant contribution to the economy and decent work at the same time. Through out the world small units are responsible for a surprisingly large amount of employment, even in the American economies, which, generally thought to be 'concentrated' (Shinohara and Fisher, 1968:120). Moreover, OECD (1982), Storey (1992), Aydalot et al. (1986), Keeble and Wever (1986), Nijkamp (1986), as cited in Maillat (1988:73), in the industrialized countries small and medium enterprises (enterprises less than 200 employees) are high, and constitute more than 90 percent of all enterprises and employ more than 50 percent of the total labor force.

Most, MSEs are firmly rooted in the economic structure of a region and constitute part of its indigenous development resources. Giaoutzi, Nijkamp, and Story (1988:11-12), argue that, given the innovative potential of MSE regional policies should focus on

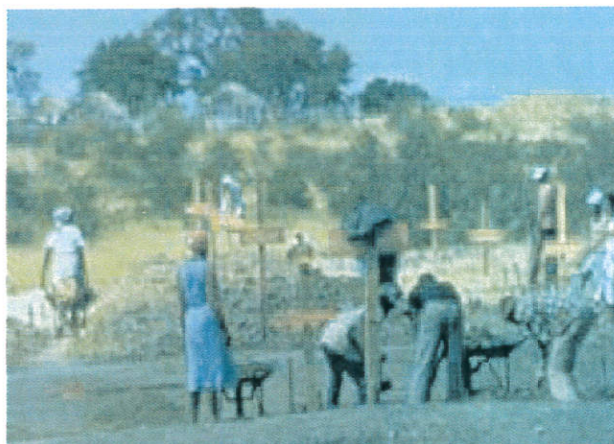


Figure 2.1: Working together is a base to MSE Development



Figure 2.2: Displayed Products of Leather MSE Sub-Sector

Technological conditions which support innovative firms. To deal with the problems of MSEs the policy approach requires both sectoral and spatial perspective.

At sectoral approach level, it is necessary to identify the crucial or vital entrepreneurial role and the possible potential source of bottlenecks for economic development. At the spatial level it needs to be dealt with, considering MSEs on the bases of their share (greater or lesser), of industries and significant, and how well the performance are in terms of average national and interregional performance. Both approaches need explicit consideration of each industries product and process development.

African governments and donor community need to adopt supportive policies for promotion of micro enterprise development. Differential treatment of large and medium scale operations with respect to forging exchange, access to inputs, credit and tariffs, which tends to be biased against micro enterprise development should be reviewed and, whenever possible, eliminated (Okelo; 1988:249).

The informal sectors mostly criticized for its profiting from economic distortions (this is especially true of border trade and black market operations) and lack of any contribution to the national budget, but these distortions can be corrected by governments, better adapt the system of taxation and ensure that Microenterprises exploit positive rather than negative elements of their economic environment (Nowak, 1988:70). Unless the corrective measures is taken by government, Microenterprises may be affected by policies excessive regulation, prohibitive levels of taxation, inadequate government protection against cheap imported products, and loose control of black markets that leads micro business sector to unfair competition. "Harassment by government officials for operating business on the streets, and inadequate services and high user fees in public market structures as well. Many of these regulations work effectively to encourage Microenterprises to remain outside the legal of forma mainstream" (Ledgerwood, 1998:20).

2.2. The significance of TVET and MSE Development

It may be difficult to increase the wealth of a nation without improving the quality of human resources. This can be possible through education. However, academic education is not enough for social and economic changes. To this effect, vocational training has introduced in the education system with the purpose of preparing individuals for the world of work.

Ethiopia is one of the poorest countries in the world. As indicated on TVET strategy document around 31 million people live below the defined poverty line of 45 US cents per day, and each year some million peoples are facing a risk of starvation. The Plan for Accelerated and Sustained Development to End Poverty (PASDEP), Ethiopia's second poverty reduction, strategy paper, estimates that the country has to raise its average economic growth to 8 per cent annually in order to achieve the

Millennium Development Goals (MDG) (MoE, 2008:7). Unemployment and underemployment is a pervasive problem due to the absence of dynamic private sector, in urban areas, about 26 per cent of the workforce is officially unemployed, a figure believed to underestimate the real situation. Of particular concern is that unemployment among the youth is significantly higher than the rest of the workforce (MoE, 2008:8).

Even though, in recent years regarding the improvement of basic aspect of life encouraging achievements were recorded, when it compared to the rest of the world in terms of human development indicators, still remain very low. Moreover, modern industrial and service sectors have hampered by slow pace of private sector development as a means of employment opportunity creation. Plan for Accelerated and Sustained Development to End Poverty (PASDEP) envisages TVET to provide the necessary “relevant and demand – driven education and training that corresponds to the needs of economic and social sectors for employment and self – employment.”



Figure 2.3: Tailor Training Supported by Practice

The vision of the National Technical and Vocational education and Training (TVET) strategy is geared towards creating competent and self-reliant citizens to contribute to the economic and social development of the country by improving the livelihoods of all Ethiopian and sustainably, reducing poverty. As shown in the global experience unless TVET is able to respond to the need of the labor market by producing competent, motivated and adaptable work force with the ability of driving economic growth and economic development (MoE, 2008). In the mean time TVET is also play a significant role not only to economic development but also to provide option for the increasing number of school leavers, the Government embarked upon a massive expansion of formal TVET some years ago between 1996/7 and 2004/5. though, since late 1990s, the government has committed itself to overhauling and reforming the basic framework conditions of the TVET system the program do not address actual competence needs in the economy with most programs of low quality and theory-driven due to resource constrains and lack of skilled TVET teachers. MoE (2008,11), revealed, that there are indications that TVET lacks effectiveness and efficiency. Studies have shown that many TVET graduates remain unemployed even in those occupational fields that show a high demand for skilled manpower. Under funding is a major problem of public TVET system. In any case the importance of TVET to bring about the over all development of the nation is beyond question. Hence, TVET is expected to play a key role in building the required motivated and competent workforce.

As stated in TVET strategy document only 10 per cent of the urban population has post-secondary school education. As a consequence, 75 per cent of the work force is concentrated in low skill employment sectors such as commerce, services and elementary occupations. A significance portion of the urban workforce works for unpaid family business. More than 40 per cent are self-employed in the informal economy, most of

which live on the edge of poverty. With respect to employment opportunity caves identified the following areas (Caves, 1994), as cited in (AABoE, 2008:32).

- ❖ Retail operations. Including wide cross section way side vendors who sell products to the local population as well as tourists.
- ❖ Provision of service. Including cosmetology, photography, education and training video tape rentals, travel services, restaurant and food services, transportation including hired car and taxi operators, and garment making.
- ❖ Agricultural activities.
- ❖ Small-scale manufacturing.

As Kalanje explained, there is no universally accepted definition of MSEs. Mostly MSE, defined according to the number of employees or level of assets or turnover or both. However, efforts are being made in some regions to have a standardize definition, for example in 1996 the European commission adopted its own MSE definition. In most cases, MSEs are categorized as enterprises having not more than 250 employees. However, in countries, like the USA the number goes up to 500 employees. Looking at it in another way, one can argue that MSE is a relative term and in many respects its definition depends on the level of economic development of the defining country. In Africa, though there is a serious scarcity of data, one can safely argue that MSE's make up more than 90 per cent of business and employee, in particular in urban areas, a substantial number of people (Kalanje, 2001).

Meanwhile, Nowak (1988:58), as cited in Solomon (2003:5-6), the general definition of micro enterprises as an entity employing less than five persons and generating income from non-farm production, services and trade encompasses a wide range pf activities filling all the gaps left by agriculture, including;

- 1) Year-round or seasonal enterprises tuned to the agricultural cycle;
- 2) Full or part-time enterprises (in rural areas, we rarely find tradesmen or shopkeepers who are not also farmers).
- 3) Individual or Family enterprises or enterprises employing full-time or casual outside labor;
- 4) Fixed or itinerant enterprises, particularly, petty trading;
- 5) Enterprise, with a sole line of business or with multiple lines substituting for one another, according to market needs, or clustered in order to share risks and avoid standing out from the social milieu.

When it comes to Ethiopia, for instance, micro enterprises are those small business enterprises with paid-up capital of not more than Birr 20,000 (2,500 USD). On the other hand, small enterprises are business enterprises with paid-up capital of more than Birr 20,000 (2,500 USD), but not more than Birr 500,000 (62,500 USD), (MTI, 1997), as cited in (AABoE, 2008:33). AATIDB (1998 E.C.:3), shows that central statistics authority define MSE based on manpower, Microenterprises are enterprises with a man power up to 10 persons. and, Small enterprises are those enterprises with a man power up to 20 persons. The former capital based definition is currently the working definition at national level.

Now a day Addis Ababa Trade and Industry Development Bureau is responsible body to facilitate MSE sector development. The bureau is playing pivotal role in organizing MSE operators by focusing on six MSE major sub-sectors.

1. Textile and garment - Weaving - Tailor - Shoe and Leather products 2. Metal and Woodwork - Welding - Sheet metal work - Metal construction work - Furniture production - Machine fabrication - Kitchen cabinet etc ... 3. Food preparation - Home made products - Milk and Milk products - Bakery	4. Urban Agriculture - Vegetables production - Silk production - Sheep fattening - Dairy farming - Bee heaving - Poultry 5. Construction - Pre cast beam production - Sand production - Stone production - Water pipe line installation - Electric installation - Finishing works 6. Municipality service works - Dry west management - Biogas - Recycling
--	---

Figure 2.4: Major Sub-Sectors of MSE

Additionally, there is also a number of works that can be included in MSE sub-sectors which are not legally registered or officially acknowledged. As a result, they remain without supervision and control. Such as, bicycle rental, shoe shine, handmade heritage producers, sideway tea and bread sales are some, among others. Usually those sub-sectors are, handled and operated by youths of unemployed in a formal system and by peoples, male and female who leave their jobs due to various reasons (AATIDB, 1998 E.C.).

Regarding the problems of MSE, Shinohara, and Fisher (1968:78), showed that economists or policy makers first recognize the problem of small and medium industries in 1920's, emphasis was given on defending small and medium enterprises from the pressure of large

enterprises. Therefore, laws for reorganization and specific financial measures played a major part in government policy.

All third world countries face the problem of uncontrolled urban growth, which in turn creates infrastructure, supply and employment problems (Nowak, 1989:65).

As a result of the crises, growing concern about poverty in developing countries targeting the most affected persons is needed. It is recognized that the poor are not only those unemployed but mainly also those working in informal activities. The increasing violence in big cities associated with poverty conditions and informal employment, adds another reason of concern (Tokman, 1989:14).

Small and medium sized enterprises have today become essential factors in the revival of production systems in industrial regions. Not only, they create new jobs, but they are also considered as a major channel of innovation, and technological change (Suarez-Villa, 1988:26-27), considered that small and medium-sized industries as compared to the large one are labor-intensive and since they account for the lion's share of the manufacturing labor force their contribution in terms of employment opportunity creation at local and national level is significant. and also, Gamser and Almond, explained the importance of MSE,

The important role of Microenterprises in developing country economies is increasingly being recognized by governments and donor agencies. In particular, micro-scale production operations are key players in these economies, providing significant employment and income to poorer groups, and providing essential goods and services to poor communities (Gamser and Almond, 1989:189).

The vital function of micro enterprises in developing economy is providing low-cost goods and services to the society and they serve as a means of basic vocational training to uneducated youths and school

leavers (Seible, 1989: 99-100). Soto, added, in Peru, the informal sector covers 47 per cent of the population, as the informal sector is very large 90 per cent of Peru's public transport system is informal. Sixty per cent of all sales take place through street vendors. The informal pay more taxes than formals. Therefore, the assumption that the reason people are informal is that they do not like to pay taxes is base less, Soto, (1989:3).

According to ILO (2004), As cited in AABoE (2008:32), World Bank portrays that support of small enterprises in terms of financial and non-financial services will empower entrepreneurs and allow them to grow from Micro to Small and Medium size enterprises. Tokman, stated the other important point that needs attention is the so called searching for 'the missing strategy', that is, to identify a single major constraint. If removed, the beneficiaries can produce more and earn profitable livelihood. Excessive or inadequate state regulation and bureaucratic intervention is the most popular missing piece at macro level. Improving this constraint will allow for diminishing transaction costs and improve access to the economy. When it goes to micro level the most common missing piece for direct assistance program of MSE is credit. Though, this is not the only constraint of MSE, it is considered to be the major one in that making capital available would allow MSE for the creation and expansion of their enterprises (Tokman, 1989).

Although, finance is a problem of most MSE operators, in some countries they tried a lot to cover the start up capital from own savings. To see some experiences, Chandavarkar stated that, a sample survey of the schemes in Gujarat (India) for assisting small-scale techno-entrepreneurs showed that about 48 per cent of the techno - entrepreneurs raised more than 25 per cent of seed capital from own savings. Moneylenders accounted for less than 10 per cent of the amount. Even when funds were borrowed from families, friends and

private sources the interest rate was close to what the banks would have charged. The pattern were broadly replicated in the Caribbean (Jamaica and Haiti) and Latin America (Colombia) personal savings are a substantial source of start-up finance and seed capital (Chandavarkar, 1998:92-95). Some African countries have also similar experience. As Chandavarkar (1989:92), wrote, the sources of finances for initially to start Micro Enterprises in Developing Countries presented as follows;

Source	Nigeria Western Region	Ibadan	Ghana	Tanzania	Sierra Leone	Uganda
Own saving	97.7	59.0	90.8	78.0	60.2	77.5
Relatives	1.9	36.0	10.8	15.0	19.5	-
Banks	.02	2.0	10.8	1.0	0.9	0.8
Government	-	-	-	1.0	-	-
Money lenders	.03	-	-	-	0.9	-
Others	-	4.0	-	6.0	18.3	21.7

Source: Chandavarkar, 1989:92.

Figure 2.5: Source of Finance for Initial Investments by Small Enterprises in some African countries. (Percentage of initial investment by source.)

With regard to the movement and grow of micro enterprises out of the informal into the formal sector and into the small or high enterprises category called graduation, should be the major objective or MSE development. In the contrary lending agencies may actually discourage graduation because, graduation is the enterprises success or development. As a result, Soto, Argue the credit program loses a good participant and usually it costs high to handle new clients with the risks involved. It was also noted that the upper loan limits on micro enterprises are set low, with high interest rate is also a blocking factor of micro enterprises to graduate to borrow from formal financial institutions. The number of micro enterprises graduating was generally quite low (Soto, 1989). Hence, when micro businesses grow in size, their credit requirements can not be met by micro finance institutions.

Therefore, they have also to be trained to become eligible clients of formal financial institutions (Chandavarkar, 1998).

The other problem of MSE that need emphasis is the behaviors or characteristic of the members from the point of view of entrepreneurship. In most poor countries, because of fewer opportunities to survive large number of people is forced to be entrepreneurial. They are motivated by the need to achieve, which is, to survive, by grasping opportunities, working persistently and delaying gratification in order to accumulate and preserve the modest capital they need (Tokman, 1989:179-180). Hall explained that small business owner's characteristics should be geared from entrepreneurship perspective. Though, there is no consensus to its definition some times it is used interchangeably with owner-manager. Commonly, entrepreneurs are characterized as;

- Willingness to take risks, both in the sense of degree of uncertainty in which the business gamble is taken and of size of the penalty from making the wrong decision.
- A tendency to be innovative, to make changes in the products or services offered, markets served, methods of management, indeed, in most aspects of running the company except, perhaps, in ways that would dilute the personal power.
- The instinctive search for new opportunities and energy to try to exploit them (Hall, 1995:67).

Writers said much about entrepreneur's attributes. Such as, Olson (1987), as cited in Hall (1995), entrepreneurs needed, Patience and the ability to take the long view, as well as, high tolerance for ambiguous, unstructured situations, and to be both intuitive and analytical.

Meanwhile Solomon stated, three major weaknesses of enterprises as follow:

1. Unsound or too little analysis in choosing on initial filed of business.
2. Inadequate capitalization
3. Poor management skill

As a result, the majority of small business men setup their business, instead of based on the study of maximum profit opportunity; they prefer ease of entry to the filed (Solomon, 1986).

TVET, should be shaped in a situation to give life to this new paradigm to support MSE sector development by achieving flexibility, innovation and productivity. To cop up the dynamic business environment by training and retraining citizens in all area of employment in both formal and in formal sector of the economy with the objectives of equal opportunity to all (AABoE, 2008).

Previously TVET was failed to meet the ever-changing demand of the labor market. Since, TVET delivery did not taken into consideration the competence need of the labor market as it should be in occupational standards. Meanwhile, according to the Education Statistics Annual Abstract (MoE, 2009:112). The number of filed of studies or field of specializations provided by Addis Ababa TVET Institutions are more than forty five, and out of six MSE major sub sectors Urban agriculture and Municipality service works are not included as a filed of

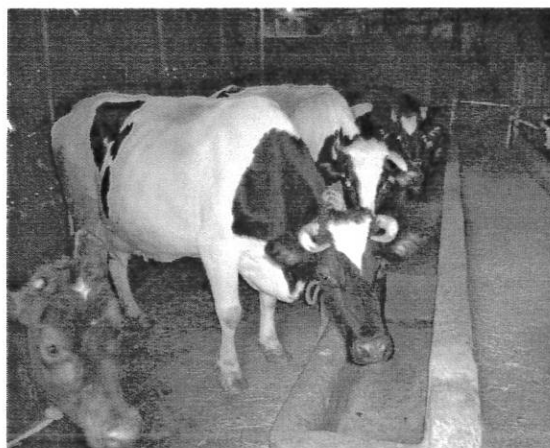


Figure 2.6: Products of Urban Agriculture MSE Sub-Sector

study in any of TVET institutions in Addis Ababa. Though, an attempt is made lately. Hence, the concerned and responsible government bodies that are working in Micro and Small Enterprise Development lacks cooperation with stakeholders in planning and evaluation of MSE development, or vice versa can be considered as a major problem.



Figure 2.7: Municipal Service of MSE Operators at Work

According to MoE (2009:112), the filed of studies of specializations provided by Addis Ababa TVET institutions can be stated as follows:

- | | |
|-------------------------------------|-----------------------------------|
| 1. Road Construction | 24. Purchasing |
| 2. Masonry | 25. Salesmanship |
| 3. Concert | 26. Human resource Manger |
| 4. Carpentry | 27. House Manager |
| 5. Building Metal Work | 28. Hotel Service |
| 6. Plastering | 29. Hair Dressing |
| 7. Plumbing | 30. Bakery |
| 8. Building electrical installation | 31. Cook |
| 9. Wood Work | 32. Low |
| 10. Drafting | 33. Dental health |
| 11. Surveying | 34. Dental technician |
| 12. Electronics | 35. Dental therapist |
| 13. Electricity | 36. Clinical Nurse |
| 14. Machine technology | 37. Laboratory technician |
| 15. General Mechanics | 38. Radiography |
| 16. Auto Mechanics | 39. Pharmacy technician |
| 17. Textile Crafts | 40. Music |
| 18. Tailor | 41. Theater |
| 19. Dressmaker. | 42. Natural science |
| 20. Accounting | 43. Social science |
| 21. Secretarial Service | 44. Prim. School. 1 cycle teacher |
| 22. IT. | 45. Language |
| 23. Banking and Insurance | |

Figure 2.8: Some, Field of studies provided by Addis Ababa TVET Institutions

As clearly seen the number of filed of studies provided by Addis Ababa TVET Institutions as compared with the number of MSE major sub sectors indicates the existence of wide gap in terms of information, planning, cooperation between TVET and MSE sector. On the other hand, some other African countries experience is quite different.

There is some interesting experience in several African countries With small-scale support for technical school graduates and marketing Assistance for craft producers....Among the programs of support to Technical school graduates are the well documented CNPAR in Burkina-Faso (The Artisan Training and Credit Project of the center National de Perfectionnement de Artisans Ruraux), The Rural Vocational Training Center Program of SIDO in Tanzania, and the Village polytechnic Scheme in Kenya. Among the artisan oriented marketing scheme are Those surrounding the National Museum in Niger and the artisan centers in Tunisia. Similar programs for technical school graduates and craft producers exist in Asia and Latin America as well (Timberg, 1989: 234).

Literatures from Addis Ababa Trade and Industry Development Bureau showed the following as a major bottleneck problems that MSE sub-sectors faced currently;

- The Urban Industry and Urban Development package, Micro Enterprises Development Program Municipality services support package AATIDB (1998 E.C.b.:6), indicated shortage of finance, Market and Training as a major problem of the sub sector.
- Food preparation sub-sector support package AATIDB (1998 E.C.c.:6), revealed that the major problem of the sub-sector is lack of quality raw materials cleanliness of production, market, skill training, and shortage of finance, places of production and sales, infrastructure and power supply.
- Metal and Woodwork sector support package AATIDB (1998 E.C.d.:7), listed that the place of production, Finance, training, market and lack of quality raw material as a major bottleneck of the Sub-sector development.
- Textile and garment sector support package AATIDB (1998 E.C.e:7:15:24), cited, the following problems as a major for the development of the sub-sector; These are place of production and sales, lack of modern production instruments, skill, finance, market, shortage of information, lack of quality raw material,

misunderstanding of cooperation, training and organizational problem.

- Urban Agriculture sector support package AATIDB (1998 E.C.f.:6-7), showed that the problem of land, finance, lack of the necessary seeds of vegetable and high in price, skill, pest and high price of pesticide, and water pollution as a major bottleneck of the sub-sector development.
- According to the training manual for construction sector of MSE operators AATIDB (2001 E.C.g.:11), lack of technical and business management skill and individual desire of being rich in an unhealthy way are major problems of the sub-sector among others.

Regarding the problems of MSE, a number of literatures have revealed a lot; Broom, indicated that the greatest problem of Small business management is lack of the necessary skill in the management group. Top-level decisions in small businesses including lower level managerial tasks are the sole responsibility of the owner's manager. Unfortunately no individual has superior ability in all areas of management, so as it requires a diversity of talents. Lack of capital and credit are also a major problem of many Small businesses (Broom, 1997).

Tokman argued that, one of the main constraints of the informal sector is its restricted access to productive resources (capital and skill) and to more dynamic markets (Tokman, 1989:19). Harper (1989:181), added as follows:

It might in fact be argued that the only genuine bottleneck in The Microenterprise sector is the lack of credit; since Microenterprise is the resort of those who are too poor or otherwise disadvantaged to obtain other employment, or to farm their own land, because they have none, it is not unreasonable to assume that money is what the lack.

Formal sector Financial Institutions can serve as a manse to support MSE Jackelen (1989), argues that instead of creating a new bank or quasi-bank for every program that assists micro enterprises it is

preferable to use the formal sector financial institutions of developing countries as the banks can be used to leverage guarantee funds. Yet, it is true that the general state of financial institutions in the developing world, it is unrealistic to expect the massive reforms that would enable and encourage them to lend to micro enterprises. Because, Micro enterprises, normally do not have sufficient collateral to satisfy banking requirements nor do they maintain financial records that allow for reasoned financial analysis. On the other hand, Yuns (1989), advocate that the importance of creating new financial institution to the poor by referring Grameen Bank of Bangladesh. As presented, so many checks in a way that it would be quite a tough job for a "non-poor" to get in again with in the eligible poor. As opposed to the formal financial institutions, Grameen Bank tries to reach the people at the bottom. Seibel (1989:130), strengthen Yuns's idea and wrote;

Strong financial institutions find it hard to operate in the unfavorable Economic environment that exists in many developing countries. Likewise, Entrepreneurs cannot prosper in such an environment and a few subsidized Loans will not resolve their fundamental problems.

A policy of charging high interest rate to cover costs is frequently rejected by those who advocate lending to the poor. Yet, the choice may be serving fewer people with lower-cost loans as against serving more with unsubsidized loans (Seibel, 1989:125).

The other considerable problem of MSE producers is Technology. Gamser and Almond explained Technological constraints of micro-producers are neither simpler nor less expensive to resolve. Such as, the limited availability of tried and tested production system or materials, the need to work in uncertainty and variation in raw materials and equipment supply leads Micro producers to limited technology choice while large producers often have a selection of technology packages to choose from, micro-producers rarely can draw upon 'off-shelf' products and processes to meet their need. Some times technological aspects of public policy

consider being a major constraint of small-producers. In such cases, the problem is not lack of the producer's technological knowledge, but government regulatory agencies or official's lack of knowledge of technological options for economic development in a particular sector. As a result, sometimes policies become a bottleneck that restrict or prohibit micro producers activities or development (Gamser and Almond, 1989). From this, one can argue that the need to train concerned government officials or policy makers are vital. Harper emphasizes on the need to train government officials who so often harass micro enterprise. Moreover, possibly to study in some depth the reason why officials do this and to devise ways in which they can be motivated to act otherwise (Harper, 1989: 188).

This is true also technology as stated above. According to Gamser and Almond, Technology is a major factor to the failure of many micro enterprises support program.

A major factor behind the failure of many Microenterprises support programs, to develop production-based operation is the absence of a technological component to their promotion efforts. Whereas the importance of technology widely appreciated at larger-scale enterprise levels, the technological concerns of micro-producers have been largely neglected. Microenterprises have great potential, but also pose great technological problems, which finance alone rarely, can resolve (Gamser and Almond, 1989: 190).

Since, Technology has a major contribution to the development of MSE the researcher believed that in the study, to incorporate what technology means is paramount. Mansfield, et al (1982), as cited in Thomas (1988:49), Technology is defined as consisting of society's pool of knowledge concerning the industrial, mechanical and practical arts: 'It is made up of knowledge concerning physical and social phenomena, knowledge regarding the application of basic principles to practical work, and knowledge of the rules of thumb of practitioners and craftsmen.' Innovation, in the form of advancing technology, is clearly regarded as a

major explanatory factor in the process of evolutionary economic development at the level of the firm, industry and economy. It is, however, a complex concept with many meanings.

In any case, in any country in the world MSE's role to bring about development is evident. Hence, regarding support or assistance of micro enterprises Carr asserted that, though there is considerable debate the methods of assistance rang from a provision of a full package consisting of credit, business and technological training, production and technology advice and assistance are some among others. Direct assistance programs do not operate in vacuum – the policy environment of a given country is also of great importance. What ever the nature of the assistance program, the nature of the policy and socio economic environment with in which it is delivered the question is what are the institutions best qualified to give effective support to micro enterprises? Obviously, there can be no blueprint for a successful institutional frame work since different types of institutions are useful depending on the micro enterprises being assisted; therefore, a whole range of institutions would be involved in one way or the other at some time during assistance program. Commercial companies and financial institutions can play a number of roles in micro enterprises development including research and development, the problem is they become involved if they can see some financial advantage. In doing so, there is a need for NGO or public sector to work as a catalyst in bringing this situation into being (Carr, 1989:166-168). Support and assistance of MSE is a global phenomenon. Otero, explain the assistance of micro produces program impact evaluation in Colombia, Peru, Dominican Republic, Bolivia and others proved that the most micro-producers who receive financial and technical assistance, tend to increase their income as a result of increased net profit in their firms (Otero, 1989:213).

Harper explained the support of MSE in terms of Training and Technical Assistance is intended to fill the existing gap of the need for trained manpower in specific skill (Harper, 1989: 177). Carvajal (1989:202), Supplemented the following;

The goal of training these micro enterprises into efficient units and enabling them to expand in terms of their size, organization and ambitions can produce highly positive economic, social poetical results by helping to reduce unemployment, increase household income and strengthen democratic institutions.

Harper (1989:182-184), Classified the objective of training and assistance programs for people in micro enterprises as follows;

- A. those programs which aim to enable their participants to more 'up' from the informal, Micro sector to the modern sector;
- B. those programs which aim to enable their participants to operate more effectively and profitably within the informal, micro sector, but not actually to become formalized;
- C. those programs aimed at participants who are at the 'bottom' of the informal sector, or are dependent on charity or other forms of non-earned income, and which attempt to 'lift' them into the informal sector.

These training and assistance programs typically include topics such as the following;

1. training in bookkeeping and accounting, both for better management and also to satisfy taxation authorities and credit institutions;
2. information about product and workplace standards;
3. information about procedures for employing others in a formalized way;
4. training and assistance in obtaining credit from banks and other financial institutions;
5. introductions to larger formal marketing outlets and suppliers;
6. training in the selection and use of modern equipment; and

7. access to better premises, training in modern methods of sales promotion and marketing.

Those trainings should be designed to help people graduate from micro enterprises to the next higher formal sector, rather than to help them be more successful within the same general scale of activity.

An assistance program of MSE other than providing credit would have to include topics such as:

1. new ideas for using unfamiliar scrap materials;
2. improved methods of working capital management;
3. better ways of avoiding regulations and finding more profitable locations;
4. methods of identifying consumer needs and satisfying them.

Any assistant or support program of MSE should be measured and evaluated based on the question, 'would the money spent on the assistant or support program or project have been of great benefit to the "beneficiaries" if they had been given the money, and allow to spend it as they choose?' Harper asserted that Micro entrepreneurs are above all good at making the best use of their resources, and it is difficult to see how any outsider could make better decisions than they could. External intervention may be necessary to help them to graduate to the next higher enterprise level. But if the assistance program is to improve their lot within it, they are the best judge of how this might be done.

According to ILO (2002:7), as cited in Solomon (2003:18-19), in Ethiopia after the change of government in 1991, diverse social, economical and political policies were formulated and regulations promulgated. These are related to the:

- adoption of market economy policy;
- decentralization of power and the formation of regional states;

- formulation of a policy on women;
- privatization programs;
- revision of the investment code;
- enactment of laws on establishing capital goods leasing companies (which provide an alternative option for access to credit);
- issuance of proclamation No. 40/96, which regulates the business of micro finance in the country;
- formulation of a new labor law;
- The issuance of proclamation No. 33/98, to provide for the establishment of the Federal Micro and Small Enterprises Development Agency (FeMSESA).

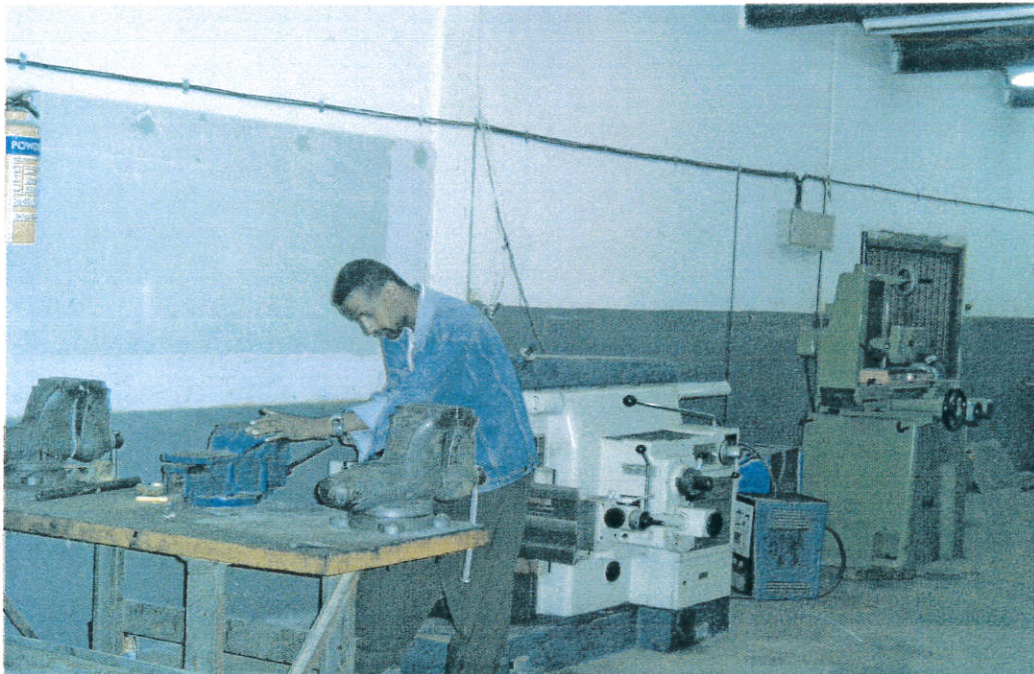


Figure 2.9: Work in Metal Workshop, Individuals Commitment Matters

CHAPTER III

3. DATA PRESENTATION ANALYSIS AND INTERPRETATION

Table, 3.1: Respondents by Sex, Age and Marital status

Age class	Sex		Total
	Male	Female	
Less than 25	20 (25.00%)	3 (3.75%)	23 (28.75%)
26 – 35	41 (51.25%)	6 (7.50%)	47 (58.75%)
36 - 45	10 (12.50%)	-	10 (12.50%)
46 – 55	-	-	-
56 and above	-	-	-
Total	71 (88.75%)	9 (11.25%)	80 (100%)
Marital status			
Married	15 (18.75%)	2 (2.50%)	17 (21.25%)
Single	56 (70.00%)	7 (8.75%)	63 (78.75%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

Regarding the personal characteristics of respondents, target respondents who graduated from TVET institutions and currently engaged in and operating MSE were 81 (71 Male and 9 Female). To assure the reliability of the data sources, the data were gathered in cooperation with the MSE offices at sub-city and kebele level.

The respondent's age class and marital status are presented in Table 3.1. The table indicated that the majority of TVET graduates who are operating MSE, 47 (58.75%) are in the age class of 36 – 45 years followed by 23 (28.75%) between the age class of Less than 25 years old. This implies that the majority's age group is found under economically productive and active age group. Their marital status showed 63 (78.75%) are unmarried.

Table, 3.2: Respondents by Field of study and Educational standard

Educational standard	Sex		Total
	Male	Female	
10 + 1	27 (33.75%)	5 (6.25%)	32 (40.00%)
10 + 2	24 (30.00%)	4 (5.00%)	28 (35.00%)
10 + 3	20 (25.00%)	-	20 (25.00%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)
Field of study			
Wood work	11 (13.75%)	-	11 (13.75%)
General mechanic	9 (11.25%)	-	9 (11.25%)
Auto mechanic	9 (11.25%)	-	9 (11.25%)
Metal work	7 (8.75%)	-	7 (8.75%)
Electricity	18 (22.50%)	2 (2.50%)	20 (25.00%)
Construction	13 (16.25%)	1 (1.25%)	14 (17.50%)
Electro gas welding	1 (1.25%)	-	1 (1.25%)
Information tech. IT	1 (1.25%)	-	1 (1.25%)
Leather technology	-	1 (1.25%)	1 (1.25%)
Textile	-	3 (3.75%)	3 (3.75%)
Accounting	-	1 (1.25%)	1 (1.25%)
Marketing	2 (2.50%)	-	2 (2.50%)
Secretarial science	-	1 (1.25%)	1 (1.25%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

As indicated in Table 3.2, 32 (40.00%) respondents grade level are 10+1 and 28 (35.00%) are from 10+2 where as the remaining 20 (25.00%) are from 10+3 grade level. Hence, more MSE operators are relatively from lower grade as compared to the higher TVET grade level. In the mean time, the field of studies or skill areas where almost all operators came from are technical field of studies than business or other fields of TVET graduates. Among all, Electricity, Construction, Woodwork, General mechanic and Auto mechanic fields constructed 63 (78.75%) out of thirteen field of studies of the respondents. Therefore, students or graduates from technical fields of TVET are relatively in a better position to explorer the opportunity created in the process of MSE development than the others, relatively high number of fields of studies.

Table, 3.3: Respondents by Year of Graduation and Experience in Operating MSE

*Year	Sex		Total
	Male	Female	
1982 - 1985	2 (2.50%)	-	2 (2.50%)
1986 - 1989	9 (11.25%)	-	9 (11.25%)
1990 - 1993	18 (22.50%)	1 (1.25%)	19 (23.75%)
1994 - 1997	21 (26.25%)	6 (7.50%)	27 (33.75%)
1998 - 2001	21 (26.25%)	2 (2.50%)	23 (28.75%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)
Year of Experience in MSE			
1	10 (12.50%)	5 (6.25%)	15 (18.75%)
2	21 (26.25%)	4 (5.00%)	25 (31.25%)
3	20 (25.00%)	-	20 (25.00%)
4	5 (6.25%)	-	5 (6.25%)
5	14 (17.50%)	-	14 (17.50%)
6	1 (1.25%)	-	1 (1.25%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

*Ethiopian colander

The respondent's year of graduation as indicated in Table 3.3. The majority, 69 (86.25%) were from 1990 – 2001, Ethiopian calendar. The experience of TVET graduate respondents in operating MSE does not go beyond six years. Yet, only one respondent (1.25%) has six years experience where as, the others experience lies between the margins from one to five years. Where, the majority TVET graduates are 60 (75.00%) respondents experience in MSE do not exceed three years. This implies that the majority TVET graduates MSE operators are not new to the program.

Table, 3.4: Percentage Distribution of Respondents by MSE Sub-Sector and Reason to choose MSE Sub-sector

Sub-sector	Sex		Total
	Male	Female	
Construction	31 (38.75%)	4 (5.00%)	35 (43.75%)
Textile and Garment	-	3 (3.75%)	3 (3.75%)
Urban Agriculture	2 (2.50%)	-	2 (2.50%)
Metal and Wood work	36 (45.00%)	-	36 (45.00%)
Municipality Service	-	2 (2.50%)	2 (2.50%)
Food	-	-	-
*Car service	1 (1.25%)	-	1 (1.25%)
*Sport and fitness center	1 (1.25%)	-	1 (1.25%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)
Reason to choose			
Filed of study	53 (66.25%)	6 (7.50%)	59 (73.75%)
Other persons pressure	7 (8.75%)	1 (1.25%)	8 (10.00%)
It is easy to enter	-	-	-
by study its profitability	7 (8.75%)	-	7 (8.75%)
I don't have alternative	-	2 (2.50%)	2 (2.50%)
Through experience	4 (5.00%)	-	4 (5.00%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

*Others, other than the selected six sub - sectors.

Regarding the sub-sectors of MSE where the data were drawn, the MSE where most TVET graduates engaged in and operating are listed in Table 3.4. The table shows that out of the six major and the two others additionally supplemented sub-sectors, Metal and Wood work 36 (45.00%), Construction 35 (43.75%), totally by 71 (88.75%) took the grand share in absorbing TVET graduates. Therefore, the idea discussed formerly in the above, that explained the number of technical field of studies of TVET students or graduates are high than the other TVET fields of students or graduates to explore the opportunity created in the process of MSE development is reinforced.

On the assumption that peoples have different reasons to decide and join one or another business, they were asked to tell their reason to choose the MSE sub-sector where they are operating. As the respondents are

TVET graduates more than half 59 (73.75%) responded their reasons as related to their field of studies or specialization. The others stated different reasons as shown in same Table above.

Table, 3.5: Amount of Initial or Startup Capital

*Amount of startup capital	Sex		Total
	Male	Female	
- 5000	38 (47.50%)	7 (8.75%)	45 (56.25%)
5001 - 10000	20 (25.00%)	2 (2.50%)	22 (27.50%)
10001 - 15000	4 (5.00%)	-	4 (5.00%)
15001 - 20000	2 (2.50%)	-	2 (2.50%)
20001 - 25000	2 (2.50%)	-	2 (2.50%)
25001 - 30000	1 (1.25%)	-	1 (1.25%)
30001 - 35000	1 (1.25%)	-	1 (1.25%)
35001 - 40000	1 (1.25%)	-	1 (1.25%)
40001 - 45000	1 (1.25%)	-	1 (1.25%)
45001 - 50000	-	-	-
50001 - 55000	-	-	-
55001 - 60000	-	-	-
60001 - 65000	1 (1.25%)	-	1 (1.25%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

* Ethiopian Birr

Concerning the amount of finance as a startup capital, as presented in Table 3.5, a huge number of respondents initial capital is about 45 (56.25%) maximum amount is up to five thousand Birr followed by 22 (27.50%) between the margin of five thousand one to ten thousand Birr as an initial or startup capital. This indicates that MSEs are appropriate means to start business with a minimum amount of capital.

Table, 3.6: Source or Startup Capital

Source of startup capital	Sex		Total
	Male	Female	
Own saving	17 (21.25%)	-	17 (21.25%)
Loan from other person	3 (3.75%)	-	3 (3.75%)
Loan from Micro finance Institution	48 (60.00%)	7 (8.75%)	55 (68.75%)
Family, relative or friends contribution	2 (2.50%)	-	2 (2.50%)
*By providing service	1 (1.25%)	-	1 (1.25%)
*Gift from private organizations	-	2 (2.50%)	2 (2.50%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

*Others, added by the respondents to the given choices

As described in Table 3.6, the response obtained to the question related to the sources of initial capital to start MSE, revealed, that 55 (68.75%) respondents responded loan from Micro-finance institutions as sources of finance, followed by 17 (21.25%), own saving as a source to start their small business. This implies that Microfinance institutions are playing a crucial role in the process of MSE development serving as a source of finance. The interview result obtained more a number of students or graduates of TVET showed an interest to join MSE sector hoping that loan from Microfinance institutions, as a source of initial capital to start MSE.

Table, 3.7: The Degree of Loan Repayment Status to Micro-Finance Institutions

Repayment status	Sex		Total
	Male	Female	
Loan repayment has completed	15 (18.75%)	3 (3.75%)	18 (22.50%)
Loan repayment is going on, but not completed	33 (41.25%)	4 (5.00%)	37 (46.25%)
Loan repayment is quit because, it become beyond our repayment capacity	-	-	-
We don't take loan	20 (25.00%)	2 (2.50%)	25 (31.25%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

Since Micro - finance institutions are a major source of finance to poor peoples in developing countries, assessing the loan repayment situation in such a study is reasonable. Table 3.7 reveled that, 37 (46.25%) are on the process of paying, where as the others 18 (22.50%) are already completely paid the loan to the lending institution. Modern financial management system is very important to control the costs, expenses and incomes of MSEs, in order to maximize profit and properly handle the loan repayment process, as well as to keep the sustainability of the business in operation. In such cases, the response obtained to the question raised to know weather there is trained person in Bookkeeping or Accounting from the members of your MSE were, 28 (35.00%) Yes, and more than half 52 (65.00%) responded No. As a result, more than half 49 (61.25%) respondents responded their financial management is traditional, which essentially leads to poor loan repayment situation. Where as, the others 31 (38.75%) of the respondents responded their financial management is modern accounting system. According to the interview result obtained from officials and professionals of Micro Finance, Credit and saving Institutions, regarding the training provided to clients, showed that the institutions provide orientation about, the loan policy of the institution before loan , and after loan, and depending

on the budget, whenever necessary other related trainings such as, SYB, IYB and the like are given.

Table, 3.8: Respondents by Number of Members, Members of TVET Graduates and Employees

Total Members	Sex		Total
	Male	Female	
1 – 3	6 (7.50%)	2 (2.50%)	8 (10.00%)
4 – 6	22 (27.50%)	5 (6.25%)	27 (33.75%)
7 – 9	29 (36.25%)	2 (2.50%)	31 (38.75%)
10 – 12	13 (16.25%)	-	13 (16.25%)
13 -15	1 (1.25%)	-	1 (1.25%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)
Members of TVET Graduates			
1	18 (22.50%)	3 (3.75%)	21 (26.25%)
2	14 (17.50%)	-	14 (17.50%)
3	6 (7.50%)	3 (3.75%)	9 (11.25%)
4	5 (6.25%)	1 (1.25%)	6 (7.50%)
Non	28 (35.00%)	2 (2.50%)	30 (37.50%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)
Number of Employees			
1	16 (20.00%)	4 (5.00%)	20 (25.00%)
2	8 (10.00%)	-	8 (10.00%)
3	3 (3.75%)	-	3 (3.75%)
4	3 (3.75%)	-	3 (3.75%)
Non	41 (51.25%)	5 (6.25%)	46 (57.50%)
Total	71 (88.75%)	9 (11.25%)	80 (100%)

To investigate the number of man power absorbed by MSE sub-sectors as illustrated in Table 3.8, the importance of number of members, number members of TVET graduates, and number of employees, are beyond question. Hence, regarding number of members, the majority MSE's responses rest on the number of 4 to 6 and 7 to 9 individual members. The respondents are 27 (33.75%) and 31 (38.75%) respectively. Meanwhile, the responses about the number of members of TVET graduates in MSE shows that 21 (26.25%) respondents responded that the member of TVET graduates are one, and 14 (17.50%) responded two, where as the majority 30 (37.50%) responded the existence of none

TVET graduates as a member of their MSE. When it comes to the number of salaried employees the respondents 46 (57.50%) responded that they employed none. The others 20 (25.00%) responded that they employed one individual. The Others 14 (17.50%) employed from two to four individuals. This implies that MSE development program do not embraced enough TVET graduates, as it should be.

Table, 3.9: The Result Obtained After Joining MSE and Improvement in Life Situation

Sex	Result of MSE			
	Very high	High	Medium	Low
Male	-	6(7.50%)	36 (45.00%)	29 (36.25%)
Female	1(1.25%)	1(1.25%)	1(1.25%)	6(7.50%)
Total	1(1.25%)	7(8.75%)	37(46.25%)	35(43.75%)
Improvement in Life Situation				
Male	-	10(1.25%)	40 (50.00%)	20(25.00%)
Female	1(1.25%)	1(1.25%)	5 (6.25%)	2(2.50%)
Total	1(1.25%)	11(13.75%)	45(56.25%)	22(27.50%)

One male respondent responded as No improvement in life

Whenever peoples are operating any business, they are with some expectation that is to bring about a positive result, whatever the expectation or result they bear in mind. For this reason, the respondents were asked to measure the result obtained after joining MSE based on the given measuring scale. With regard to the result obtained after joining MSE 37 (46.25%) and 35 (43.75%) responses are medium and low respectively. According to the respondents, opinion the reason for low result is market problem, shortage of finance to run the business and the problem of place for production and sales are stated.

To see the accuracy and consistency of responses, the respondents were asked to rate the degree of the improvement in their life situation after joining MSE. The result showed that the responses were consistent.

Table, 3.10: Means of Evaluation of Strength and Weakness of MSE

Means of evaluation	Sex		Total
	Male	Female	
Weekly meeting	8(10.00%)	1(1.25%)	25 (31.25%)
Meeting every 15 days	32 (40.00%)	1(1.25%)	33 (41.25%)
Monthly meeting	21(26.25%)	2(2.50%)	23 (28.75%)
Meeting every six month	6(7.50%)	-	6(7.50%)
Yearly meeting	-	-	-
Meeting when face the problem	2(2.50%)	3(3.75%)	5(6.25%)
Discussion at work	2(2.50%)	2(2.50%)	4(5.00%)
Total	71(88.75%)	9(11.25%)	80(100%)

In the process of any business activity, to achieve the desired result the evaluation mechanism to evaluate strengths and weakness of the working process must be set. Hence, as shown in Table 3.10, the respondents' evaluation mechanism of strengths and weaknesses in operating MSE is almost similar. That is, by meeting and discussion except time variation. Thirty-three (41.25%) respondents responded by meeting every 15 days, 25 (31.25%) responded by weekly meeting, 23 (28.75%) respond by meeting every month, six (7.50%) responded by meeting every six month. The others, five (6.25%) by meeting when the problem faced and four (5.00%) respond that their evaluation mechanism is discussion at work.

Table, 3.11: The Usefulness of the Skill Acquired by TVET Training Institutions to Operate MSE

Degree of usefulness	Sex		Total
	Male	Female	
Very high	25 (31.25%)	2(2.50%)	27(33.75%)
High	18 (22.50%)	2(2.50%)	20(25.00%)
Medium	7(8.75%)	1(1.25%)	8(10.00%)
Low	3(3.75%)	1(1.25%)	4(5.00%)
It's out of my field	18(22.50%)	3 (3.75%)	21(26.25%)
Total	71(88.75%)	9(11.25%)	80(100%)

Obviously, TVET institutions are providing the skill training to TVET students to make them fit to meet the skill demand in the world of work. It is true that the reason why peoples learn, train, and work is to improve their life situation. In the mean time, the cumulative effect or result is essentially leads to the over all development of the country. Thus, to measure the degree of usefulness of the skill acquired by training to operate MSE, questions were forwarded to rate the degree based on the given rating scale. The result obtained as listed above in Table 3.11 indicated that 27 (33.75%) respondents responded as Very high and 20 (25.00%) responded as High degree of usefulness. Yet high numbers of respondents are working out of their field of studies in MSE. Regarding the quality of the training given by TVET institution to qualify the trainees to meet the skill demand in the world of work, TVET students and graduates interview result revealed that the quality is somewhat good. Meanwhile the interview result of officials and professionals of TVET Institutions showed that the quality of the training needs improvement and should support by enough workshop materials as well as the network between the Institutions and employees via TVET agency has to be established.

Table, 3.12: Type of Training Attended by Operators after Starting MSE

Type of training attended	Sex		Total
	Male	Female	
Business management	40 (50.00%)	4 (5.00%)	54 (67.50%)
Market study	65 (75.00%)	2 (2.50%)	67 (83.75%)
Technical training	60 (78.75%)	5 (6.25%)	65 (81.25%)
Orientations about MSE	40 (50.00%)	8 (10.00%)	48(60.00%)

Additionally, to know whether there are the trainings attended by operators or not after joining MSE, Yes or No question were forwarded. The responses were Yes 71 (88.75%) and No 9 (11.25%). The type of training and the number of respondents have illustrated in Table 3.12. Regarding the training organizers, offices of MSE, TVET Institutions, Addis Ababa TVET agency, Addis Ababa Housing Agency and MSE office in cooperation with International Livestock Research Institution (ILRI), are stated by the respondents. Concerning, BDS services, provided to MSE operators, the interview result of MSE facilitators from different offices as listed below showed inconsistency.

The result of the interview obtained from the following respondents, officials and professionals of Addis Ababa Trade and Industry Development Bureau, MSE Development facilitators from head office, and sub – cities, at the same time, officials and professionals of Addis Ababa TVET Agency, support and assistance provided to MSE operators are presented as follows:

Support and assistance provided to MSE operators by MSE offices

- Awareness creation about MSE development and training on entrepreneurship to TVET graduates;
- Training once in a year;
- twice in a year;
- every month;

- some times, whenever necessary, depending on the need; and training for two days on business management.

Support and assistance provided to MSE operators by Addis Ababa TVET agency

- Providing, advice to TVET graduates about creating small scale Industries.
- Providing, different types of trainings by identifying the skill gap of MSE operators.
- Providing, technical support to TVET graduates after joining MSE

The response obtained from target respondents concerning support and assistance given to MSE operators by different institutions including different types of trainings, are attached in Annex X.



Figure 3.1: Food MSE Sub-Sector Operators at Work

Table, 3.13: The Degree of the Problems faced Before and After Joining MSE

Problems faced	Rating scale				Total
	Very High	High	Medium	Low	
Loan and loan related	24(30.00%)	28(35.00%)	16(20.00%)	12(15.00%)	80
Government bureaus and staff related	20(25.00%)	17(21.25%)	24(30.00%)	19(23.75%)	80
Work place, product/services quality, market related	31(38.75%)	23(28.75%)	14(17.50%)	12(15.00%)	80
Individual members knowledge, skill, and behavior	13(16.25%)	18(22.50%)	27(33.75%)	22(27.50%)	80

As the primary concern of the study is to investigate the problems encountered by TVET graduates in the due process of operating MSE, varieties of problems were identified in the study.

Regarding the problems encountered by TVET graduates before and after joining MSE, as can be seen in Table 3.13, the problem of working place, quality of production or services and market related problems took the lead by 31(38.75%) and 23(28.75%), as Very high and high respectively. Loan and loan related problems, 24(30.00%) and 28(35.00%) follow in the same pattern. Government bureaus and staff related problems as well as Individual members of MSE knowledge, skill, and behavior related problems are also considerable problems with reasonable degree.

To achieve the desired objective of the study, measuring the degree of each of the above discussed problems depicted in Table 3.13, in detail is taken as worthwhile by the researcher. In the next sections the analysis and interpretations are given to each problem listed in the table.

Table, 3.13.1: The Degree of the Problems Faced in terms of Loan and Loan related, Before and After Joining MSE

Problems faced	Rating scale				Total
	Very High	High	Medium	Low	
Getting enough loan	24(30.00%)	16(20.00%)	21(26.25%)	19(23.75%)	80
Material asset as loan collateral	31(38.75%)	15(18.75%)	19(23.75%)	15(18.75%)	80
Lengthy bureaucratic procedure of the lending process	22(27.50%)	14(17.50%)	25(31.25%)	19(23.75%)	80
Lateness of loan release though, preconditions are fulfilled	12(15.00%)	15(18.75%)	20(25.00%)	33(41.25%)	80
High interest rate of the loan	24(30.00%)	20(25.00%)	20(25.00%)	16(20.00%)	80

The problem of loan and loan related issues investigated are listed in detail in Table 3.13.1. As shown in the table, the problem of material asset as loan collateral was rated as Very high by 31(38.75%) respondents. The Problem of getting enough loan and High interest rate of the loan equally is rated by 24(30.00%) respondents, followed by, the problem of lengthy bureaucratic procedure of the lending process that is by 22(27.50%) respondents, rated as a very high degree in related to the problem under discussion. This implies that being finance is a serious problem to MSE operators still it is unsolved problem that needs remedy.

Table, 3.13. 2: The Degree of the Problems Faced in Terms of Government Bureaus and Staff Related, Before and After Joining MSE

Problems faced	Rating scale				Total
	Very High	High	Medium	Low	
No priority to MSE when there is a bid	17(21.25%)	21(26.25%)	21(26.25%)	21(26.25%)	80
Underestimation of MSE	22(27.50%)	20(25.00%)	18(22.50%)	20(25.00%)	80
No continuous business trainings	31(38.75%)	27(33.75%)	18(22.50%)	4 (5.00%)	80
High tax	3 (3.75%)	8 (10.00%)	28(35.00%)	41(51.25%)	80
The problem of having license	10 (1.25%)	14(17.50%)	1 (1.25%)	55(68.75%)	80
*Not release payment on time	42(52.50%)	-	-	-	42

*Others, Added by the Respondents to the given choices

Government bureaus and staff related problems are seen in detail in Table 3.13.2. The table disclosed that 42(52.50%), respondents responded, the problem of inability to release payment on time after the work in completed, 31(38.75%), respondents responded being, unable to provide continuous business and business related trainings to MSE operators, and 22(27.50%), respondents responded, the problem of underestimation of MSE by government officials and workers, rated from one to three as a very high problems respectively. From this one can understand that unless MSE operators receive the payment on time after completion of the work, this by it self can be considered as a constraint to proper and timely loan repayment, as the interest of the loan is going high unless paid on time.

Table, 3.13.3: The Degree of the Problems Faced in terms of Working Place, Quality of Production or Services and Market related, Before and After Joining MSE

Problems faced	Rating scale				Total
	Very High	High	Medium	Low	
Market, the problem of getting enough customers	29 (36.25%)	24(30.00%)	17(21.25%)	10 (1.25%)	80
Unfair or illegal trade competitors	15(18.75%)	17(21.25%)	15(18.75%)	33(41.25%)	80
Place of production and sales	30 (37.50%)	30(37.50%)	9 (11.25%)	11(13.75%)	80
Poor quality of products or services	10 (1.25%)	21(26.25%)	34(42.50%)	15(18.75%)	80
Raw materials	27(33.75%)	26(32.50%)	13(16.25%)	14(17.50%)	80
Backwardness of machineries	34(42.50%)	23(28.75%)	12(15.00%)	11(13.75%)	80

Regarding, the problem of working place, quality of production or services and market related problems have given place in Table, 3.13.3. From the problems illustrated, in the table, the problem of backwardness of production machineries or instruments, 34(42.50%), the problem of place of production and sales, 30(37.50%), and Market problem that is, the problem of getting enough customers, 29(36.25%) respondents, responded as Very High consecutively from one to three. Quality of production is highly dependent on appropriate technology. Hence, unless appropriate technology transfer is practiced, the problem of backwardness of production machineries or instruments, that leads to poor quality of production.

Table, 3.13.4: The Degree of the Problems Faced in terms of Individual Members of MSE knowledge, Skill and Behavior related, Before and After Joining MSE

Problems faced	Rating scale				Total
	Very High	High	Medium	Low	
Some members poor behavior	17(21.25%)	21(26.25%)	21(26.25%)	21(26.25%)	80
Poor business management skill	24(30.00%)	26(32.50%)	20(25.00%)	10 (1.25%)	80
Poor market research skill	27(33.75%)	28(35.00%)	22(27.50%)	3 (3.75%)	80
Society's misconception about MSE	15(18.75%)	9 (11.25%)	30 (37.50%)	26(32.50%)	80
Lack of access for technology	37(46.25%)	30 (37.50%)	13(16.25%)	-	80

Individual members of MSE, knowledge, skill, and behavior related problems are measured in detail in Table 3.13.4. As illustrated in the table, the problem of lack of access for technology, 37(46.25%), the problem of poor market research skill 27(33.75%), and the problem of poor business management skill are rated 24(30.00%). as Very high in order of their sequential arrangement. This implies that lack of access for technology as a problem rated Very high degree in this category, it reinforced the need for appropriate technology transfer as discussed earlier.

Table, 3.14: Advertising or Promotional System of MSE's use to Promote Products or Services

Promotional tools	Sex		Total
	Male	Female	
Business card	43 (53.75%)	4 (5.00%)	47 (58.75%)
Trade fair and bazaar	65 (81.25%)	7 (8.75%)	72 (90.00%)
Word of mouth advertisement	63 (78.75%)	6 (7.50%)	69 (86.25%)
Displaying products	1 (1.25%)	-	1 (1.25%)
Posters and leaflets	1 (1.25%)	-	1 (1.25%)
Telephone	7 (8.75%)	2 (2.50%)	7 (8.75%)

Table, 3.14, revealed that trade fair and bazaar is the widely used as a promotional tools by most MSE operators that counts 72 (90.00%), word of mouth advertisement 69 (86.25%) and Business card 47 (58.75%) are followed by significant number of operators. The result revealed that trade fair and bazaars are important tools that play significant role in advertising and promotion arena in the due process of Micro and Small enterprises development.



Figure 3.2: Displayed Products of Food MSE Sub-Sector

Table, 3.15: Problems Faced, Measures taken to solve the Problems and the Result Obtained in the Process of Operating MSE

Problem encountered	Sex		Total
	Male	Female	
Shortage of finance	19(23.75%)	5 (6.25%)	24(30.00%)
Place of production and sales	26(32.50%)	3 (3.75%)	29 (36.25%)
Market problem	20(25.00%)	4 (5.00%)	24(30.00%)
Members disagreement and poor behavior	24(30.00%)	2 (2.50%)	26(32.50%)
Government offices poor customer handling	15(18.75%)	4 (5.00%)	19(23.75%)
Poor financial management	31(38.75%)	6 (7.50%)	37(46.25%)
Measures taken	Sex		Total
	Male	Female	
Loan from Micro finance	43(53.75%)	6 (7.50%)	49(61.25%)
Applying to Government body	22(27.50%)	3 (3.75%)	25 (31.25%)
Discussion, advice, warning and discharging the member	19(23.75%)	2 (2.50%)	21(26.25%)
Rent, place of work	8 (10.00%)	3 (3.75%)	11(13.75%)
Market study and price adjustment	12(15.00%)	3 (3.75%)	15(18.75%)
It' up to the Government	6 (7.50%)	-	6 (7.50%)
Result obtained	Sex		Total
	Male	Female	
We could not get enough loan	22(27.50%)	2 (2.50%)	24(30.00%)
Not satisfactory	48(60.00%)	7 (8.75%)	55(68.75%)
Satisfactory	6 (7.50%)	-	6 (7.50%)

To assess the efforts made by respondents to solve the problem they faced. They were asked to state the problems faced and the measures taken to solve the problems in the process of operating MSE. The results indicated that the problem of finance is seen as a major and relatively manageable problem, 49(61.25%) respondents showed that they solve it, taking loan from Microfinance institution. Meanwhile, though, a number of efforts have been made the result obtained was not encouraging.

However, regarding the result obtained, they responded that they could not get enough loan 24(30.00%), and not satisfactory 55(68.75%). Only six (7.50%) respondents responded the result obtained was satisfactory.

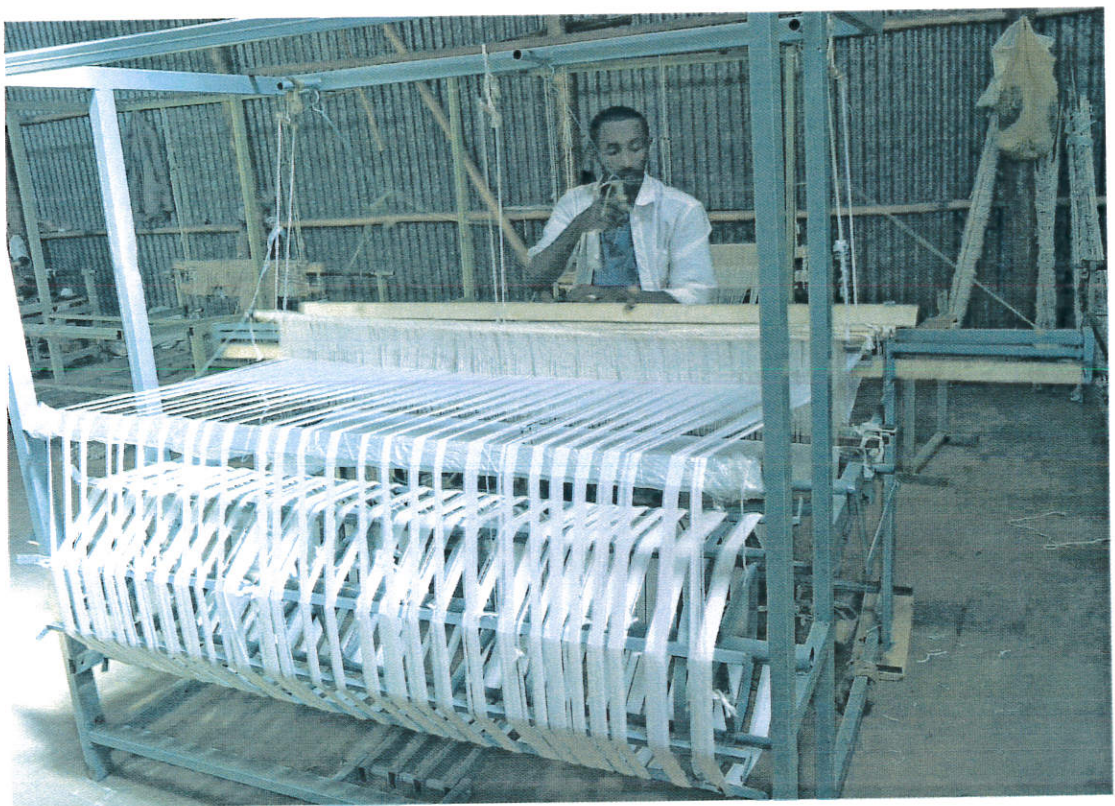


Figure 3.3: Textile MSE Sub-Sector Operator at Work

Table, 3.16: The Expectation of MSE Operators as a Major Responsible Body to Solve the Problem Faced in the Process of Operation

Major responsible body	Rating scale				Total
	Very High	High	Medium	Low	
Government	46(57.50%)	28(35.00%)	6 (7.50%)	-	80
Members of MSE	12(15.00%)	17(21.25%)	23(28.75%)	28(35.00%)	80
The Society	15(18.75%)	36(45.00%)	17(21.25%)	12(15.00%)	80
Non-Governmental Organizations	10 (1.25%)	12(15.00%)	29(36.25%)	29(36.25%)	80

Besides, the efforts made by the respondents to solve the problems they faced, knowing the expectation they have that they think, as a responsible body was found important. Hence, the responses for the question raised, to rate the degree of responsibility based on the given rating scale, "whom do you, think is the major responsible body to solve the problem your MSE faced in the process of operation?" As illustrated in Table 3.16. Forty-six (57.50%) and 28 (35.00%), rated as Very high and High respectively, goes to the government. 15(18.75%) and 12(15.00%), as Very high, has gone to the society and members of MSE respectively. Where as, the expectation on non-governmental organizations (NGO's) rated as Very high is only 10 (1.25%). This implies that the majority MSE problems are expected to be solved by government such as places of work for production and sales and facilitating access to loan apart from providing training related to acquiring problem solving skill.

Table, 3.17: The Major Bottleneck Problem to Expand MSE

The major bottleneck problem	Rating scale				Total
	Very High	High	Medium	Low	
Shortage of finance	40(50.00%)	36(45.00%)	2 (2.50%)	2 (2.50%)	80
Place for sales/ production	42(52.50%)	34(42.50%)	3 (3.75%)	1 (1.25%)	80
Market problem	41(51.25%)	34(42.50%)	3 (3.75%)	2 (2.50%)	80
Skill gap, work motivation	30(37.50%)	23(28.75%)	33(41.25%)	6 (7.50%)	80
Government offices un fair work distribution to MSE's	21(26.25%)	17(21.25%)	14(17.50%)	28(35.00%)	80
High loan interest rate	23(28.75%)	15(18.75%)	13(36.25%)	29(16.25%)	80
Poor working materials	33(41.25%)	25(31.25%)	15(18.75%)	7 (8.75%)	80

At the same time, in Table 3.17. The problem that considered as a major bottleneck have presented in accordance of the degree based on the given rating scale. Place of production and sales 42(52.50%), Market problem 41(51.25%) and Shortage of finance 40(50.00%) rated as Very high. The result asserted that the consistency of the responses obtained regarding the problems faced by TVET graduates in operating MSE which are the major concern of the study.

To this end, additional comments and opinions forwarded by target respondents are as follows.

- We need continuous training
- The maximum amount of loan for group collateral should be improved

- The follow up mechanism of MSE facilitators to supervise and support MSE's need to be improved
- Some MSE's collect money by renting the working places they possess from government to work. Where as, most of MSE's are suffering from shortage of working places. for this reason, the government should pay attention and act accordingly
- A number of questionnaires has been filled, but we don't find any solution or any attempt to solve the problems we faced
- Working together is a vital force to bring about radical change on MSE development
- The government offices unfair distribution of the work of infrastructure to MSE's need serious attention and investigation
- Equal opportunity to all MSE's
- Most government offices do not release the payment on time to MSE's, after the work is completed. As a result, we cannot pay the loan to Micro finance institutions on the due date. Moreover, the loan interest becomes cumulatively high. This paradox is a major bottleneck of the sectors development
- This type of research is encouraging and must able to meet the intended objective
- The organizers of MSE development facilitators should be transparent and work genuinely. Organizing, simply for the reporting purpose means nothing. There must be a testing and screening mechanism in a transparent manner when organizing MSE's
- Some TVET graduates are not skilled enough to run MSE. Hence, the quality of the training needs to be tested and investigated by the government

- The government bureaus should give priority to MSE's beyond word of mouth
- Market research and value chain lacks attention by the concerned bodies
- Now a days the government is in a good position to support and strengthen the development of MSE sector through policy, but still there is a problem of implementation
- The government changed our life by creating opportunity of MSE
- Microfinance Institutions could not provide the loan to those of us who came from out of the city of Addis Ababa.
- The government should be able to discuss with us at a bottom level about our problem. Generally working by proximity and corruption is high



Figure 3.4: MSEs need Convenient Working place, Woodwork Operators at Work

CHAPTER IV

4. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1 Summary

The study is aimed at identifying the problems of TVET graduates in operating MSE. To meet its purpose the following objectives were set:

1. Identify the major problems encountered by TVET graduates in operating MSE.
2. Assess whether there is or not established system to exchange information between TVET institutions and MSE facilitators.
3. Identify if there are mechanisms to create awareness of TVET students/graduates about MSE.
4. Assess the business development service (BDS) system provided by micro and small enterprise facilitators in relation to helping the TVET graduates.
5. Explain the efforts made by TVET graduates to overcome the problems they faced.
6. Investigate the relationships that exist between concerned officials of TVET and MSE bodies.

Based on the above objectives of the study attempts were made to answer the research questions here under.

- What are the major problems of TVET graduates faced in engaging and operating MSE?
- Is there any established system to exchange information, and work together between TVET Institutions and MSE facilitators? (i.e. Addis Ababa Trade & Industry Development Bureau).
- Is there any mechanism to create awareness of TVET students/graduates about MSE from both TVET institutions and MSE facilitators?

- What major problems and constraints of TVET graduates need immediate solutions so as to run MSE in a better situation?
- Is there any Business Development Service (BDS) provided by MSE facilitators to enhance the capacity of MSE operators with regard to TVET graduates?
- What are the efforts made by TVET graduates to overcome the problems they encountered?

On the basis of analysis and interpretations the following findings are obtained.

1. The findings, in the study revealed that TVET graduates under the study are surrounded by various problems such as the problem of finance, place for work and sales, the problem of market, technology, backwardness of working materials, poor business management, market research, financial management skill and lack of continuous training in business and business related areas.
2. The result of the study underscores that the major problem of economically active but poor in general and the target respondents in particular is the problem of working capital followed by the problem of place for work and sales, the problem of market etc...
3. The study disclosed that there are some efforts made to solve the problems faced in the due course of operating MSE, by the respondents as well as in cooperation with the concerned government bodies.
4. The efforts were taken to get loan from Micro finance, informing the government bodies, through discussion, advice, warning and discharging the member who creates the problem, renting the place of work, conducting market study and price adjustment to solve market problems, are some measures taken among others.

5. It is believed that the importance of the availability of systematically organized data and the existence of the established systematic mechanisms to exchange data and information by almost all interviewees of the concerned officials and professionals.
6. With regard to awareness creation, the study showed that there are only unsatisfactory beginnings from all concerned bodies.
7. Regarding, Business Development Services (BDS), the interview result showed that attempts has been made by Addis Ababa Trade and Industry Development Bureau.
8. The other important point investigated by the study is that, TVET students or graduates from technical fields of studies are more participants in the process of MSE activities.

4.2 Conclusions

- Those identified problems are not only, the problem of target respondents but also are the problems that hinder the development of MSE sector as major bottlenecks.
- The study revealed that the problem of working capital followed by the problem of place for work and sales, the problem of market etc... are problems that needs special consideration with minor degree of variation. It could be reinforced by Okelo (1988:247), as cited in Solomon (2003:39), "Recent Microenterprise studies have revealed that working capital rather than fixed capital is the primary financial constraints to Microenterprises development."
- Even though, TVET graduates under the study faced many problems as discussed earlier, most of the problems need the hands of other concerned bodies to solve.
- Even if, It is believed that the importance of the availability of systematically organized data and the existence of the established systematic mechanisms to exchange data and

information by almost all interviewees of the concerned officials and professionals, the study found out the existence of none.

- With regard to awareness creation and training to MSE operators the study showed that there are only unsatisfactory beginnings from all concerned bodies.
- The study asserted that TVET students and graduates are suffering from lack of huge and due attention as equal as the investment cost paid to train them that the program demanded.
- The other investigated point is that, TVET students or graduates from technical fields of studies are more beneficiaries than other TVET students or graduates who came from other fields of studies.
- Regarding Business Development Services (BDS), Addis Ababa Trade and Industry Development Bureau being responsible body, to facilitate MSE development, it provides the service to all MSE operators though, due to various reasons the program does not run in a way it has to be.

4.3 Recommendations

1. The study identified shortage of finance as a major problem to deal with; it becomes a primary concern that needs immediate solution followed by the problem of place of work and sales and other problems that were mentioned earlier. To fasten the sectors development, combating with the roadblocks of the establishment of strong and sustainable microfinance institutions that play a significant role in providing the necessary working capital demanded by the economically active but poor is quite essential and timely. The traditional commercial moneylenders 'Arata Abedary' , 'Ekub', a system of forced saving through which people raise capital to invest in order to improve their economic position, are included in the informal finance sector. Hence, to safeguard

the poor from exploitation at an exorbitant interest rate again, the need for micro finance institutions with reasonable loan interest rate is evident.

2. The need for availability of systematically organized data and the establishment of systematic mechanism that enable to exchange data and information among concerned institutions as well as to disseminate to the researchers is beyond question. To this end, the Institutional capacity is a crucial factor that determines the sustainability and failure of the program.
3. Strengthening the existed TVET and MSE development institutions with motivated and committed professional staffs is important not only to increase efficiency and effectiveness of the services such as BDS and others, provided to the target beneficiaries, but also to organize data in a systematic manner and, to establish the network of information exchanging mechanisms among the concerned bodies.
4. The government in general and the city government in particular must pay due attention for both TVET and MSE sectors as equal as its investment cost. Creating a continuous follow-up and inspection mechanism, establishing programmed and continuous BDS delivery system that incorporate motivation, business ethics and problem solving skill, and others are needed.
5. Regulation must be set to say goodbye and to see off those MSE's who graduated from the sector to the next higher stage are reasonably recommended as mandatory.
6. Relatively technical field of studies of TVET graduates are highly beneficiaries from MSE program though, significantly low in number. Hence, MSE development program should be geared and run in a way to be able to embrace all TVET graduates from all field of studies without discrimination. It helps to utilize effectively the huge amount of the investment cost spent to TVET program.

TVET providers when designing their training programs, they must take the local micro and small business sector into account including the introduction and use of appropriate technologies and the organization of internships of cooperative training programs with micro and small enterprises.

7. Due attention should be given to finance and place of work and sales. It is useful to simultaneously deal with other problems too.
8. To tackle the problems revealed by the study results, such as wastage of recourses, to utilize effectively and efficiently the investment cost of TVET and MSE sectors development programs, to minimize the information gap between the two sectors, and to run the programs properly in manner of cost effectiveness. It is reasonably, recommended that the need to merge Addis Ababa TVET agency and MSE development agency as one institution with different departments including research and development department is timely.
9. As discussed earlier a number of problems captures the issue under investigation including both TVET and MSE sectors, it is wise to recommend the need to conduct an in-depth research with enough human and material resources.
10. There is an urgent need to take action to solve the major bottleneck problems by filling those identified gaps that hindered the TVET and MSE sector development; the powerful tools to bring about all rounded development in Addis Ababa.

REFERENCES

- Aregash Samuel (n.d.), "Trends of Development and prospects of Vocational training in Ethiopia" Department of TVET Curriculum development/MoE. (Unpublished).
- Addis Ababa BoE (2008). "Addis Ababa TVET Millennium Exhibition: Vocational Training and Micro-Small Enterprise". (Unpublished).
- Broom H (1979). **Small Business Management**. Waco. Texas.
- Carr M (1988). "Institutional Aspects of Micro enterprise promotion," Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries; Papers and proceedings of an International Conference*. London: International Technology Publications, pp.166-176.
- Carvajal J (1988). "Micro enterprise as a Social Investment," Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries; Papers and proceedings of an International Conference*. London: International Technology Publications, pp.202-207.
- Chandavarkar A (1988). "Informal credit Market in Support of Micro businesses ," Levitsky J. (ed.). (1989). *Micro enterprise in Developing Countries; Papers and proceedings of an International Conference*. London: International Technology Publications, pp.79-96.
- Evans R (1971). **Foundations of Vocational Education**. Charles E. Merrill Publishing Company, Columbus, Ohio. USA.

- Gamser M. and Almond F (1988). "The Role of Technology in Micro enterprise Development," Levitsky J.(ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.189-201.
- Gasskov V (2000). ***Managing Vocational training systems***. ILO.
- Giaoutizi M, Nijkamp P. and Storey D. (Eds.) (1988). "Small is Beautiful-The Regional Importance of Small-scale Activities." *Small and Medium Size enterprises and Regional Development*. London. Mackays of Chatham PLC. pp. 1-18.
- Hall G (1995). ***Surviving and Prospering in the small firm Sector***. London. Harper M, (1988). "Training and Technical Assistant for Micro enterprise," Levitsky J.(ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.177-188.
- ILO (2002). "Jobs, Gender and small Enterprise in Africa": *Women Entrepreneurs in Ethiopia*. A Preliminary report. ILO Office, Addis Ababa.
- Jackelen H (1988). "Banking on the Informal Sector, " Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.131-143.

Kalanje K, "The Role of Intellectual Property System in the use of ICTs by MSEs." Presented at the second Meeting of the Committee on Development information (CODI II) of the United Nations Economic Commission for Africa (ECA), September 7, 2001. WIPO.

Lal S (1978). ***Problems of Public Borrowing in Under-Developed Countries.*** Caugh Publications Allahabad, India.

Ledgerwood J (1998). "Sustainable banking with the Poor": *Microfinance Hand book*. An Institutional and Financial Perspective, Washington D.C: The World Bank, 1999.

Maillat D (1988). "The Role of Innovative Small and Medium – sized Enterprises and the Revival of Traditionally Industrial Regions," Giaoutizi M, Nijkamp P. and Storey D. (Eds.) *Small and Medium Size Enterprises and Regional Development*. London: Mackays of Chatham PLC. pp. 71-84.

Mesfin Abayneh (2008). "Challenges and opportunities of Entrepreneurial Development of TVET Graduates: The case of Cooperative Entrepreneurs in Addis Ababa". MA Thesis. (Unpublished).

MoE (2008). "Conceptual Framework for the development of the Ethiopian National Qualifications Framework", Addis Ababa (Unpublished).

_____ (2008). ***National Technical and Vocational Education and Training (TVET) Strategy.*** Addis Ababa.

_____ (2009). ***Educational Statistics Annual Abstract:*** Ministry of Education, Education sector Development. Addis Ababa.

- Nowak M (1988). "The Role of Micro enterprises in Rural Industrialization in Africa, " Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.57-75.
- Okelo M (1988). "Support for Women in Microenterprises in Africa," Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.240-250.
- Otero M (1988). "Benefits, Costs and Sustainability of Micro enterprises Assistance Programs," Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.211-223.
- Seibel H, (1988). "Liking Informal and Formal Financial Institutions in Africa and Asia," Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.97-118.
- Shnohara M. and Fisher D (1968). ***The Role of Small Industry in the Process of Economic Growth***. Surveys of research in the social sciences; a series edited by the International committee for social sciences documentation: Paris. VOL. VII.
- Solomon Hagos, (1993). " Why Evening adult teachers select Vocational /Technical subjects". (Unpublished).

Solomon Mengesteab (2003). " Micro Finance credit scheme and Micro entrepreneurs: An assessment of Gasha Micro Finance Institution S.co. Entoto branch ". A Senior Essay Submitted to The Department of Business Education, Addis Ababa University, in Partial fulfillment of the Requirements for the Bachelor of Science (BSc.) Degree in Business Education. (Unpublished).

Solomon S (1986). ***Small Business in USA: The Role of Small Companies in Sparking America's Economic Transformation.*** Crown Publishers, Inc. New York.

Soto H (1988). "Structural adjustment and the Informal Sector," Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*; Papers and proceedings of an International Conference. London: International Technology Publications, pp.3-12.

Suarez-villa (1988). "Innovation, Entrepreneurship, and the Role of Small and Medium – Sized Industries: A Long – term View ," Giaoutizi M, Nijkamp P. and Storey D. (Eds.) *Small and Medium Size enterprises and Regional Development*. London: Mackays of Chatham PLC. pp. 21-43.

TGE (1994). ***The Education and Training Policy.*** Addis Ababa: EMPDA.

Thomas M (1988). "Innovation and Technology Strategy: Competitive New -technology firms and Industries," Giaoutizi M, Nijkamp P. and Storey D. (eds.) *Small and Medium Size enterprises and Regional Development*. London: Mackays of Chatham PLC. pp. 44-70.

- Timberg T (1988). "Comparative Experience with Micro enterprises,"
 Levitsky J.(Ed.). (1989). *Micro enterprise in Developing Countries*;
 Papers and proceedings of an International Conference. London:
 International Technology Publications, pp.224-239.
- Tokman V (1988). "Micro – Level Support for the Informal Sector,"
 Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*;
 Papers and proceedings of an International Conference. London:
 International Technology Publications, pp.202-207.
- Yunus M (1988). "Grameen Bank: Organization and Operation,"
 Levitsky J. (Ed.). (1989). *Micro enterprise in Developing Countries*;
 Papers and proceedings of an International Conference. London:
 International Technology Publications, pp.144-161.

አዲስ አበባ ንግድና ኢንዱስትሪ ልማት ቢሮ (1998 ዓ.ም. ሐ.) በከተሞች
 የኢንዱስትሪና ልማት ፓኬጅ፣ ለጥቃቅንና አነስተኛ ተቋማት ልማት
 ዘርፍ የተዘጋጁ የተለያዩ አይነት አደረጃጀት መመሪያዎችና ማንዋሎች፣
 አዲስ አበባ።

(1988 ዓ.ም. ሐ.) በከተሞች የኢንዱስትሪና ልማት ፓኬጅ፣
 ለጥቃቅንና አነስተኛ ተቋማት ልማት ፕሮግራም የማዘጋጃ ቤታዊ
 አገልግሎታዊ ሥራዎች የድጋፍ ፓኬጅ፣ አዲስ አበባ።

(1988 ዓ.ም. ሐ.) በከተሞች የኢንዱስትሪና ልማት ፓኬጅ፣
 ለጥቃቅንና አነስተኛ ተቋማት ልማት ፕሮግራም የምግብ ዝግጅት ዘርፍ
 የድጋፍ ፓኬጅ፣ አዲስ አበባ።

(1988 ዓ.ም. ሐ.) በከተሞች የኢንዱስትሪና ልማት ፓኬጅ፣
 ለጥቃቅንና አነስተኛ ተቋማት ልማት ፕሮግራም የብረታ ብረትና እንጨት
 ሥራ ዘርፍ የድጋፍ ፓኬጅ፣ አዲስ አበባ።

(1988 ዓ.ም. ሐ.) በከተሞች የኢንዱስትሪና ልማት ፓኬጅ፣
 ለጥቃቅንና አነስተኛ ተቋማት ልማት ፕሮግራም የጨርቃጨርቅና አልባሳት
 ዘርፍ የድጋፍ ፓኬጅ፣ አዲስ አበባ።

(1988 ዓ.ም. f.) በከተሞች የኢንዱስትሪና ልማት ፓኬጅ፣
ለጥቃቅንና አነስተኛ ተቋማት ልማት ፕሮግራም የከተማ ግብርና ዘርፍ
የድጋፍ ፓኬጅ፣ አዲስ አበባ።

(2001 ዓ.ም. g.) “በኮንስትራክሽን ዘርፍ ለተሰማሩ
ኢንተርፕራይዝ አንቀሳቃሾች ስልጠና መስጫ የመጀመሪያ ረቂቅ ማንዋል”
(ያልታተመ)፣ አዲስ አበባ።

ANNEX I

**Addis Ababa University
School of Graduate Studies
College of Education
Department of Business Education**

A Questionnaire to be filled by MSE operators of TVET graduates.

I. Introduction

The aim of this questionnaire is only to gather relevant data or information to the research conducted on the problem of TVET graduates in operating MSE. Hence, all the information will be kept confidential, the respondent is kindly requested to fill the questionnaire as carefully and genuinely as possible, the name of the respondent is not necessary.

II. Personal profile

Circle the right number on the bracket?

1. Sex (1) Male. [2] Female.

2. Age

(1) Less than 25 Years. (2) 26-35 Years. (3) 36-45 Years.
(4) 46-55 Years. (5) Above 56 Years.

3. Martial status

(1) Single. (2) Married. (3) Divorced

4. Educational Standard_____.

5. Field of Study or Specialization_____.

5.1. Name of the Institution _____.

6. Year of graduation _____ E.C.

7. Year of experience in MSE _____.

III. General

8. Sub city_____ Kebele _____

 Name of MSE _____.

8.1. Circle the right number of your MSE sub-sector on the bracket?

- (1) Construction. (2) Textile and Garment. (3) Urban Agriculture.
(4) Metal and Wood work. (5) Municipality Service.
(6) Food. (7) Others. State _____.

9. Year of establishment. _____ E.C.

9.1. Year or experience in MSE _____.

10. Reason to choose MSE sub-sector.

- (1) Filed of study or Specialization. (2) Others persons pressure.
(3) It is easy to enter. (4) By study its profitability.
(5) I don't have other alternative. (6) Through experience.
(7) Others. _____.

11. Initial or Startup capital of your MSE. _____ Birr.

12. Source of Initial or Startup capital? From:

- (1) Owen saving. (2) Loan from other person.
(3) Loan from Micro finance Institution.
(4) Family, relative or friends contribution.
(5) Other. _____.

13. Number of Members of your MSE?

Male. _____. Female. _____.

14. The number of members trained in TVET.

Male. _____. Female. _____.

15. Number of employed/salaried workers in your MSE.

Male. _____. Female. _____.

16. Rate the result obtained after you join and operate MSE.

- (1) Very high. (2) High.
(3) Medium. (4) Low.

16.1. If your answer is "low", what do you think is the reason?

Please state.

17. How do you evaluate your performance of MSE as well as strong and weak side of individual members?

- (1) Weekly meeting.
- (2) Meeting every 15 days.
- (3) Monthly meeting.
- (4) Annual meeting.
- (5) Other. _____.

18. Rate the degree of importance of the skill and knowledge you acquired through TVET to run your MSE?

- (1) Very high.
- (2) High.
- (3) Medium.
- (4) It is out of my field of study.

19. How is your MSE financial management?

- (1) Traditional Accounting system.
- (2) Modern Accounting system.

20. Rate your personal life situation improvement after you join MSE.

- (1) Very high.
- (2) High.
- (3) Medium.
- (4) Low.

21. If the source of your initial or start up capital is loan from Microfinance institution how is your loan repayment situation?

- (1) Loan repayment is completed.
- (2) Loan repayment is continued as it should be but, not completed.
- (3) Loan repayment is discontinued because, it became beyond our Repayment capacity.

22. Select and rate the problems you faced before and after joining MSE, based on the following rating scale, write the number on the left side space.

(1) Very high. (2) High. (3) Medium. (4) Low.

- _____ Loan and loan related problems.
- _____ Government bureaus and staff related problems.
- _____ Working place, quality of production or services and market related problems.
- _____ Individual members of MSE knowledge, skill, and behavior related problems.

22.1. Loan and loan related problems.

(1) Very high. (2) High. (3) Medium. (4) Low.

- _____ The Problem of getting enough loan.
- _____ The Problem of material asset as loan collateral.
- _____ The problem of lengthy bureaucratic procedure of the lending financial institution though, preconditions are fulfilled.
- _____ High interest rate of the loan.

22.2. Government bureaus and staff related problems.

(1) Very high. (2) High. (3) Medium. (4) Low.

- _____ They don't give priority to MSE when there is a bid.
- _____ Underestimation of MSE by Government officials and workers.
- _____ They don't provide continuous business and business related trainings to MSE operators.
- _____ High tax.
- _____ The problem of having license.

22.3. Working place, quality of production or services and market related problems.

(1) Very high. (2) High. (3) Medium. (4) Low.

_____ Market problem that is, the problem of getting enough customers.

_____ The problem of unfair or illegal trade competitors.

_____ The problem of place of production and sales.

_____ The problem of poor quality of products or services.

_____ The problem of supply of raw material input.

_____ The problem of backwardness of production machineries or instruments.

22.4. Individual members of MSE knowledge, skill, and behavior related problems.

(1) Very high. (2) High. (3) Medium. (4) Low.

_____ The problem of some members poor behavior and interest to be rich in short cut.

_____ The problem of poor business management skill.

_____ The problem of poor market research skill.

_____ The problem of the society's misconception about MSE discouraged some members.

_____ The problem of lack of access for technology.

23. Is there any trained person in Bookkeeping or Accounting from the members of your MSE?

(1) Yes. [2] No.

24. What advertising or promotional system does your institution use to promote products or services?

25. State the problems faced and the measures taken to solve the problems in the process of operating MSE.

25.1. Problems encountered _____

_____.

25.2. Measures taken _____

_____.

25.3. The result obtained _____

_____.

26. Is there any training that you attend after you join MSE?

(1) Yes.

[2] No.

26.1. If your answer is "yes", please state the training type and the organizer.

26.1.1 Type of training _____

_____.

26.1.2. Training organizer _____

_____.

27. Whom do you think is the major responsible body to solve the problem your MSE faced in the process of operation? Rate the degree of responsibility based on the following rating scale.

(1) Very high. (2) High. (3) Medium. (4) Low.

_____ Government.

_____ Members of MSE.

_____ The Society.

_____ Non Governmental Organizations (NGOs).

_____ Other. _____.

28. What is the major bottleneck to expand your MSE?

28.1. State the major responsible body to solve the above problem?

29. State the type of support or assistance that your MSE obtained from the following Institutions if any?

29.1. Addis Ababa TVET agency. _____

29.2. TVET Institutions _____

29.3. Addis Ababa Trade and Industry Development Bureau MSE facilitators.

29.4. Micro finance Institutions _____

30. If you have any additional comment or opinion _____

Thank you.

ANNEX II

**Addis Ababa University
School of Graduate Studies
College of Education
Department of Business Education**

Interview guide for TVET Students and/or Graduates.

I. Introduction

The aim of this Interview is only to gather relevant data or information to the research conducted on the problem of TVET graduates in operating MSE. Hence, all the information will be kept confidential, the Interviewee is kindly requested to answer the questions as carefully and genuinely as possible, the name of the Interviewee is not necessary.

II. Personal profile

1. Sex. (1) Male. [2] Female.
2. Age.
 - (1) Less than 25 Years. (2) 26-35 Years. (3) 36-45 Years.
 - (4) 46-55 Years. (5) Above 56 Years.
3. Martial status.
 - (1) Single. (2) Married. (3) Divorced
4. Grade level. _____.
5. Field of Study or Specialization. _____.

III. General

6. Rate your degree of interest after graduation to join the world of work?
Based on the following rating scale write the number on the left space provided?

- (1) Very high. (2) High. (3) Medium. (4) Low.
_____ Government.

_____ Private organizations.

_____ Group work in Micro and Small enterprises.

_____ To start personal or private business.

_____ Other, state _____.

6.1. If your choice or interest is to join Micro and small enterprise or to start personal business where do you think is your source of initial or start up capital?

(1) Owen saving. (2) Loan from other person.

(3) Loan from Micro finance Institution.

(4) Family, relative or friends contribution.

(5) Other. _____.

7. Do you believe that the skill you acquire will qualified you to meet the skill demand in order to join the world of work?

(1) Yes

(2) No

8. Rate the degree of the quality of the training given by your TVET institution to qualify the trainees to meet the skill demand of the world of work based on the following rating scale?

(1) Very high. (2) High. (3) Medium. (4) Low.

9. Do you believe that your TVET institution create enough awareness of the students or graduates about Micro and small enterprises.

(1) Yes

(2) No

10. Do you have idea about the importance of Micro and small enterprises?

(1) Yes

(2) No

10.1. If your answer is "Yes" state what you know about MSE on the space provided?

_____.

11. If you have any additional comment or opinion _____

Thank you.

ANNEX III

**Addis Ababa University
School of Graduate Studies
College of Education
Department of Business Education**

**Interview guide for Government officials and professionals
of Addis Ababa Trade and Industry Development Bureau,
MSE Development facilitators at Regional and Sub-city
Level.**

I. Introduction

The aim of this Interview is only to gather relevant data or information to the research conducted on the problem of TVET graduates in operating MSE. Hence, all the information will be kept confidential, the Interviewee is kindly requested to answer the questions as carefully and genuinely as possible, the name of the Interviewee is not necessary.

II. Personal profile.

1. Sex. (1) Male. [2] Female.
2. Age.
(1) Less than 25 Years. (2) 26-35 Years. (3) 36-45 Years.
(4) 46-55 Years. (5) Above 56 Years.
3. Martial status.
(1) Single. (2) Married. (3) Divorced
4. Educational Standard._____.
5. Field of Study or Specialization._____.
6. Year of graduation. _____ E.C.
7. Year of experience in MSE Development._____.
8. Job position / Responsibility/._____.

III. General.

9. Is there any established system to exchange and gather data or information about TVET graduates from Addis Ababa TVET agency and/or Institutions?

(1) Yes.

(2) No.

9.1. If your answer is "yes" what are the data's collected and organized regarding TVET graduates relevant to MSE?

10. How do you rate the degree of importance of organizing data of TVET graduates engaged in and operating MSE.

(1) Very high. (2) High. (3) Medium. (4) Low.

11. Does your office organize and update data's or information about TVET graduates who are operating MSE to disseminate for users or researchers?

(1) Yes.

(2) No.

12. What BDS service your offices provide to MSE operators? And how frequently the service is provided?

13. According to the definition of MSE you are working on, micro enterprises are those small business enterprises with paid- up capital of not more than Birr 20,000. On the other hand, small enterprises are business enterprises with paid - up capital of more than Birr 20,000 but not more than Birr 500,000. Do you have a follow up mechanism to send-off those enterprises that exceed the upper capital limit or those who graduate from MSE?

(1) Yes.

(2) No.

13.1. If your answer is "Yes" state the follow up mechanism?

14. Do you conduct need assessment before and impact assessment after BDS? If so, How do you state or explain the relevance of BDS or otherwise in accordance to your assessment result?

15. Is there any attempt or organized forum to create awareness of TVET students or graduates about and relevance of MSE?

(1) Yes.

(2) No.

16. If you have any additional comment or opinion _____

Thank you.

ANNEX IV

**Addis Ababa University
School of Graduate Studies
College of Education
Department of Business Education**

**Interview guide for Officials and professionals of Micro
finance Credit and saving Institutions.**

I. Introduction

The aim of this Interview is only to gather relevant data or information to the research conducted on the problem of TVET graduates in operating MSE. Hence, all the information will be kept confidential, the Interviewee is kindly requested to answer the questions as carefully and genuinely as possible, the name of the Interviewee is not necessary.

II. Personal profile.

1. Sex. (1) Male. [2] Female.
2. Age.
 - (1) Less than 25 Years. (2) 26-35 Years. (3) 36-45 Years.
 - (4) 46-55 Years. (5) Above 56 Years.
3. Martial status.
 - (1) Single. (2) Married. (3) Divorced
4. Educational Standard. _____.
5. Field of Study or Specialization. _____.
6. Year of graduation. _____ E.C.
7. Year of experience in the institution. _____.
8. Job position / Responsibility/.
_____.

III. General

9. As, Micro finance Institution what are the trainings given to borrowers before and after loan? _____.

10. How frequently the training is provided?

_____.

11. How do you rate the depth and effectiveness of the training?

(1) Very high. (2) High. (3) Medium. (4) Low.

12. Rate the efforts made by your institution to reach the poor at a bottom level instead of focusing on maximizing profit?

(1) Very high. (2) High. (3) Medium. (4) Low.

13. Based on the following rating scale rate the majority of your borrower clients in terms of collateral? State the number on the left side.

(1) Very high. (2) High. (3) Medium. (4) Low.

_____ Clients with own material asset as a collateral.

_____ Clients with group collateral with out having material asset.

_____ Clients with other person material asset or salary as a collateral.

14. Is there any special consideration that your Institution give to encourage TVET in loan disbursement?

(1) Yes. (2) No.

14.1. If your answer is "Yes" what are the considerations?

_____.

15. If you have any additional comment or opinion _____

_____.

Thank you.

ANNEX V

**Addis Ababa University
School of Graduate Studies
College of Education
Department of Business Education**

**Interview guide for Officials and Professionals of Addis
Ababa TVET Agency.**

I. Introduction

The aim of this Interview is only to gather relevant data or information to the research conducted on the problem of TVET graduates in operating MSE. Hence, all the information will be kept confidential, the Interviewee is kindly requested to answer the questions as carefully and genuinely as possible, the name of the Interviewee is not necessary.

II. Personal profile.

1. Sex. (1) Male. [2] Female.
2. Age.
 - (1) Less than 25 Years. (2) 26-35 Years. (3) 36-45 Years.
 - (4) 46-55 Years. (5) Above 56 Years.
3. Martial status.
 - (1) Single. (2) Married. (3) Divorced
4. Educational Standard._____.
5. Field of Study or Specialization._____.
6. Year of graduation. _____ E.C.
7. Year of experience in the institution._____.
8. Job position / Responsibility/.
_____.

III. General.

9. Are there any organized and updated data regarding TVET graduates in general and graduates engaged and operating MSE in particular?
 - (1) Yes. (2) No.

9.1. If your answer to the above two questions is "Yes" list the number of graduates at least for the last five years?

9.1.1. Graduates of TVET?

9.1.2. Graduates of TVET who are engaged in and operating MSE?

10. Does your agency provide support and assistance to TVET graduates after graduation?

(1) Yes.

[2] No.

10.1. If your answer to the above questions is "Yes" list the type of support and assistance provided?

11. Is there any established system to exchange data or information about TVET graduates who are engaged in and operating MSE from Addis Ababa Trade and Industry Development Bureau?

(1) Yes.

[2] No.

12. Is there any attempt or organized forum to create awareness of TVET students or graduates about and relevance of MSE?

(1) Yes.

(2) No.

13. If you have any additional comment or opinion _____

Thank you.

ANNEX VI

**Addis Ababa University
School of Graduate Studies
College of Education
Department of Business Education**

**Interview guide for Officials and Professionals of Addis
Ababa TVET Institutions.**

I. Introduction

The aim of this Interview is only to gather relevant data or information to the research conducted on the problem of TVET graduates in operating MSE. Hence, all the information will be kept confidential, the Interviewee is kindly requested to answer the questions as carefully and genuinely as possible, the name of the Interviewee is not necessary.

II. Personal profile.

1. Sex. (1) Male. [2] Female.
2. Age.
 - (1) Less than 25 Years. (2) 26-35 Years. (3) 36-45 Years.
 - (4) 46-55 Years. (5) Above 56 Years.
3. Martial status.
 - (1) Single. (2) Married. (3) Divorced
4. Educational Standard._____.
5. Field of Study or Specialization._____.
6. Year of graduation. _____ E.C.
7. Year of experience in the institution._____.
8. Job position / Responsibility/.
_____.

III. General

9. Does your Institution provide Non-formal training to MSE operators?
 - (1) Yes. (2) No.

9.1. If your answer is "Yes" state the type of training? And how frequently the training is delivered?

10. Is there any effort made by your Institution to create awareness of TVET students about MSE development?

(1) Yes. [2] No.

11. How do you rate the quality of the skill training given to TVET students to make them fit to meet the skill demand in the world of work?

(1) Very high. (2) High. (3) Medium. (4) Low.

11.1. If your answer is "Low" or "Medium" what do you think is the reason?

12. Does your institution facilitate access of labor market information to TVET graduates?

(1) Yes. [2] No.

13. If you have any additional comment or opinion _____

Thank you.

ANNEX VII

Personal Profiles of Category A. Interviewees

Age class	
Less than 25	8 (27.59%)
26 – 35	17 (58.62%)
36 - 45	3 (10.34%)
46 – 55	1 (3.45%)
56 and above	-
Total	29 (100%)
Marital status	
Married	6 (20.69%)
Un married	23 (79.31%)
Total	29 (100%)
Educational standard	
10 + 1	12 (41.38%)
10 + 2	6 (20.69%)
10 + 3	11 (37.93%)
Total	29 (100%)
Field of study	
G/Mechanics	2 (6.90%)
Tailor	9 (31.03%)
Textile	10 (34.48%)
Dressmaker	2 (6.90%)
Accounting	3 (10.34%)
Construction	1 (3.45%)
Salesmanship	2 (6.90%)
Total	29 (100%)

ANNEX VIII

Personal Profiles of Category B, C, D, and E, Interviewees

Age class	Categories			
	B	C	D	E
Less than 25	15 (46.88%)	1 (11.11%)	-	3 (23.08%)
26 – 35	12 (37.50%)	6 (66.67%)	-	8 (61.54%)
36 - 45	5 (15.63%)	2 (22.22%)	3 (60.00%)	2 (15.38%)
46 – 55	-	-	2 (40.00%)	-
56 and above	-	-	-	-
Total	*32(100.01%)	9 (100.00%)	5 (100.00%)	13(100.0%)
Marital status	Categories			
	B	C	D	E
Married	10(31.25%)	4 (44.44%)	3 (60.00%)	9 (69.23%)
Un married	22(68.75%)	5 (55.55%)	2 (40.00%)	4 (30.77%)
Total	32(100.00%)	*9 (99.99%)	5 (100.00%)	
Educational standard	Categories			
	B	C	D	E
Ph.D.	-	-	-	-
MA/MSc.	-	1 (11.11%)	-	3 (23.08%)
BA/BSc.	30(93.75%)	6 (66.67%)	5 (100.00%)	10(76.92%)
Diploma	2(6.25%)	2 (22.22%)	-	-
Total	32(100.00%)	9 (100.00%)	5 (100.00%)	13(100.0%)

- To the nearest two decimal places

ANNEX IX

MSE Data of Arada Sub-city Keble 04/05

Sub-sector	Total
Construction	178 (28.25%)
Textile and Garment	115 (18.25%)
Urban Agriculture	30 (4.76%)
Metal and Wood work	*207 (32.88%)
Food	100 (15.87%)
Total	** 630 (100.01%)

* Only six individual members are TVET graduates.

ANNEX X

Type of Support or Assistance that MSE's obtained from the given Institutions

Addis Ababa TVET agency			
Type of support or assistance	Sex		Total
	Male	Female	
Different Trainings	5 (6.25%)	-	5 (6.25%)
No support	66 (82.50%)	9(11.25%)	75 (93.75%)
TVET Institutions			
Type of support or assistance	Sex		Total
	Male	Female	
Training	14(17.50%)	1 (1.25%)	15(18.75%)
No support	57 (71.25%)	8(10.00%)	65(81.25%)
Addis Ababa Trade and Industry Development Bureau MSE facilitators			
Type of support or assistance	Sex		Total
	Male	Female	
Advisory service	7 (8.75%)	1 (1.25%)	8 (10.00%)
All rounded support	10(12.50%)	5 (6.25%)	15(18.75%)
Training	3 (3.75%)	2 (2.50%)	5 (6.25%)
Seminar on MSE development	31(38.75%)	7 (8.75%)	38 (47.50%)
Experience sharing	16(20.00%)	6 (7.50%)	22 (27.50%)
No support	15(18.75%)	1 (1.25%)	16(20.00%)
Micro finance Institutions			
Type of support or assistance	Sex		Total
	Male	Female	
Loan	46 (57.50%)	5 (6.25%)	51 (63.75%)
Orientation	42(52.50%)	5 (6.25%)	47 (58.75%)
No support	25 (31.25%)	4 (5.00%)	29 (36.25%)

DECLARATION

I, the undersigned, declared that this is my original work. And not has been presented for a degree in any university and that all sources of materials used for the study have been duly acknowledged.

Name Solomon Mengesteab
Signature [Signature]
Date of submission 15/06/2010

This thesis has been submitted for examination with my approval as a university advisor.

Name Lemna Setegn
Signature [Signature]
Date approval 15/06/2010

Place: Addis Ababa University, College of Education and behavior studies, Department of Business Education.

