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# **The Contribution of Micro and Small Enterprises in Community Development in Addis Ababa Gullele Sub City**

A thesis

Submitted to Addis Ababa University, School of Social Work, in Partial  
Fulfilment of the Requirements for the Degree of Masters of Arts in Social  
Work

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June 2014  
Addis Ababa

# **The Contribution of Micro and Small Enterprises in Community Development in Addis Ababa Gullele Sub City**

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**A thesis Submitted to Addis Ababa University College of Social  
Science School of Graduate Studies**

**In Partial fulfillment of the Requirements for the Degree of  
Master of Arts in Social Work**

**ADDIS ABABA UNIVERSITY**

**ADDIS ABABA, ETHIOPIA**

**May 2014**

**ADDIS ABABA UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

This is to certify that the thesis is prepared by Assefa Tasisa, entitled: The Contribution of Micro and Small Enterprises in Community Development in Addis Ababa, Gullele Sub-city, and the thesis was submitted in partial fulfillment of the requirements for the degree of Masters of Arts in Social Works complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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**Dedication**

**To My Parents**

## **ACKNOWLEDGEMENTS**

A study of this type could not come to completion without the assistance of institutes, groups of people and individuals. First of all, I would like to thank God for his unconditional love.

My special gratitude goes to my advisor Dr. Zenebe Baraki, whose work ethic is worth modeling, for his commitment on the thesis at each stage and for making invaluable comments and suggestions. His utmost support is highly appreciated. I would also like to express my appreciations to my wife Mekdelawit Ollana who is also the building block of my life. This Thesis would not happened had she had not cooperated, understand and tolerated me. The support of those others too numerous to mention is also appreciated.

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## **I. List of Appendices**

**APPENDIX A:** Questionnaire MSE Operators

**APPENDIX C:** Interview Guide to Government Officials (MSEs staff and AdCSI)

**APPENDIX D:** Interview Guide to Key informants from MSE operators. (English)

## II. List of Abbreviations and Acronyms

AdCSI	Addis Credit & Saving Institute
BDS	Business Development Service
CED	Community Economic Development
CSA	Central Statistical Authority
CD	Community Development
ETB	Ethiopian Birr
FAO	Food and Agricultural Organization
GTP	Growth and Transformation Plan
ICAD	Interagency Coalition on AIDS and Development
ILO	International Labor Organization
LED	Local Economic Development
MFI	Micro Finance Institute
MoTI	Ministry of Trade and Industry
MoUDC	Ministry of Urban Development and Construction
MoWUD	Ministry of Works and Urban Development
MSEs	Micro and Small Enterprises

### **III. Abstract**

Micro and Small enterprises had been playing prominent role in poverty reduction and local economic growth. Apart from this, MSEs have a role in community development by increasing improving social, financial, physical, human and natural capital. This research explores the contribution of Micro and Small enterprises in community development in Gullele Sub-City, Addis Ababa. The analysis was based on primary and secondary data collected through administrative type of questionnaires and key informant interviews from the operators, government officials, and enterprise representatives. The role of MSEs is viewed in light of its contribution in boosting the five community capital (Social, financial, human, physical and natural). Finally, discussion was held with operators regarding the challenge and opportunities the enterprises and operators are facing now. The results indicate that, MSEs plays important role in community development by boosting communities capital. Some of the challenges are some operators who joined the formed group lately did not get any training and the balance of the focus of MESSs higher officials in demanding MSEs for politics than community development and poor supportive supervision by MSEs offices are exhibited. Nonetheless, human capital, financial capital, physical capital, natural capital are uplifted and remarkable contributed for community development as bonding capital and networks with other people outside the group is formed in the normal course of business operation as bridging capital. Yet, as there is much untapped potential, much has to be done in unleashing communities resources to boost community development.

# Chapter One

## 1 Introduction

### 1.1 Background of the study

Community development is when people join together to develop programs for improving the quality of life at the community level. It operates in indigenous initiatives or formal agencies, with diverse racial, ethnic, religious, or other groups, and in rural and urban communities in industrial and developing areas. Varieties of community development abound, and its activities are almost limitless.

Community development is a planned effort to produce assets that increase the capacity of residents to improve their quality of life. These assets may include several forms of community capital: physical, human, social, financial and environmental (Phillips & Pittman, 2009).

Despite its variety, community development has some core concepts on which there is relative agreement, such as ‘starting with people’, the idea that the process should originate in the experience of people; ‘strengthening community’, that community is a unit of solution; ‘joining together’, that individuals acting collectively can accomplish more than one person acting alone; and ‘creating change’, that change is both desirable and possible (Checkoway, 1997; DeFilippis and Saegert, 2008).

By providing small loans to entrepreneurs and small businesses, the Grameen Bank has empowered the poor, giving them the resources to generate additional income, stimulate value creation and in turn development. It should be noted that the source of

development here is not the result of a trickle-down (or “top down”) stimulus, but a “bottom-up” force, whereby the poor are empowered to, at the risk of using a cliché, pursue their own destiny (Micro and Small Enterprises as a TOOL for DEVELOPMENT)

Micro and Small Enterprises is a facility that makes it possible for the focused poor people to get a small loan to start a business, pay for school fees, procure housing or receive health care (Micro and Small Enterprises vital to economic growth 2005:15). Such an initiative is instrumental in changing the poverty patterns in view of improved facilities to lessen the challenge posed by startup capital. Micro and Small Enterprises has been changing people’s lives and revitalizing communities since the beginning of trade (United Nations 2005e:1).

## **1.2 Statement of the problem**

It has been used to provide low-income people with small grants, micro-credits and other Micro and Small Enterprises services as an stimulus to exploit their productivity and develop their business to help them improve their livelihoods (UNDP builds capacity to expand availability of micro-credit services 2005:38). Micro and Small Enterprises has had strong links with communities’ development. This means that for a long time, Micro and Small Enterprises was used as an intervention strategy to address the marginalized situation of community members with the hope that when they accessed credit facilities, they would achieve socio-economic development and thereby contribute to the development of their communities.

Micro and Small Enterprises has a huge impact on the lives of millions of poor people particularly women. Numerous scholars and NGOs have been working to take Micro and

Small Enterprises within the reach of poor people, who are still not benefited by the conventional financial system. It was believed that Micro and Small Enterprises is not important for all people but most groups can benefit from this idea.

The Ethiopia has adopted the national Micro and Small Enterprise Development Strategy for the first time in November 1997. The policy identified a number of constraints hampering the development of this sector. The policy serves as guideline to all stakeholders to stimulate the establishment of new enterprises and enabling the existing ones to grow and become more competitive. This policy identified un-favorable legal and regulatory frameworks, underdeveloped infrastructure, poor business development services, limited access to finance, ineffective and poorly coordinated institutional support as the key constraints (MSEs strategy for Ethiopia, 1997).

On top of poverty reduction strategy, MSEs development program has aimed at unemployment reduction by creating 80% permanent employment and 20% temporary employment opportunities. The reviewed empirical studies reveal that there is a gap with regard to impact assessment of enterprises' performance in terms of employment opportunities, income, profit and capital in light with local community development. Moreover, the reviewed studies with regard to the sector focused on socio-economic determining factors of MSEs Success and its major challenges and constraints (Philipos, 2006; Workneh, 2007; Solomon, 2004).

Most studies, in academic and non-academic institution, focus on factors that hinder the growth of MSEs and the outcome of the program in aggregate forms. Regarding the role of micro and small enterprises in community development, empirical studies fail to investigate the role of MSEs for community development in light of the five forms of

capital (Social Capital, Human capital, Physical Capital, Financial Capital and Natural /Environmental Capital. For instance, the study conducted by Workneh (2007) with the objective of analyzing factors that hinder the performance of MSEs found that lack of capital, lack of markets, bureaucratic regulatory requirement, problem of business development services and inappropriate locations are still major problems of the sector. But the researcher did not see how MSEs contribute for community development through boosting Social capital, improving Human Capital and capitalizing Financial and Physical Capital.

Moreover, Philipos's (2006) study, focus more on the impact of business development services (BDS) for MSEs development in enterprise level and found that BDS is in its early stage in MSEs. The researcher also tried to identify the challenges faced by MSEs in BDS program in Addis Ababa. Some of the factors identified are: low level of MSE operators' awareness for majority of BDS, unwillingness to pay for BDS, lack of diversity of BDS providers and service and lastly limited knowledge of BDS intervention. The researcher overlooked to see the role MSEs play in community development.

Apart from these, the research conducted by Solomon (2004) also tried to analyze growth determinants of MSEs and found that product diversification is a major determinant factor for the growth of small enterprises. The researcher came up with finding that business experience is associated with new start-ups calls for the promotion of the culture of apprenticeship and intern experience sharing for the young as a possible area of intervention in employment generation schemes to minimize the extent of unemployment.

However, the study failed to investigate how MSEs can contribute to community development. From the above mentioned studies, it is possible to learn that the role of MSEs in community development is not studied very well. Thus, this study tries to examine the role of MSEs on community development.

### **1.3. Objectives of the study**

#### **1.3.1. General objective**

The main objective of this research was to explore the contribution of Micro and Small Enterprises in Community Development

#### **1.3.2. Specific objectives**

- To explore whether there is improvement in skill and knowledge of MSEs clients and families after MSE intervention.
- To examine the contribution of MSEs in boosting social capital
- Identify ways of improving the access to and utilization of Micro and Small Enterprises services and how to strength the social ties.
- To study whether Micro and Small Enterprises are contributing in household utensils improvement and clients' asset accumulation.
- Providing recommendations on how to optimize Micro and Small Enterprises effectiveness and boost its contribution for community development

### **1.4. Research questions**

The research was guided by the following questions;

- Is there an improvement in skill and knowledge of MSEs clients and families so that physical capital can be reinforced because of their MSE business engagement?
- Do MSEs contribute in boosting social capital?
- Can the financial capital of the community be capitalized through MSEs?
- Do MSEs help the clients in accumulating assets?

### **1.5 Significance of the study**

Information which was gathered and analyzed in this study provides empirical findings on the role of MSEs for community development. The findings of this study were believed to show the contribution that MSEs have towards community development. Other researchers who might be interested to conduct further study on similar study on similar subjects may also use it. Moreover, the findings of the study may serve as a source of information for persons who need to know about social capital, human capital, financial capital, physical capital and natural capital in light of MSEs and their relationships. Last but not least, the results obtained from this study may serve as an input for policy making, evaluation and for developing strategies that address the issues of MSEs sector in community development.

### **1.6. Scope and delimitation of the study**

The study is surrounded to individuals operating MSEs activities or establishments in four Woreda found in Gulelle sub city. Moreover, due to limited human, financial and material capital, the study was restricted to a limited number of individual operators who are participating in the informal sector activities during the survey period.

## **1.7. Organization of the study**

The report of the research is organized in five chapters as major parts. Up until here the first chapter has introduced the research. The second chapter is concerned with review of relevant literature. The third chapter first describes the study area and methodology for conducting the research. The fourth chapter focuses on data presentation, major findings of the study and discussion; and then the fifth chapter draws conclusions, recommendations and implication to social work.

# Chapter Two

## 2. Review of the Related Literature

### 2.1. Definition of Community Development

Different authors have defined Community development with different words but with conversant and similar meanings at different time. Federation for Community Development Facilitation, as cited in (Dhamotharan, 2009) defined community development as the process of developing active and sustainable communities based on social justice and mutual respect. It is about shifting power structures to remove the barriers that prevent people from participating in the issues that affect their lives. For Checkoway (2011) community development can be defined as a process in which people join together to improve conditions and create change at the community level.

Bennetty in Paul 2007 claimed that community development is the deliberate attempt by community people to work together to guide the future of their communities, and the development of a corresponding set of techniques for assisting community people in such a process while Ravitz in the same book defined Community development as the active involvement of people at the level of the local community in resisting or supporting some cause or issues that interests them.

According to Phillips and Pittman, Community development is a planned effort to produce assets that increase the capacity of residents to improve their quality of life. These assets may include numerous forms of community capital: physical capital, human capital, financial and environmental capital.

Community development as a process can be defined as: developing and enhancing the ability to act collectively, and an outcome: taking collective action and the result of that action for improvement in a community in any or all territories: physical, environmental, cultural, social, political, economic, etc. In general term, community development refers to as social capital or social capacity, which describes the abilities of residents to organize and mobilize their resources for the accomplishment of consensual defined goals (Phillips & Pittman, 2009).

According to United Nation's definition, community development is a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest possible reliance on the community's initiative. Themes emphasized under this concept include democratic procedures, voluntary cooperation, self-help, development of indigenous leadership and education.

The community development viewpoint places the responsibility for the development of community on the people. Therefore, people working through their own organizations, have the vision, know-how, capabilities and experience to confront and solve the problems of underdevelopment. External support is needed only as a complement to their resources and efforts to fashion a society where they are the architects, implementers and beneficiaries of development.

A major contribution of community development was the recognition that a city or neighborhood is not just a collection of buildings but a community of people facing common problems with untapped capacities for self-improvement community development takes on the mantle of developing stronger communities of people and the social and psychological ties they share (Phillips & Pittman, 2009).

The purpose of community development is to produce assets that may be used to improve the community, and the purpose of economic development is to mobilize these assets to benefit the community (Phillips & Pittman, 2009).

## **2.2. Conceptual and Theoretical Synopsis**

The notion of community development is based on the five capitals that form the basis of what the poor possess.

### **1. Social capital**

According to Rakodi (2002), social capital is defined as the rules, norms, obligations, reciprocity and trust embedded in social relations, social structures, and society's institutional arrangements, which enable its members to achieve their individual and community objectives. Social interaction needs to be strengthened through persistent relations. Sa-Dhan (2003) and DFID (1999) define social capital as social resources (networks and connectedness, social claims, social relations, affiliations, associations) upon which people draw when pursuing different livelihood strategies requiring coordinated actions (Vermaak, 2009).

Rakodi (2002) notes that social capital may breakdown because of repeated shocks (such as drought) and economic crisis or physical insecurity (such as violence and crime). In Zimbabwe, the crisis period (2000 to 2009) made social capital to breakdown since there was political violence that destroyed the existing social fabric in the rural areas. However, in some areas there was an improvement in social capital due to the crisis as people were sharing foodstuffs for the survival of all the members of the community. A close link exists between the two capitals (social and political capital). The latter is based on the access to the political process in decision-making.

Political capital has an influence upon social capital and other household livelihood assets. When there is no economic crisis, the strength of the economy promotes the development of social capital. This means that access to microfinance is likely to cement social relations among community and household members.

MSEs Participants usually work in groups, hence increasing collaboration and teamwork as part of the group dynamics. The Grameen Bank's group lending methodology takes advantage of social capital that allows peer pressure execution among group members. Instead of physical collateral security, poor borrowers use social collateral to secure loans from the bank. Social capital is very important since it has a direct impact on other 'capitals'. DFID (1999) has clearly listed the advantages of social capital in the sustainable livelihoods framework as follows:

- “By improving the efficiency of economic relations, social capital can help increase people's incomes and rates of saving (financial capital) (isolated studies have shown that communities with 'higher levels' of social capital are wealthier-but questions remain about measuring social capital).
- Social capital can help to reduce the 'free rider' problems associated with public goods. This means that it can be effective in improving the management of common resources (natural capital) and maintenance of shared infrastructure (physical capital).
- Social networks facilitate innovation, the development of knowledge and sharing of that knowledge. There is therefore close relationship between social and human capital” (DFID,1999).

Strengthening of social capital in rural areas enables the creation of a social environment that is essential to people's well-being Smets (2006) and Vermaak (2009) put forward that social capital contributes towards national building by bridging cultural diversities. Social capital is also very important because the Grameen Bank of Bangladesh used it to replace physical collateral security on loans. Peer pressure among group members was being used to enforce repayments. The idea of microfinance in this regard is a strong linkage that should be developed between microfinance and social capital. Another important aspect is physical capital.

## **2. Human Capital**

This refers to labor resources that households have. It represents the skills, knowledge, ability to labor and good health (DFID, 1999), that enable people to achieve positive livelihood outcomes. These have both quantitative and qualitative dimensions (Rakodi, 2002). The quality of household labor is improved through education and skills development and also the health status of household members. Empirical results on the impact of MSE show that there is a positive relationship between MSE participation and school going by children. In Bangladesh for instance Pitt and Khandker (1998) found that the number of school going children increased with participation in MSE programs.

On the other hand, they discovered that the number of girls going to school increased when women participate in microfinance. Many people regard ill-health or lack of education as core dimensions of poverty and thus overcoming these conditions improves livelihood strategies (DFID, 1999). Empirical studies show that microfinance has achieved in the area of improving health and supporting education for children. For example in Zimbabwe a study by the Population Council (2002) demonstrated the claim.

The Interagency Coalition on AIDS and Development (ICAD) had also carried out a study in 2001 on HIV/AIDS and microfinance in Sub-Saharan Africa and concluded that microfinance has a role to play in the fight against HIV/AIDS. According to ICAD's report of 2001, microfinance contributes to strengthening households' safety nets. One of the areas in our study site had microfinance clients that were either affected or infected by the HIV/AIDS condition. However, the clients demonstrated success at a field day display of their acquired assets. In their case, microfinance helped the vulnerable group of the rural populace.

Human capital investment has long-term benefits and provides means for survival as children get employment and send remittances to their parents. Training that is provided to microfinance participants also make them to develop relevant knowledge and skills. A link also exists between human and social capital.

### **3. Physical capital**

Physical capital refers to productive and household assets that include tools, equipment, housing and other producer goods (DFID, 1999; Rakodi, 2002; Solebury, 2003; Moser and Dani, 2008). It also involves basic infrastructure such as transport, shelter, water, energy, communication, buildings, roads and dams (Rakodi, 2002). Access to physical capital has significant contribution toward community development. Rural micro-enterprises for instance need access to affordable transportation, secure shelter, adequate water supply and sanitation, affordable energy and communication (DFID, 1999).

There is an interaction among assets for community o. Infrastructural development is important for health, social interaction and contributes to human and social capital development. In Bangladesh for example, the Grameen Bank financed poor and illiterate

women in rural areas to start a telephone business. These women are popularly known as the ‘telephone ladies’. The “telephone ladies” were funded by the International Finance Corporation (IFC) through the Grameen Bank. Through the Grameen Telecom, the women operated cellular phones, charging villagers. Empirical studies (e.g. Narayan, 2002), indicate that 50% of the calls are made for economic and social reasons. According to Narayan, real savings were estimated between \$2.70 and \$10.00 made in place of travelling between villages and Dhaka. The project benefited both the villagers and local entrepreneurs.

As the microfinance expands, housing microfinance has emerged as a new concept in the field. Access to secure shelter and buildings is part of physical capital (DFID, 1999) that is a very important component of the livelihoods of the poor. This should be accompanied with adequate water supply and sanitation plus clean and affordable energy for sustainable livelihoods. According to DFID, a lack of housing and related facilities is considered to be a core dimension of poverty. A lack of access to decent shelter, clean water and energy lead to deterioration of human health. This will in turn affect people’s productive capacities. Finance is also an important component in the continuum.

#### **4. Financial Capital**

Finance or economic capital refers to financial resources that are available to people which provide them with different livelihood options. These include cash, credit/debt, savings, remittances, pensions and other economic assets (Rakodi eal., 2002; Sa-Dhan, 2003). It is the domain of microfinance. DFID(1999) argues that the definition is not economically robust because it incorporates flows as well as stocks. Financial resources are

crucial for the pursuit of unleashing local resources to bring about community development.

## **5. Natural capital**

This term is used to explain natural resource stocks, biodiversity and the environment. The components of natural capital include water, soil (land), air, and weather. Variations in the environment may pose challenges to the efforts of poor people to execute their coping strategies. DFID (1999) notes a very close relationship between the vulnerability context and natural capital. This is mainly because many shocks that destroy natural capital are processes of nature. The ability to accumulate or access finance capital helps to smoothen consumption and cushion the poor against shocks (Rakodi, 2002). MSEs then enable the poor to have access to financial resources hence contributes towards community development. According to Aheeyar (2006), microfinance was a handy intervention in the Tsunami-affected areas of Sri-Lanka. Microfinance enhanced the reactivation of livelihoods among the affected households and individuals in the affected areas. Beneficiaries of microfinance programs managed to accelerate the rebuilding process after the destruction. A study by HSRC, in 2002, shows that the cyclone Eline destroyed the livelihood base of poor people in the Chimanimani districts of Zimbabwe. Other areas like Masvingo province had isolated effects where livelihood strategies of the poor were disturbed. According to the HSRC study, the microfinance intervention was useful in restoring the capabilities of the poor people in the Chimanimani area. Masvingo province (where the study area is located) is a drought prone region that falls in a low rainfall natural zone. Low rainfall conditions subdue the agricultural activities in the area.

### **2.3. Micro and Small Enterprise**

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

However, coming up with a universally applicable definition of MSEs is found to be difficult (Storey: 1995 cited in Kayanula and Quartey: 2000). This is so because the criteria and ways of categorizing enterprises as small, micro and medium varies from country to country and from organization to organization. The absence of such uniform definition of MSEs has created a difficulty. In line with this, for instance, Tegegne and Meheret (2010) argued that the absence of a single or globally applicable definition has made the task of counting the number of MSEs and assessing their impact extremely difficult across countries, though the rationale for most governments to make such definition and categorization is mainly for functional and promotional purposes to achieve the desired levels of development of the sector, the High Level Commission on Legal Empowerment of the Poor argued.

After indicating that volume of capital, size of employment, market share, growth performance and annual and monthly turnover are some of the common criteria used widely, Tegegne and Meheret(2010),reported that, in addition to these criteria, enterprises

can be categorized on the basis of past growth performance as new-starts, no growth firms, small growth firms and graduates. The other categorization distinguishes enterprises as livelihood survival and growth oriented enterprise

In their extensive study carried out to assess the policy environment for promoting Micro and Small Enterprises in Ghana and Malawi, Kayanula and Quartey (2000) shown that in Malawi, the official definition of enterprise sizes is based on three criteria namely the level of capital investment, number of employees and turnover.

An enterprise is defined as small scale if it satisfies any two of the following three criteria, that is, it has a capital investment of USD 2,000– 55,000, employing 5 - 20 people and with a turnover of up to USD 110,000 (using 1992 official exchange rate).The same authors narrated that some of the key characteristics of small enterprises are mobilizing funds which otherwise would have been idle; being a seed-bed for indigenous entrepreneurship; their labor intensiveness; employing more labor per unit of capital than large enterprises; promoting indigenous technological know-how; using mainly local resources, thus have less foreign exchange requirements; catering for the needs of the poor and; adapting easily to customer requirements (flexible specialization).

On the other hand, the above- stated research indicated that SMEs in Ghana and Malawi can be broadly categorized into urban and rural enterprises, where the former can be further divided into `organized` and `unorganized` enterprises. The organized ones tend to have paid employees with a registered office whereas the unorganized category is mainly made up of artisans who work in open spaces, temporary wooden structures, or at home and employ little or in some cases no salaried workers. They rely mostly on

family members or apprentices. Rural enterprises are largely made up of family groups, individual artisans, women engaged in food production from local crops.

In Kenya, by referring the 1999 MSE National Baseline Survey, Ronge et al (2002) defined MSEs as those non-primary enterprises (excluding agricultural production, animal husbandry, fishing, hunting, gathering and forestry), whether in the formal or informal sector which employ 1-50 people. More specifically, according to them, micro-enterprises are those that employ 10 or fewer workers and small-scale enterprises are those that employ 11-50 workers. The same study argued that the above definitions are based on one of the three criteria mainly used in literature to define MSEs-number of employees. The second criterion relies solely on the degree of legal formality and is mainly used to distinguish between the formal and informal sectors.

According to this criterion, MSEs are those enterprises that are not registered and do not comply with the legal obligations concerning safety, taxes and labor laws. The last criterion defines MSEs by their limited amounts of capital and skills per worker. The above-indicated writers emphasized highlighted that the degree of informality and size of employment have perhaps been the two most readily accepted criteria on which classification of MSEs is based; and lastly they claimed that the term MSE incorporates firms in both the formal and informal sectors.

In the case of Ethiopia, there is lack of uniform definition at the national level to have a common understanding of the MSE sector. While the definition by Ministry of Trade and Industry (MTI) uses capital investment, the Central Statistical Agency (CSA) uses employment and favors capital intensive technologies as a yardstick.

The definition used by MTI, which uses capital investment as a yardstick, has been developed for formulating micro and small enterprise development strategy in 1997.

According to the MTI, Micro enterprises are those businesses enterprises, in the formal and informal sector, with a paid up capital not exceeding Birr 20,000 and excluding high tech consultancy firms and other high tech establishments. Small enterprises are those business enterprises with a paid up capital of above Birr 20,000 and not exceeding Birr 500,000 and excluding high tech consultancy firms and other high tech establishments. On the other hand, CSA categorizes enterprises into different scales of operation on the size of employment and the nature of equipment.

To CSA, establishments employing less than ten persons and using motor operated equipment are considered as small scale manufacturing enterprises. Enterprises in the micro enterprise category are subdivided into informal sector operations and cottage industries: Cottage and handicraft industries are those establishments performing their activities by hand and using non-power driven machines whereas the informal sector is defined as household type establishments or activities, which are non-registered companies and cooperatives operating with less than 10 persons. All enterprises employing ten or more workers are grossly considered as medium and large enterprises (CSA: 1999b and 2000 cited in Tegegne and Meheret: 2010; MTI : 1997).

In Ethiopia, country wide used definition of MSEs is based on level of paid-up capital/fixed asset, size of employment, using high tech establishment and consultancy services. This categorization is important for functional and promotional purposes to achieve the desired levels of development. In the case of Ethiopia, there is lack of

uniform definition at the national level to have a common understanding of the MSE sector.

However, two mostly used definitions of MSEs are the definition by Ministry of trade and industry (MoTI) on the basic criteria of capital investment and on the other hand by central statistical authority (CSA) that uses employment and favors capital intensive technologies as a yardstick.

CSA also categorized MSEs in to different scales of operation depending on the above mentioned yardsticks. According to CSA, a micro enterprise is one with fewer than 10 workers; those with 10-50 workers constitute small enterprises while medium and large scale enterprises are those with more than 50 employees. (Association Ethiopian Micro Finance Institution, 2009).

Currently, the revised MSEs strategy that divided MSEs in terms of product and service defined in the following ways.

- Micro Enterprises are those enterprises having 5 workers including family members and its total asset not exceeding Birr 100,000 for manufacturing enterprises and Birr 50,000 for service providing enterprises.
- Small enterprises are those enterprises having 6-30 workers and its total capital not exceeding Birr 1.5 million for manufacturing enterprise and Birr 500,000 for service providing enterprises.

#### **2.4. Socio-economic Importance of MSEs**

MSEs have a number of socio-economic importance for both developed world in developing countries. The MSE sector has also been instrumental in bringing about

economic transition by providing goods and services, that are of adequate quality and are reasonably priced, to a large number of people particularly in rural areas, and by effectively using the skills and talents of a large number of people without requiring high-level training, large sums of capital or sophisticated technology (Workeneh, 2007).

### **2.1.1. Employment Creation**

The major problems that the current world faces are unemployment, inequality, and poverty. Developing countries in general and African countries in particular have been experiencing high unemployment rate paralleled by increasing urban poverty. To reduce employment micro and small enterprises make undoubtedly a huge contribution, especially in the developing world. Most studies conclude that small enterprises are more labor intensive than larger ones, and some even finds that the smaller firms also produce more output (or value added) per unit of capital and thus generate more output as well as employment for a given investment than do larger firms (Haggblade and et al 1990).

When we look at the share of employment in MSEs and large industries for lower and higher income countries, 62%, and 38% of employment opportunity in lower income countries created small scale and large scale enterprise respectively . However, the share of employment in MSEs in higher income countries is still considerable and it accounts for 41% of the total employment and the rest Workneh (2007).

### **2.1.2. Poverty Reduction**

The broad definition of poverty includes the lack of access to basic health care, clean water, sanitation, and education. In other words, the poor are by definition underserved. In many developing countries, governments are unable to provide adequately basic services.

In this point poverty reduction can be correlated with job creation. Here poverty refers to the poverty of the MSE operators themselves. Most operators are very poor, and are found at the floor of the economic status. The chance to operate their own business at a very low startup capital, and expand from that point will help them support themselves and their family. This intern will operate to a reduced nationwide poverty (Benyam Aragaw, 2008).

The ILO Director-General's report to the 2003 International Labor Conference called Working out of Poverty outlined eight ILO activities that contribute to poverty reduction with regard to MSEs. These are vocational training, entrepreneurship development, and microfinance, cooperatives, reducing discrimination, working to end child labor, ensuring income, and basic social security, and work safety.

The Director General's report focused considerable attention on small enterprise development. The report noted that poor people need to be entrepreneurial to raise the income needed to survive.

# Chapter Three

## 3. Research Methodology

The previous literature review gave an insight into the topic under study by presenting what had been established by several scholars in regard to micro-credit and community development. It was established that in Addis Ababa and Gullele Sub-city specifically and Ethiopia general, there was no specific literature on the role of MSE in community development and this research would provide one of the references that would be available to guide other scholars and researchers.

The methods were employed in order to get representative data that could be applied to the communities of Gullele Sub-city, which was the focus of the study. The study was aimed at establishing the relationship between MSE and community development. The research process that was used is presented in this chapter. It explains the methods used to collect data; how respondents were selected and how findings were arrived at. In addition a discussion of how the data was processed and analyzed is presented. Lastly it is also explained why a particular research methodology was used. The research process enabled the researcher to establish important issues and conclusions about the role played by MSE in community development in Addis Ababa Gullele Sub-city.

### 3.1 Description of the Study Area and research Methodology

#### 3.1.1 Description of the Study Area

### 3.1.1.1 Physical Description

Gullele Sub-city is one of among the ten sub city in Addis Ababa with population size of 267,381 (CSA, 2007). The sub city is located in the Northern edge of Addis Ababa and topographically highland in nature. The sub city is fenced by Kolfe Keraniyo sub city in the west, Yeka sub city in the East, Arada and Addis Ketema Sub city in the south and Oromia regional state in the North.

### 3.1.1.2 Demographics Description

According to population census conducted on 2007, out of 2,738,248 total population of Addis Ababa, nearly 10% of the population is dwelled in Gullele Sub-city. Moreover, the Sub-city enclaves 10 Woredas out of the 99 Woredas totally in Addis. The population of the Woredas within the Sub-city is depicted as follows:-

**Table 3.1: Population of Gullele Sub-city by Woreda (2014)**

<b>Sub city</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Woreda 1	29,169	14,014	15,155
Woreda 2	20,918	10,350	10,568
Woreda 3	28,110	13,239	14,871
Woreda 4	13,263	6,105	7,158
Woreda 5	24,484	12,200	12,248
Woreda 6	26,098	14,115	11,983
Woreda 7	37,012	17,553	19,459
Woreda 8	31,933	14,865	17,068
Woreda 9	32,693	15,476	17,217
Woreda 10	23,701	11,322	12,379
<b>Total</b>	<b>267,381</b>	<b>129,239</b>	<b>138,142</b>

Source:CSA.Census(2007)

### **3.1.3 Economic and Social Settings of Gullele Sub-city**

Despite the fact that Gullele Sub-city is endowed with mountains, trees and forests reserved as part of the green areas in the city for have economic and environmental benefits, unemployment, housing problem, poor quality of education, health problems inadequate market infrastructure, problem of waste disposal and shortage of recreational center for the youth are the prevailing existing problems. Migration is also the other problems seen in the sub city. According to the data from the sub city trade and industry bureau, Kebele textile and garment sub sector, mainly weaving is highly concentrated in the sub city. Shiromeda, Kechene and Addisu Gebiya weavers are the common example found in the sub city. Most of the populations of the sub city fall in medium and lower living standards, who actually are mainly imaged in low standard informal activities (Gullele sub city strategic plan, 2008).

### **3.2.1 Study design**

The researcher used quantitative methods of data collection and analysis so as to capture the details and adequate information. The researcher employed qualitative mainly because it appeared to interact with the MSE beneficiaries as well as to ensure that specific information was obtained from particular respondents. The use of interviews was relied on to collect the qualitative data. The interviews were used to collect data from the key informants in the study. This approach is supported by Weinriech (2006), who points out that those qualitative research methodologies are designed to provide the researcher

with the perspective of target audience members through immersion in a culture or situation and direct interaction with the people under study.

Qualitative methods used include observations, in-depth interviews and questionnaire and these methods are designed to help researchers understand the meanings people assign to social phenomena and to elucidate the mental processes underlying behaviors (ibid). Further support for the qualitative method is from Straus & Corbin (1998), who explain that qualitative research represents a kind of investigation whose findings are arrived at without statistical procedures or other means of quantification. According to Casebeer and Verhoef (1997), qualitative research is the non-numerical examination and interpretation of observations, for the purpose of discovering underlying meanings and patterns of relationships. Meanwhile other researchers like Smith (2008), mention that qualitative methods include the researcher's experience through techniques such as focus groups, case studies, interviews and personal observation. As the researcher used interviews as the qualitative tool to explore the themes and apply the knowledge and beliefs of the people about the role MSE plays in community development.

In this research, the researcher used interviews as the qualitative tool to explore the topic as well as utilize the knowledge and beliefs of the people about the role MSE plays community development. This is emphasized by Britten, Jones, Murphy and Stacy (1995:p, 104-112), who point out that qualitative research is good for a previously unexplored topic or one which is poorly understood. Qualitative methods help to find out what the issues are and the nature of the subject. In using this research method, the researcher was able to identify the attitude of the beneficiaries on the microfinance institutions. This is also supported by Maso (1998), who explains that this method of

research, contributes to generation and development of themes and it can also enable the investigation of beliefs and attitudes on topics.

### **3.6 Sampling techniques**

#### **3.6.1 Sampling Frame**

To select a sample for the study, sampling frame is required for selection of different sampling units. Since one of the characteristics of MSEs Sectors are having registration and the exact number of operators is somehow known. The researcher follows systematic sampling method and purposive sampling technique for primary data collection. The researcher employed systematic sampling from construction, textile, food and beverage and woodworks sectors. These sectors were selected with the consultation of the Woreda officials and data obtained from the organizational profile of different enterprises operating in the sub city. The Woreda officials told the researcher and the researcher analyzed from the data that these sectors have ample experience on micro and small enterprise activities and majority dwellers are engaged in these sub-sectors. The list of Woredas with the corresponding number of enterprises and the list of individuals working in the selected Woredas was the sampling frame. Initially four Woredas were purposely selected from the sub city considering number of enterprises, the number of individuals who are engaged in MSEs in the selected Woreda and Woredas which are not adjacent in their location to get necessary information from different corner of the sub city.

Therefore, four Woredas selected namely Woreda 02, Woreda 03, Woreda 05 and Woreda 07.

### 3.6.2 Sample size

The study population was composed of MSEs operators working in construction, Textile, Food and beverage and wood and metal works operating in the sub city. Probability sampling technique of systematic sampling method was applied for selection of operators for data gathering through questionnaire. The total number of the respondent for questionnaire selected in the following ways:

**Table 3.2: Number of sample population**

Woreda	Population	Sample population	Sample population of the field			
			Construction	Textile	Food and	Woodworks
02	216	40	11	15	10	4
03	158	36	7	12	10	7
05	238	39	14	6	6	13
07	392	54	18	7	15	14
Total	1,004	169	50	40	41	38

The total population for the sample size was determined with consideration of representativeness. In consideration of representativeness at first, the sample size was determined using the formula according to Glenn (1992).

### 3.7 Data collection

#### 3.7.1 Primary Data collection techniques

##### 3.7.1.1 Questionnaire

The study employed quantitative methods as an important means of generating the required primary information from the field. The quantitative method

was functional through administrating a household based survey using a standardized questionnaire. In order to collect the necessary information (responses), both closed and open ended questions was developed and incorporated in the questionnaire. The questionnaire was designed and has been disseminated to respondents.

#### **3.7.1.2 In-depth interview**

An in-depth interview was held among purposively selected members of the MSE sector and government officials from different offices and authorities to identify their views, characteristics and determine the contribution of MSEs for community development. Furthermore, during the interview session, an interview checklist was set forth to track and channel the interviews to the point of discussion.

#### **3.7.1.4 Observation**

The other data collection method that was considered during the study was field observation. It was used because the researcher can get the chance to see the problem in reality. Hence, observation was under taken while respondents were doing their activities.

#### **3.7.2 Secondary Data Collection Techniques**

Because the type of data required for the study is both primary and secondary in its nature, a growing body of literature, such as journal articles, working papers and other relevant works on the stipulated research problem was consulted primarily via internet sources. It is worth noting however that CSA data such as, year 2009

employment and unemployment survey and 2006 labor market survey and also the micro and small enterprise development strategy and other related written reports have been used vehemently throughout the course of analysis and interpretation of the study.

### **3.7.3 Method of Data Analysis**

The data analysis was undertaken right after the data collection from the field. A tabulation plan was developed during the course of the study so as to enable the researcher to investigate the role of MSEs in community development and speed up the process of analysis. In the study, simple statistical frequencies were employed to analyze the data that has been collected from questionnaire and interviews.

### **3.8 Ethical considerations**

The researcher considered the research values of voluntary participation, anonymity and protection of respondents from any possible harm that could arise from participating in the study. Thus the researcher; introduced the purpose of the study as a fulfilment of a Masters' Study program and not for any other hidden agenda by the researcher and requested the respondents to participate in the study on a voluntary basis and refusal or abstaining from participating was permitted. The researcher also assured the respondents of confidentiality of the information given and protection from any possible harm that could arise from the study since the findings would be used for the intended purposes only. The respondents were to be provided with feed- back about the findings of the study.

# CHAPTER FOUR

## 4. Data Analysis and Discussion

The following section of this chapter presents the result and discusses on findings of the performance and role of MSEs in community development.

### 4.1. Demographic characteristics of the respondents and overview of MSEs in the study area

Demographically, MSEs Operators can be characterized by Sex, age, marital status, education and family size.

#### 4.1.2. Gender

Table 4.1 Sex of the respondents

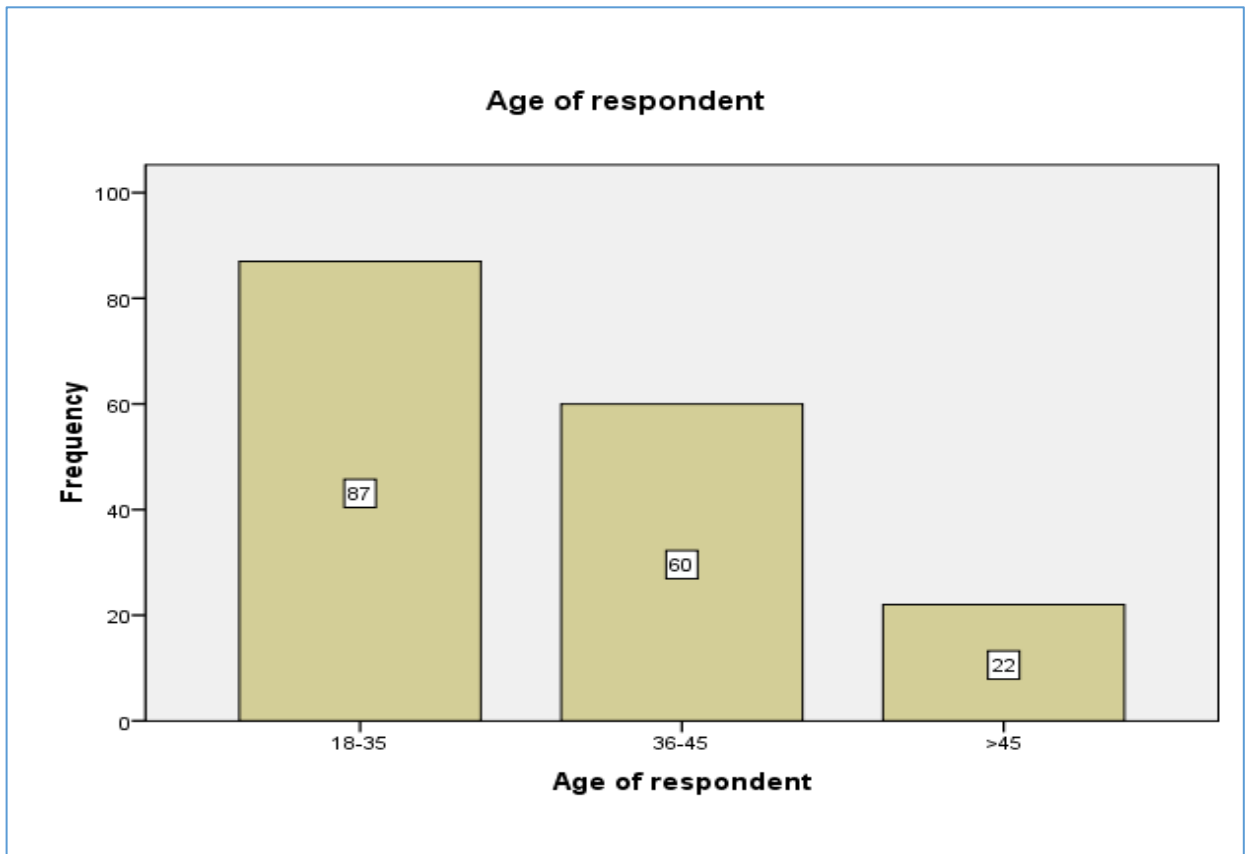
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	106	62.7	62.7	62.7
Female	63	37.3	37.3	100.0
Total	169	100.0	100.0	

The survey result concerning sex of the MSE operators of Gullele Sub-city revealed that 62.7% are male while the share of women constitutes only 37.3%. Apparently, there is gender gap resulted due to the predominant types of activities/business categories (such as construction, woodwork, metalwork) that are substantially operated by men and due to cultural constraints women have less

involvement in such sectors. The research conducted in the Sub-city by Munira (2012) revealed the same result.

#### 4.1.3 Age of respondents

Figure 4.1



Source: Field survey (2014)

The survey revealed that ages of 51% of the MSE operators falls between 18-35 years old which indicates that in the study are MSEs are dominated by productive age group operators and followed by 36% of MSE operators with age group of 36-45. This could be attributed to the fact that this age group has several responsibilities to undertake especially paying school fees and feeding the family and the rest 13% above

age of 45. Thus, the MSEs operators are comprised of different age groups individuals working together for common goal.

#### 4.1.4 Marital Status

**Table 4.2**

**Marital Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Divorced	16	9.5	9.5	9.5
	Single	67	39.6	39.6	49.1
	Widowed	10	5.9	5.9	55.0
	Married	76	45.0	45.0	100.0
	Total	169	100.0	100.0	

The survey result indicates that 45% of the MSE operators are married and followed by 39% single, 9.5% divorced and 6% widowed. The dominance of married people suggests that married people are pressured than unmarried people to earn money for consumption for the very fact that the increases in the size of families and extended families as the result of marriage.

#### 4.1.5. Sources of Income before MSE business

**Table 4.3**

**Do you have sources of Income before MSE business**

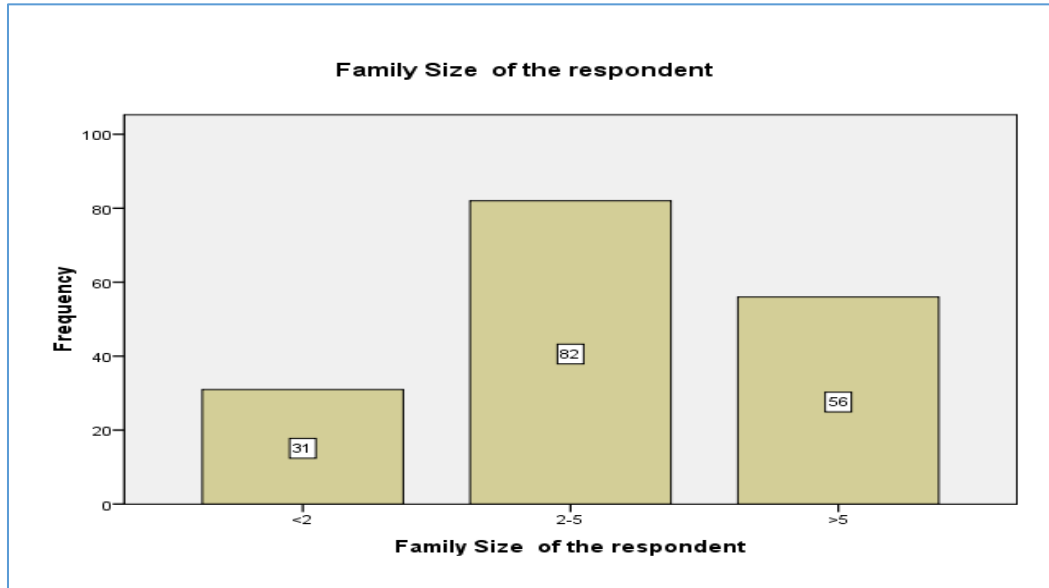
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Yes	79	46.7	46.7	46.7
	No	90	53.3	53.3	100.0
	Total	169	100.0	100.0	

In the inquire made to explore whether respondents have income source before their MSE business or not, the majority (53.3%) responded that they had no income sources before, while the rest 46.7% claimed that they had sources of income before MSE. Although it is argued by A Morduc (1998), Copestake et al. (2001), and Dugger (2004) that MSEs programs benefit the moderately poor more than the very poor or destitute, and thus impact can vary by income group (better off benefit more from MSE) the survey result indicate that MSEs benefits more people who do not have sources of income previously. Apart from this, one of my key informant from MSE office explained that the process of selecting the beneficiaries/operators is through committee community representative. The community representatives identify people who do not have income sources or very low income sources and aware that they can form a group and can get access to loan.

#### **4.1.6 Family size of respondents**

**Figure 4.2**



**Source:-Field Survey (2014)**

The survey result revealed that 48.5% of the MSE operators have a family size of 2-5, while 33% of the respondent claimed that their family size is greater than 5 and the remaining 18.5% of the respondents' family size is less than 2. The number of family size featured as a contributory factor to the need and utilization of the income from the MSE business. This is because the bigger the family, the greater the demands for the basic necessities of life like food, clothing, shelter and education. It is usually when there is more demand than the supply of these services that the household head, searches for alternatives to enable him to provide for the family.

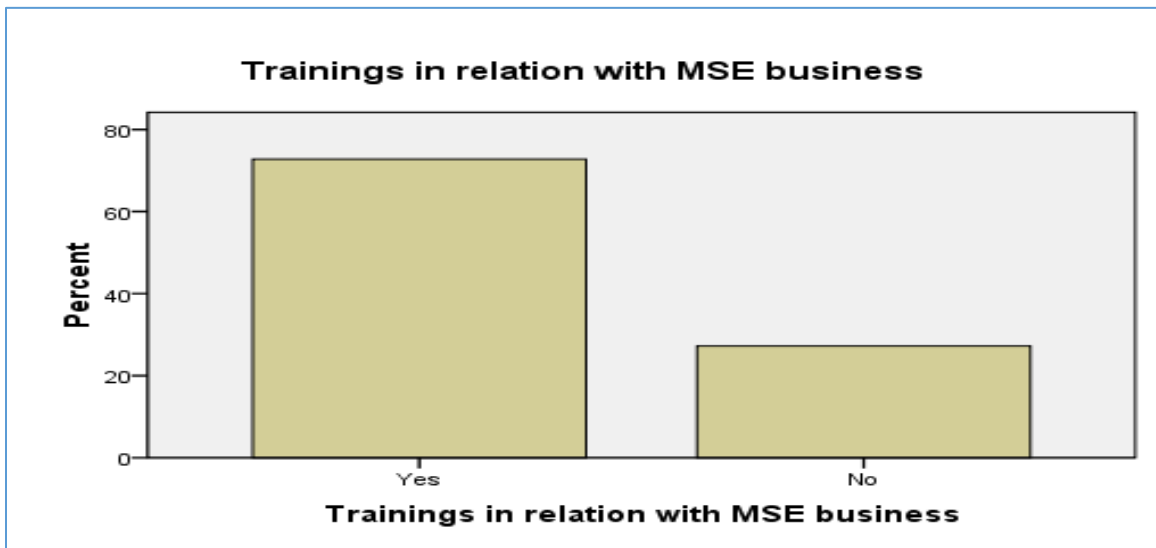
The fact the MSEs are able to support such family size directly and indirectly is a remarkable achievement in the sub- city. From family integrity points of view, the result shows that MSE have a great role to play in Addis Ababa in general and Gullele sub-city in particular.

## 4.2 Human Capital

Human capital is one of those community capitals that plays important role in community development. According to Scoones (1998, p 8), the foremost asset owned by the poor is their own labor that is available to them in the form of skills, knowledge or education, good health, ability to labor and physical capability important for their success. Ellis (2000: p,33) argued that human capital is made effective by investment in education and training, and labor as an asset is made effective by being free from illness or debilitating health problems.

### 4.2.1 Trainings in relation with MSE business

Chart 4.1



Source:- field survey (2014)

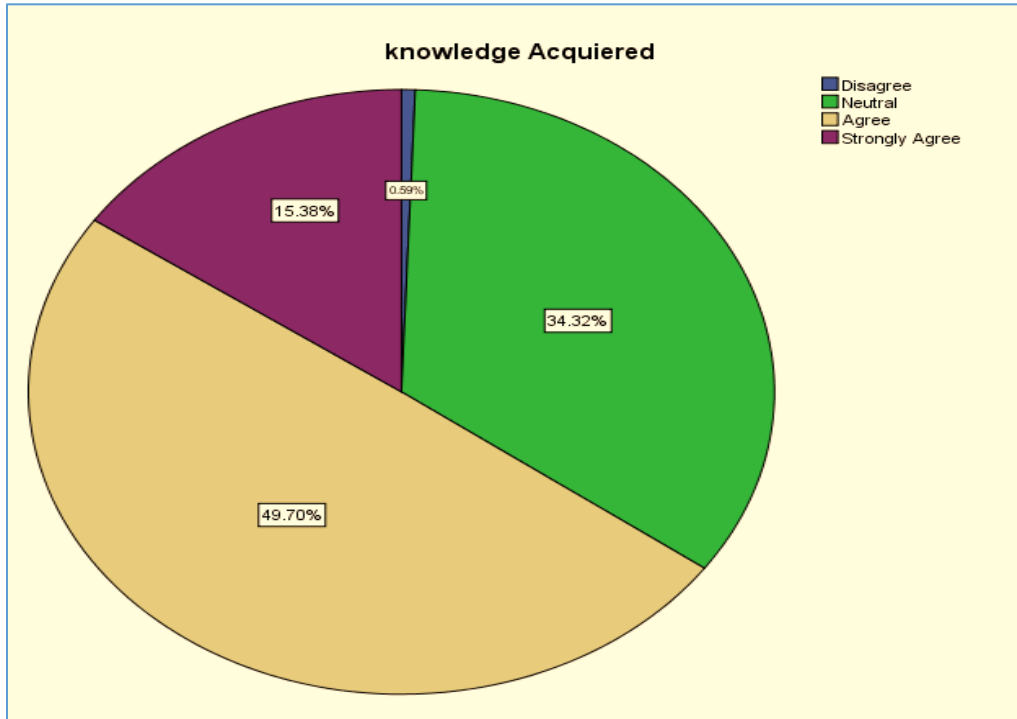
In the inquiry made to identify whether MSE operators have taken trainings in relation to their business management, considerable number of respondents claimed that they have taken trainings organized by MSE officials, while the rest responded that they did not yet get any training. One of the fundamental reasons that these respondents (the 27%) did not take the training is that, because they joined MSE lately to replace those

dropouts. Training and educations play important role in enhancing human capital by improving the quality of labor. Ellis (2000: p,33) argued that human capital is made real by investment in education and training, and labor as an asset is made operative by being free from illness or debilitating health problems . One the Key informant from Woreda 03 MSE coordination office added that;-

*Basically, training is the pass way to the loan and business premises for those who made group. Initially, we make an awareness creation at each “Ketenas” of woredas and “Menders” of each Ketena that the MSE office has organized training and is inviting interested individuals who do not have income sources (poor) and who want to improve their income to form groups and come to MSE office and register. After the registration is made, they directly go to the organized trainings based on their interest of business, then they are given certificate and referred to licensing office and then to AdCSI for loan. The training is crucial in that it gives them direction and working framework. Meanwhile the MSE office made the working premises available for them. Thus, because we work in such fashion, we provided them trainings as first and fundamental steps. The only situation in which the MSE office would not provide trainings is that when individuals join existing enterprises to replace dropouts. In such cases, the MSE advices the enterprise/association members to provide them on job trainings and inductions as this does not give economic meaning for the MSE office.[MSE office employee]*

### 4.2.3 Knowledge Acquired from the Trainings

Chart 4.2



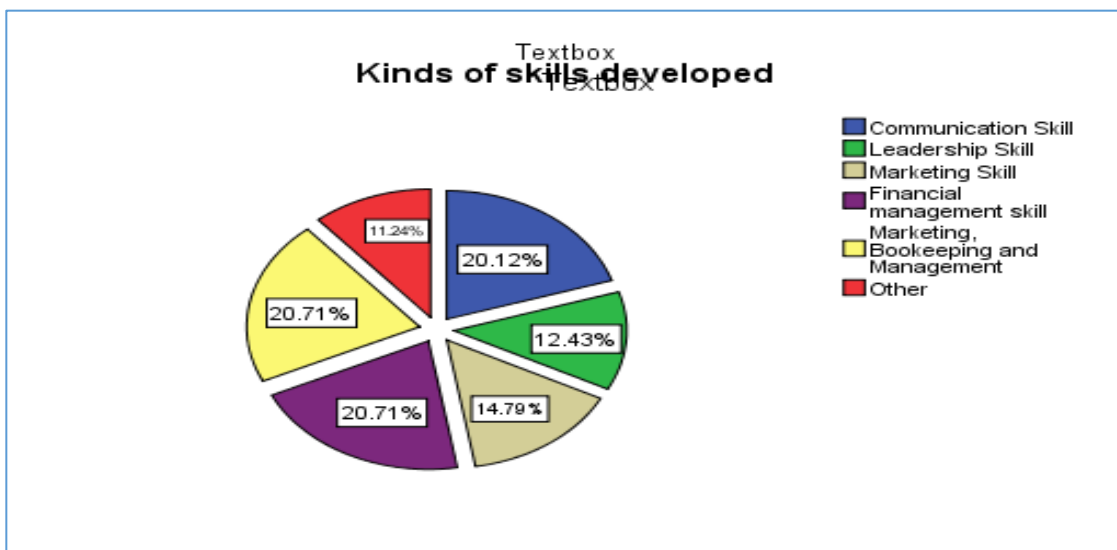
Source:- Field survey (2014)

In the inquiry made to explore whether the MSE operators have gained knowledge from the trainings or not, 49.7% (the lion share) of the respondent agreed that they have got knowledge from the trainings they received in relation with their MSE business, while 34% of the respondent are indifferent about the knowledge in relation to the trainings and the rest 15% strongly disagree that they have gain knowledge from the trainings. As the sizeable number of the MSE operators agree that they have got knowledge from the trainings, this can lead us to the conclusion that MSE operators in the study area have acquired knowledge from the trainings they received. As knowledge is one of the crucial attributes that boosts human capital, MSEs are playing pivotal role towards human

capital improvement. According to Mullat and Wolday (1997), training comprises various aspects: formal, technical, and vocational training for various individuals who left school. Therefore, training or education is expected to improve the capacity of individuals so as to respond to better incentives and use the market effectively. Ryan (2005), connected individual's duration, education and trainings with human capital that will lead to greater productive capacity.

#### 4.2.4 Skills Developed

Table 4.4



#### Source Field Survey (2014)

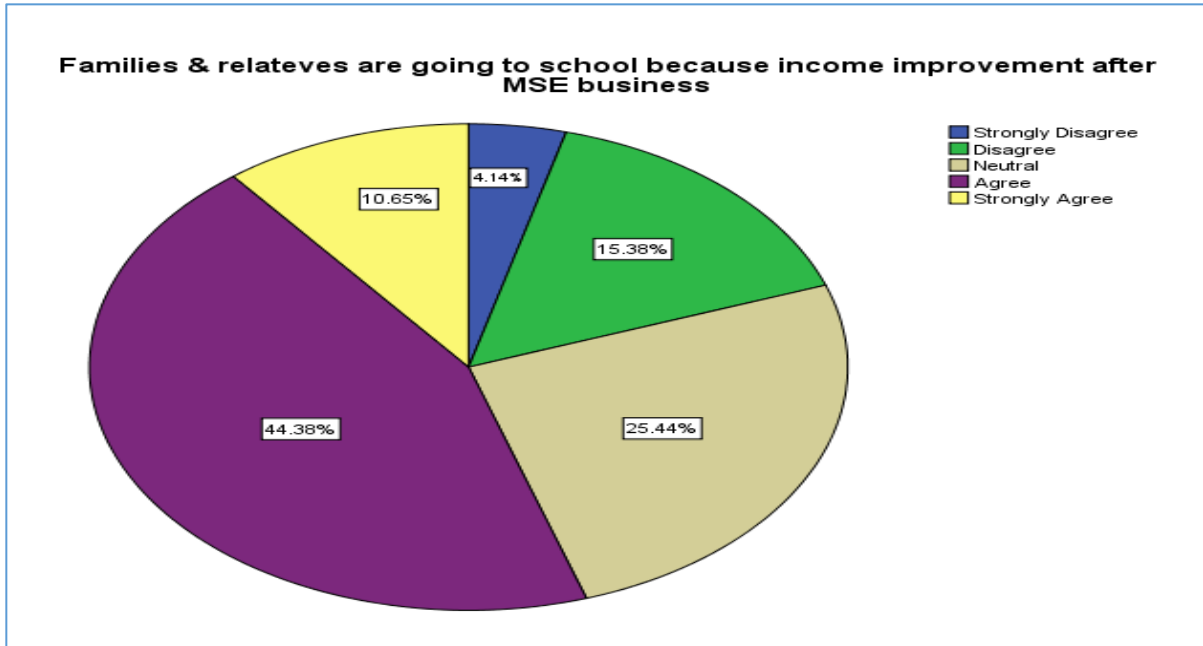
In the inquiry made discover if there is skill development in connection with training provided and knowledge acquired, very significant amount of the respondents responded that the trainings have enabled them to earn different skills. 20.7% of the respondent extended their marketing, bookkeeping and management skill, while another 20.7% of the MSE operators have developed their financial management skill in relation to

their business and equally important, 20% of the respondent claimed that their communication skill developed, while 12.4% and 14.8% of the respondents ascertained their leadership and marketing skill. Apparently, it is observed that MSEs are contributing in developing community's skill in the study area. Human capital investment has long-term benefits and provides means for as it creates job opportunities and improves productivity. Training that is provided to MSE operators also make them to develop relevant knowledge and skills. This is substantiated by one of key informant from W 02:-

*It is has been three years since I am engaged in food processing business with my group members. Immediately after we formed group and registered to the MSE office in our woreda 05, we took training on how we register our income and expenditure, sale our products, negotiate with customers during buying and selling and increase our profit. I had no knowledge how to do business before as I was only housewife and I have no experience of dealing with people in business. After I joined MSE business, thanks to God, I learnt a lot. I can identify income and expenses and calculate profit, I can negotiate with customer and I am also managing our business. So, this is good opportunity for me and other people who are engaged in such business. [47, Female, Married]*

#### **4.2.5 Families and/or children of MSE operators school going**

##### **Chart 4.3**



**Source: Field survey**

In the inquiry made to explore whether families and/or children of MSE operators are going to school as the result of income improvement appeared from MSE business or not, 44% (the majority) of respondent agree that the income improvement enabled them to send their children and dependent family members to school. This is has a positive relation with income, that is the increase income enabled the MSE operator to send their family members to school. Moreover, this has a positive contribution towards quality of the households. According to Mago (2013) Empirical results on the impact of microfinance show that there is a positive relationship between microfinance participation and school going by children. Pitt and Khandker (1998) in Mago (2013) found that, in in Bangladesh, the number of school going children increased with participation in microfinance programs. On the other hand, they discovered that the number of girls going to school increased when women participate in MSE.

Apart from training provision for MSE operators directly, it is contributing for families of operator indirectly to attend their education; this in turn reinforces human capital improvement. Thus, MSEs are playing positive roles in enhancing human capital in Addis Ababa Gullele sub city. Moreover, the change in the pattern of income before joining MSE business and after is also a promising factor to motivate MSE operators to send their families and children and families.

*I started preparing fast food and selling with my neighborhoods friends after we formed group, registered, trained and got license and loan. I stopped my education at grade 10, for the reason that my result did not allow me to join preparatory. Even if, I wanted to join vocational and technical school to learn hotel management & tourism which would help me to generate income to support my family especially my two brothers schooling, I couldn't afford it as I had no money to pay. After I joined this association, my income status improved and now I am happy that I brothers will not drop their education. I am paying for their school fee, buying them uniform, exercise books and the like. They are continuing their education and they are happy. Had I had not joined started my business through MSE perhaps, my brothers would have been dropped out their school.[24, Female, single]*

#### **Figure 4.3 Average Monthly Income**

**( 4.3 A )Before MSE Business**

**(4.3 B) After MSE Business**



**Source:- Field Survey (2014)**

In the inquiry made to discover the income status of the MSE operators before and after joining MSE business, the results of the survey are presented as follows:-

**Before Joining MSE**

Considerable number (48%) of the operators responded that their average monthly income was less than 500, while 33% of the respondents' average monthly income was ranged between 500 to 1000 and the rest 20% of respondents' average monthly income ranged between 1000-2000.

**After Joining MSE**

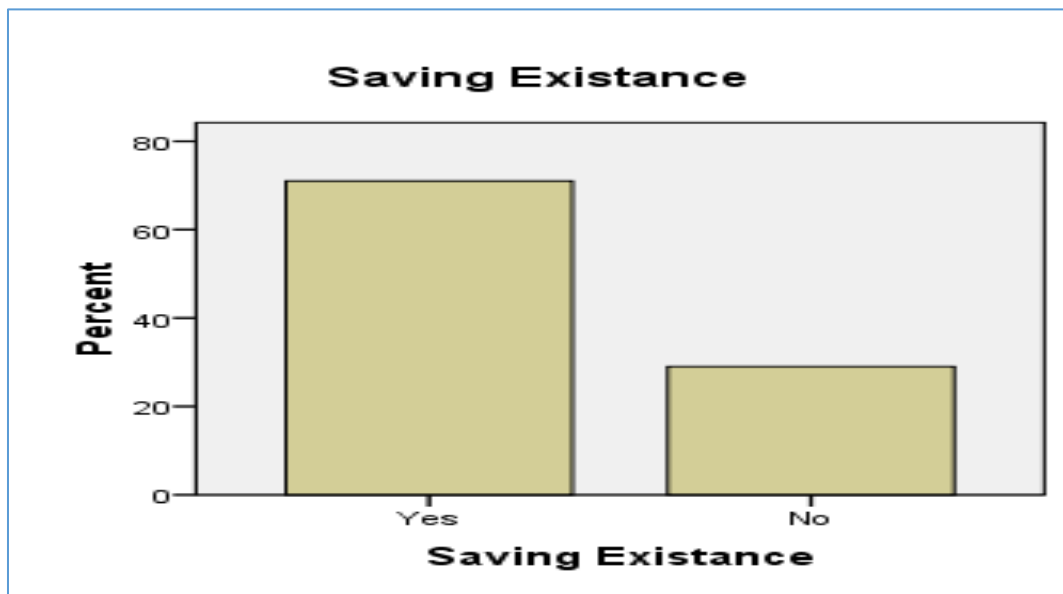
As it is clearly shown in Figure 4.3 B, 41% of respondents' average monthly income falls between 2000 to 3000, while 33% of the respondents average monthly income is greater than 3000 and 23% of respondents average monthly income falls between 1000-2000 and the rest 3% of the respondents average monthly income is between 500-1000 after joining MSE. The data clearly shows that MSEs have improved income of the operators, which reinforces an improvement in consumption and saving of the operators. Moreover, an increase in monthly income of the MSE operators is also mean that the business is profitable. One of the key informants from MSE office of W 03 reflected that:-

*An improvement in income of MSE operators is an evitable so long as our close monitoring and supervision is there. We are conducting regular monitoring and spot checks to ensure that every group members are working. Beside that we are also supporting them by creating market linkage to help them to boost their production and sells which in turn realizes profit. Apart from this, as the working are (shade) is prepared by MSE office and kebeles and provided them with a very minimal rental fee, their business is profitable. Had they rented the business areas /shade with market fair price, you can imagine the expensiveness of the rental fee which would have been negatively reflected to their income and profit. Thus, even for them, working in a shade with very minimal rental cost can alone make them profitable. The other thing that indicates improvement in their income is that, most of them have paid their loan and even grown to higher stage of the sector.*

### 4.3 Financial Capital

Finance or economic capital refers to financial resources that are available to people which provide them with different livelihood options. These include cash, credit/debt, savings, remittances, pensions and other economic assets (Rakodi et al., 2002; Sa-Dhan, 2003). It is the domain of microfinance.

**Figure 4.4**



**Source:- Field survey (2014)**

In the inquiry made to discover whether MSE operators have saving or not, 75% of the respondent responded that they have saving, while the remaining 25% admitted that they do not have saving. The increase or decrease in the level of income may have an implication on the life standard of the individuals. An increase in income, for instance, can pave the opportunity to open business, employment, entrepreneurship, access to health services, education, and house ownership. The existence of saving can be an indicator for

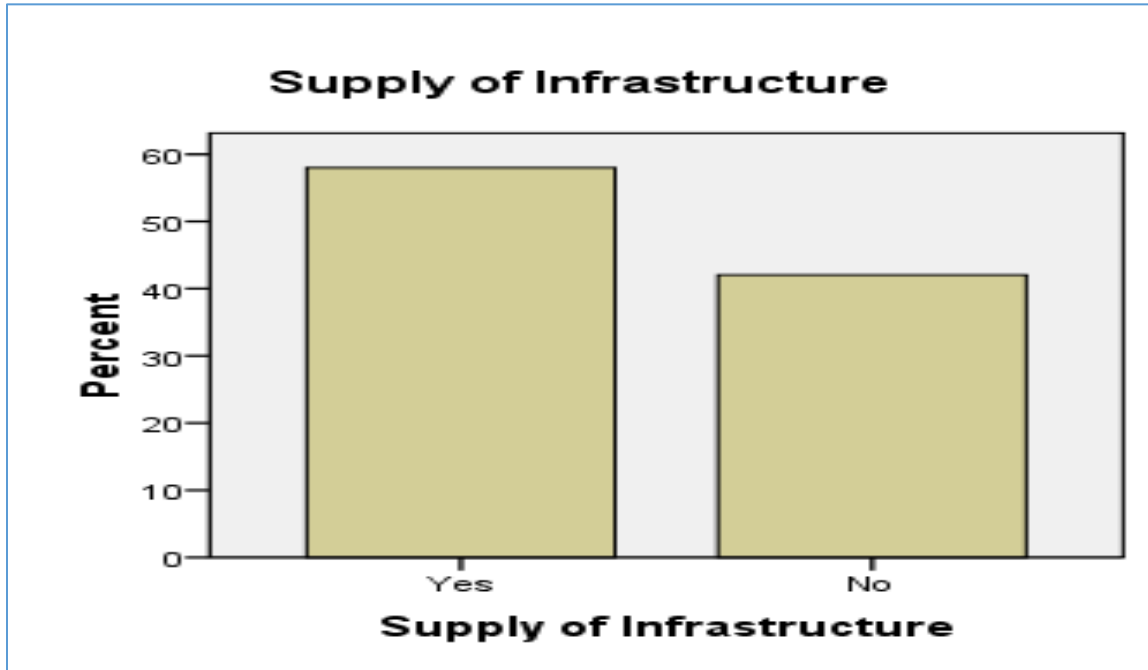
increase in income. As previously it is observed that there is an increase in income of MSE operator, an analysis in saving also exhibited that majority of the MSE operators have saving. Thus, an increase in saving, income and credit attributes towards an improvement in financial capital. Thus, as saving culture of the MSE operators improved, of course as the result of an improvement in income, the survey result of this study can conclude that MSE is playing important role in improving financial capital which in turn contributes towards community development. Green and Haines (2007) in Phillips & Pittman (2009) claimed that communities are unable to put underused resources to work without sources of financing for home ownership, business start-up and expansion. Thus an improvement in income (cash, credit, remittance) and saving plays vital role in strengthening financial capital of a given community. Thus, MSEs indeed playing appreciable role in strengthening financial capital of the community in Addis Ababa, particularly in the study area.

On top of all, saving plays important role for the MSE operators to overcome shocks and vulnerabilities. This can be substantiated by Rakodi (2002) he concluded that the ability to accumulate or access finance capital helps to smoothen consumption and cushion the poor against shocks (Rakodi, 2002).

#### **4.4 Physical Capital**

According to Farrington et al (2002), Physical Capital includes assets such as housing, tools and equipment that people own, rent or use and public infrastructure that they have access to it.

#### **Figure 4.5**



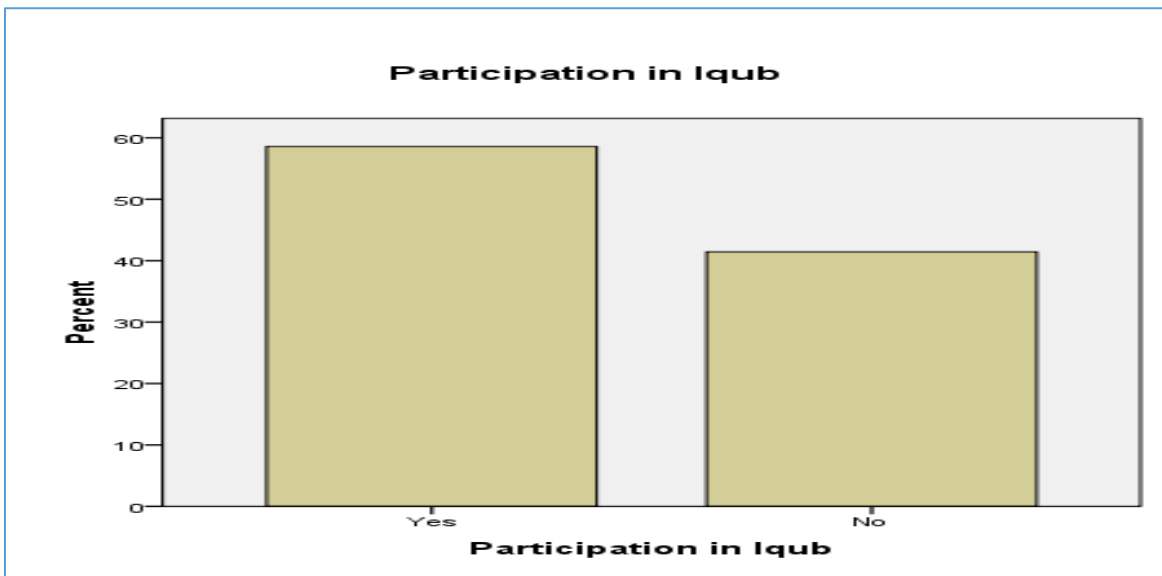
**Source: Field Survey (2014)**

In the survey conducted to see if the supply of infrastructures (Electricity, Water, Road and Transportations) for MSE operators is accessible or not, 58% of the respondents acknowledged that there is enough supply of those infrastructures for smooth operation of their business, while the rest 42% of the respondent claimed that the supply is not enough and there is repetitive problems especially in electricity and transportation. Moreover, it is observed that all MSE operators are working/running their business in premises provided by government with a very minimal rental cost. These facts suggest that MSEs have access to infrastructural facilities that stimulate the operation of their business. Moreover, the infrastructural facilities injected in the community for the operation of MSEs are additional building blocks for the local community. Apart from these infrastructural facilities, MSE enabled the users to improve their households' goods, tools and equipment. In the survey conducted to assess the household utensils condition of respondents.

## 4.5 Social Capital

Social capital is defined as the rules, norms, obligations, reciprocity and trust embedded in social relations, social structures, and society's institutional arrangements, which enable its members to achieve their individual and community objectives (Rakodi, 2002). Green and Haines 2007 in Phillips & Pittman, 2009; p 41 defined Social capital as the social relationships within a community and may refer to the trust, norms, and social networks that are established.

**Figure 4.6**



**Source:- Field Survey (2014)**

In the inquiry made to discover whether the MSE operators participate in Iqub or not, 59% (majority) of the respondents replied that they do participate in Iqub, and the rest 41% do not participate in Iqub. As MSE operators are a collection of individuals from different areas with different background formed groups and working together, sharing norms, values and social benefits, the role of MSE in capitalizing social capital is

undeniable. Iqub not only play important role in saving but also it has remarkable role in collecting individuals and sharing their social issues and support one another mutually.

**Table 4.5**

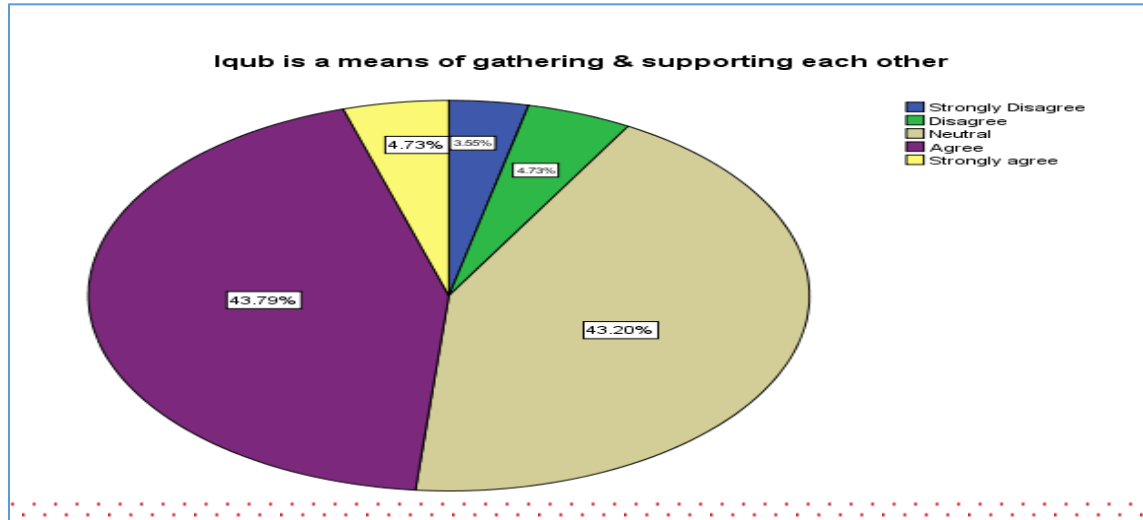
**Iqub participation started after MSE**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	32	18.9	18.9	18.9
	No	64	37.9	37.9	56.8
	Not applicable for me	73	43.2	43.2	100.0
	Total	169	100.0	100.0	

Out of those who participate in Iqub, the lion share (60%) already had Iqub before joining MSE, while 30% started participation in Iqub after their MSE business. This indicates that the norms and culture of Iqub already existed in the community. Yet, the share of MSE in enhancing the norms and values of Iqub should also be appreciable for the fact that there a potential of expanding the networks among the member within the MSE operators. Moreover, the following chart further adds the idea;

**4.5.1 Role of MSE for Iqub**

**Chart 4.4**

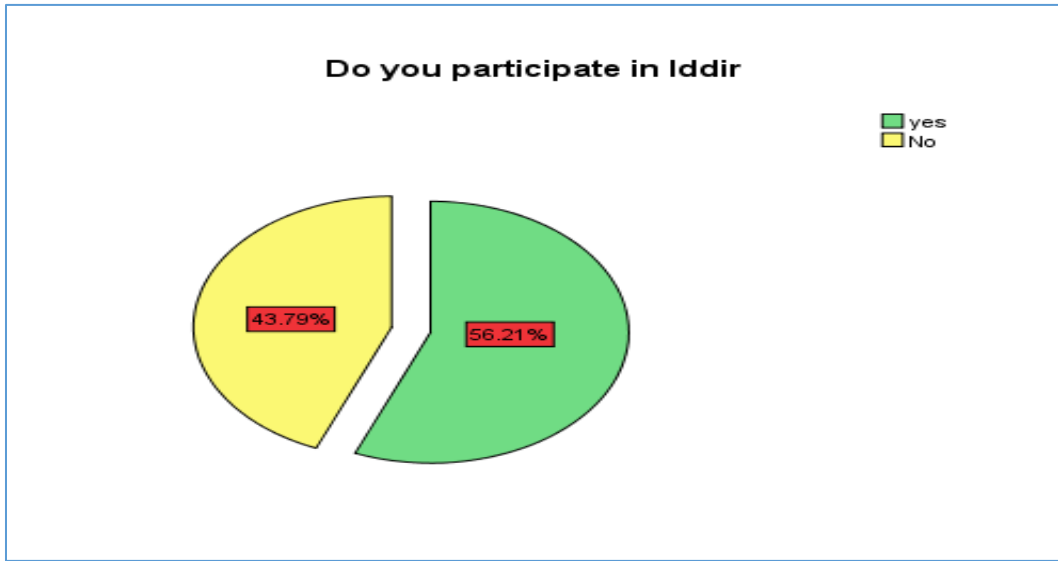


**Source:- Field Survey (2014)**

The inquiry made to learn the importance of Iqub apart from saving, 48.52% (considerable amount) of the respondent believe that the benefit of Iqub is not only saving money, but also it is a means of gathering and discussing different social issues and means of support one another while 43.2% of the respondents neither agree nor disagree with the idea and the rest 8.32% disagree. The Iqub members gathered weekly, bi-weekly and monthly to pay the Iqub, transfer it to the winner and they do invite one another as a ceremony and holds different social issues to take collective actions. Moreover, it is one strategy to overcome shock and financial shortage. Thus, the result of this survey leads the researcher in the conclusion that MSE is contributing towards social capital by paving ways for the community member to participate in Iqub and enjoy the social benefit of Iqub, particularly in the study area.

#### **4.5.2 Role of MSE for Iddir participation**

**Chart 4.5**



**Source:- Field Survey**

The inquiry made to explore if the MES operators participate in Iddir or not, 56% of the respondent claimed that they do participate in Iddir, while the rest 44% of the respondent do not have participation in Iddir. Iddir as a means of social collection towards solving social problem, it is very important and plays vital role towards strengthening the bondage of the community. Community used it as means of supporting one another during once families and relatives death.

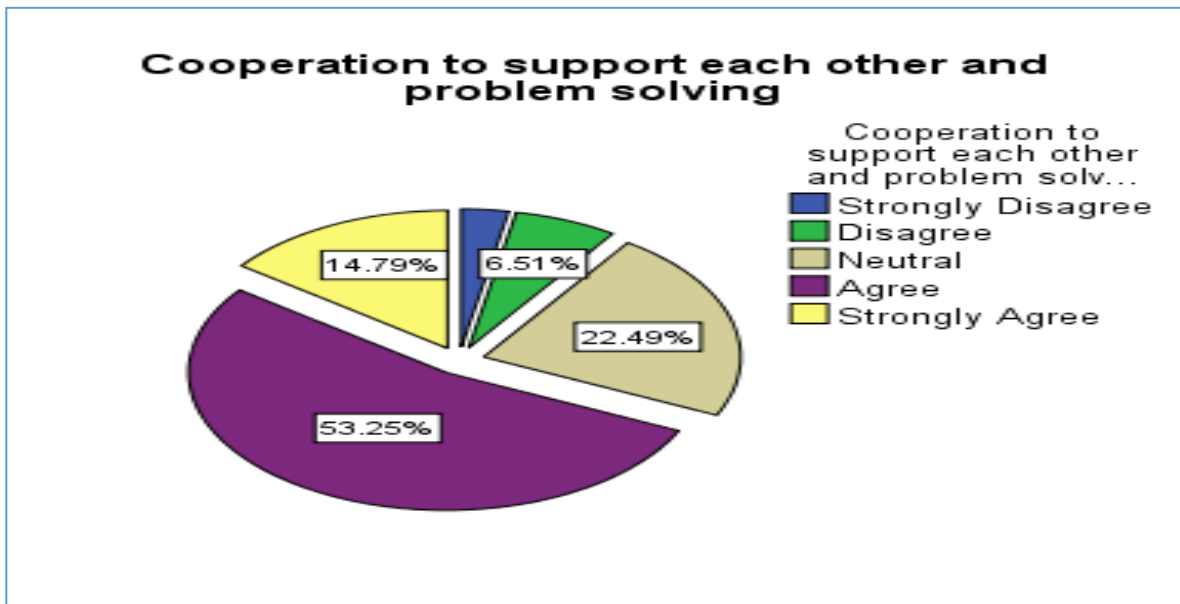
One of key informant described how MSE supported her in returning to Iddir,

*I used to participate in Iddir for the last 15 years. But all of a sudden when I faced financial shortage due to the death of my husband, I gradually declined and stopped for five consecutive years. My neighborhoods pushing me in order I rejoin it, but I did not as I could not have means of income, eventually I tried to hid myself from the Iddir members and some neighborhoods, if you do not have some income, you will socially be excluded because you will not participate in a ceremonies that demands*

money contribution. With the help of God, I returned to the Iddir after five hard years. After I joined MSE and started earning income, I joined because I can afford it now, even I also have Iqub, but if your pocket is empty you will shy so you will outcast yourself from social participation because you do not have money to pay for the required contributions [42 Female, Widowed].

#### 4.5.3 Cooperation and support each other

Chart 4.6



Source:- Field Survey (2014)

In the inquiry made to learn if there is strong cooperation between MSE operators to support and solve their problems, the majority of the respondent (68%) replied that there is strong cooperation between them to support one another and to solve their problems. Such cooperation has an important role in enhancing their relationships and networks. Moreover, it plays a vital role in accelerating reciprocity. Indeed, the fact that the increase in income, profitability and the improvement in their quality of life is a manifestation of cooperation and supporting each other. Had there been no such cooperation and integration there would not have been such a change. One of the key informants from W 03 reflected that:-

*In the routine supervision we made, we often notice that there is strong cooperation and understanding between them and that is why they have been working together for last years. There is one proverb in our country and that is “Abesha abro meblat enji abro mesirat ayiwedim” that means Abesha eat together but do not like working together. However, these people (MSE operators) disproved this, they are individuals from different family background, religion and ethnic groups, but working together for one motto, cooperating each other and even supporting one another. Their cooperation, understanding and respecting each other made them strong and has contribution for their business growth and expansion.*

#### **4.5.4 Trust**

By creating access to loan, MSE create trust through the establishment of formal rules and procedures that enable repetitive interactions. MSE operators have formal rules that govern their business operation, loan repayment, profit sharing and business expansion. They pay their loan and manage their business within stable rules. Ostrom and Ahn (2001) claimed that Stable rules provide incentives for the parties of transactions (MSE operators and Microfinance) to behave trustworthy. MSEs establish long-term relationships with the operators that can be harnessed to deal with different kinds of resource allocation programmer. In this way social interaction becomes stable and acquires the status of capital. Also, trust can be an important component of this process. During the data collection, it is also observed that there is already established rules that commands each MSE operator to do his/her daily activity without being derived by others. One of the key informant's notions of trust is explained as follows;

#### **4.5.5 Norms or Reciprocity:**

The MSE operators are spending significant of their time together working in one premise. Such a regular interaction help them to learn to respect rules and interact with each other within the framework set up by MSEs that is working together and growing together . Indeed, this is another form of formed social capital. As communication is a fundamental key to ensure the functionality of the business and to make it profitable, the norms existed between the MSE operators of the study area played important role in establishing good communication and understanding between the operators within the same group and with other group too. According to Phillips & Pittman (2009) networks smooth community development by allowing the flow of information, ideas, products, and services among residents. Such an interconnections create a shared sense of purpose,

increase commitment, promote mutual trust, and strengthen norms of reciprocity among community residents.

#### **4.6 Challenges of MSEs**

Despite the fact that MSEs have exhibited remarkable achievement in contributing for community development by boosting the community capital to enable the community to unleash their resources, MSEs have a number of challenges that hindered them to fully operate and bring change. In the subjective questions of the questionnaire, most of the operators raised that there is poor follow up of the MSE and their supervisions are not supportive, there are operators who are not yet get any training, market linkage is not enough, interruption due to periodic blackout of electricity and poor government support after the business, price escalation of raw materials and transport costs. Moreover, from side of higher officials of government political image has more focuses than the problems. One of the key informants from W 03 MSE office of substantiated that:-

*The role of MSEs would have been very remarkable had the political interest of the government would have been alienated from it. The higher officials of MSE agencies at federal level focuses on the political implication of the MSEs rather than the contribution it has for poverty reduction and supporting the community. I feel that the available resources are not being utilized properly and are not addressing the largest community at all level because of the bottlenecks emanated from political interests.*

# CHAPTER FIVE

## 5. Conclusion, Recommendation and Social Work Implication

### 5.1. Conclusion

The study was aimed at discovering the role played by MSE in community development in Gullele Sub-city. Both qualitative and quantitative methods of research were employed to arrive at the results of the study. The study areas of this research are particularly Woreda 02, 03,05 and 07 and the respondents included MSE operators, AdSCI Managers and local government officers in charge of MSEs. This chapter shall address specific conclusions and policy implications as drawn from the research findings.

MSEs sector is pronounced as the natural ground of entrepreneurship. MSEs have the potential to provide the model environment for enabling entrepreneurs to optimally exercise their talents and to attain their personal and professional goals. In all successful economies, MSEs are seen as essential springboard for growth, job creation, and social progress. Studies conducted by Endalkachew, (2008) also shows that the small business sector is an important force to generate employment and more equitable income distribution, activate competition, exploit niche markets, enhance productivity, and bring technical change through the combination of all of these measures, to stimulate local economic development.

Yet, the role of MSE for community development is not explored not only in the study area, but also in Ethiopia. As the general objective of this research is to explore the role of MSE in community development, the findings of the survey will pave way for further research and community development interventions.

The study is conducted to explore the role played by MSE in community development from community capitals perspective (Human Capital, Financial Capital, Physical Capital, Social Capital and Natural Capital). Thus, the conclusion of the findings made accordingly:

The result of this research found out that MSE are playing pivotal role in enhancing communities' human capital through trainings, knowledge improvement and skill development. Moreover, because of the business opportunities created by MSE, Families and children of MSE operators are going School and acquiring knowledge which will further contribute for communities' human capital. Scoones, (1998: p, 8) and Ellis, (2000:p,33) arrived in the conclusion that the principal asset owned by the poor is their own labor that is available to them in the form of skills, knowledge or education, good health, ability to labor and physical capability important for the successful pursuit of various livelihood strategies. Indeed, apart from poverty reduction, MSEs are playing remarkable role in community development through enhancing and improving communities' human capital.

Furthermore, MSEs are imperative in improving financial capital of the community. The result of this survey revealed that MSEs are improving the income of the operators and their saving culture. Most of the MSEs operators had only small amount of

monthly income that never goes to saving and even was not enough for consumption. However, due to the MSE intervention, their income savings and credits improved considerably. On top of all, as the income and saving of the community members improved, their consumption and health financing power will grow. Financial capital is one of among the crucial community capital that stimulus community development.

MSE has facilitated a new/additional physical capital in the Gullele sub-city. There are considerable amount of shades/working places for MSE operators constructed and emerged as a communities physic capital. In addition to this, tremendous electricity and water pipelines have been integrated onto communities' physical capital to enable the MSEs operators to run their business. Infrastructural development is important for health, social interaction and contributes to human and social capital development. Likewise, MSE operators are able to improve their household utensils and tools due to the business opportunities by MSE and associated income.

Physical capital may comprise the built environment and natural resources. Thus, environmental capital, which comprises the natural resources within a community, is part of a community's physical characteristics and, thus, its assets (Phillips & Pittman, 2009: p, 41). Environmental capital also referred as natural capital is one of the most important community capital that plays important role in community development. The result of this survey revealed that MSE has undeniable contribution towards preserving communities' environmental capital by forming enterprises that particularly works on cobblestone at each mender and clears the sewerage in their way. Moreover, there are different groups formed by MSEs to work on clean and green project to preserve communities' environment by planting trees, flowers and constructing recreational centers which is also mean adding new

natural capital to communities' asset. Indeed, MSEs are playing pivotal role towards community development in Addis Ababa, particularly in the study area Gullele sub-city.

One of the fundamental capital of community development is social capital. Scoones (1998: p,8) defined Social capital as resources that societies possess in the form of networks, social claims, social relations, associations, affiliations, and trust upon which they draw when pursuing different livelihood strategies requiring coordinated actions. MSEs are playing remarkable role in improving and creating new social capital in Gullele sub-city. The research result revealed that MSEs have improved and integrated social capital into Gullele sub-city's community by fostering Iqub, Iddirs, Trust and norms between the communities. Because of the improvement in their income and the business opportunities appeared by MSEs, operators started participating in Iqub and Iddir which really played crucial in tying the community member for mutual interest and reciprocity. Moreover, MSE enabled different individuals (community member) come together, form group, establish common interest, cooperate one another to take collective actions and to be governed by trust and norms. Moreover, MSEs are creating solidarity between the MSE operators who are in the community and part and parcel of the community. The researcher observed that they easily transact (borrow and lend) for one another without common understanding and norms.

The result of this survey suggests MSEs plays crucial role in community development not only by bonding social capital, but also by facilitating ways for bridging social capital through first, capitalizing on human, financial, physical and natural capital, secondly it boosts social capital by establishing trust, norms or reciprocity between MSEs

operators (bonding social capital) and thirdly, the four capitals in turn facilitates the formation of new social ties and relationships to expand networks outside the group in the processes of running their business (buying raw materials, selling products and services and promoting their business/bazar) and hence forms bridging social capital.

#### **a. Recommendations**

- As training and capacity building plays important role for better production, marketing and profitability, the newly joined partners of MSE operators should get training. Moreover, those who have already taken the training also require refresher trainings. Any other additional trainings are often given to the representatives of MSEs, those who trained should cascade the training to others for they are there for common interest.
- Government has more resources for MSEs which are not yet tapped, to improve the quality of MSEs operation, to geographically expand and cover larger community through MSE, government should reduce the political interest and maximize on the socio-economic issues and changes of MSEs operators and community.
- The development of MSEs in the study area needs various improvements in general and the working areas of the operators in particular. The shades are located far from administration offices and market. In some areas, infrastructural facilities (roads) are neglected. Governmental and non- governmental organizations should facilitate the improvement of those important infrastructural supplies to harness demand and supply.

- Periodic supportive supervision should be made by MSEs offices to assist and answer their questions on time. Moreover, as it observed that the officers from MSEs of Woreda offices are not motivated to do the monitoring and evaluation in a way it brings real change on the operators and community, thus, the government and non-governmental agencies should ensure the real functioning and problem solving monitoring and evaluation by motivating the officers.
- The role MSEs play in forming community development by reinforcing social capital, physical capital, financial capital, human and natural capital should be recognized and should be part of the MSEs intervention strategy.

#### **b. Policy Implication**

The findings of this survey will have practical implication for social work practice. Because one of the fundamental objectives of Social work is to tackle social problems, the role MSEs are playing in reducing social problem is very conversant with social work practices and thus it will laid important ground for social workers to identify the existing resources towards reducing social problem. Moreover, as community development is one of the social works strategy to intervene in reducing social problem, the findings of this survey has paramount importance for social work practitioners.

On top of all, the social capital being improved and created by MSEs will have remarkable role for social works and social work practitioners in identifying areas of intervention, community resources and the social status of the community for informed decision making before interventions are made and during intervention plan. Furthermore,

it can also be a benchmark for social worker practitioners in conducting social work need assessments and mapping communities' capital. However, as one of the findings in this research is a very limited participation of women in the MSEs compared to number of men in the study area. Although different affirmative actions are applied to motivate women to participate in MSEs, due consideration should be given to increase their participation. Though enough is stated at the policy level to encourage women to participate in the MSEs, aggressive awareness raising mechanism, provision of special credit window and women focused special training is mandatory to increase their number. This will create a better conducive environment for women to play a major role in community development.

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## **Annex A**

### **Questionnaire to be filled by MSEs Operator**

#### **Dear Respondents,**

This is a questionnaire that intended to assess the Role of Micro and Small Enterprises in Community Development in Addis Ababa, Gullele Sub-city. In doing so, your woreda is one of the focus areas of my study. The information you provide is totally sought for academic purposes and shall be kept strictly confidential. Please feel free to share your comments and experiences regarding the changes you exhibited after being enclave by MSEs.

Thank you in advance for your kind cooperation.

- 1) Gender:         Male  Female
- 2) Age breakup:  18-30 years  30-40 years  Over 40 years
- 3) Education:     Illiterate  Up to primary  Primary pass
- 4) Marital status:  Divorced  Single  widowed  Married
- 5) Family size:     less than 2  2-5 members  More than 5
- 6) Did you have any business and your own income source before being a member of MSEs?  Yes  No

#### **Human Capital**

7. Did you get different trainings in relation to your business management?

Yes

No

If Yes, Please fill the following table!

No	The Title/kind of the Trainings	Who Organized/provided the Trainings
1		
2		
3		
4		
5		

If you answer for question # 7 is yes, please answer question # 8 and 9!

**8.** The above trainings I got have improved my knowledge

**Strongly Disagree**

**Disagree**

**Neutral**

**Agree**

**Strongly Agree**

**9.** What kind of skill you developed after the trainings?

**Communication Skill**

**Leadership Skill**

**Marketing Skill**   
**Financial Management Skill**   
**Marketing, Bookkeeping & Management Skill**   
**Other skill,** \_\_\_\_\_

10. Are you currently attending trainings/or higher education to develop your capacity?

**Yes**  **No**

If yes, what kind of trainings/or higher education?

---

11. I am able to send my families/ or relatives to school after my income improved because of my MSE business?

**Strongly Disagree**   
**Disagree**   
**Neutral**   
**Agree**   
**Strongly Agree**

12. Because of the improvement of my income, the health status of my families and myself are improved as I can afford health related costs

**Strongly Disagree**   
**Disagree**   
**Neutral**   
**Agree**   
**Strongly Agree**

**13. Because of an increase in my income, My families and my diet improved**

<b>Strongly Disagree</b>	<input type="text"/>
<b>Disagree</b>	<input type="text"/>
<b>Neutral</b>	<input type="text"/>
<b>Agree</b>	<input type="text"/>
<b>Strongly Agree</b>	<input type="text"/>

**Financial Capital**

14. How much was the initial capital of your enterprise? \_\_\_\_\_ birr

15. How much is your current Capital? \_\_\_\_\_ birr

16. What was the major source of this capital?

<b>Own saving</b>	<input type="text"/>
<b>Borrowing from MFI</b>	<input type="text"/>
<b>Borrowing from MFI &amp; own saving</b>	<input type="text"/>
<b>Donation</b>	<input type="text"/>
<b>Inheritance</b>	<input type="text"/>
<b>Borrowing from individuals on terms</b>	<input type="text"/>
<b>Borrowing from friends</b>	<input type="text"/>

**Others/specify** \_\_\_\_\_

17. Is your business profitable?

Yes  No

18. Do you have saving?

Yes  No

### Physical Capital

19. Please, tick mark ( y ) on the proper column you think is correct

Do you have the following assets before or after you own this business?	Before the business	After the business
Chairs		
Table		
Refrigerator		
Shelf		
Bed		
Sofa		
Radio		
Tape Recorder		
Television		
Jeweler		
House/better shelter		
Working tools		
Others/specify		

20. Which of the followings infrastructural facility/ies is/are most important for your smooth business

<b>Water</b>	<input type="text"/>
<b>Electricity</b>	<input type="text"/>
<b>Telecommunication</b>	<input type="text"/>
<b>Road</b>	<input type="text"/>
<b>Transport service</b>	<input type="text"/>
<b>All are important for my business</b>	<input type="text"/>

21. Do you believe that there is enough supply of these infrastructural facilities?

Yes  No

If no, please indicate your comments and how you fix the problem and run your business?

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**Social Capital**

22. Do you participate in iqub?

**Yes**

**No**

If yes, please answer question # 23-27

**23. Who are members of the Iqub?**

**Own Business shareholders**

**Friends other than business shareholders**

**Others/specify**

---

**24. When did you started the Iqub?**

**Before my MSE Business**

**After my MSE Business**

**25. If your answer for question # 24 is “After my MSE Business”, what pushed you to be a member of the Iqub?**

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**26. Apart from Saving, Iqub is a means of gathering and discussing different social issues and means of supporting one another.**

**Strongly Disagree**

**Disagree**

**Neutral**

**Agree**

**Strongly Agree**

27. How frequent you meet each other for Iqub gathering?

**Weekly**

**Bi-Weekly**

**Monthly**

**Other** \_\_\_\_\_

28. Are you a member of Iddirs?

**Yes**

**No**

29. When did you join the Iddir?

**Before my MSE Business**

**After my MSE Business**

30. If your answer is after MSE business, what motivated you to join the Iddir?

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31. There is strong cooperation between us to support each other and to solve our problem

<b>Strongly Disagree</b>	<input type="text"/>
<b>Disagree</b>	<input type="text"/>
<b>Neutral</b>	<input type="text"/>
<b>Agree</b>	<input type="text"/>
<b>Strongly Agree</b>	<input type="text"/>

32. There is strong solidarity between us to take collective actions and support one another mutually

<b>Strongly Disagree</b>	<input type="text"/>
<b>Disagree</b>	<input type="text"/>
<b>Neutral</b>	<input type="text"/>
<b>Agree</b>	<input type="text"/>
<b>Strongly Agree</b>	<input type="text"/>

33. Please list some supports your solidarity group provided to the neighborhoods and community

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34. What other social interactions you made with business partners, shareholders, neighborhoods and different community members after you started your business?

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34. Please list some of the challenges that negatively affect you and/or your enterprises?

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# Thank you very much for your cooperation

## Annex B

ይህ መጠይቅ ዓላማው የጥቃቅንና አነስተኛ ሆሜቦረሰብ ዕድገት በአዱስ አበባ በጉሆሌ ክፍለ ከተማ ያላቸውን ሚና ለማየት ነው። የምትሠጡን መረጃ ለማሳካት አገልግሎት ብቻ የሚፈታል ስሆኑን ሚስጥሩ የተጠበቀ መሆኑን በቅድሚያ እያሳወኩ ምስጋናዬን አቀርባለሁ።

የኢንተርፕራይዙ ሥም

1. ጾታ  ወንድ  ሴት
2. ዕድሜ  18 — 30 ዓመት  30 — 40 ዓመት  ከ 40 በላይ
3. የትምህርት ተረጎ  ያልተማረ  የመጀመሪያ ተረጎ  ሁለተኛ   
 ተረጎ ከሁለተኛ ተረጎ በላይ
4. ያጋብቻ ሁኔታ  ያላገባ  ያገባ  የተፋታ
5. የቤተሰብ ብዛት  2 ብቻ  ከ 2 እስከ 5  ከ 5 በላይ
6. ጥቃቅን እና አነስተኛ ከመጀመርያ/ሽ በፊት የራስህ/ሽ ሥራና የገቢ ምንበረህ/ሽ አዎ  የሆነም
7. ከሥራዎ ጋር የተገናኘ ሥልጠናዎችን ወስደውቃለህ? አዎ  የሆነም

ተራ ቁጥር	የሥልጠናው ሥም/ ዓይነት	ሥልጠናው በማን ነበር የተሰጠው
1		
2		
3		
4		

5		
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8. ከላይ የተዘረዘሩት ሥልጠናዎች ዕውቀትህን/ሽን  
አሻሽሎታል

- በጣም አልስማማም
- አልስማማም ገሥልተኛ
- እስማማሁ
- በጣም እስማማሁ
- 

9. ሥልጠናዎቹ የትኛውን ክህሎትዎን አሳዴጓል?

- የመግባባት ክህሎት
- የገበያ ክህሎት
- የአመራር ክህሎት
- የሂሳብ አስተዳደር ክህሎት

ሌሎች ክህሎቶች \_\_\_\_\_

10. አቅምዎን ማሳደግ አሁን እየወሰደት ያህ ሥልጠና ወይም ትምህርት አሁን?

አዎ  የሆነም

መልስዎ አዎ ከሆነ ምን ዓይነት ሥልጠና ወይም ትምህርት?

\_\_\_\_\_

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11. በጥቃቅን እና አነስተኛ ተቀራጅቼ ስራ ከጀመርኩ በኋላ ገቢዬ ስህጸት ልጆቼን ወደ ትምህርት ቤት መላክ ችያለሁ

- በጣም አልስማማም
- አልስማማም ገሥልተኛ
- እስማማሁ
- በጣም እስማማሁ
-

12. ገቢዬ ስህጻን መሆኔን የህክምና ወጪዬን መክፈል ስላስቻላለሁ የእኔና የቤተሰቤ የጤንነት ሁኔታ ተሻሽሏል

በጣም አልስማማም

አልስማማም ገሥልተኛ

አስማማሁ

በጣም አስማማሁ

13. ገቢዬ ስህጻን መሆኔን የእኔና የቤተሰቤ የአመጋገብ ሁኔታ ተሻሽሏል

በጣም አልስማማም

አልስማማም

ገሥልተኛ

አስማማሁ

በጣም አስማማሁ

14. መነሻ ካፒታልዎ ስንት ነበር?

\_\_\_\_\_

15. በአሁኑ ጊዜ ካፒታልዎ ስንት ነው?

\_\_\_\_\_

16. የካፒታልዎ ዋና ምንጭ ምንዴን ነው?

የራስ ቁጠባ

ውርስ

ከብዴር እና ቁጠባ የተገኘ ብዴር

ከግሥት የተገኘ ብዴር

የራስ ቁጠባና የብዴርና ቁጠባ ብዴር

ልገሳ

ከጓዳኛ የተገኘ ብዴር

ሌላ \_\_\_\_\_

17. ሥራዎ/ንግድዎ አዋጪ ነው?

አዎ

የሆነም

18. ቁጠባ አለዎት?

አዎ

የሆነም

19. ከዚህ በታች የተዘረዘሩትን የቤት ቁሳቁሶች ያፈሩት በጥቃቅንና አነስተኛ ከተቆራጫ በፊት ነው ወይስ በኋላ? እባክዎ የ( ✓ ) ምልክት ያዴርገቡት

ቁሳቁሶች	ከጥቃቅንና አነስተኛ በፊት	ከጥቃቅንና አነስተኛ በኋላ
ወንበሮች		
ጠረጴዛዎች		
ፍሪጅ		

መቶ-ቶሪያ		
አልጋ		
ሰፋ		
ሬዴዮ		
ቴፕ		
ቴሌቪዥን		
ጌጣጌጦች		
የተሻሻሉ ቤት		
የሰራ ዕቃዎች		
ሌሎች		

20. ከሚከተሉት መሠረተ ልማቶች የትኛው ተሰጥቶ ስራ በጣም አስፈላጊ ነው?

- |      |                          |                 |                          |
|------|--------------------------|-----------------|--------------------------|
| ውሃ   | <input type="checkbox"/> | መንገዴ            | <input type="checkbox"/> |
| መብራት | <input type="checkbox"/> | የትራንስፖርት አገልግሎት | <input type="checkbox"/> |
| ስልክ  | <input type="checkbox"/> | ሁለም ያስፈልጉኛል     | <input type="checkbox"/> |

21. እነዚህ መሠረተ ልማቶች የተሟላ ናቸው ብሎ ያስባለ?

- |    |                          |     |                          |
|----|--------------------------|-----|--------------------------|
| አዎ | <input type="checkbox"/> | የሆኖ | <input type="checkbox"/> |
|----|--------------------------|-----|--------------------------|

መልስዎ የሆኖ ከሆነ ሥራዎቹን ተመሥራት ችግሮቹን እንዳት አቃህሉ?

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22. እቁብ አልዎት?

- |    |                          |     |                          |
|----|--------------------------|-----|--------------------------|
| አዎ | <input type="checkbox"/> | የሆኖ | <input type="checkbox"/> |
|----|--------------------------|-----|--------------------------|

መልስዎ አዎ ከሆነ እባክዎ ከጥያቄ ቁጥር 23 — 27 ይመልሱ

23. የዕቁብ ተሳታፊዎች እነማን ናቸው?

- |                      |                          |
|----------------------|--------------------------|
| የሥራ አጋሮች             | <input type="checkbox"/> |
| ከሥራ አጋሮች ውጭ የሆኑ ጓዳኞች | <input type="checkbox"/> |

ሌላ \_\_\_\_\_

24. ዕቁቡ መቼ ተጀመረ?

- |                      |                          |
|----------------------|--------------------------|
| ከጥቃቅንና አነስተኛ ሥራዬ በፊት | <input type="checkbox"/> |
|----------------------|--------------------------|

ከጥቃቅንና አነስተኛ ሥራዬ በኋላ

25. የዕቁቡ አባል እንዲሆኑ ያነሳሳዎት ነገር ምንዴን ነው?

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26. ዕቁብ ገንዘብ ከመቆጠብ ባሻገር የምንሰበሰብበት እና የተሆኑ ማህበራዊ ነገሮችን የምንወያይበትና የምንጥራጥርበት ዘዴ ነው

በጣም አልሰማማም

አልሰማማም

ገሆልተኛ

እስማማሁ

በጣም እስማማሁ

27. ሆኖብ የምትሰበሰቡት በምን ያህል ጊዜ ነው?

በየሳምንቱ

በየሁለት ሳምንቱ

በየወሩ

ሌላ \_\_\_\_\_

28. የእዴር አባል ናት?

አዎ  የሆኖ

29. የእዴር አባል የሆኑት መቼ ነው?

በጥቃቅንና አነስተኛ ከመጥራጀቴ በፊት

በጥቃቅንና አነስተኛ ተጥራጅቼ ሥራ ከጀመርኩ በኋላ

30. የእዴር አባል የሆኑት በጥቃቅንና አነስተኛ ተጥራጅተው ሥራ ከጀመሩ በኋላ ከሆነ ምንዴን ነው የእዴር አባል ሆመሆን ያነሳሳዎ?

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በዚህ በጥቃቅንና አነስተኛ ተጥራጅተን ሥራ ከጀመርን በኋላ በመካከላችን ትልቅ ትብብር፤

መረዳዲትና በጋራ ችግርን የመፍታት ህብረት አሆን

- በጣም አልስማማም
- አልስማማም
- ገሆልተኛ
- እስማማሁ
- በጣም እስማማሁ

31. በጥቃቅንና አነስተኛ ተቶራጅተን ስራ ከጀመርን ጎረቤቶቻችንና ማህበረሰቡን ሆመርዲት በመካከላችን ትልቅ አንዴነት አላለን

- በጣም አልስማማም
- አልስማማም
- ገሆልተኛ
- እስማማሁ
- በጣም እስማማሁ

32. የጎረቤቶቻችንና ህብረተሰቡን ችግር ሆመፍታት ወይም ሆመርዲት በአንዴነት ተንቀሳቅሳችሁ የፈጸማችሁት ነገር ካህ እባክዎ ይዘርዝሩ

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በጥቃቅንና አነስተኛ ከተቶራጁ በኋላ ከተሆያዩ የሥራ አጋሮች፣ የንግድ አጋሮች ጎረቤትና ማህበረሰብ ጋር የፈጠሩት የማህበራዊ ግንኙነት ካህ ይዘርዝሩ

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ሥራዎ ላይ የሚገጥሞት ተግዲሮቶች ካለ ይዘርዝሩ

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ስህተት ትብብርዎ በጣም አመሰግናለሁ!

