



**ADDIS ABABA UNIVERSITY
COLLEGE OF DEVELOPMENT STUDIES
CENTER FOR GENDER STUDIES**

**Experiences of Women Micro and Small Scale Enterprise owners in
Manufacturing Sub-Sector Opportunities, Challenges and Coping
Mechanisms in Gullele sub-city, Addis Ababa:**

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**A Thesis Submitted to the Center for Gender Studies of Addis Ababa
University in Partial Fulfillment of the Requirements for
Master of Arts in Gender Studies.**

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Addis Ababa, Ethiopia

DECLARATION

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

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This is to certify that the thesis prepared by Girum Endale, entitled: The experiences of women MSEs owners in manufacturing sub-sector in Gullele sub-city, Addis Ababa: opportunities, challenges and coping mechanisms, submitted in partial fulfillment of the requirements for the Degree of Masters of Arts in Gender complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Abstract

The objective of this study is to explore the Opportunities, Challenges and Coping Mechanisms of Women Micro and Small Scale Enterprise owners in manufacturing sub- sector in Gullele sub-city, Addis Ababa. The study specifically covers metal works and leather and leather product sub-sector. The researcher has used a qualitative research method and the research is exploratory in type. The study used in-depth interviews, observation and key informants interview to generate relevant data. Secondary data was also collected from relevant sources including government reports and official statistics. Two sub-sectors namely metal work and engineering and leather and leather products were selected through purposive sampling. A total of 11 MSEs owners who were engaged in the two sub-sectors in the sub-city at the time of the study were considered in the study. Findings of the study reveal that the conducive policies and programs, increased recognition of MSE's development as key for economic development, MSEs as job creation opportunities and Institutional set-up are among the major opportunities for women in MSEs. The challenges faced by women-owned MSEs are Lack of Adequate Finance, Lack of Working Site/Premises, and lack access to adequate market, Work-life Balance, lack of networking, and socio-cultural challenges. The major coping strategies adopted by the women include resorting to saving form personal income through rotating saving institutions (Iqub), borrowing from family, friends, and women association and expanding their networks. Therefore, the government, women business owner themselves, and society should work to improve the challenges faced by the women business owners in manufacturing sectors.

Key terms: challenge, coping mechanism, manufacturing sector, Micro Enterprises, opportunity, Small Enterprises,

LIST OF ACRONYMS/ABBREVIATIONS

AAMSEDA	Addis Ababa Micro and Small Enterprises Development Agency
ADB	African Development Bank
ADLI	Agricultural Development Led Industrialization
BDS	Business Development services
CSA	Central Statistical Authority
ECOCSA	Ethiopian Chamber of Commerce and Sectorial Association
FDRE	Federal Democratic Republic of Ethiopia
EPRDF	Ethiopian People’s Revolutionary Democratic Front.
FUJCFSA	Federal Urban Job Creation and Food Security Agency
GTP	Growth and Transformation Plan
IDS	Industrial Development Strategy
ILO	International Labor Organization
MFI	Micro Finance Institution
MOFED	Ministry of Finance and Economic Development
MOTI	Ministry of Trade and Industry
MOWCYA	Ministry of Women, Children and Youth Affairs
MSE	Micro and Small Enterprise
NAPGE	National Action Plan for Gender Equality
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
SME	Small and Medium Enterprise
SSE	Small Scale Enterprise
TVET	Technical Vocational Educational Training
UDEC	University of Dar Salaam Entrepreneurs Centre
UNDP	United Nation Development Program
UNIDO	United Nation Industrial Development Organization
WEDP	Women Entrepreneurship Development Project
WBFS	Women Business Financing Scheme

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The economy of the 20th and 21st century has a different set of rules than Adam Smith's economy of the 19th century (Smith, 1909). His main argument was on the benefit of free internal and international trade, which he thought could increase wealth through specialization in production. He also opposed restrictive trade preferences, state grants of monopolies and employers' organizations and trade unions (Mills, 2002). In addition, the government should be limited to defense, public works and the administration of justice, financed by taxes based on income (Ibid). The new ideology of neo-liberalism and globalization emphasizes the role of small enterprises as promoters of a healthy business climate, economic efficiency and power for economic development, especially in developing countries like Ethiopia (Hidayet, 2010).

According to World Bank (2012), Sub-Saharan Africa has the highest rate of female entrepreneurship in the world, with more women starting businesses in Africa than anywhere else. Although women now make up approximately half of the entrepreneurs in Sub-Saharan Africa, there is still a large gender gap in business performance (Klapper & Parker, 2011)

In Ethiopia, about half of the urban workforce is engaged in the informal sector (Gebrehiwot & Wolday, 2005). Even if the composition of the female informal workforce varies across regions, the majorities of economically active women in developing countries make up a significant share of the micro-enterprise population and is considered critically important for poverty reduction strategies (ibid).

According to the British Council (2017), social enterprises in Ethiopia are a young and growing sector. Half of social enterprises' leaders are under 35 years old and a quarter is women, which well above the national average of 4.5%. Moreover, small businesses and enterprises operated by women entrepreneurs contribute significantly to the national economy in terms of job creation and the alleviation of poverty.

Ethiopia has prioritized on Micro and Small Enterprise (MSE) development for economic growth, employment generation and building an industrial economy. To this end, in 1997 the government has designed a National Micro and Small Enterprise sector development and promotion strategy which facilitates and paves the ground for the growth and development of the sector (FDRE, 1997). The primary objective of the strategy was to create a favorable environment for MSEs so that MSEs could facilitate economic growth, create long-term jobs, strengthen cooperation between MSEs, provide the basis for medium and large scale enterprises and promote export. In this strategy, the government prioritized those enterprises with features like manufacturing and processing various commodities, self-employment particularly by disabled and unemployed youth, start-ups and expanding firms owned by women (Ibid).

The Ethiopia Government envisaged the MSE sector as a priority sector for comprehensive government support. MSE support has three critical elements: first, the MSE strategy (1997) support to create and implement an enabling legal framework. Second, it envisages establishing user-friendly business environment, for example, by simplifying and standardizing of documents, processes and services. Finally, the government offers direct policy support by devising targeted and specific support programs such as access to finance, access to appropriate training and technology, marketing linkage, provision of physical infrastructures and access to working and selling spaces and other handholding supports as deemed appropriate (FDRE, 1997).

Likewise, as FDRE (1997) MSE's Development strategy the industrial development strategy of Ethiopia centers on principles that ultimately would deliver agriculture-led industrialization, export promotion and development and expansion of labor-intensive industries, a large part of which is the MSE development. The strategy assigns a vital role to the private sector. The drivers of this whole process would be enterprises engaged in the manufacturing sector.

McKinsey (2012) stated that the growth of the manufacturing sector is essential to build national industrial capability, technology progress, productivity, and capital accumulation. Transfer of surplus resources from agriculture to manufacturing, economies of scale and

positive spillovers effects and create broad-based job opportunity and improve the total factor productivity and competitiveness of the overall economy.

Despite the prime role of women's entrepreneurship in fulfilling the socio-economic objectives of the nation for example (Danabakyam & Kurian, 2012) stated that women entrepreneurship in china plays a prime role in industrial development, women entrepreneurs in many developing countries encounter various constraints in their effort to contribute to the national economic development in this regard, Ethiopia is not an exception (World Bank, 2014)

Among others, cultural misunderstandings in the society about women and entrepreneurship can hold women back to start their own firm. According to Gender innovation lab (2015) wood works, Maintenance, Engineering Services, construction works, metal works and engineering and Tourism services are rated above 87.5% dominated by men.

Moreover, women entrepreneurs, unlike their male counterparts, have double responsibilities of the family as well as the outside business, they are overburdened. Women look after children and other family members despite the rest of domestic work. This double responsibility takes away women's concentration to run their business, the emerging role conflict from these two domains has an impact on their business (Weiler & Bernasak, 2001).

Thus, this study focuses on assessing the opportunities, challenges, and coping mechanism of women in two male dominated sub sectors under the manufacturing sector (metal and engineering, leather and leather product) in Gulelle sub-city, Addis Ababa.

1.2. Statement of the Problem

A preliminary report on the job, gender and small enterprises in Africa revealed that the microenterprises are generally considered to be the domain of poor, rural and urban women (Zewde & Associates, 2002). The same study confirmed that the women in Ethiopia are engaged in a wide variety of economic activities and that their income from such activities has been and continues to be pivotal to the survival of poor families. Thus, MSE is one of the areas for empowering themselves.

Women in Ethiopia play an important role in the economy. However, they are predominating as unpaid family workers and they tend to do business in traditional ways. According to desk review conducted by Desta (2010) women entrepreneurs are dominant in the informal microenterprise sector engaged in petty trading, street vending, food processing and other generally low growth sectors.

However, currently, the participation of women in the manufacturing sector is increasing due to some opportunities like the implementation of different women-friendly policies in the sector. Moreover, different governmental and non-governmental organizations have begun to provide various supports (capital and training) to women in MSEs in Ethiopia.

In Ethiopia, women are politically, economically, socially, culturally and religiously more disadvantaged compared to men. This is manifested in their day-to-day affairs; for example, women face difficulty in accessing finance while establishing a new business or want to expand their business (Amha & Narayana, 2004). This is due to the fact that women spend most of their incomes on their households.

Women in MSE who participate in the manufacturing sector also face difficulty in accessing credit due to collateral requirements of the banks and other factors like high bureaucracy and lack of good governance. Because the major factor for getting a loan from formal financial institutions is collateral, this is more challenging for women entrepreneurs. Lack of asset ownership of women is hindering them from access to loan; this is as a result of deep – rooted inequalities between women and men in the distribution of resources.

According to gender innovation lab (2015) women are poorly represented in the manufacturing sector especially in metalwork and engineering, leather and leather products, and woodworks including furniture and ornaments service. This is mainly attributed to both economic and socio-cultural aspects.

Given the relatively low representation of women in the manufacturing sector, it is imperative to explore the opportunities and challenges they face in their engagement and the coping mechanism they adopted to overcome the challenges.

Various studies have been conducted on MSE in Addis Ababa, Ethiopia, on the challenge of women-owned micro and small enterprises (Amha&Narayana, 2004; Assefa, *et al*, 2014; Gebreyeesus, 2013; Jemal 2016; Teklit, 2010; Zewdeet *al*, 2002). However, there is a rare study focused on women in the manufacturing sector where women are believed to be highly underrepresented. Thus, in order to fill the existing knowledge gaps in this area, the current study is conducted focusing on opportunities, challenges and coping mechanism of women in MSE taking the case of manufacturing sub-sector in Gullele sub-city, Addis Ababa.

1.3. Objectives of the study

The overall objective of this study is to explore the experience of women micro and small scale enterprise owners in manufacturing sub- sector focusing on opportunities, challenges and coping mechanism.

The study specifically aims to:

- Explore the opportunities of women-owned micro and small enterprises in the manufacturing sector,
- Examine the major challenges of women-owned micro and small enterprises in the manufacturing sector, and
- Explore the coping mechanisms among women entrepreneurs in the sector.

1.4. Significance of the Study

This study is very important to demonstrate the experience of women in the manufacturing sector which is more dominated by men. It would attempt to bridge a research gap and would bring additional knowledge in manufacturing sector areas in general and women's participation in the sector in particular. Therefore, it will be helpful for another researcher to conduct further study. Finally, this research is helpful to develop policies on women's engagement and to generate the necessary awareness among government and other stakeholders.

1.5. Scope of the Study

The study is delimited to women in MSEs in the manufacturing sector specifically to Gullele sub-city metal and engineering, and leather and leather products. The population of the study also delimited to women in the manufacturing sector registered in Gullele sub-city.

1.6. Limitation of the Study

The limitations of this study are;

- Absence of literature explicitly related to the coping mechanisms of women owned MSEs engaged in metal work and engineering and leather and leather product activities was the main problem challenging the research
- This study was limited by small number of participants due to low representation of women in the sector.
- And also financial constraint was also putting pressure on the researcher.

1.7. Organization of the study

The paper is organized in 5 chapters. Chapter one presents the introduction and background of the study, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study, and limitation of the study and organization of the thesis. Chapter two gives review of theoretical and empirical literature, as well as policy landscapes in the MSE development. It also provides gender perspectives of MSEs. The third chapter deals with the methodology of the study. Chapter four focuses on the analysis of the data and presents the findings. Finally, the fifth chapter gives concluding remarks and recommendation based on the findings of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical framework

Gender is one of the important approaches to understand issues and problems related to women as well as mothers who are exposed and deficiency of economic opportunity in the community. Moreover, feminists claim that in most society throughout history men have received more opportunities than women. Thus, they argue that women are a human being like men, so women and men must be treated equally in every spheres of life. This study basically adopted liberal feminist theory, agency theory and macro-micro economic approach. Because liberal feminist theory emphasizes on the issue of women's equal access, control on resources and Agency theory focuses on women's ability to define goals and acting on their goals. And also the study focused on Macro-micro economic approach because gender affects the firm performance and growth.

2.1.1. Liberal feminist theory

Women's participation in productive work has long been a big issue of many theoreticians in the field of feminism. Liberal feminist for example, argue that women should have equal participation with men in the employment arena. So it is a good opportunity for a woman to work outside home.

Liberal feminist theory focuses on equal opportunities for women and men, concern that women should receive equal opportunities in education and before the law has motivated worldwide campaigns for women's voting and property rights. This theory is also concerned that job opportunities be equally open to women so that women can achieve positions of power in government and business (Marilley & Suzanne 1996).

In the same way they assert that women are effective as men, but they are disadvantage because of their lack of their experience, management training as well as the presence of discrimination, for example in terms of job opportunity (ibid).

Similarly one can attribute gender differences to the fact that women have not been able to develop their full potential: these differences should evaporate when women are given access to the same opportunities as men (Friedan *et al*, 1963).

Likewise on the liberal feminist view, women are entitled to access to options (Alstott, 2004:52). Women's access to options is frequently and unfairly restricted due to economic deprivation (Cudd, 2006). Other sources of unfairly reduced options for women are stereotyping and sex discrimination in education and employment (Smith, 2004).

Furthermore Liberal-feminist theory is concerned with ensuring that laws and policies do not discriminate against women and that women have equal opportunities in all aspects of life, for example in employment, education, public accommodations, (McElroy, 1991a).

The manufacturing sector especially metal work and leather and leather products are dominated by men. However, as to liberal feminist theory there should be equal opportunities for both men and women in all sectors. Based on this assumption this study is exploring the opportunities, challenges and coping mechanism focused on manufacturing sector in particular to metal and leather and leather products. Thus, this theory is more conducive to see the situation of women in the study area.

2.1.2. Agency Theory

According to Kabeer(1999) agency is the “ability to define one’s goals and act on them.” This stems from Sen’s (1985) capabilities approach, which defines “‘agency freedom’ as the freedom to achieve whatever the person, as a responsible agent, decides he or she should achieve.” Sen (1999) argues these can span economic, social, and political actions; empirically (and from a policy perspective) these actions would vary across contexts. Agency can also be exercised at the individual, household, and community levels.

This definition of agency requires the understanding of three concepts: (1) the person’s ability to set goals in accordance with their values regarding a particular issue or decision, (2) whether they perceive themselves as able to achieve these goals, and (3) whether they are able to act towards achieving these goals.

Agency is closely related to empowerment and improvements in wellbeing across health, education, economic opportunities, public life, and security (Kebeer, 1999). It has been previously argued that while empowerment includes components such as resources (pre-conditions) and achievement (outcomes), agency is the process that binds the former to the latter, although well-being outcomes and resources themselves affect agency (ibid). For example, women's ability to define and act upon their economic choices (agency), is likely to depend on resources such as their education and employment, access to work opportunities. Agency is also often associated with autonomy and bargaining power in the economics.

An autonomous women is "able to act on one's values and goals", although individuals' ability to initiate transformative changes in their environment. It also increase bargaining power which helps them to exert influence over each other, and is the weight given to each spouse's utility in the household welfare function when bargaining.

Three key dimensions are needed to fully capture individual agency, the ability to define one's goals and act on them:

(1) Individuals need to define goals that are in line with their values. This dimension of agency assesses whether for a given issue, individuals reflect on and develop well-defined goals, and whether these goals stem from an individual's own values and preferences.

(2) Individuals need to perceive a sense of control and ability. This dimension has been mostly explored in social learning theory and social cognitive theory through the constructs of locus of control and self-efficacy. Perceiving your own sense of control and ability to initiate actions is a definitional requirement of agency; Cicchetti (2016) describes self-efficacy as a self-observation about one's sense of agency.

(3) Individuals need to act on goals. The final dimension of agency is an individual's ability to enact their goals, and can involve a range of different actions. The individual can choose the extent of participation in relevant decision-making processes to achieve her goals – whether through actively pushing to be a final decision maker, or other means of negotiation or bargaining to achieve these goals.

The researcher found that this theory is helpful in analyzing the situation of women business owners in manufacturing sectors especially in identifying with their values, perceiving their control and ability and acting on their goals.

2.1.3. Macro -micro approach

The whole economic theory is broadly divided in to two parts- micro economics and macroeconomics. Macroeconomic theory explains and deals with the economic environment which an individual's firms, industry, household etc. face or encounter. Like inflation, deflation and business cycles in the economic environment impact the decision making of the individual firms, industry and households.

Relatively, Microeconomics is concerned with the economic decisions and actions of individuals and firms. ... (Investopedia, 2018)

The micro economics concepts that drive the decision-making processes of an established firm also apply to start-up businesses. A major difference, however, is that the small start-up typically won't have enough (if any) accurate data on supply and demand to make good decisions about pricing and output.

Other major concern for start-up businesses are the vendors and suppliers required the physical premises in which the business will be conducted, and the all-important financing. Most importantly in starting a business, at least from a microeconomics perspective is the supply-demand factor. Will there be enough demand for what the new business intends to supply? That's a critical question, and if the answer is negative, the chances that the business will succeed are minimal.

A truly "general" theory of the economy would clearly embrace both: it would explain individual behavior, individual outputs, incomes and prices, and the sums or averages of the individual results would constitute the aggregates with which macroeconomics is concerned.

Such a general theory exists, but its very generality leaves it with little substantive content. Rather to reach meaningful results we find that we must approach macroeconomic problems

with microeconomic tools, and microeconomic problems with macroeconomic tools.” (<https://www.scribd.com/doc/76503570/Difference-Between-Micro-Economics-and-Macro-Economics>).

Thus the need is for a proper integration of the two approaches, microeconomic theory should provide the building blocks for our aggregate theories. But macroeconomics may also contribute to microeconomic understanding.

According to Sorensen, J. & Chang, P. (2006) factors such as age, gender, education, past experience and entrepreneurial trait significantly affect the firm performance and growth.

Van Praag (2003), in his study of business survival and success of young small business owners, younger small business starters have a lower success and survival probabilities than older starters. The chance of both voluntarily and forced exit from the business is higher to young starters. From this one can understand that the age of small business owners have its own contribution to the success and failure because individuals learn not only from formal education but also from their walks of life.

Gender differences in access to and control over resources also exacerbate inequities in performance of micro and small enterprises (von Masson, 1999). Loscocco *et al.* (1991) observe that women relative to men have less access to financial capital; and because of past credit discrimination, women’s lower earning power and their traditional dependence on men, women are likely to have fewer resources to invest in business activities. The different socialization, training and other experience of men and women may therefore lead to different outcomes in business performance (*ibid*). For example, women’s domestic responsibilities may lead to marginal success in business because they spend disproportionate time on domestic chores than on business activities.

Education can provide the skills set and knowledge, which can help owner with tools, like technology literacy, which helps to increase productivity and success. If education cultivates comprehensive literacy, this would help owner to integrate relevant information to do effective planning and to make well-informed decisions, which would ultimately enhance the organization’s success (Mohan-Niell, 2009).

Thapa, Thulaseedharan, Goswami and Joshi (2008) in their study they found that the education of owners has positive effect on entrepreneurial and small business success. Similarly Rose, Kumar and Yen (2006), in their study of the ‘Dynamics of Entrepreneurs Success Factors’, reported that, higher education level helps the business owners to have better knowledge and skills which contribute to the success of their venture, Working experience also assists the entrepreneurs with information and understanding about the industry and thus, assisted them in venturing into the current business they are in.

Entrepreneurial ability to operate businesses and to absorb managerial and technical skill can be influenced to a large degree by the level of training background and experience acquired over the years. Therefore, skills and knowledge are very important ingredients for successful participation of women in business activities (WasimUIRetal. 2015).

By contrast, macroeconomics studies economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment (<https://www.investopedia.com/terms/m/macroeconomics.asp>).

It is a multidimensional structure that provides individuals with information on opportunities and restrictions. This information defines the choice options people face. These macro-contextual opportunities and restrictions affect the magnitude of the price and income effects, which results in employment decisions under different contextual settings (Matysiak, 2011).

Liefbroer and Corijn (1999) identified two dimensions in macro-economic processes: cultural and structural. The former refers to ‘broad ideologies, values, and norms concerning the role of women in the society’ (ibid, 1999: 52) that define who should take care of children and who should work.

By contrast, the structural dimension relates to ‘societal opportunities and restrictions [imposed] on the roles of women’ (ibid). It encompasses all institutional and structural arrangements that facilitate or hinder mothers’ employment, i.e., family policies and labor market structures.

Hence, even in traditional societies, where mothers' work in the market is socially not accepted, institutionally unsupported, and where work arrangements are rigid, women may participate in the Labour force to a large extent; paid work may be perceived as an important condition for family formation for economic reasons. This is likely to happen in countries where the husband's income is not sufficient for maintaining the family or meeting the couple's aspirations regarding living standards, i.e., in the less affluent societies (Matysiak, 2011).

In order to analysis women in MSEs in manufacturing sector the researcher proposes the micro-macro approach as one useful theoretical perspective.

2.2. Operational Definitions

The researcher used the MOTI (2011) improved definition of MSE in Ethiopia which takes the size of employees and total asset as criteria for the industrial sector in particular:-

- **Micro Enterprises:** - For micro in the industry sector; an enterprise operates with 5 people including the owner and/or their total asset is not exceeding Birr 100,000.
- **Small Enterprises:** - For small enterprises in the industry sector a firm that operates with 6-30 persons and/or with a paid-up capital of total asset Birr 100,001 and not exceeding Birr 1.5 million.
- **Manufacturing sector:-** refers to a segment of the economy where the raw material is converted into tangible output through value addition. This mainly includes textile and garment, leather and leather products, metal works and engineering, woodworks, food processing, and beverage subsectors.
- **Opportunities:** - Refer to enabling circumstances (situations) or experience that women in manufacturing sector get in their engagement in MSEs.
- **Challenges:-**is the situation of being faced with something that needs great mental or physical effort in order to successfully, therefore, test a women's ability to ensure the goals of their business.
- **Coping mechanism:** means the strategies or coping skills that women in MSEs used in order to mitigate the challenges face.

2.3. The International and National Legal and Policy Instruments

2.3.1 International Legal Instruments

2.3.1.1. Convention on Elimination of All Forms of Discrimination against Women

Ethiopia is pioneering in ratifying the Convention on Elimination of All Forms of Discrimination against Women (CEDAW, 1979). As any party to the Convention, Ethiopia has agreed to bring its laws in line with what is provided in the Convention.

Pursuant to (CEDAW, 1979) article 2 and 7 of the Convention, Ethiopia has an obligation to eliminate all forms of public and private discrimination between men and women; facilitate equal opportunities for women and men; develop acceptable principles and measures; change laws and constitutional provisions as desired and to incorporate the rights of women to participate in the imitation, formulation and implementation of government policy at all levels of both public and private sphere.

Hence, in manufacturing sector where men has dominance and women has little share, based on this Convention which Ethiopia ratified it is believed to make favorable ground for equal opportunities to women.

2.3.1.2. The Beijing Platform for Action

The Beijing Platform for Action (1995) urged governments to eliminate occupational segregation and all forms of employment discrimination and to take measure to ensure women's equal access to and full participation in economic development.

Poverty reduction is a national priority in developing countries and many States have taken steps to mainstream gender perspectives in poverty reduction strategies and associated macro- and microeconomic and social policies. Certain experiences suggest that women are more likely than men to be living in poverty, with certain groups – women farmers, women

in the informal sector, migrants, women with disabilities, and older women – more vulnerable to poverty.

Women’s unequal access to economic and financial resources has a negative impact on the well-being of women themselves as well as a ripple effect on their families and communities and on economic growth and development overall. Over the last decade, access to education has increased globally for girls at all levels, particularly in primary education.

Access to labor markets and to decent work remains limited for women. Therefore, women are more likely than men to have low-paid, low-status and vulnerable jobs, with limited or no social protection or basic rights. A very high proportion of women in the labor force continue to work in the informal economy. Gender wage-gaps persist in all parts of the world and are estimated to range from 3 to 51 percent; with a global average of 17 percent. Women continue to have disproportionate responsibility for unpaid work, such as caregiving, which impedes their full participation in education, the labor market and public life.

However, women contribute to the economy and to combating poverty through both remunerated and unremunerated work at home, in the community and in the workplace. The empowerment of women is a critical factor in the eradication of poverty. This is also true in case of manufacturing sector in general and metal works and Leather and leather products in particular.

2.3.2. National Legal Framework

2.3.2.1. The 1995 FDRE Constitution

The 1995 FDRE Constitution has ended the age of old discrimination against women. The constitution has a clear provision that guaranteed gender equality in all aspects of the country’s development endeavors including employment.

According to the provision of Article 25 all persons are equal before the law and discrimination on grounds of gender is prohibited and Article 35 (8) provided men and women’s equality in employment, promotion, pay, transfer, and pension .Furthermore,

Article 35(3) of the constitution identified itself with women's historical legacy of the past and clearly states the retroactive positional truth by way of prescribing an affirmative action as remedy to the historical legacy of women's discrimination.

The purpose of such measure shall be to provide special attention to women so as to enable them compete and participate on the basis of equality with men in politics, social and economic life as well as public and private institutions. In so doing, the constitution provided legal and institutional status of importance, par excellence, to progressively nullify the (wounds of) past in the warm arms of the present, and indeed, the future.

2.3.2.2. Ethiopian women's policy

An explicit recognition to gender issues in Ethiopia can be fairly linked to the Ethiopian Women's Policy issued in September 1993. The policy is aimed at equality between men and women, facilitating conditions where by women have access to basic social services as well as eliminating prejudice and other gender- based discrimination.

The statements stipulated in the women's policy are political and legal compliments to the unrecognized, misrecognized roles of women and as tribute (homage) to all misfortune Ethiopia women. Institutional system ascribed with the roles of identifying, promoting, forwarding, defining and articulating the needs of women in development was designed as an element of the national strategic direction of change and transformation (establishing women's machineries).

The policy highlights addressing discriminatory practices and mainstreaming women's issues in existing laws, regulation, customary practices and creating conducive environment for women to participate and benefit from economic development of their countries.

2.3.2.3. Ethiopian Women's Development and change package

The Ethiopian Women's Development and change package (EWDCP) is strategy document designed to implement the ideals provided in the FDRE constitution, national women's policy and the National Plan of Action on gender equality (EWDCP, 2017). The document

emphasizes on the active engagement of government to realize and advance women participation in economic development in all ways possible. The packages requires government organs and their arms to take in to account women's participation in the formulations of laws, policies and plans provide access to resources for women; to engage in building women's capacity and providing trainings to women; address problems faced women in having their own business, enhance women's participation in economic development of their countries and implement affirmative action to avail training opportunities for women employees.

2.4. An Overview of MSEs

2.4.1. Definition of MSE in Ethiopia

A definition of MSEs in the industrialized world would differ from how MSEs are defined in the emerging economies. An enterprise categorized as micro enterprise in USA may be treated as medium enterprise in Africa or somewhere in Asia for the fact that the definition of MSE is relative to economic development. The annual turnover figures also differ from country to country, depending among other factors on population size and stage of economic development. From this we can learn that there is no common definition of MSEs and that the definitions vary from country to country depending largely on the size of the economy, the levels of development and population size of a country involved (Zemenu and Mohammed, 2014).

In Ethiopia two different definitions of MSE are used until 2012. These are: the 1997 definitions, and definition given by CSA.

The 1997 definition of MSE: The MSE Development Strategy formulated in 1997 clearly enlightens a systematic approach to alleviate the problems and promote growth of enterprises.

According to (FDRE 2014), research report the old definition was based on paid capital only. An enterprise is categorized as micro if it's paid up capital is less than or equal to 20,000

ETB. Similarly, an enterprise is considered small when its paid up capital is less than or equal to 500,000 ETB.

But, as the research report states, the limitation of this definition is that it does not provide information on job creation, size and asset base. This is because employment and asset ownership are not part of the definition. Secondly, the definition does not differentiate between manufacturing industry and services.

Central Statistics Agency definition of MSEs is based on the type of technology adopted and the size of manpower:

1. Handicraft and cottage industries in which a single person or family members perform their activities mainly by hand and using non-power driven machineries; and
2. Small scale manufacturing enterprises engaging less than 10 persons and using motor driven machinery.

However, this definition adopted by the Central Statistical Agency has the following limitations. They are focus on the manufacturing sector (i.e., it does not refer to other sectors); and no use of the amount of capital as criteria.

Thus, based on the above mentioned reasons the existing definitions of the sector should be reviewed on international experience and current process of the sector basis. As a result the 2011 definitions of MSE adopted.

The (2011) New/ improved Definition: Based on the identified gaps of the existing definition of MSE, by taking the size of employee and total asset as criteria and by dividing it in to industry and service sector;

2.5. Industrialization in Ethiopia

In Ethiopia, industry in the modern sense of the term emerged as an economic entity only at the turn of the 20th century. The establishment of a strong central government, expansion of cities associated with the installation of railways and the strengthening of foreign relations

increased the demand for imported manufacturing commodities. This, in turn, encouraged the establishment of import-substituting factories domestically and as a result modern manufacturing enterprises began to emerge in the 1920s. After a brief disruption in the Second World War period, the manufacturing sector started to get momentum in the 1950s. During this period a number of new industries which significantly contributed to the development of the national economy were established. The 1950s are also marked by the start of a comprehensive plan to stimulate and guide the country's industrial and economic development in general (Gebreeyesus, 2013).

Ethiopia has seen three regimes over the last eight decades. Keeping with the political ideologies governing the economic principles of the time, these successive regimes adopted different policies for the development of industry in the country. The industrial policies have distinctive features when looking at the guiding vision, ownership structure, and market orientation. Broadly, they can be characterized as the import substitution and private sector-led (from early 1950s to 1974, the Imperial regime); the import substitution and state-led (from 1974 to 1991, the Dergue regime), and the export-orientated and private sector-led (since 1991, the Ethiopian People's Revolutionary Democratic Front, (EPRDF) led government.

Ethiopia's Growth and Transformation Plan seeks to transform the economy from a predominantly agrarian to a modern and industrialized economy. The current plan (GTP2014/15–2019/20) provides the medium-term strategic framework that guides the country's efforts towards accelerating GDP growth and employment creation. The GTP seeks to transform Ethiopia to an industrialized economy and increase the per capita income of its citizens to middle-income levels by 2025. Integral to the achievement of a vibrant and competitive industrial sector is a deliberate policy focused on the development of the manufacturing sector, for instance through the use of Industrial Parks to attract foreign direct investment. To bundle efforts and facilitate this transformation the Government puts special focus on five sectors thought to maximize the country's endowment and comparative advantage in the manufacturing sector: textiles and garments; leather and leather products; sugar and related products; cement; and the metal and engineering industries (World Bank Group, 2015).

But the GTP has not been able to foster and accelerate structural transformation of the economy and the share of the manufacturing sector in GDP remained stable at a rather low level. In fact, Ethiopia's past high growth decade has been fueled by large services and agricultural sectors. Economic growth averaged 10.9 percent per year from 2003/04 to 2013/2014 compared to the regional SSA average of 5.4 percent. The two sectors of services and agriculture are the backbone of the economy, together accounting for almost 90 percent of GDP between 2003/04 and 2013/14 (ibid)

At the same time the manufacturing share in GDP is rather stable at or just above 4.1 percent of GDP. The manufacturing sector has grown at an average of 10.9 percent in last decade—about the same rate of expansion as real GDP—thereby falling short of the targeted 22 percent in the GTP. In 2013/14 the three sector shares in GDP were: 40.2 percent (agriculture), 45.5 percent (services), and 14.3 percent (industry). The low share of the manufacturing sector, a crucial sector in transforming an economy, is a concern for the Ethiopian Government (World Bank Group, 2015).

2.5.1. Brief overview of manufacturing sector policies in Ethiopia

In Ethiopia manufacturing enterprises began to emerge in the 1920s. The first proclamation of import duty was issued under order number 39 in which duties were increased across the board in all types of consumption as well as capital goods like electrical machinery, farm tools, irrigation pumps and the like. Before this proclamation, high duty was imposed on capital goods than in consumption goods. In 1951, policy revision was made and import duties on capital goods were completely erased; while those on consumption goods were made to increase in order to promote manufacturing enterprises (Rweyemamu, 1980).

As a result of those policies, Ethiopia saw the emergence of a large number of cottage and small enterprises in the 1950s and 1960s. In 1974, the contribution of small and cottage enterprises reached 4.5% of the national income and constituted 6% of the country's GDP and there were about 52,000 such establishments in the country that employed about 223,000 persons. Similarly, in the 1970s, small scale enterprises appeared to employ more

than seven times as many workers than large scale industries with the same amount of capital and provided higher investible surplus per unit of capital (ibid).

After 1991, Ethiopia exercised decentralization reforms and developed different strategies of development. Of these, Agricultural Development Led Industrialization (ADLI) was intended to boost agricultural productivity and facilitate private sector development. It was developed with the objective of enabling the transformation of subsistence farming in to production for the market; thus, relying on agriculture as an initial engine of growth that will average income and foster rural urban linkages through product and factor markets (World Bank, 2007).

Under a plan for Accelerated and Sustained Development to end Poverty (PASDEP), a five year (2005/06-2009/10) development program, urban development gets the focus and micro and small scale enterprises are given great attention for the alleviation of urban poverty and unemployment (MoFED, 2006).

Boosting of the Ethiopian economy through employment creation is considered as an important component for poverty reduction and micro and small scale enterprises are recognized as an important tool to change the poor in income generation because they are operated at local level with small startup capital and indigenous knowledge. MSEs Strategy of Ethiopia (2011) were also stressing on the significance of MSEs and the creation of enabling institutional and other supportive environments for the development of the sector (FDRE,2011).

2.5.2. MSE Development strategy

The Development strategy mainly focuses on access to market, finance, industrial extension, working premises, training and technological support. Different sector based support packages are set for start-up, growing and mature enterprises. Federal Urban Job Creation Food Security Agency (FUJFSA) was established under ministry of urban development and housing. The agencies are tasked with supporting strategy implementing agencies to enable MSE development through the provision of business development services (BDS), training and consulting services. Specifically, they facilitate support at start up, growth and maturity

(transition to medium) stages through financial, skills and technology, and registration assistance.

The government's MSE strategy (2011) has identified a wide-ranging list of areas of support for MSEs including the following:

- ✓ Addressing training and leadership limitations through incorporating entrepreneurship and management in technical training centers (TVET)
- ✓ Alleviating financial constraints through increased access to banking and micro finance services for MSEs
- ✓ Addressing marketing problems through improvements in quality and standards and developing marketing channels
- ✓ Improving access to infrastructure (e.g. water, electricity and communications) and work premises, facilitating production space with infrastructure for groups of MSEs and promoting better access to business development services; and
- ✓ Establishing a one-stop service delivery woreda, sub-city or city level center for MSEs to overcome bureaucratic hurdles.

The support package include human resource development and capacity building, MSE technology development, extension service such as business development service, Kaizen, information and incentives and financial service (saving, lease financing and credit/credit guarantee), production & sells center and market development (sub-contracting, outsourcing, franchising, raw material supply, exhibition and bazaar).

2.6. Opportunities to women in Micro and Small Enterprises

Globally, women are enhancing, directing, and changing the face of how business is done today. Ultimately, women business owners must be recognized for who they are, what they do, and how significantly they impact the world's global economy (http://www.internationalseminar.org/XV_AIS/TS%203/3%20Mrs.%20Priyanka%20Sharma.pdf).

Education is a boon to mankind, while lack of education to a person is a bane now-days. Throughout the world, we can observe that the ratio of women entrepreneurs is growing tremendously. The emergence as well as development of women entrepreneurs is quite visible in Ethiopia and their over-all contribution to Ethiopia's economy is also very substantial.

Today the role of Women entrepreneur in economic development is inevitable because women are entering not only in selected professions but also in professions like manufacturing industry and engineering.

The industrial structure and the enterprises are undergoing a change. Information Technology has transformed the very technique of doing business. Individually, business ownership provides women with the independence they crave and with economic and social success they need. Nationally, business ownership has great importance for future economic prosperity.

Women are considered as specific target group for all development programmes. Government is implementing different women friendly policies targeted to women folk. Different governmental and non-governmental organizations are begun to provide financial access women in MSEs in Ethiopia (ibid).

In addition, vocational training is extended to women community to enable them to understand the production process and management. Activities in which women are trained focus on their marketability and profitability.

State Finance Corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs. And lastly women's development corporation has to gain access to open-ended financing (ibid).

2.6.1. Support from International Community.

The Women Entrepreneurship Development Project (WEDP) provides finance and business support for growth-oriented women entrepreneurs in Ethiopia

(<https://www.worldbank.org/en/results/2016/07/21/financing-women-entrepreneurs-in-ethiopia-the-women-entrepreneurship-development-project-wedp> retrieved on Sept.15/2019).

WEDP created the first ever women-entrepreneur focused line of credit in Africa in 2013. After fully disbursing its commitment in two years, the project was expanded through co-financing from Japan, Italy, Canada, and the European Investment Bank (ibid).

The WEDP line of credit is currently disbursing roughly \$3 Million in loans and training for roughly 600 entrepreneurs in Ethiopia every month. The project is implemented by the Development Bank of Ethiopia (DBE) and the Federal Agency for Urban Job Creation (FUJCFSA) and is currently working 12 participating microfinance institutions and a network of training providers across the country (ibid). Women business owners in Gullele sub-city are benefiting from this project through the Sub-city's Addis Micro Finance institutions.

WEDP has been recognized for its innovative and effective model of reaching women entrepreneurs. Lessons from the WEDP Ethiopia model are informing initiatives to finance women entrepreneurs in other countries, including Nigeria, Zimbabwe, Madagascar, Turkey, Mexico, and Indonesia. As of March 2019, more than 12,000 women entrepreneurs took loans and over 16,000 participated in business training over world. At the same time, WEDP microfinance institutions are adopting and diffusing new techniques to reach and serve women entrepreneurs better. They are developing new loan products and recognizing new forms of collateral such as vehicles, personal guarantees, and even business inventory, to secure loans. This is all the more relevant in a country where there is no existing collateral registry (ibid).

WEDP is introducing innovative credit technologies to lenders, such as psychometric tests and data-driven credit scoring technologies which can predict the ability of a borrower to repay a loan and reduce the need for collateral. Scaling-up this technology could have a sea-

level change on access to credit in Ethiopia. WEDP is building the basis for establishing a sustainable women entrepreneurs' financing mechanism and for building the capacity of financial intermediaries and providers of business development services to serve that specific market segment (ibid).

The project has already been effective in paving the way for a larger effort from the Government of Ethiopia in supporting the Micro and Small Enterprises particularly women.

As of March 2019, more than 12,000 women entrepreneurs took loans and over 16,000 participated in business training(<https://www.worldbank.org/en/results/2016/07/21/financing-women-entrepreneurs-in-ethiopia-the-women-entrepreneurship-development-project-wedp> retrieved on Sept.15/2019). Women business owners in metal work and engineering and leather and leather products are benefiting from these projects. As data gathered through in-depth interview from 5 women shows they are benefited from it. Therefore, this project is playing its role in growth and expansion of their business. The other women mentioned that they know the availability of the project but they didn't get the opportunity since it is not available to all.

2. 6.2. Collateral Free Loans

The collateral-free loan for women in MSEs is Enat Bank's Women Financial Service (EWBFS). It has a number of women support services, one of which is a collateral-free loan for women entrepreneurs. According to the Enat's Women Business Financing Scheme (EWBFS), the Bank recognized the contribution of women to the economy, and the financial constraint of women enterprises and hence has financial services to respond by providing collateral-free, names the collateral risk fund scheme for low-income, active poor and missing middle (<https://www.enatbanksc.com/products-services/women-financing.html> accessed on December 10/2019).

The basic requirements and the eligibility criteria for women to be financed under collateral risk fund is Age from 18-65, being a woman or business owned and managed by women only and being Ethiopian National (ibid). Those who have entrepreneurial potential and are active

and eager to work; possess an innovative idea, particularly that can reduce women's workload has the potential to serve as role models.

Women in difficult situations will be given priority: The list of women entitled includes:

- Women engaged in labor-intensive and risky work conditions such as fuel-wood carriers, commercial sex workers, informal traders... etc.
- Survivors of Gender-Based Violence (GBV),
- Heads of households who support many dependents, those lacking collateral and are able to produce a certificate showing that they do not have any property registered in their name, husband or children under 18 years of age; Those hold a deposit account with Enat Bank, able to pay 5% equity contribution and having no loan default record.
- Those able to produce a sound business plan and capable of obtaining or holding a valid license.
- Those who are willing and able to duly enroll in training programs organized by development partners. Furthermore, the Bank may put in place additional requirements depending upon the risk involved (EWBFS, 2017).

2.7. Challenges to Women in MSEs

Studies show that both at prior to and post enterprise establishment, women face various challenges unlike their male counterparts. For example, studies in the 1980's began to report unique barriers confronting women business owners (Desta, 2010). Most significant factors include discrimination experienced by women seeking venture capital and exclusion from financial business networks (Hisrich & Brush, 1987).

It was also reported that apart from access to finance, women face challenges in net-work establishment, limited access to markets and other resources due to socio-cultural deterrents. These challenges are discussed in the subsequent sections.

2.7.1. Lack of adequate Capital

All around the world, Micro and small scale enterprise have less access to finance than large firms. Ethiopia is no exception. According to the World Bank Enterprise Survey (2008) one of the most important objective indicators of access, actual use of credit products, only 59% of small and medium enterprises had any credit products as compared to 82% for large firms. The survey argues that microenterprises are more likely to report access to finance as one of the top three obstacles to growth, are less likely to have a bank account, and less likely to have access to any of the credit products. As firms grow larger, access becomes easier (ibid).

The extent of the financing gap can only be determined by comparing the supply of financing to what is demanded by the SME sector, i.e. what financing is available and whether the financing available meets the needs of the SME sector. Beck (2007) argues that the availability of finance to new SMEs can be influenced by both borrower-specific (internal factors) and systemic factors (external factors). Moreover, suppliers of finance may choose, for various reasons, to offer finance at interest rates that would leave many potential borrowers without access to credit. These reasons relate to problems of having to deal with uncertainties such as agency problems, asymmetric information, adverse credit selection and monitoring problems. Although not specifically related to SMEs, the specific characteristics of SMEs are such that these reasons negatively impact SMEs more than larger companies (OECD, 2006).

A primary and continuing obstacle faced by women appears to be difficulty in securing capital funding for new business ventures (Buttner & Rosen, 1992). Similarly; scholars like Buttner (1993) argue that some women have been unprepared with the comprehensive business plan demanded by the banks: rather than doing their homework due to time constraint and women dual responsibilities.

2.7.2. Limited access to market

According to UDEC (2002) women's ability to penetrate markets outside of their local area is affected not only by physical mobility issues, but also by the types of businesses women engage in. Women's locally made products are increasingly in competition with a growing range of imported goods coming into the market at all levels. Issues of quality and delivery are the same for all micro-enterprises, but women face additional gender-based issues concerning mobility – which in turn relate to their triple roles which constrain their time and determine whether it is acceptable for them to travel outside of their communities. Most women are inhibited by traditional roles, domestic responsibilities and cultural values” Women engaged in business largely confine themselves to local markets where access, mobility and networks are easier for them to negotiate (*Zewde et al, 2002*).

2.7.3. Limited access to Working Premises

Other barriers for women business owners are related to appropriate working premises. The issue of premises had both overt and indirect gender issues for women per se. Women entrepreneurs, by the fact that they dominate the informal economy; suffer more than men regarding problems to do with appropriate business space and premises (*Jemal, 2016*).

More overtly, customary practices in communities often prevent or deter women from owning or leasing premises in their own right (*ibid*). Even where women have resources to rent premises, some landlords are reluctant to make legal agreements with the women without their families' approval due to lack of opportunities for women to control economic resources (*Zewde et.al, 2002*).

2.8. Coping strategies adopted by Women in Micro and Small Enterprises

Coping can be stated as an effort to manage internal and external demands of the person assess it as either challenging or surpassing their own known resources (*Lazarus, 1981*). If a person encounters a situation as taxing then the person is probably checking whether the situation can be handled either by direct action or by using problem-focused strategy. Analyses of coping attitude on women entrepreneurs were made in certain researchers.

For an example, Lazarus and Folkman (1984) proposed two types of coping: emotion-focused coping (finding a way to alleviate the emotional reaction to issues, such as seeking emotional support, avoidance) and problem-focused coping (adopting direct and constructive strategies to solving issues such as characterizing the issue).

In order to counter the adverse conditions facing women in MSEs in Gullele Sub-city, the women entrepreneurs have developed several coping strategies for the survival of businesses. Despite the many challenges the women entrepreneurs in Metal and engineering and Leather and Leather products in Gullele are facing, they have managed to increase and obtain marginal profits. In order to cope with challenges, women in MSEs are adopting different coping strategies.

The women are often faced with infrastructural challenges, which inconvenience transportation of goods to the market. In order to overcome transport challenges, rent vehicles from their income. In most cases, the women lack the capital to start and run their businesses (Grace & Orucho, 2017).

In most cases the women entrepreneurs complain of multiple domestic roles left to them by their partners. This consumes amount of time to be dedicated for business activities. In order to cope with this they have to remain resilient and committed to do business (ibid).

According to the reviews collected above, it is clear that there are several problems faced by women entrepreneurs in workplaces and their family life. There are the major issue faced by women entrepreneurs in manufacturing sector and how the challenges faced by them have been managed by them (ibid).

Earlier study like Soundarapandian (1999) has investigated the prevailing problems of women entrepreneurs that include technical problems, a high capital amount for the required raw materials, rigid level of competition from male entrepreneurs, low family support, low capacity to survive under risk, and the unavailability of entrepreneurial knowledge. Likewise, several difficulties facing the women in MSEs like the absence of business exposure, the absence of sufficient experience, and defensive attitude towards risk was considered as personal problems. Following are the common social problems include family

responsibilities, unwritten rules of society, and male domination, no ownership of properties, the absence of economic power, relying on male members on banking and few economic related problems. Kapadia & Barodia (2004) have mentioned that the problem encountered by women entrepreneurs show the need of installing the abilities of self-employment. However, those studies failed to point out what kind of coping strategies used by women entrepreneurs to manage their issues. However, the paper of Singh *et al.* (2007) stated that entrepreneurs would largely apply problem-focused coping approaches to handle the economic life, like financial pressures because of debts and absence of income. From this paper, it is clear that entrepreneurs faced the issues and it has been managed through applying problem-focused coping approaches. Contradictorily, Ericson (2010) also revealed the entrepreneurs have used emotion-based coping strategies for managing stress and challenging circumstances that contains guilt, despair, frustration, anger, grief, and depression. Ahmad and Xavier (2010) have investigated the stress sources and its related coping mechanisms to know that among Malaysian entrepreneurs. However, the current study shows the women in MSEs in manufacturing sub-sector faced problems and applying both problem-based and emotion-based coping strategies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Description of the Study Area

3.1.1. Location

Addis Ababa is the largest as well as the dominant political, economic, cultural and historical city of the country established in 1887 by emperor Menilik II. It is the capital of the federal government and a chartered city (<http://www.addisababa.gov.et/de/web/guest/city-map>).

The total population of Addis Ababa was estimated to 3,048,631 of whom 1,595,968 were females and the rest 1,452,663 were males (CSA, 2014). The city is located between 8°49'55.929" and 9° 5'53.853" North latitude and between 38° 38' 16.555" and 38° 19.547 East Latitude (ibid).

Administratively, the city is chartered city having three layers of administration city, sub-city, and district (*Woreda*) level administrations, it is divided into 10 sub-city and 116 *Woredas* (ibid). It has its own city council elected every five years. This study was conducted in Gullele sub-city of Addis Ababa. Gullele sub-city is one of the peripheral sub-cities in Addis Ababa, which covers a total area of 30.18 km²; the total population of the sub-city was 248,865 (ibid).

Figure 1.1: Map of the Study Area



Source:- Addis Ababa City Government Website

NB: Gullele Sub-city shaded by Blue colour.

3.1.2. Topography and Climate

Addis Ababa is situated in the high plateaus of central Ethiopia in the North-south oriented mountain systems neighboring the Great Rift Valley. The climate of Addis Ababa and its environs is characterized by four seasons. These are dry season (*Bega*), Rainy Season (*Kiremt*), Small Rainy Season (*belge*), and (*Mehar*) ([https://en.wikipedia.org/wiki/Addis Ababa](https://en.wikipedia.org/wiki/Addis_Ababa)). The city is mainly characterized by (*Woinedega*) climatic features.

3.1.3. Socio-economic Aspects

The dwellers of Gullele sub-city engaged in different economic activities ranging from hand to mouth to running high economic activities. The sub-city with dense population are faced with socio-economic problems such as unemployment, housing problem, inadequate market infrastructure, problem of waste disposal, shortage of recreational center for the youth.

The unemployment rate at national level is 19.10% (<https://tradingeconomics.com/ethiopia/unemployment-rate>) where as 23% in the city as of 2018([https:// hornaffairs.com/2013/04/17/addis-ababa-unemployment-rate-decreased/](https://hornaffairs.com/2013/04/17/addis-ababa-unemployment-rate-decreased/)).

Most of the populations of the sub cities fall in medium and lower living standards, and are engaged in low standard informal activities (Gullele sub city Strategic plan, 2008). According to official statistics from the federal government, people in the city are engaged in trade and commerce; in manufacturing and industry; Homemakers of different variety; in civil administration; in transport and communication; in education, health and social services; in hotel and catering services; and in agriculture. In addition to the residents of rural parts of Addis Ababa, the city dwellers also participate in animal husbandry and cultivation of gardens (https://en.wikipedia.org/wiki/Addis_Ababa).

One of the urban poverty eradication strategies of the government of Ethiopia in urban areas is creating job opportunity by organizing unemployed youth and other unemployed members of society in MSEs. In Addis Ababa and its sub-cities, Micro and Small Enterprise Program started since year 1996. The current socio economic infrastructure facility does not comply with the increasing number of unemployed people, therefore, taking the fact into consideration the city administration has given due emphasis for the development of these sectors by providing training, improved technologies as well as giving them priority to get

access to credit facilities and market (Kidaneet al, 2015). In addition, the people of Gullale sub-city follow different religion, .viz. Christianity and Muslim (ibid).

In this sub-city there are fifty-eight KG, thirty-eight Primary schools, eight secondary schools, and two Preparatory schools, five TEVT, five College and five private Universities. Also seven health centers, one higher clinic, twenty-three junior clinics, five clinics and three hospitals find in the sub-city(<https://en.wikipedia.org/wiki/Gullele>).

3.2. Research Design

Research design is needed because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible yielding maximal information with minimal expenditure of effort, time and money (Kothari, 2004). Therefore, among different research design, qualitative approaches were employed and exploratory research design is adopted.

Qualitative research is inductive by nature and views the world as having more than one reality (Jennings, 2011). It focuses on understanding the social world and the relationship between people in an exploratory way (Daymon & Holloway, 2011). Hence qualitative approach is used to capture for the women's individual experiences.

In, the same way exploratory research seeks to find out how people get along in the setting under question, what meaning they give to their actions and what issues concern them (Creswell, 1998). The research focused on the manufacturing sector in particular to metalwork and engineering and leather and leather products where little attention was given in previous studies. In this regard, an exploratory design helps to adequately explore issues at greater depth in this area where little knowledge exists so far.

3.3. Source of Data

The researcher used both Primary and Secondary Sources. Primary data were collected by in-depth interviews, key informant interviews, and observation. The secondary data were collected from books, journals, annual reports, websites, published reports, previous researches, and other relevant literature.

3.3.1. Data Collection Methods

The study was conducted based on primary data that was collected using in-depth interviews, key informant interviews and observation. As Kothari (2004) states that in dealing with any real-life problem it is often found that data at hand are inadequate, and hence, it becomes necessary to collect data that are appropriate. Accordingly secondary data was also collected by reviewing different government reports, books, journals, websites, published reports, previous researches, official statistics and other relevant literature.

Details of each methods adopted in the study is presented below as follows;

3.3.1.1. In-depth Interview

The researcher collected data through an in-depth interview. The aim of the in-depth interview was to explore the opportunity, challenges and coping mechanisms of women in micro and small scale enterprises in the manufacturing sub-sector. In line with this, the purpose of the interview is to find out what they have experienced. Therefore, face-to-face interviews were considered the most suitable interview method since there was a need to understand the phenomenon from the participant's view. This technique aimed at explicating experiences and collecting information about participants by allowing them to express their ideas and to narrate their stories (Veal 2006; Gray, 2009) to get in-depth and thick information (Bryman, 2008). The in-depth interview was employed to capture the experience of business owner women. Hence, for this research purpose, from 26 women business owners in the sub-city, the researcher selected 11 women for the in-depth interview based on purposive sampling technique. The participants of the in-depth interview were women in metal work and engineering, leather and leather product MSE owners in Gullele sub-city(See Appendix – A, pp.73).

3.3.1.2. Key Informant Interview

Key informant interview was made with 5 key representatives of stakeholders, who include Gullele Micro and Small Enterprise Development office head, Gullele sub-city technical vocational training office one head and one team leader, and Gullele sub-city women, children and youth head affairs, Gullele sub-city Addis Credit and saving institution head. Data concerning the government intervention support provided to women, challenges and legal and policy frameworks that encourage women owned MSEs(See Appendix – B, pp.74).

3.3.1.3. Observation

Usually, observation is a way of capturing untold realities in the study area. For this purpose observations were made at different locations in the study area: on the overall environmental context, the location of the working site, shades, and other physical capital of the operators (See Appendix – C, pp.74).

3.3.2. Procedures of data collection

The interviews had been held with the participants during working hours at the worksite. Therefore, the researcher observed the site of the working environment while conducting interviews and observation. And also the researcher before beginning to conduct the interview asked permission and consent from the respondents. The reason is the respondents have the right to reject if they didn't want to participate in the research. The interviews were conducted in Amharic. And also, the interview was recorded with the consent of the respondents.

3.4. Sampling Techniques

In this study Gullele sub-city was selected purposely, due to the relatively larger number of female owners in the manufacturing MSEs as compared to other sub-cities. The manufacturing sub-sector was selected because of the less proportion of Women owners than that of males.

The type of sampling techniques employed was non-probability sampling techniques. It was believed that non probability purposive techniques were best suited for this kind of study because of the researcher well knows the participants of the study already. To support this Creswell & Clark (2011) argued that purposive sampling is based on the researcher's choice of potential participants in respect of specific criteria or experience of the examined phenomenon.

In this research, the researcher chooses the 2 sub-sectors (Metal Work and Engineering, and leather and leather products) purposively due to low representation of the women in the sub-sectors. In these sub-sectors out of 26 women business owners, 11 of them were selected due to their availability and active business status at the time of the study.

Table-1: Distribution Manufacturing Sector by sub-city

No.	Name of the sub-city	Number of the manufacturing sector
1	Lideta	53
2	kirkos	150
3	Bole	195
4	Nefas Silk-Lafto	178
5	Arada	377
6	Akaki-Kality	195
7	Addis ketema	209
8	Kolfe-Keranio	1010
9	Yeka	83
10	Gulelle	693
	Total	3143

Source: - FDRE Job creation and Food Security data (2018).

Table-2: Distribution of Gulelle sub city Manufacturing MSE by sub- sectors

1	Manufacturing MSE sub-sectors	Total number	Owned by female	Sample size
2	Textile and garment	307	153	-
3	Leather and leather products	32	12	6
4	Food processing and beverage	217	39	-
5	Metal work and engineering	32	14	5
6	Wood works including furniture and ornaments service	105	28	-
	Total	693	246	11

Source: - FDRE Job creation and Food Security data (2018).

3.4.1. Sample size

The total populations of the study were 26 women business owners from metal work and engineering and leather and leather products found at the study area. However, out of the 26 study populations the total of eleven women business owners in-depth informants were selected due to their availability and active in their business activities. The rest weren't selected because six of them were entitled by women but belongs to men, two of them were registered to enterprise development office as MSEs working in metal works and engineering but they were practically working in food and beverages and seven of them were not in position due to stagnation of their business. And five key informants (Gullele sub-city technical vocational training office head and team leader, and Gullele sub city Women, Children and Youth affairs head, Gullele sub-city Addis Credit and Saving Institution Head) were used in this study.

This number of participants in the qualitative stage is not a problematic issue because the sample size depends upon the research aim and design. In this case, the objective was to collect rich and thick data, which could support the development of themes and sub-themes (Holloway & Wheeler, 2010)

3.5. Method of Data Analysis and Interpretation

Thematic analysis is one of qualitative data analysis techniques (Jennings, 2010). Hence, the researcher employed a qualitative thematic analysis which is one that looks across all the data to identify the common issues that recur and identify the main themes that summarize all the views the researcher have collected (patton & Cochran, 2002).

Pittaway & Thorpe (2012) noted that demonstrating rigorous data analysis through a careful and comprehensive articulation of data is critical to improving the qualitative research. In this qualitative exploratory case study, to study the women business owners' situation, the researcher used methodological triangulation.

To ensure the credibility of the data, the researcher carefully read notes, listens to recorded responses from the interview questions and coded data from each interview before analyzing the data. The researcher then identified the major themes in line with the research questions.

3.6. Data quality management

Reliability and validity help define the strength of research data as opined by Ritchie *et al.* (2013). Validity ensures the trustworthiness and credibility of data (Yin, 2014).

In this study to establish reliability, the researcher used methodological triangulation to keep the consistency of data collecting from a variety of sources from an in-depth interview, key informant interview, observation, and secondary data. The researcher ensures the validity of this study by cross-checking candid information collected from the research participants and by analyzing the data by respectful neutrality.

3.7 Ethical Considerations

The researcher had given due attention and concern to ethical issues, as it is mandatory in research. All the research participants included in the study were duly informed about the purpose of the study and their willingness and agreement were secured before the beginning of conducting an interview. In all cases, their names were kept confidential and collective names such as the participants, the interviewees, etc., were used in the study. Furthermore, the researcher recognized all information gathered from secondary sources.

In addition, the study maintained the privacy of the respondents. Moreover, participants have been clearly informed their right not to tell any information that they do not want; to walk away at any stage of an interview; not to reply any question that is personal when they feel uncomfortable.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

In this chapter, the data collected through different data collection methods are discussed and analyzed carefully in order to explore woman's Participation in Micro and Small Scale Enterprise in Manufacturing Sub- Sector in Gullele sub-city, Addis Ababa opportunities, challenges and coping Mechanisms.

The information gathered through key informant interviews, in-depth interviews and field observation analyzed, interpreted and presented.

4.2. Description of the target women

The study was carried out to explore women's experience in Micro and Small Scale Enterprise in Manufacturing Sub- Sector in Gullele sub-city, Addis Ababa focusing on opportunities, challenges and coping Mechanisms. The sub-city is one among ten sub-city of Addis Ababa city administrations. This sub-city was selected for this study due to its relatively high number of enterprise availability in comparison to other sub-city of Addis Ababa as it was shown on the table 1 above.

The researcher was conducting this study on metalwork and engineering and leather and leather products because of the low representation of women in this manufacturing sub-sector as it was shown on the table 2 above. The study was conducted focusing on 11 metalwork and engineering and leather and leather products enterprise in the manufacturing sector owned by women. The description of the enterprise was described as follows;

All of these enterprises are micro and small scale enterprises owned by women. The women business owners' age are range from 29 to 45. The family size of the women business owners are range from three to six. All women are educated. Among them nine of them are married while only two are single. All of them follow Christianity out of which eight are Orthodox, two are protestant, and one is Catholics. Before beginning this work their previous economic activities were Private, Employees of NGOs and family business. They began their MSEs business from 2008 to 2017 due to find in a better opportunities, to increase their income and

to improve their families lives. The forms of their businesses are partnership and joint venture.

Out of eleven enterprises metalwork and engineering were five and leather and leather products enterprises were six. The start-up capital of the enterprises was ranging from 4000 to 100,000. Currently, their total capitals range from 10,000 to 1.5 million.

They all sell their products to domestic markets. Out of eleven enterprises, ten of them began their business by personal saving while 1 of them began it by loans from micro and small scale enterprises. Among the enterprises on which this study was conducted four of them acquired the working place from government, three of them by rents and the remaining four are using their family's house.

The enterprise is created job opportunities for those women and for their employees. They are running their families life using what they earn from these MSEs. Generally, it created employment opportunities for seventeen males and fifty-nine females, which is a total of sixty-six.

4.3. Opportunities of women in the manufacturing sector

According to Shane (2003) opportunities are created by the institutional or external environment for entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare. The major opportunities identified from the data collected are discussed as follows:-

4.3.1. Conducive policies and programs

Looking at relevant laws, policies, regulations and selected programs from the perspective of gender, we see that most of the existing policies and regulations are geared towards creating an environment that enables equitable participation and benefits for women in the workplace. For instance, the Ethiopian Constitution (1995), the Revised Family Code (2000), regional and international instruments including ILO conventions, Ethiopian Labor Proclamation No.377/2003, among others, guarantee women's equal rights to employment, promotion, pay, and pension transfer entitlements, as well as the right to form associations, affirmative

action provisions and prohibitions against discrimination. Promoting the empowerment of women and youth, ensuring their effective participation in the development and democratization process, and enabling them to equitably benefit from the outcomes of development are some of the overarching strategic objectives of GTP II (MOTI, 2018).

In addition, GTP I, II, and the Ministry of Trade and Industry strategic plan of 2025 which focus on the manufacturing sectors giving special consideration on concentration of women is another policies and program regarded as opportunity (ibid). Furthermore, the special focus on Small and Medium Scale Enterprises are among the enabling environments that can facilitate the entry of women entrepreneurs to manufacturing (ibid).

The Ministry of Women, Children and Youth Affairs (MOWCYA) has also developed and supported gender-specific policies and strategies aligned with national strategies. Among others, include the National Women's Development and Change Package (NWDCP) to guide the development efforts to effectively institutionalize and increase women's participation and benefits in manufacturing sector (NWDCP, 2017).

A range of incentives targeting the manufacturing sector could be considered emerging opportunities that will facilitate effective implementation of the programs and policies stated above. Similarly, there are different programs that support the Ethiopian industrialization transformation agenda, both from the government and development partners. The Kaizen program and capital lease financing are examples that the study reports as opportunities for empowering women in manufacturing sector since they help to improve the working conditions of women (Blattman & Dercon, 2016).

4.3.2. Increased recognition of MSE Development as a key for economic development

The objective of Growth and Transformation plan (GTP) II is to ensure rapid economic growth, creating job opportunities in urban and rural areas and ensuring equitable growth helps to improve the income of the people thereby reduce poverty (MOTI, 2018).

To enable micro and small enterprises register rapid and sustainable growth and sustain rural development and lay the foundation for industry development, focus is given to expansion of enterprises by creating substantial developmental investors. Based on the micro and small enterprises development strategy, supporting frameworks and implementation strategies emphasis on organization of micro and small enterprises (MSEs) operators and support them to start business (ibid).

To this end, the Government of Ethiopia has been taking steps in order to encourage an entrepreneurial culture in the country. Notably:-

- The development of the micro and small enterprises sector is a clearly identified strategy put forward by the government.
- Capacity building aimed at small scale and medium enterprises has been implemented through GTP I (2010/11- 2014/15) and has been proposed in the GTP II (2015/16- 2019/20) as well (ibid).
- Gaining adequate finance, creating market linkages/ networks and creating conducive climate for business activities are set in GTP to be carried out in order to make these business operators profitable through enhancing their competitiveness in price, quality and quantity (MOFED, 2004)
- Women and youth empowerment is taken as one of the cross cutting issues. With regard to the economic benefits of women, it is planned to increase women's participation in the micro and small scale enterprises from 41.47 percent in 2014/15 to 50 percent by 2019/20. Support packages and opportunities that contribute to the achievement of stated goals in the GTP are delivered through intermediation of one stop shopping service centers (ibid).

4.3.3. MSEs as job creation opportunities for women

The MSE main objective is to create job opportunity for the unemployed citizens including women. As the Addis Ababa city administration MSEs bureau report (AACASMEBR, 2018) shows 686,083 unemployed people have got job opportunity from MSEs development. Of this 36% are women. The in-depth interviewee who own MSEs in the metal and engineering

sub-sector elucidate: - *With its problems these MSE's created job opportunities for me to lead our life and my families' life. I'm covering my family's expenditure using earning I get from this MSEs. More than before we are living better life by what we get from it (II08, Age 29, 2019).*

In addition to this, another in-depth interviewee from Leather and leather products argued that; *I'm running my family's life more than ever. I have 3 children's attending primary and secondary school. I support and look after them by what I get from these SMEs. Therefore, it created life for us (II 03, Age 36, 2019).*

Similarly, the research participant from Enterprise Development office Gullele sub-city;

Even if the number of women participating in MSEs in metal and engineering and leather and leather products sub-sector were few, these women were created job opportunities for themselves and for their employees. Most of them have more than 2 workers (KII 12, Age 32, 2019).

More over data gathered through observation shows that women in SMEs in metal engineering and leather and leather products have not only got job which helps them to run their families life and to get psychological satisfaction but they also created job opportunities for other people.

4.3.4. Institutional set-up

There are different institutions supporting women in MSEs in Ethiopia. They are providing training and facilitate provision of capital.

From 2011 – 2018 women in MSEs are getting business and technical skill counseling support from government particularly during stating up of their business from Addis Ababa city administration Micro & Small Enterprises Development Buearu Report (AACAMSEDBR, 2018).

For example, an in-depth interviewee of the study mentioned;

When I first start my business the enterprise development officer provides us with important counseling on how to begin the business and recommend me on what area I should have to focus based on market conditions. They showed us the overall process of the business which is more beneficial to us (II 08, Age 29, 2019).

Another in-depth interviewee from Leather and leather products also elucidate:

The officer from Enterprise development office advises us on how to prepare business plan, to get training, to get working places (rental or government) and to get loan. There counsel is helpful for our today's business progress (II 11, Age 37, 2019).

It is MSEs development bureau which provides women in MSEs with crucial counseling services. Accordingly, key informant interview from SMEs development told to the interview that;

Women in metal and engineering and Leather and leather products are beneficiary of our counseling services. We counsel them how to begin their business and after they begin it how to manage, to expand and to transform to other stage (KIII2, Age 32, 2019).

4.3.5. Women in MSEs Trade Fair and Exhibition

The Ethiopian government has formulated MSE's strategies to ease marketing challenges by creating inter-linkage mechanisms with other institutions and providing training on marketing (FDRE, 1997). Women in MSEs in manufacturing sector particularly those in-depth interviews in Leather and leather products told to the researcher;

Since I don't have enough working and display place I used trade fair and exhibition to sell my products. Therefore, it helped me to get market opportunities and having networks. As to me the exhibition and trade fair is very useful to sell my products (II 05, Age 31, 2019).

The key informants from Enterprise development office mentioned additional ideas on trade fair and exhibition as follows;

Women in manufacturing sub-sectors of leather and leather products are getting benefits of trade fair and exhibition to show and sell their products to public. This is one opportunities government of Ethiopia is providing to women in this sub-sector to support their role and participations in development of the country (KII 12, Age 32, 2019).

4.4. Major Challenges of women in MSE owners in manufacturing sub-sector

Despite the pivotal role of SMEs in advancing growth and employment creation in countries, like Ethiopia a number of bottlenecks affect their ability to realize their full potential.

The majority of the participants agreed that women in MSE are challenged in their business activities while before starting or on their business activities. The major challenges are identified and discussed as follows:-

4.4.1. Lack of Adequate Finance

In regard to capital, it is true that any business enterprise requires some amount of initial and working capital under its startup, operational and expansion stages. The enterprises may use different types of sources of finance. Women in MSEs in the manufacturing sector share most of the familiar challenges faced by entrepreneurs operating in the other sub-sector. However, they also faced special constraints. For instance, women have a special constraint in accessing finance for entry as well as for the growth of their business, mostly due to lack of access and control over resources. Most start with their own finance and start too small making growth and successions are challenging.

As per in-depth interviews made with metal and engineering and Leather and leather products participants, financial constraints such as inadequate finance for their business are the major hindrances in doing their business. Specifically, in-depth interviewee from metal and engineering narrated the different problems faced by them as follows:-

At first, it is very difficult to perform our business because of the many challenges facing us. Among the challenges, the very hard one is a lack of credit. Our sub-city

Credit and saving institution are not in a position to provide credit timely due to lack of good governance (II-02, Age-42, 2019).

She also pointed out the lack of good governance in hindering them in getting startup capital as follows;

The other problem facing us is related to collateral requirements. They ask immovable property to give credit for our micro and small scale enterprise. But, for example, I don't have immovable capital to get loan from this institutions (Interview 02, Age 42, 2019).

Regarding the challenges facing women business owners; key informant interviewee of Gullele sub-city Enterprise development office head elucidates:

In fact, our sub-city women business owners faced by challenges of lack of finance. Currently, the government focused on small scale enterprise as the base of transformation to the Industry sector. However, there is a lack of good governance in providing finance to micro and small scale enterprises. Particularly women business owners are challenged more than men business owners due to attitudinal problems, lack of resource focused only on women and lack of strong institutional set-up (KII 12, Age 32, 2019).

One in-depth interviewee argues that financial institutions such as Gullele microfinance is not in a position in providing enough financial support to the expansion of micro and small businesses women enterprisers. In addition the interviewee argued that financial institution in the city does not provide finance in the form of loan to them due to collateral obligations and other requirements. The data obtained through observation made to their areas of work assure that women business owners have serious financial problems in ways such as securing funds in small amounts at rates comparable with those paid by large industries, building and manufacturing adequate financial reserves and securing long term equity capital. Therefore, the availability of capital to run their own business is one of overwhelming challenges to them. Therefore, based on the above data it is possible to conclude that lack of adequate

finance is a major challenge to women in micro and small scale enterprises in the manufacturing sector of Gullele sub-city.

4.4.2. Lack of Working Site/Premises

Lack of working, the site is another major challenge to women business owners. Even if the government promised to provide micro and small scale enterprises with enough working places; in practice, this has not happened. According to data from an in-depth interview with one woman business owner:-

Although the government promised to provide enough land, displaying places and sheds for micro and small scale enterprises, it is not in a position to fulfill its promises. Gullele sub-city has a lack of working places; therefore, they didn't provide enough working places for micro and small scale enterprises based on the nature of the business. She also described the government promises to provide enough working places as "it only smells water", meaning the government do not fulfill its promises especially in providing enough workplaces (II 10, Age 30, 2019).

In addition, one of the in-depth interviewee research participants told to interview that even if the government provides a working place they are not at suitable locations which are easily accessible to the market. Moreover, women entrepreneurs are experiencing difficulties in meeting the high level of rents, and most of them do not own their own premises.

Accordingly, one business owner woman mentions during the interview:

The problem of our enterprise is very acute. I don't have a working place to run my business. Therefore, I am using my house as working premises. Using my family house for my own business is creating its own challenges like unfavorable living environment (II 01, Age 45, 2019).

The interview made with key-informant from Enterprise development office shows that;

Women in MSEs in metal and engineering and leather and leather products in our sub-city have a lack of working place. The reason is the government gives land and working place for new MSEs if and only if the older MSEs transform to Medium

enterprise. However, due to a lack of interest in the loss of their working place they don't want to transform themselves. As a result, it creates a scarcity of working place to give for the new MSEs (KII 012, Age 32, 2019).

In addition, as per the observation made to the area of their work by researcher most of women business owners are using their house as working place and market place.

4.4.3. Lack of connection to Market

Most of the participants of the in-depth interview argued that marketing problem is one of the major factors hindering the women business owners to run their business effectively and efficiently. One in-depth interview participants from leather and leather products argued that:

Even if we produce enough products, there is no connection to market for our products. In addition to this, she argued that the marketing network is important for the promotion, growth, and development of their business. However, enough market and networking are not accessible to our products (II 05, Age 31, 2019).

Another data gathered from key informant interview with enterprise development office supports the above-mentioned problems. Accordingly, the key interviewee argued that:

The work is done by the government to ease marketing challenges by creating inter-linkage mechanisms with other institutions, providing training on marketing, developing export support programs and marketing information center is not enough to remedy the problem of the market. Moreover, the inability to sell the products and services; lack of adequate marketing channels and lack of marketing skills are the problems to the starting of the business and further growth of their sector (KII 12, Age 32, 2019).

Exhibition and trade fair are important for the growth of women business owners. However it is sensational to use it always.

To consolidate this idea Timm, (2011) argued that business owners also need access to markets to succeed. The government can increase its support in this area by setting aside

certain types of procurement for SMEs. Small businesses have the potential to grow if they are able to participate in the Government's planned expenditure in infrastructure, for instance, women in MSEs in the manufacturing sector which get new market opportunities are growing within short period of time.

4.4.4. Work-life Balance

Most of the in-depth respondents pointed out that being a woman and owning a business is challenging due to the balancing factor. They all argued that they faced the obstacle of trying to balance between their duties as a mother and their responsibility towards the business she owns. One woman from metal and engineering Gulelle sub-city stated;

It is very difficult for me to divide my time and attention between the two (giving care for her family and working on own business). Also she pointed that giving care for my families and my job at the same time is hindering me in my business (II 01, Age 45, 2019).

Other in-depth interviewee participants from leather and leather products argued that one of the major challenges was to balance between my home duties and running the business.

She said:

When I first started the business, I just had a baby son and because of the business; I could not give him my full attention and time. This has its own impacts on both the growth of my son and my business. In addition, I take care of my children's attending school and I cook a meal for my family (II 04, Age 36, 2019).

Another key informant interviewee adds about the Balancing between taking care of home duties and running the business as follows:-

Women have dual burdens. That is biological and social burdens. They give birth and they take care of their child and family. Balancing both biological and social burdens have their own challenges in caring for their business. When they serve their family their business faced by different problems in their absence. When they focused on running their business their family faced discomfort. Therefore, balancing between

this is one of the major problems facing them in running their business (KII 14, Age 36, 2019).

Accordingly, women have traditionally been responsible for raising children as well as family welfare more than men. Therefore, the work-life balance seriously affects their business because many women's spent their time and energy at home while the business suffers.

4.4.5. Lack of Networking

Lack of Networking is another challenge faced by women business owners of Gullele sub-city who operate on a micro and small scale enterprise in the manufacturing sector. In-depth interview from metal and engineering declared lack of networks as follows;

We don't have a network to share important information with each other for our business growth and development. We only know each other and meet each other at meeting place sometimes. As a result most of the time we loss valuable information like increase and decrease of price of the products and the presence of demands for our products from the people we don't know. Therefore, we have problems of linkage for our business (II 07, Age 43, 2019).

To back the above idea Mahbub (2000) argued that women entrepreneurs also face network challenges as they tend to have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth.

Similarly, the in-depth participants from leather and leather products pointed out as follows;

We are facing difficulties in finding relevant information about buyers, suppliers, about easy ways of securing loans and how to create relevant businesses due to the absence of network. Network, whether social or business, is important for our business (II09, Age 39, 2019).

This indicates that most of the information flow takes place within informal networks or informal communication between individuals which women find it difficult to join since they face cultural barrier, have less time for socializing and networking outside the home.

One cannot deny the fact that women face gender-specific barriers like societies attitude against women in MSEs in accessing most services and resources.

4.4.6. Socio-cultural challenges

Cultural norms endorsed by society regarding women's capabilities in male-dominated areas such as metalwork and engineering and leather and leather products have discouraged the participation of women in such fields and diminished the chances of obtaining important support in their business.

The interview made with in-depth interviewee from metal and engineering shows about culture and societal attitude as follows;

I have the potential to run my business equal to any men in the business like mine. However, People's negative attitude towards my business is challenging my business. They want me to focus on societal issues than my business. Most of the time society blames me not to participate in social life as before (II 02, Age 42, 2019).

In addition, the perception that women are not effective business owner has significantly contributed to their limited participation in the manufacturing sector like metal and engineering and leather and leather products. Furthermore, cultural norms have limited the participation of women in informal business networks, which limits their ability to tap into existing opportunities.

As an in-depth interviewee with women from leather and leather products reveals;

My husband wants me to leave the business. Many times he said my income is enough to support our families. Both of us have not been at work always by leaving the children alone. You have to look after the children and the whole family he said (II 07, Age 43, 2019).

In addition, key informant from women, children, and youth affairs head mentioned about societal attitude as follows;

Due to the deep cultural biases on women in our society, most of the time women business owners are not seen as bread-winner by society. As a result they expected women business owner to stay at home as homemaker. But this isn't beneficial for the families (KII 14, Age 36, 2019).

The overall impact of these negative norms has also contributed to reported low self-confidence entrepreneur level. This has impact to current intergenerational gender inequality. To support the above idea Itanietal, (2011) argued that social expectation on women as solely house keeper, house wife or home maker along with heavy family responsibility is also a big constraint for women in MSEs.

Moreover, society biases and wrong interpretation women as incompetence, modesty, lack of articulation and lack of professionalism and prevent women from independently managing the business (Dzisi, 2008). The current research also shows the same factors are affecting women in MSEs in Gullele sub-city.

4.5. Coping mechanisms of women in MSE.

Women in MSEs in Gullele sub-city like their counterparts in the informal sector elsewhere in Ethiopia operate within an unpleasant working environment. As a consequence, these women have adopted a number of coping (survival) strategies in order to make the best of a poor situation.

Business expansion remains a principal objective of almost all the women in MSEs interviewed. Since they cannot access formal credit sources because of collateral obligations, these women have resorted to saving and borrowing from informal community sources commonly known here as (*Iqub*). It is a very important source of raising business capital in general Ethiopia especially in the informal sector.

The in-depth interview from Metalwork and engineering told to the researcher about the (*Iqub*) as follows;

I had little shop before I began this business. During that time we had (Iqub) which has 20 members. We pay 2000 per month. I got 50,000 at my round. I used this birr for my current business. So this (Iqub) helped me to progress in my job. Even I'm member of that (Iqub) until now (II 02, Age 42, 2019).

Traditional saving and borrowing of money based on trust, honesty and good faith organized and run by members who know each other very well, either as relatives, friends or people from the same job. The savings/ money realized during each session are handed to members in a lottery fashion ensuring that everybody takes his/her turn. This is different from formal financial institutions.

In addition to obtaining loans from the (*Iqub*), some of the women also borrow from relatives and friends. This is one of the coping mechanisms women relied on to get start-up capital for their business. The women ask for money from any of their relatives, friends, and families as a source of the capital for their business.

Another form of coping strategy that has been adopted by some groups of women in micro and small in Gulelle sub-city is to limit them to the sub-sector that demand very little capital for a start and grow from there.

To consolidate this idea one woman in-depth interviewee from Leather and Leather products told to the interviewer as follows;

I was a designer before I began this business. One business person recruited me for designing work on shoes and leather bags. I got to experience in producing these products. After that, I decided to begin my own business in the same field. Using finance I earn from my monthly salary I began this business. (II 04, Age 32, 2019).

The other coping strategies adopted by women in MSEs in manufacturing sectors are using personal savings. Women in MSEs use personal savings as their main source of start-up funding. In addition, an in-depth interview made with women from metal work and engineering told to the researcher about personal saving as follows;

I began my business with the money I saved before. I got that money from the monthly salary I got from NGO I used to work before. My partner has skills in leather and leather products work. We began the business together. My personal saving helped me very much (II 01, Age 41, 2019).

Moreover, in Ethiopia, there are different women associations for their own wellbeing. They collect money from each other and begin their own business. They are accumulating finance for their association at a bank or at the micro small enterprise. Based on the interest of their members and regulations of their association they borrow money for members. Therefore, one best coping mechanism for women owners is borrowing the money from their association.

One woman from leather and leather products told to the researcher that she is using the house of her families to begin her current business. She narrated it as below;

In the beginning, the government didn't give me the working place. I began and working this job using my family's house. I'm using an open space for this business. Even if it is not enough for the business I'm using it as a solution due to lack of working place (II 07, Age 43, 2019).

Moreover, the other way women can cope up with challenges faced them is to share experiences with other business owners. The objectivity gained from hearing about the triumphs and errors of others is itself beneficial. Therefore, women business owners expand their connection with any other entrepreneurs in the area. Other women in MSEs in Gullele sub-city from Metalwork and engineering cope-up Socio-cultural challenges by below mechanism;

My community blames me why I cannot participate in social life as before. But my business doesn't provide me the opportunity to participate in social life always. Therefore, currently I developed a "don't care" attitude and with time they left their rumor and feel secured (II 02, Age 42, 2019).

Other women from Leather and Leather products to told the interviewer how she coped up the same above problem as follows;

My husband likes it if I'm a homemaker. He wants me to look after our children and whole families. However, I want to have my own business to help my families live a decent life. In order to match these opposing outlooks, I used a negotiation strategy. Now from time to time, he is becoming happy with my business (II 07, Age 43, 2019).

One can thus observe that women business owners in Gulelle sub-city, like their counterparts in the manufacturing sector elsewhere in Ethiopia, operate within a very difficult environment.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

The contribution of women in micro and small enterprises to employment creation and economic development cannot be underneath. For example, Gullele's women owned MSEs are increasingly contributing to meeting household economic needs, the role which was traditional regarded as men's role. Henceforth, women's entrepreneurship is important for the achievement of broader development objectives particularly for growth with equity and alleviation of poverty.

There various opportunities identified by researcher to the women in MSEs in manufacturing sub-sector of metal work and engineering and leather and leather products. There are conducive policies and programs, increased recognition of MSE development as a key for economic development, collateral free loans, support from international community, MSEs as job creation opportunities for women, institutional set-up, women in MSEs trade fair and exhibition,

However, the pathway to start and grow women owned enterprises is jarring (harsh) due to various factors. The research also identified various obstacles faced by women entrepreneurs in business start-up and advancement. These include access to finance, access to markets, access to premises, double responsibilities handled by women, access to networks, and socio-cultural challenges

Besides, the research revealed that there appeared to be some underlying gender issues that specifically affect women. For example, the social and practical family responsibilities that come with marriage and motherhood mean that women have less time and opportunity to do business unlike their male counterparts. Therefore, for understanding women enterprises and the challenges they face in setting up and growing a business, it is important to take cultural factors into account.

The research has also contributed to the understanding and knowledge of the experiences of women's business growth, the business support framework, and the broader environment within which women's businesses operate in Addis Ababa. Lack of capital was clearly stated

as a major barrier to growth by many of the women owners, so it was interesting to hear how the women actually funded their businesses.

Moreover, the majority of women in MSEs have experienced difficulties in finding and acquiring land and premises for production or provision of services, as well as for selling purposes. Most run their businesses from rented premises and their own house, but the relatively high rents and lack of enough work space pose critical problems for them and can hinder their expansion and diversification. It can be concluded that the type of challenges that confronted women in MSEs in Gullele sub-city are mostly consistent with those identified in the literature and with the issues raised in research questions. However, the study also shows that despite all of these, many women are running their businesses that generate income not only for the owners but also for those whom they have employed.

The other finding of this study revealed that there are different coping mechanisms which women in MSEs should use to cope up with their challenges. They are resorting to saving and borrowing from informal community sources commonly known here as (*Iqub*), to limit them to the sub sector that demand very little capital for a start and grow from there, membership to women associations and share experiences with other business owners.

Generally, the finding of this study reveals that women in MSEs in manufacturing sector have different opportunities which enable them to begin and expand the business. However, there are different challenges that raised above which hinder them to begin and expand their business too. The liberal feminist theory adopted in this study also argues that the problems faced women business owners in manufacturing sectors are what is challenging women in all over the world particularly women in developing countries like Ethiopia. But to come out of this challenges there are different coping up mechanism the researcher stated above.

5.2. Recommendations

Women in MSEs in Ethiopia can play an important role in economic development of the country in general and for the MSE development in particular. The purpose of microenterprise development in such contexts is not only to increase women's access to income but also to motivate a process of empowerment for women through which they can gain power and status in the household, market, and community.

Based on the findings of this study, the following recommendations are made so that where possible, remedial actions can be taken with a view to assist small businesses and enterprises operated by women in the study area:-

- Various opportunities available to women in MSEs were identified by the study. Therefore, responsible bodies should create awareness through training and different mechanism.
- For those women interested to use opportunities available to them from different organizations there are different bottlenecked bureaucracy and lack of good governance. Hence, these concerned bodies should take remedial actions to provide available opportunities to these women.
- The finding of this study shows that women in MSEs in manufacturing sub-sector of Metalwork and engineering and leather and leather products in Gullele sub-city faced with financial challenges. Therefore, the Addis Ababa city government should facilitate enough funds for lending to women in MSEs by mobilizing resources from different sources.
- Women in MSEs in Gullele sub-city in Metalwork and leather and leather products need support in working site provision. They are affected a high level of rents, and most of them have used their family's house due to lack of working place. Therefore, the government could construct production and marketing sheds for women in MSEs in suitable locations or by supporting private investors to engage in the construction of suitable premises for women entrepreneurs.

- The government should help women to create a forum for exchange of experience and building bargaining power.
- Women are less engaged in social and business networking due to their duty within the family; therefore, women should expand their networks by engaging in different social and business issues.
- The socio-cultural norms of society are one among the factors that are hindering the women in MSEs in the manufacturing sub-sector in Gullele sub-city. Therefore, it is better if women in MSEs don't give their concern to the wrong societal interpretation and biases on their business.
- The domestic duties at home inhibit women in general and women in MSEs in particular from being flexible and available for business activities. Thus, their families and spouse should support women by sharing their household responsibilities and by giving support.

Finally, investigating different factors based on the right information are vital for the good performance of women business owners in manufacturing sector. The focus for this study was on the opportunities, Challenges, and coping mechanism in women in MSEs in manufacturing sub-sector (Metal and engineering, and Leather and leather products). However, there is little research conducted in manufacturing sector in relations to women participation in the sector.

Therefore, it needs conducting more researches in related areas. It is the researcher's view that future research could, therefore, investigate the other gender specific challenges like challenges facing women employees in MSEs.

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APPENDICES
Addis Ababa University
College of Development Studies
Center for Gender Studies

Appendix – A: In- Depth Interview Guide

This interview is prepared to explore necessary information about the opportunities, challenge and coping mechanisms of women in MSEs operating in Gulelle sub city, Addis Ababa. Your names and information you provide will keep confidential.

General questions

1. General information about the interviewee (living situation, house hold composition, migration, when and where you born)
2. When did you start business?
3. Why you decided to participate in MSE?
4. What is the source of your business capital, how did you access?
5. In which sub sector (metal work and wood work) you participated?
6. How is the nature of the business, is it unisex or mixed sex?

I. Opportunities

1. What are the existing opportunities for your business?
2. Is there women support group or network to support your business?
3. Are you able to make use of and benefit from the existing supporting services and incentives? If yes? What type of support you get, if not, why?
4. To what extent do you think the existing government support is suitable you, as a woman's?
5. Is the sub sector you are working in is a preferred sub sector by women owned business? Why?

II. Challenges

1. What are the major challenges you faced during starting business activities?
2. What are the major challenges you faced in operating your business activities?
3. Are the challenges faced by yours different from those owned by men? If so, how?
4. What do you think of that attitude of society towards women working in manufacturing subsector as owners? How about men's attitude, spouses and others?

III. Coping mechanisms and future plan

1. What is the coping mechanism for the challenge you faced in entering and operating the business?
2. What is your future plan? If your answer is expansion, how?
If your answer to Stop, why?

Appendix – B: key informants Interview Guide

1. In which sub sector women are less concentrated? Why?
2. What are government interventions to promote MSE in general and women owned MSs in particular?
3. What kind of support does your office provide to women in metal and wood work? (more focus on implementation)
4. What challenges you faced in rendering the service to the women entrepreneurs?
5. Do you think that these interventions are enough? If not what do you recommend?
6. Is there legal and policy framework that favors women owned MSEs? If yes what are these?
7. What legal and policy framework do you suggest that could encourage women owned MSEs?

Appendix – C: Observation Guide

- Working environment like premises, market opportunities
- Machinery
- Type of work they are engaged in
- Infrastructure availability and non- availability
- The situation of their work

Appendix- II: Socio-demographic information of study participants

❖ In-depth interview

IntervieweeCode	Sub-Sector	Marital status	Educational Status	Age	Religion
Interviewee 01	Metal	Married	Degree	45	Orthodox
Interviewee 02	Metal	Married	12+2	42	Orthodox
Interviewee 03	Leather	Single	Degree	32	Orthodox
Interviewee 04	Leather	Married	Degree	36	Protestant
Interviewee 05	Leather	Married	Degree	31	Orthodox
Interviewee 06	Metal	Married	12 th	41	Orthodox
Interviewee 07	Leather	Married	Diploma	43	Protestant
Interviewee 08	Metal	Single	diploma	29	Catholic
Interviewee 09	Leather	Married	12 th	39	Orthodox
Interviewee 10	Metal	Married	diploma	30	Orthodox
Interviewee 11	Leather	Married	diploma	37	Orthodox

❖ **Key Informant Interview**

Key Informant Code	Age	Sex	Educational Status	Marital status	Religion
KII12	32	M	Degree	Single	Orthodox
KII 13	29	M	Degree	Single	Orthodox
KII 14	36	M	Degree	Married	Orthodox
KII15	38	F	Degree	Married	Orthodox
KII 16	34	F	Degree	Married	Orthodox

Appendix – III

Picture A: Metal work and engineering and Leather and Leather products Pictures



Picture B: Metal work and engineering finished products



Picture C:-Leather and Leather products owners women picture

