



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

**The Role of Entrepreneurship Development Center in creating a  
suitable environment to start-up women-owned Micro and Small  
Enterprises in Addis Ababa**

**By**  
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**June, 2018**  
**Addis Ababa, Ethiopia**

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MSEs in Addis Ababa**

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**School of Graduate Program**

This is to certify that the thesis prepared by Senait Gebremeskel, entitled: “The Role of EDC in creating a suitable environment to start-up women-owned MSEs in Addis Ababa” and submitted in partial fulfillment of the requirements for the Degree of Master of Public Administration and Development Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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## **Declaration**

I, the undersigned, declare that this study entitled “The Role of EDC in creating a suitable environment to start-up women-owned MSEs in Addis Ababa” is my own work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis have been duly acknowledged.

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## **Abstract**

This research aims to identify the role of EDC in creating suitable environment for start-up women-owned Micro and Small Enterprises in Addis Ababa, and assess EDC's contributions towards filling the skill gaps and the financial problems that most women-owned MSEs face at the start-up stage. Data were gathered distributing questionnaires and an in-depth interview made with key informants. From a total of 104 ETW and WET women trainees at EDC in 2014, a sample size of 83 is taken using simple random sampling method. As per the findings of the study, EDC's role towards skill development and change in entrepreneurial mindset is found to be beneficial to those women trainees. The partnership that EDC has created with Enat Bank is found to be another way of creating an enabling environment to those women owned MSEs because even though low in number, about 18 women with low income trained at EDC have benefited from the collateral free loan and 139 are in waiting list applying for the loan. The fact that those trained women gained new skills and knowledge relevant to running and creating a business; increased their motivation and self-confidence in their entrepreneurial abilities, and are able to employ more employees and increased their capital/total asset is found to be a positive result, the training alone may not guarantee for the achievement of the objectives of the programs of EDC, unless a joint post-training follow-up and strengthened advisory services, more access to credit and working premises, creating a market linkage and other supports by the government are not incorporated. Therefore, those gaps needs remedial actions to be taken by the center, the government, donors and others who work in partnership.

**Key words:** Micro and Small Enterprises, entrepreneurial skill, women entrepreneurs

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## **List of Acronyms**

ADLI:	Agriculture Development Led Industrialization Development Agency
AWEA:	Amhara Women Entrepreneurs Association
BDS:	Business Development Services
CEFE:	Creating Enterprise through Forming Entrepreneurs
CT:	Customized Training
CoEE:	Centre of Excellence for Entrepreneurship
CSA:	Central Statistics Agency
ED:	Entrepreneurship Development
EDC:	Entrepreneurship Development Center
EDP:	Entrepreneurship Development Program
EDRI:	Ethiopian Development Research Institute
ETW:	Entrepreneurship Training Workshop
EWDF:	Ethiopian Women's Development Fund
EWEF:	Ethiopian Women Experts' Forum
FDI:	Foreign Direct Investment
FDRE:	Federal Democratic Republic of Ethiopia
FeMSEDA:	Federal Micro and Small Enterprises Development Agency
FeUJC & FSA:	Federal Urban Job Creation and Food Security Agency
GDP:	Gross Domestic Product
GEM:	Global Entrepreneurship Monitor
GTP:	Growth and Transformation Plan
GTZ:	German Technical Cooperation
HQ:	Headquarters
ICT:	Information Communication Technology
KAB:	Know About Business
KII:	Key Informants Interview
IFC:	International Finance Corporation
ILO:	International Labour Organization
MEDF:	Micro Enterprise Development Fund
MFIs:	Micro Finance Institutions

MoFEC:	Ministry of Finance and Economic Cooperation
MoFED:	Ministry of Finance and Economic Development
MoI:	Ministry of Industry
MoTI:	Ministry of Trade and Industry
MoUDHCo:	Ministry of Urban Development Housing and Construction
MSEs:	Micro and Small Enterprises
NGOs:	Non- Governmental Organizations
OECD:	Organization of Economic Cooperation and Development
PASDEP:	Plan for Accelerated and Sustainable Development to End Poverty
RET:	Rural Entrepreneurship Training
SDC:	Swiss Agency for Development and Cooperation
SMEs:	Small and Medium Enterprises
SNNPR:	Southern Nations, Nationalities and Peoples' Region
ToT:	Training of Trainers
TVET:	Technical and Vocational Education and Training
UNDP:	United Nations Development Programme
UNIDO:	United Nations Industrial Development Organization
WISE:	Women In Self Development
WEDGE:	Women Empowerment Development & Gender Equality
WEPC:	Women's Enterprise Promotion Center
WET:	Women Entrepreneurship Training
YET:	Youth Entrepreneurship Training

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

Many developing countries face the challenge of creating employment for their predominant young population. In particular in Africa, the need is high to create employment with a three percent annual growth in labor supply, or in absolute numbers, the expected 170 million new labor market entrants between 2010 and 2020 (Nagler & Naudé, 2014).

In Ethiopia, although the rate of population growth has been on a declining trend over the last three decades (3% per annum in the 1980s, 2.73% up until the early 1990s and 2.6% from the mid-1990s up to 2007), Ethiopia's population growth is still considered to be high given its size and demographic profile (WB, 2007). As per Martha's study on employment challenges in Ethiopia, the overwhelming fact of the labor market in Ethiopia is the rapid growth of labor supply. She elaborates in her study that the labor force is growing much more rapidly than the population as a whole because of the young dominated demographic profile and Ethiopia's population depicts a classic pyramid with a higher proportion of young people at the bottom and narrow band of the elderly at the top (Martha, 2012). Similarly, statistical report of CSA in 2007 shows that Ethiopia's population is predominantly young with about 45% of the population being below 15 years of age. The proportion of working age population (15-64 years) was estimated at about 52% (CSA, 2007).

Therefore, to accommodate the high proportion of unemployment among the working age population, the two GTPs (GTP I and II) of the Ethiopian Government are articulated under various strategic pillars in which emphasis to private sectors and industrial development are among them. Specifically in GTP I, great attention had been given to micro and small enterprises (MSEs) development. Their significant role for job creation, entrepreneurship expansion and industrial development has been clearly indicated.

MSEs could be those categorized as survivalist, as described by Jesselyn, individuals who run and manage enterprises due to being unable to secure employment in the formal sector, but who have to find alternative ways to survive. These individuals are not employed on a formal basis; their

income levels are generally below the minimum poverty lines; the business ventures they run require minimal capital, and they lack training and experience (Jesselyn, 2006). On the other hand, MSEs could be growth oriented as described by Pelejo, those that aim at growth or expansion and the formalization of the business and their activities focus on increasing the value added as well as increasing jobs generated through business expansion (Melody A. Pelejo 2008).

For this particular study, the researcher gives high emphasis on the growth oriented MSEs, specifically on women who are at the start up stage. In line with this, this study aimed to assess the role of EDC in creating a suitable environment for entrepreneurs specifically for start-up women-owned MSEs. In addition, the study tried to analyse their benefits and explore the major success and challenges of the women owned MSEs.

## **1.2. Statement of the Problem**

Many developing countries face the challenge of creating employment for their predominant young population. In particular in Africa, the need is high to create employment with a three percent annual growth in labor supply, or in absolute numbers, the expected 170 million new labor market entrants between 2010 and 2020 (Nagler & Naudé, 2014).

As per Fox et al (2013), Sub-Saharan Africa's projected rapid labor force growth, combined with a low baseline private sector wage employment, means that even if sub-Saharan Africa realizes another decade of growth as good or even better than the past one, employment transformation will proceed slowly.

Over the decade 2010–20, the absolute number of people employed in agriculture is expected to continue to grow, not shrink, even as the share employed outside the agricultural sector continues to rise. Equally important, because it is so small relative to the size of the labor force, even under an optimistic scenario, the share of labor force employed in private firms is not expected to rise substantially. These results have important implications for employment policies in these countries, as they show the importance of a balanced employment policy. Governments need to undertake the measures required to attract private enterprises that provide wage employment for lots of people, but they also need to focus on improving productivity in the traditional sectors as these will have

to absorb the majority of the labor force. In particular, they should not discourage the household enterprise sector, despite its informality.

The Ethiopian government, after coming to power in 1991, launched market reforms, with a view to develop a vibrant private sector and MSEs. Until recently, however, the economy was dominated by low productivity firms mostly in the informal sector, while the highly productive MSEs could be found only in a few regions and sectors.

The government is currently implementing the second phase of its Growth and Transformation Plan (GTP II). GTP II, which will run from 2015/16 to 2019/20, aims to continue improvements in physical infrastructure through public investment projects and transform the country into a manufacturing hub. The overarching goal is to turn Ethiopia into a lower-middle-income country by 2025. Growth targets are comparable to those under the previous plan with annual average GDP growth of 11%; in line with the manufacturing strategy, the industrial sector is slated to grow by 20% on average.

Lack of access for initial capital/start-up/ to run a business, lack of entrepreneurship mindset and basic business running skills and knowledge on book keeping have been the major problems of most enterprises for long, which made them exit from business and develop the spirit of despair at start up stage. Those problems were tried to be addressed by many in different ways but still they persist.

ILO (2003)'s report stated that women entrepreneurs faces numbers of problems that hinder them from growing and developing. To begin with, women have to be more aware of the entrepreneurship option and motivated to explore it; needs to have access to opportunities to gain the knowledge and skills necessary to start and grow a viable enterprise; be exposed to networks of other women entrepreneurs to learn from their experiences and gain moral support and encouragement; needs to have access to information and professional business development achievements, both individually and collectively.

Furthermore, survey report of FDRE MoUDHCo (2013) shows that about 30% of the women-owned enterprises have either declined or stagnated during their stays in the market as compared to the 23% of the male owned counterparts. This could be due to multitude of obstacles such as

denied access to resources, costly business entry (high transaction cost) and other invisible cultural barriers in addition to those listed in the ILO report of 2003 mentioned above.

Citing Desta Solomon's desk review of studies conducted on women entrepreneurs, Jemal in his study described that women entrepreneurs in Ethiopia suffer from gender discrimination in society due to socio-cultural barriers, multiple responsibilities, under developed enterprise culture, inadequate support system for businesses and underdeveloped markets and infrastructure. (Jemal, 2013).

This study is different from similar researches in a way that having recognized those persistent problems, the researcher believed that trainings like EDC is providing mainly for women entrepreneurs with limited business experiences and /or who are at the start up stage, is helpful to address challenges that women entrepreneurs face and discuss possible solutions to help them address these challenges. As per publications from the center, for the last three years (2013-2016) EDC has given a 6-day Entrepreneurship Training Workshop (ETW), intensive entrepreneurship training as well as other customized entrepreneurship trainings for about 1149 potential entrepreneurs and existing women-owned micro and small enterprises (MSEs). Even though there was no properly kept baseline data that helps to extract only the women start-up business at the beginning of the training years of EDC, the researcher tried to select out from the available general data of WET and ETW women trainees to define its population for the study. Accordingly, about 545 women have benefited from the Women Entrepreneurship Training (WET) which is a two-day intensive training and a flagship 6-day Entrepreneurship Training Workshop (ETW) who are at the start up stage from year 2013 to 2016.

But, the researcher wants to go further and study the status of those trained women-owned start-up MSEs. What effect does EDC's training bring to those beneficiaries? Are they grown, declined stagnated or closed? What are their challenges and success? The interest of this paper is to assess the role of EDC in creating a suitable environment for those start-up women-owned MSEs and to identify their success and challenges.

### **1.3. Objective of the Study**

#### **1.3.1. General Objective**

The general objective of the study is to assess the role of EDC in creating suitable environment for startup women-owned MSEs in Addis Ababa.

#### **1.3.2. Specific Objectives**

The specific objectives of the study are to:-

- ✓ Assess the roles and contributions of EDC in creating suitable environment for startup women-owned MSEs in Addis Ababa.
- ✓ Analyze the benefits enjoyed by women owned MSEs in Addis Ababa.
- ✓ Explore the success and challenges of women owned MSEs in Addis Ababa.

### **1.4. Research Questions**

The research findings attempted to deal with the following basic questions:

1. What are the roles and contributions of EDC in creating suitable environment for startup women-owned MSEs in Addis Ababa?
2. What benefits are enjoyed by women owned MSEs in Addis Ababa?
3. What are the successes and challenges faced by women owned MSEs in Addis Ababa?

### **1.5. Scope of the Study**

Even though EDC is operating Nationwide (Addis Ababa, Amhara, Oromia, Tigray, and Southern Nations), the scope of the study is limited to assessing of the role and the activities of EDC in creating suitable environment for start-up women-owned MSEs in it's headquarter (Addis Ababa). Although the data from EDC shows that from 2013 to 2016 EDC has given various trainings like flagship ETW training sessions, customized training (CT), youth entrepreneurship training (YET), training of trainers (TOT), rural entrepreneurship trainers (RET) and training of business development services (BDS) advisors this study focuses only on Women Entrepreneurship Training (WET) i.e. a two-day intensive training and 6-day Entrepreneurship Training Workshop (ETW) given to women-owned MSEs with limited business experiences and /or who are at the start up stage. Besides, it uses a cross-sectional data in which data is selected from year 2014 as

this year shows the biggest numbered women trainees, i.e. 208, holds 53% of the total 390 women trainees. Among those 208 trainees, the researcher selected out those at the start-up stage only – and are totally 104 trainees. As a methodology, the study used descriptive method only.

## **1.6. Significance of the Study**

As mentioned earlier, the GTP of Ethiopia is articulated under various strategic pillars and one of them is the strategic pillar on industrial development. Specifically in GTP I, emphasis has been given to micro and small enterprises development. The significant role of micro and small enterprises for job creation, entrepreneurship expansion and industrial development has been clearly indicated. In line with this overreaching goal of Ethiopia to reach to middle income country by 2025, the study tried to address EDC's role and contributions in creating a suitable environment for start-up women-owned MSEs, to start and grow their businesses by improving their profitability and competitiveness which is believed to have a great contribution. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc. With this paper, an insight is given on how EDC actively promotes its support to help those women to realize their potential, to equip them with the skills and the confidence they require and to support them on their journey to starting a business. The paper also tried to explore the gaps and challenges of the program; the successes and challenges faced by those women after being trained and supported by EDC. Thereby,

- ✓ It can assist the management of EDC and other similar Entrepreneurship development centers not only to create an ideal environment for women entrepreneurs to optimally exercise their talents and to attain their personal and professional goals, but also help them be able to survive and then grow. In the absence of adequate knowledge of the increasing role of women in the sector it is difficult to address the different constraints that women face at different stages in their growth and expansion.

- ✓ The findings may also be considered as important additions to the existing knowledge in the area for the public at large and a reference for interested students, entrepreneurship development centers like EDC, and researchers in the area.

### **1.7. Limitation of the Study**

As the scope of the study is limited to formally registered women owned MSEs at EDC, the variables identified to analyze the challenges and prospects of women may not be exhaustive enough to address the problem & prospects of women engaged in the same business but not registered at EDC.

### **1.8. Organization of the study paper**

The thesis is organized under five chapters. The first chapter contains an introduction which incorporates background, description of study area, statement of the problem, objectives, research questions, scope, significance, limitation and organization of the study paper. The second chapter comprises review of relevant literatures. The third chapter is about research methodology which consists of research design, sampling frame, sample design and technique, source and instruments of data collection, and data analysis and interpretation. The fourth chapter consists data presentation, analysis and discussion in detail using appropriate tools and procedures. Finally, the last chapter deals with summary of findings, conclusion and recommendations. The paper also have a bibliography and appendices.

## **CHAPTER TWO**

### **2. Literature Review**

In this section of the study, works of various authors on entrepreneurship, micro and small enterprises, women entrepreneurs and their challenges, entrepreneurship development centers, and associated subjects are thoroughly discussed. All literature sources consulted in this study have been duly acknowledged in the bibliography section.

#### **2.1. Entrepreneurship Overview**

There is no solid agreement among scholars about the definition of the term “entrepreneurship. In addition, entrepreneurship creation, objectives and policies differ greatly among nations and cultures, which lead to the varied meaning of it. According to Anwar and Rashid (2011), entrepreneurship is “the pursuit of opportunity without regard to the resources currently controlled”. Shane (2000) stresses that entrepreneurship is strongly concerns the opportunity and the process is ranging from discovering, evaluating and exploiting that opportunity.

Some writers define entrepreneurship using economic indicators such as profitability, growth to address it as a tool for reducing poverty. On the other hand, entrepreneurs are individual decision makers who take that process regarding opportunity. There is a critique, though, by Nichter & Goldmark (2009) saying that many scholars focus on innovation and firm growth as key aspects of entrepreneurship. While an entrepreneur can be a small-business person, all small-business persons need not be entrepreneurs.

Werotaw tried to describe some of the definitions given to the term which are more relevant to the Ethiopian context in which Entrepreneurship is a dynamic process of creating incremental wealth. According to this definition, firstly the process of creating wealth is continuous. Secondly this process of creating wealth is performed in different ways than the usual one. Mostly people tend to see simple tasks. People with the skill of Entrepreneurship, however, tend to perform activities that require a different skill of creating wealth rather than what others are accustomed to (Werotaw, 2005).

### **2.1.1. The Role and Advantages of Entrepreneurship**

As globalization reshapes the international economic landscape and technological change creates greater uncertainty in the world economy, the dynamism of entrepreneurship is believed to be able to help to meet this new economic, social and environmental challenges. Self-advancement and self-reliance are the main goals of most of the entrepreneurs. Hence, the entrepreneurs are key persons of the country for promoting economic growth as well as socio-economic development of any society (Shane et al, 2003). Schumpeter (1934) has ascertained that entrepreneurship drives innovation and technical change, and therefore generates economic growth. Uddin and Kanti (2013) revealed that entrepreneurship is considered as an engine of growth for an economy. A country may be rich in material resources and capital. But if entrepreneurship is lacking, the utilization of resources would not be as expected. Since a high quality entrepreneurial skill tends to attain industrial growth, talent must come from within the environment for rapid and sustained growth of the economy (Antony and Edwin, 2011).

Given the current economic challenges facing many countries across the globe, the notion of engendering greater entrepreneurial activity has become a prominent goal for many national governments. The relevance of entrepreneurship to economic development has been highlighted by many researchers and it is now well-recognised that education and training opportunities play a key role in cultivating future entrepreneurs and in developing the abilities of existing entrepreneurs to grow their business to greater levels of success (Henry et al, 2003). Entrepreneurial individuals create value for both themselves and the organization that they have created or are employed in.

Globally, governments across the world are increasingly recognizing the positive impact that the creation of new businesses can have on employment levels, as well as the competitive advantages that small firms can bring to the marketplace (Scase, 2000). Moreover, while entrepreneurship provides benefits in terms of social and economic growth, it also offers benefits in terms of individual fulfilment, with entrepreneurship now breaking through the barriers of class, age, gender, sexual orientation, and race.

### **2.1.2. Entrepreneurship Development**

As Frederic defined Entrepreneurship development (ED), it is concerned with the study of entrepreneurial behaviour, the dynamics of business set-up, development and expansion of the enterprise (Frederic, 2010). Frederic further elucidates that:-

- ✓ Entrepreneurship development should be about helping people start and grow dynamic businesses that provide high value added.
- ✓ Entrepreneurship development programmes should be formulated to identify risks and determine the likelihood of success, identify the factors that affect the levels of entrepreneurship in a country.
- ✓ Entrepreneurship development programmes require a selection process that attempts to identify those target groups that have some of the key prerequisites for entrepreneurial success. While it can be argued that public funds should be spent on those who most need help, a selection process deploys limited resources where they are most effective, to the overall benefit of the community. Beneficiaries may be individuals and/or groups.
- ✓ An entrepreneurship development programme should help aspiring entrepreneurs to recognize and design unique, innovative business opportunities, based on an analysis of local conditions and their own special skills.

As per UNDP's synthesis of lessons learned on entrepreneurship development, entrepreneurial development programmes may have to include support for (a) entrepreneurship orientation and awareness, (b) the development of the competencies (skills, experience and attitudes) necessary to recognize a market opportunity and organize the resources to meet it, and (c) the improvement of business performance for growth and competitiveness. As further stated, ED training is usually more effective when linked to finance and other services such as marketing, quality assurance and productivity improvement. (UNDP, 1999).

### **2.2. Countries Experience on EDC**

According to Singh and Vermah (2010), entrepreneurial training centers help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. Organizations such as ILO and the Swiss Agency for

Development and Cooperation (SDC) offer examples of success stories in this regard. They have supported a number of countries in the Asian and Pacific region in their endeavors to train their youth and women for entrepreneurship, not only by introducing the Know about Business (KAB) curriculum in the education system but also by capacity building through the establishment of educational institutions. Countries such as China, Indonesia, the Lao People's Democratic Republic, Papua New Guinea, the Philippines, Sri Lanka and Viet Nam have either introduced entrepreneurship education at secondary, post-secondary, vocational and technical schools, and in higher education. (Volkman et al., 2009).

Authors like Henry et al (2003) however, have criticized entrepreneurship training programmes for being too focused on the functional aspects of business management rather than helping to develop the broader capabilities of entrepreneurs to be innovative, manage their changing business environment and to be creative in developing and taking forward their businesses. Moran and Cooney (2004), on the other hand argued that these are the areas that participants generally find to be most beneficial. In addition, they contended that developing managerial and technical skills are undoubtedly easier to 'teach' and develop into a structured programme, whereas entrepreneurship skills are to some extent dependent on personal characteristics.

In Africa, entrepreneurship is mainly related to the wide-spread informal sector with micro and small enterprises. Many factors influence the success of these enterprises whether related to the individual entrepreneur or to the context in which they operate. To mention a few are access to information, networks, location, training etc. (Dijk, 2005).

Entrepreneurial training has therefore, become a critical policy tool in building the knowledge, skill, attitudes and behaviors required for entrepreneurship against the traditional education programmes that prepare students for a conventional career. This is based on the assumption that entrepreneurship skills can be learned (Kuratko, 2005 and Matlay, 2006). Most importantly, Drucker (1985) stated that entrepreneurship is like management and technology. The question of whether entrepreneurial skill and competencies can be learned is therefore no more a debate, in his argument. There is now a consensus, the literature at least, that entrepreneurship can be taught and the debate has now shifted to what and how it should be taught (Lourenco & Jones, 2006). What remains the point of discussion in literature is what and how to teach in entrepreneurship.

### 2.3. Similar Programmes in Ethiopia

As per ILO's report of 2005, the objective of any training and skills development system is to impart knowledge and skills in three main areas: (i) technical; (ii) business management, and (iii) entrepreneurship. There is a variety of organizations, NGOs and associations that offer enterprise-related training in Ethiopia in which projects focused on helping MSEs grow their firms are small in number, limited in capacity, narrow in orientation, and lack overall coordination and integration.

ILO in its report further presented the primary institutions offering entrepreneurship development training mainly those women-focused as in the table below.

**Table 1. Primary institutions offering entrepreneurship development training**

Organization	Activities
The Women's Enterprise Promotion Centre (WEPC)	<ul style="list-style-type: none"> <li>Provides craft training &amp; marketing support for women (Addis Ababa only).</li> </ul>
FeMSEDA	<ul style="list-style-type: none"> <li>Provides staff training, develops training materials, delivers "training of trainers" programmes.</li> </ul>
GTZ-MSE Development Programme	<ul style="list-style-type: none"> <li>Offers capacity building training to intermediary organizations, CEFE<sup>35</sup> Training of Trainers programmes, training in business and management skills.</li> <li>Organizes exposure trips and study tours locally, as well as abroad.</li> <li>Works with other partners who focus on women entrepreneurs.</li> </ul>
International Labour Organization (ILO)	<ul style="list-style-type: none"> <li>Delivers capacity building programmes for women entrepreneurs' associations.</li> <li>WEDGE-funded video "Ethiopian Women Entrepreneurs: Striding with Confidence and Poise" being used as a training tool.</li> <li>Provides systematic trade fair support to women-owned MSEs (in association with the Micro Enterprise Development Forum (MEDF) and Women in Self Employment (WISE)).</li> <li>Sponsors technical and entrepreneurship training for retrenched women.</li> <li>Funded a pilot facilitator's training programme to train young women to deliver facilitation services to women entrepreneurs in Bahir Dar (partnership with Amhara Women Entrepreneurs' Association).</li> </ul>
Enterprise Ethiopia	<ul style="list-style-type: none"> <li>Delivers entrepreneurial training workshops, training for trainers, workshops in time management, business planning, marketing and business management, and financial management.</li> <li>Delivers training for business counsellors and extension officers.</li> <li>Some training initiatives are offered specifically for women entrepreneurs.</li> </ul>
Ethiopian Women Exporters' Forum	<ul style="list-style-type: none"> <li>Organizes training programmes for its members on business aspects of export trade.</li> </ul>
UNIDO Micro and Small Enterprise Programme*	<ul style="list-style-type: none"> <li>Delivers capacity building programmes, train the trainers.</li> <li>One-week refresher programme for women entrepreneurs</li> </ul> <p>* This programme operates in two regions</p>
The Amhara Women Entrepreneurs' Association (AWEA)	<ul style="list-style-type: none"> <li>Delivers pre-trade fair workshops</li> <li>Piloting the GTZ facilitation project with 45 women-owned MSEs in Bahir Dar, using three young women as facilitators.</li> </ul>
Ethiopian Women's Development Fund Bureau (EWDF)	<ul style="list-style-type: none"> <li>Offers training programmes in business development, marketing, etc. to women in MSEs.</li> </ul>
PROPRIDE	<ul style="list-style-type: none"> <li>Offers training to micro firms engaged in metal work, handicrafts, and other trades; the majority of their clients are women.</li> </ul>

Source: ILO report of 2005

### **2.3.1. The Entrepreneurship Development Center (EDC) Overview**

The Entrepreneurship Development Centre (EDC) is a quasi-governmental entity established under the framework of the Entrepreneurship Development Program (EDP). To facilitate the realization of the entrepreneurship development goals set in the government's Growth and Transformation Plan (GTP), the Government of the Federal Democratic Republic of Ethiopia, represented by the Ministry of Urban Development and Construction (MoUDHCo) and with close monitoring and supervision of the newly established government body FeUJC & FSA that replaced FeMSEDA as well as in partnership with the United Nations Development Programme (UNDP), formulated and introduced an innovative entrepreneurship and enterprise development initiative, namely the Entrepreneurship Development Program (EDP), which was officially launched in February 2013.

EDP is also supported by the Government of Canada, aims to identify growth-oriented enterprises as well as potential entrepreneurs, unemployed youth and women nationwide. It provides them with direct support to enhance their entrepreneurial skills and competencies to establish and operate profitable, competitive businesses on a sustainable basis.

The objective of EDP is to bring about a transformational change and unleash the growth potential of micro and small enterprises (MSEs) through entrepreneurial and business management skills training and provision of comprehensive business advisory services.

The EDP programme aims to achieve the following major goals under five pillars as below:

1. Enhance the institutional capacity of the Government to deliver comprehensive support services to MSEs and entrepreneurs
2. Develop entrepreneurial knowledge and skills with MSEs and potential entrepreneurs
3. Facilitate the establishment of new MSEs and assist in development of existing small and medium businesses
4. Promote greater awareness on entrepreneurship development and partnerships among the government, private sector and other key stakeholders

5. Establish Centres of Excellence for Entrepreneurship (CoEE) in public universities to enable students attain entrepreneurial mindset and skills, become innovative and help incubate their ideas so that they become “job creators” and not “job seekers”.

In addition, through provision of a programmed package of a mix of entrepreneurial and management skills training and coordinated delivery of customized and comprehensive range of business advisory services, EDC strives to develop a cadre of indigenous entrepreneurs that establish successful and growth oriented enterprises.

As per the 2016 final evaluation report of EDC prepared for UNDP, the Ministry of Urban Development and Housing and the Federal Urban Job Creation and Food Security Agency, the entrepreneurship development program’s relevance, efficiency, effectiveness and sustainability is described as below:

*Relevance:* The evaluation report reveals that the programme (EDP) is anchored on the GTP, the MSE Promotion Policy, National Employment Policy, Industrialisation Policy and Strategy and Agricultural-led Industrialisation and the prioritised interventions were aligned to national development policies and priorities, the policies of development partners and donors, as well as needs and priorities of beneficiaries. Due to this, the EDP is found to be highly relevant to the country’s needs and priorities and one of the key instruments, amongst other measures that have been identified to implement the GTP, focusing on accelerating inclusive growth through MSE development.

*Efficiency:* As per the report, based on assessment on cost of delivery of services, timeliness of delivery, comparative analysis with other countries, and competitiveness in delivery of services the implementation of EDP has been found efficient. One indication for this is the decline of cost per trainee from USD 422 in 2013/14 to USD 195 in 2015/16 in which this was achieved by using local resource expertise, which has been built for local trainers and BDS advisors and it substantially reduced the cost of service delivery. Apart from this, the establishment of partnerships with stakeholders in order to build synergies and complement activities to maximize programme outcomes and development goals is reported to be also positive for efficiency. With the resources made available it has provided training throughout the country to about 38,150 beneficiaries through generic and customized ETW supported training; some 8,000 clients have

benefitted from the BDS. This has assisted in terms of jobs creation, enhancement of business growth and expansion, business formalization, consolidation of business start-ups and businesses diversification.

Regarding *effectiveness* the report stated that the EDP has conducted several events and strategic partnership meetings, awareness creation and policy dialogues, is able to establish and strengthen the EDC (HQ and Regional Offices) and the Center of Excellence for Entrepreneurship (CoEE); enhancing the capacity to implement entrepreneurship training at central and at regional levels.

Regarding the program's *sustainability*, the report highlighted that the sustainability of EDP is ensured through government ownership of EDC and substantial policy level support of the programme through donor contributions. The training provided to 2,212 government personnel, universities and TVET is also reported to contribute towards sustaining EDP in the long term.

#### **2.4. Micro and Small Enterprises (MSEs) Overview**

MSEs are defined in a range of ways using different factors like; number of employees, volume of sales, and the capital value of the business. Although many countries around the globe seem to use common factors in their definitions, the degree of emphasis and measures used differ quite considerably. To this end, different governments and writers in MSEs' definition differ considerably. This difference is influenced largely by, the industry within which the MSE is competing and population and stage of a country's economic development (Hillary, 2000).

Lettice, 2004 as cited in Abrha, 2014, was similarly explained that there is no single universally agreed definition of what constitutes a micro and small firm, which can be used generically for all purposes. This is due to there being different organizations, laws, countries and agencies that all have their own ways of classification and definition (Bloem, 2012). International organizations such as the Organization for Economic Cooperation and Development (OECD) said also that the variation in definition and size of enterprises indicates the economic, cultural and social dimension of the country (OECD, 2005). Regarding this point, Dababneh and Tukan (2007) noted that different criterion for categorizing and defining enterprises is being used by different countries. Among others are the number of employees, amount of capital invested, sales and nature of the business. For the purpose of aiding reader understanding, the following are some of the definitions

provided by different countries, agencies and laws. For example, the European Commission (2005) categorizes enterprises as Micro, Small or Medium-sized enterprises based on staff headcount, and annual turnover or annual balance sheet total. Accordingly, an enterprise is medium-sized if, and only if, it employs less than 250 labor with an average.

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, culture and population size of a country involved (Zemenu and Mohammed, 2014).

#### **2.4.1. MSEs in Ethiopia**

*Definitions of MSE from Ethiopian context:* In our country two different definitions of MSE are used so far. These are:

- The 1998 and 2010/2011 definition of MSE development strategy, and
- Definition given by CSA

*The 1998 definition of MSE:* The MSE Development Strategy formulated in 1997 clearly enlightens a systematic approach to alleviate the problems and promote growth of enterprises.

The specific objectives of the 1997 strategy framework were to:-

- ✓ Facilitate economic growth and bring equitable development;
- ✓ Create long term jobs;
- ✓ Strengthen cooperation between MSEs;
- ✓ Provide the basis for medium and large scale enterprises;
- ✓ Promote export and
- ✓ Balance preferential between MSEs and bigger enterprises.

According to research report of Berihu, Abebaw, and Biruk (EDRI 2014), 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 20,000ETB. Similarly, an enterprise is considered small when its paid up capital is less than or equal to 500,000ETB.

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.

*Definition given by CSA:* The CSA definition uses employment and favors capital intensive technologies as yardstick. Accordingly,

- a) Cottage and handcraft industry that performs their activities by hand and using manpower driven machines.
- b) Establishment employing less than 10 persons and using motor operated equipment are considered as small scale manufacturing enterprises.

The above definitions given by CSA, however consisted of the following short comings.

- ✓ It focuses on manufacturing ignoring other sectors
- ✓ Failure in using size of capital

Due to the absence of uniform definition of the sector, the agency failed in gathering data about cottage and handicraft industries for the last 7 years.

*The New (2010/2011) Definition:* The new definition considers human capital and asset as the main measures. The new definition addresses the limitations of the old definition. Minimum asset requirement for services and industry is different as shown in table 2 below. In this strategy also new set of areas are identified as requiring attention and priority from the government. These are the manufacturing sector that encompasses the majority of the previously identified areas, the service sector which is a relatively new one, though not completely new, construction sector (partly exists in the previous one), the urban agriculture sector (partly exists in the previous one), and the retail sector. These sectors got attention because they are expected to substitute imports or are categorized in the manufacturing sector.

According to the edited MSE Development Policy and Strategy by Ministry of Urban Development & Housing in 2016, MSEs are defined on the base of total capital and working labor engaged or head count staff.

Table 2. Definition of MSEs

Type of Enterprise	Sector	Head count staff	Total asset in Birr
Micro Enterprise	Industry	≤ 5	≤ 100000
	Service	≤ 5	≤ 50,000
Small Enterprise	Industry	6-30	100,001 – 1,500,000
	Service	6-30	50,001-500,000

Source: MoUDHCo, MSE Development Policy and Strategy, edited 2016.

In Ethiopia, MSEs are the second largest employment generating sector next to agriculture. A National survey conducted by Central Statistics Agency (CSA) in 2006 indicates that more than 1.3 million people in the country are engaged in MSEs sector. Large number of MSEs are unable to grow (expand in terms of employment) and remain to be survival (non-growing) type which cannot provide employment. Woldeyohannes citing Gebreyesus's report of 2009 and Wasihun & Paul's study of 2010 revealed that out of 1000 MSEs in Ethiopia, particularly in Addis Ababa majority (75.6%) of the MSEs are unable to grow at all since start up and only 21.9% of the MSEs were added workers.

The MSE sector is very diverse and the three dominant types of businesses according to the CSA urban informal sector sample survey (2003) are: crafts and trade (49%); street vending, cleaning, washing (25%); and service workers, shop and market sales workers (21%). Grain mills (31%), furniture (21%) and metal products (19%) dominate the small scale industries. (CSA 2006).

Similarly, according to the 2003 Central Statistics Agency (CSA) report, in Ethiopia there were 974,676 micro and 31,863 small enterprise establishments in Ethiopia, which accounted for 99.40 percent and 0.46 percent respectively of the industrial establishment. Large and medium enterprises (employing more than ten employees) were 642 accounting for the remaining of 0.11 percent. Micro enterprise and small enterprise provide employment opportunities to 877,370 (89.75

percent) and 8929 (0.91 percent) respectively. Large and medium enterprises on the other hand accounted for about 9.34 percent and 0.91 percent of industrial employment respectively. On this similar report, about 47 percent and 42 percent of these MSEs were engaged in manufacturing and petty trading respectively. The remaining 11 percent were employed in traditional activities (service, agriculture, transport, construction, mining etc...). Furthermore, Gebrehiwot and Wolday (2004) depicted that the average capital of micro and small enterprises amounted to 3,528 birr and 38,354 birr respectively. In terms of number of workers, the average employment is 1.5 persons for micro and 3.3 for small enterprises.

#### **2.4.2. MSEs' Development Levels**

The MSE development strategy, 2011 described MSEs' development levels as below:

- ✓ **Startup level:** refers to enterprises that incorporate people who are interested to establish MSE and those who completed the required profession/skill from various institutions and innovated by legally either in the form of association or private. It is a level where an enterprise begins production and service under legal framework or legal entity.
- ✓ An enterprise is said to be at **growth level** when an enterprise become competent in price, quality and supply and profitable using the support provided. At this level, the enterprise man power and total asset is larger than at startup level; and use book keeping system.
- ✓ **Maturity level** means when an enterprise able to be profitable and invest further by fulfilling the definition given to the sector and using the support provided.
- ✓ An enterprise is said to be transformed **from small to medium level of growth** is when it enabled to be competent in price, quality and supply using the support given to the level.

#### **2.4.3. The policy Environments on Ethiopian Micro and Small Enterprises**

- ✓ In post 1991, unlike the predecessors' regimes of Hailesellasiye and the Derge, Ethiopia exercised decentralization policy and entered into the market economy. In addition, the country developed different policies towards poverty reduction. The Agriculture Development Led Industrialization (ADLI) was developed to increase the productivity of the agricultural sector and thereby forming both backward and forward linkages to the industrial sector. It was intended to achieve rapid

growth in the agricultural sector and finally to promote and develop the manufacturing sector (MOI, 2006).

- ✓ After ADLI, a Five-Year Development Strategy 2005/06 - 2009/10 named PASDEP developed, which was focusing mainly on poverty reduction both in rural and urban Ethiopia was developed. In this strategy, reducing the unemployment level and increasing the income of individual were the focus areas. Hence, as an instrument, MSEs were given great attention to achieve those objectives in urban Ethiopia (MOFED, 2006). As a result, different strategies were developed towards the promotion of MSEs. The 1997 Development strategy document and the report of industrial development strategy of Ethiopia were some of the outcomes of policies towards MSEs. In the document, great emphasis was given to MSEs and enabling institutional and policy environments were made easier and supportive to promote and expand the sector (*ibid.*).
  
- ✓ Now a days in Ethiopia, according to MOTI (1997) report, great attention is given for the development of MSEs, as they are believed they can achieve rapid development through reducing unemployment and income inequalities and improving the living standards of the people at large. To achieve those objectives, target sub sectors are selected by the federal agency of Micro and Small Enterprises based on large market size, employment absorption capacity, short period of return over investment and the high role they play for poverty reduction. These sub-sectors include metal and woodwork, food processing, textiles and garment, construction materials production, municipal activities, Urban Agricultures and others. Hence, different stakeholders are also made to work in the promotion of MSEs and offices are allocated up to weredas levels to provide one-stop services to all the existing and emerging enterprises.
  
- ✓ Ethiopia adopted its first MSEs Development strategy in 1997 with a primary objective to create an enabling environment for MSEs. Its specific objectives include facilitating economic growth and bring about equitable development, creating long-term jobs, strengthening cooperation between MSEs providing the basis for medium and large-scale enterprises; promoting exports, and balancing preferential treatment between MSEs and bigger enterprises. The intended MSEs, support include creating legal framework, improving access to finance, introducing different incentives schemes, encouraging partnerships, improving access to

appropriate technology, information, advice and markets, and developing infrastructure (Gebrehiwot and Wolday, 2001:6 and 2004:8).

In general, it is possible to understand from the above discussed policies that the current government is giving great attention for the sector to alleviate the abject poverty, unemployment and to achieve better income distributions.

## **2.5. Women Entrepreneurs**

Women entrepreneurs are women business owners whose ventures reflect the characteristics of entrepreneurship and who have adopted and implemented entrepreneurial activities and processes. These women have recognized opportunities and have successfully marshaled the required resources to exploit the opportunity. They have also driven and managed a dynamic process involving change. Finally, they have created a new pattern of activity which became a new wealth-creating venture with potential for growth. (Jemal, 2013).

A significant increase of female entrepreneurs has been exhibited in the developed countries in recent decades. More specifically, studies have found that the self-employment rate in the developed countries like France, the Netherlands, Sweden and the UK has increased steadily throughout the past decade (Jennings & Brush, 2013). Whilst this is an encouraging trend, women accounted for only 29% of the 40.6 million entrepreneurs. This is consistent with the rest of the developed world where women own and manage around just a third of all businesses in developed countries (Gupta, Goktan & Gunay, 2014).

The role of women entrepreneurship is inevitable in any country. Women's productive activities, particularly in industry, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium scale production activities, or in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment (UNIDO, 2001). Overall, entrepreneurship represents a large proportion of women's paid work in many countries, and is thus a critical avenue through which to support women's economic empowerment (de Mel et al. 2012). Nowadays women enter in almost all professions such as trade, industry, engineering, technology. They are willing to take up business and contribute

to the national development. Thus, their role is being recognized and steps are being taken to empower and promote female entrepreneurship.

### **2.5.1. Major Challenges of women entrepreneurs**

There are several issues of women entrepreneurship that even further exacerbate the difficulties of women facing in starting and managing an enterprise.

#### **1. Lack of access to finance**

Consistently, many researchers have pointed out that lack of access to finance is the major barrier for women entrepreneurs. Since easy access to capital is not available, women have problem finding funds to grow their business (ILO, 2003). In Kenya, access to finance also remains as one of biggest obstacles to women (Zororo 2011). Meanwhile, the responsibility of entrepreneurs for their dependents also makes it impossible for them to save money or expand and diversify business (Athanne, 2011).

The amount of start-up capital for 75% of informal businesses was less than Birr 250 (CSA 2003) 89% of start-up capital was from own savings, borrowing from friends and assistance from families and friends. Only 0.12% borrowed from Banks and only 1% from micro finance institutions. A further 2% came from government or NGOs, with the source of the remainder unspecified. As a result, in businesses, women entrepreneurs' access to finance becomes a very severe constraint as individual savings are not enough for expansion and the profit generated is not large enough to allow for growth and expansion (Desta Solomon, 2010).

#### **2. Cultural norms and stereotype**

Social expectation on women as solely housekeeper, housewife or homemaker along with heavy family responsibility is also a big constraint for women entrepreneur (Itani, Sidani & Baalbaki, 2011). This fact is strongly affected by the cultural norms, which are common in Asian countries. Women are not encouraged to take leadership roles and supposed to be submissive and subservient to male (Dzisi, 2008). Moreover, society bias and wrong interpretation women as incompetence, modesty, lack of articulation and lack of professionalism also prevented women from independently managing the business. Ironically, unmarried women also face similar problem (Mordi, Simpson, Singh & Okafor, 2010) when their parents are concerned for the future "marriage

prospects” of their daughter. They feel insecure when their daughters are independent and domineering meanwhile the society highly values a shy and meek woman and expect women to be submissive.

### **3. Lack of time and role conflicts**

The burden of domestic responsibilities at home prevents women from being flexible and available for business activities. Interestingly, some other scholars, in contrast, found out in their study that most of women respondents did not feel that owning an enterprise affects their roles as mother or housewife (Das, 2005). In the same study, over 74% successful women entrepreneurs surveyed in India reported that their spouse was either happy or very happy when they commit to the business. In addition, over 70% said that even though they were still in main charge of household chores, they had emotional support from their spouse.

### **4. Lack of education and entrepreneurial training**

Lack of proper education also discourages women entrepreneurs from scaling their business. Women in Kenya are disadvantaged compared to men in education, they are lack of education and the gap remains high between secondary school and high school. Accordingly, low education decreases the chances for women to gain necessary knowledge and entrepreneurial skills, which make overall effect on business growth (Mwobobia, 2012). National survey by IFC (2006) proved that they express a strong need for education and training on entrepreneurial activities, which are not only about managerial skills but extensively covered other aspects regarding knowledge about the market, information about access to finance etc.

### **5. Lack of network and support from external environment**

In comparison with men, women are less engaged in social networking. Ascher (2012) asserted that women are mostly involved in networks that relate to their duty within family, which is not favorable for their business life. Women entrepreneurs in South Asian countries generally have fewer business contacts, less bargaining power and limited knowledge about how to deal with governmental bureaucracy. In addition, networks tend to be male-dominated where women hardly find confidence in making contact, which limit the chance for women to growth their business, expand network circle and get awareness of good role model (Sinha, 2005).

## **6. Lack of managerial skills and experience**

Lack of knowledge about the market conditions, lack of basic trainings on how to run and manage an enterprise and other skills in management are also a problem for women entrepreneurs (Itani, Sidani & Baalbaki, 2011; Roomi, Harrison & Beaumont Kerridge, 2009). ILO (2003) also revealed that lack of knowledge is an important issue that holds back women entrepreneurs in developing countries.

## **7. Lack of governmental support and related issues**

Some scholars addressed that Government fail to consistently implement the announced strategies and plans creates the problems for women entrepreneurs (Singh and Belwal, 2008). The same study figured out that heavy tax rates, corruption, bribery and stagnant official procedures are some other concerns.

### **2.5.2. An Overview of Women MSEs in Ethiopia**

A national survey conducted by the Ethiopian Welfare Monitoring Unit as cited in Eshetu and Zeleke (2008) shows that women entrepreneurs in Ethiopia are not provided with adequate policy related and strategic support from the national government, and that the promotion of vibrant MSEs should be one of the most important priority strategies for empowering women, addressing abject poverty and unemployment in Ethiopia.

Businesses and enterprises operated by women contribute for economic dynamism, diversification, productivity, competition, innovation and economic empowerment of the poorest of the poor. Although the national government has come to acknowledge that supporting enterprises operated by women promotes gender equality and economic empowerment, the majority of enterprises operated by women face difficulty in terms of access to finance, resources, business skills and institutional support from the national government. (Negash & Kenea, 2003). The studies stressed that SMEs owned or operated by women in Ethiopia survive against tremendous odds of failure.

While it is true that the predominant image of the “Ethiopian woman entrepreneur” is one of poor women trying to survive, there are other profiles. One is of the woman who has, because of higher education and better access to economic and resources, been able to grow her micro enterprise into

the small enterprise category (Hadiya, 1998; ILO, 2003). According to Hadiya, these women believe they are the most neglected category of women entrepreneurs because they do not have institutional credit or other support services available to them. These women have outgrown the micro finance system and yet are not able to borrow from banks. The other profile is of the woman who, because of her higher education, previous work experience, and better economic circumstances, has access to the financial and other resources needed to start and grow larger enterprises.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study used both qualitative and quantitative research approaches i.e. a mixed methodology in which both collecting and analyzing quantitative (close-ended + open-ended questionnaires to sampled respondents) and qualitative data (by interviewing key informants).

##### **3.1.1. Sampling Frame /Population Size**

A sampling frame is a complete list of all the members of the population to be studied. The sampling frame considered for the study is a list of trained start-up women-owned MSEs/beneficiaries of the training at EDC-Addis Ababa in 2014, i.e. a total of 104 beneficiaries.

##### **3.1.2. Sampling Design and Technique**

Sampling design is determined before any data are collected. In this study, the population is the total number of women who participated in the Women Entrepreneurship Training (WET), a two-day intensive training and a 6-day Entrepreneurship Training Workshop (ETW) with an emphasis of women entrepreneurs with limited business experiences and /or who are at the start up stage, in Addis Ababa.

In addition, the study used both probability and non-probability sampling techniques. Probability sampling is used due to the convenience of accessing a ready-made sampling frame of beneficiaries at EDC-Addis Ababa from which representative samples could easily be selected and as well as of the homogeneous nature of the target population. From 2013 to 2015, EDC-Addis Ababa has trained a total of 545 men and women start-up and small business owners. Among the total, 390 are women beneficiaries.

At the beginning of its establishment, there was no organized and well-kept baseline data of trainees, and since it was a year of establishment, there were no many numbered trainees in 2013. In 2014, there

were about 208 women-trainees that holds 53% of the total 390 women trainees in Addis Ababa from 2013 – 2016. Since this study is focusing on the start-up women-owned MSEs, in 2014 the start-up businesses are found to be 104 in total.

As per Yamane (1967) cited by Glenn D’Israel on determining sample size, from University of Florida, Yamane sampling formula is used as follows:-

Yamane Sampling formula:

$$n = \frac{N}{\left[1 + N(e^2)\right]}$$

Where n = sample size, N = population, e = error tolerance.

$$n = \frac{104}{1 + 104(0.05)^2}$$

$$n = \frac{104}{1 + 104(0.05)^2}$$

$$n = 82.5 \sim 83$$

The researcher employed a simple random sampling method to create the sample using a lottery method in which it randomly picks numbers.

The study also applied one of the non-probability sampling technique, i.e. purposive sampling as it allows the researcher to use cases that have the required information with respect to the objects of his or her study. Accordingly, the researcher collected data by interviewing:

1. Two senior staffs at EDC – Addis Ababa because the researcher believed that those purposely selected expertise have firsthand information regarding EDC’s role and contributions towards those start-up women owned MSEs.
2. A program Analyst at UNDP because UNDP in addition to being a fund source, it provides technical expertise as well as give guidance for the technical feasibility of EDC’s training projects.
3. Federal Urban Job Creation and Food Security Agency (FeUJC & FSA) Deputy Director was the other purposely selected data source because FeUJC & FSA as it has a monitoring and supervision role towards the EDC programmes.

4. A focal person at Women Financial Services Department of Enat Bank – Taitu Branch – because Enat Bank is working as partnership with EDC towards supporting women-owned enterprises.

### **3.2. Sources of Data Collection**

#### **3.2.1. Primary data source**

Primary data collection sources are the women trainees of WET and ETW, selected in a simple random sampling technique i.e. a lottery method; and the key informants who are interviewed to have valuable information in relation to training programs at EDC mentioned under the purposive sampling technique above.

#### **3.2.2. Secondary data source**

Secondary sources of data are: final reports of EDC, project document and EDP briefs by UNDP, website of EDC, UNDP, Enat bank and different published research papers, reports of researchers, reports of international organisations and local governments are among many.

### **3.3. Instruments of data collection**

#### **3.3.1. Questionnaire**

Questionnaires have the advantage of covering a large sample, and saves time to collect data. For the purpose of this study, the researcher utilized questionnaires to collect both qualitative and quantitative data on what role EDC undertakes and most importantly, the benefits the beneficiaries are enjoying as a result of the WET & ETW training in Addis Ababa and the success and challenges they are facing, if any. The first part of the questionnaire consisted of demographic profile of the respondents which is designed in a close ended format. The second part covered the general business characteristics of those start-up women-owned enterprises prepared in a close and open ended format. The third part is questions specific to the WET/ETW women trainees again in both closed and open-ended format. The fourth part is questionnaires designed using Likert scale, to address the effects of WET & ETW Trainings on the start-up women entrepreneurs' performance in view of the trainees. As per Sorrel's Likert Scale Examples for Surveys, this study employed ranges from 'strongly agree' to 'strongly disagree' (5=Strongly Agree (SA), 4=Agree (A), 3 = Undecided (UD), 2=Disagree (D) & 1=Strongly Disagree (SD) so as not to limit the response of

respondents to some limited ranges. (Sorrel, 2010). The questionnaires are prepared in English and then translated into Amharic (local) language to make it convenient for respondents to understand.

### **3.3.2. In-depth interview**

The in-depth interview took place with 2 key informants of EDC-Addis Ababa, 1 UNDP focal person for EDC project, 1 focal person from FeUJC & FSA and finally 1 key informant from Enat Bank – Taitu branch. The researcher utilized semi-structured interview so that the interviewees can answer freely and in multiple ways to give thoughtful answers.

### **3.3. Data Analysis and Interpretation**

For analysis of the data both quantitative and qualitative methods were employed. Quantitative data generated from the survey questionnaire were analyzed using Microsoft Excel programme. Descriptive statistics like frequencies and percentage were applied to facilitate meaningful analysis and interpretation of research findings. The results of processed data were presented in tables and figures. Qualitative data obtained through KII were analyzed through descriptive method of analysis.

### **3.4. Ethical Consideration**

All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the commencement of distributing questionnaire and asking interview questions. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant. Names are kept confidential thus collective names like ‘respondents’ were used except the names mentioned under the success stories in chapter 5 in which the respondents showed their willingness and consent by that.

## **CHAPTER FOUR**

### **DATA DESCRIPTION AND ANALYSIS**

#### **4.1. Introduction**

This chapter of the study is dedicated to the description of the data acquired through questionnaire, in-depth interview and document analysis, and the analysis and discussion of the described data. The researcher has attempted to make sure that the collected data are presented in a systematic manner using both qualitative and quantitative research approaches i.e. a mixed methodology, thereby respondents' reflections are clearly understood. Data gathered through an in-depth interview and document analysis are discussed qualitatively in line with the research questions. And then, the output from the collected data of the survey questionnaire is presented in the form of percentage, frequencies, tables and figures. Of the totally distributed 83 questionnaires, 66 were properly filled and returned which has a rate of 79.5% and is adequate enough to make the analysis.

#### **4.2. Analysis from the in-depth interview**

As per the interview made with EDC staff members and the researcher's document analysis, the Entrepreneurship Development Center (EDC) was launched in 2013 with the aim of identifying growth oriented enterprises as well as potential entrepreneurs. This is done in order to equip the target beneficiaries with much needed entrepreneurial skills and competencies that enable them to establish, run and operate sustainable, profitable and competitive businesses. Women and youth are among the target beneficiaries of the services provided by EDC- Ethiopia.

As per the KIIs made with EDC staff members and UNDP focal person of the project, the targeted percentage of participation of women at the start of the programme (2013) of phase I (that ends July 2017) was 30% and has reached 38% in 2017 which is achieved beyond the target and explained by the investment made in mainstreaming gender throughout the programme activities. According to the interviewees, the programme has targeted the participation of women to reach 40% by end of 2018.

Eventhough not specific only to women, throughout the country, about 16,657 entrepreneurs had been trained under the ETW (the 6 days intensive training).

The customized 2 days intensive training i.e. WET, is targeting at meeting special needs of clients, particularly women with low level of literacy. As per the KIIs of EDC, a total of 7261 entrepreneurs are trained under this program till end of December 2016.

Business development services (BDS) is the other service provided by the center which is worth mentioning here even if it is not the researcher's area of study. As per interviewee's from EDC, about 8,000 clients have benefitted from the BDS after being registered for the service.

As per the analysis made in this study, in general, all the mentioned trainings that the center provides are ways of creating an enabling environment mainly for the start-up women-owned MSEs in terms of jobs creation, enhancement of business growth and expansion, business formalization, consolidation of business start-ups and businesses diversification. In addition, the center is providing technical support includes review of business plans, business counseling assistance in sourcing credit, and assistance in identifying local subcontracting opportunities between micro and small enterprises with larger local companies.

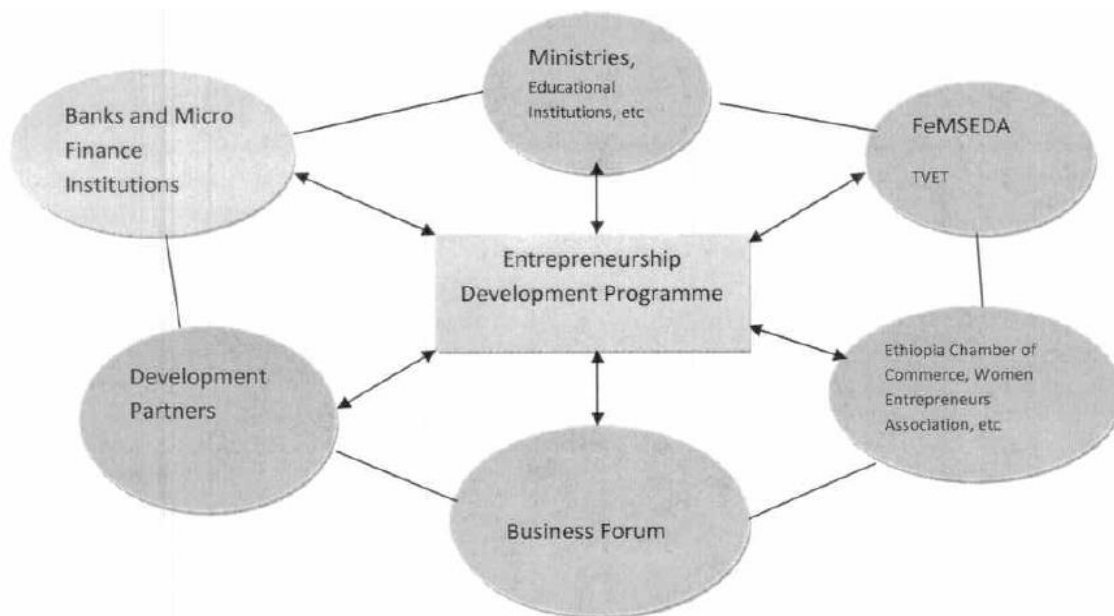
Dugassa, Alemfrie & Mudde (2015) in their working paper mentioned that many start-up enterprises fail during the first year of establishment, even after undergoing entrepreneurship training with a reason that training is just one component of developing successful and competitive entrepreneurs. The critical service component is the provision of dedicated and personalized business support services to those that successfully followed an entrepreneurship training program.

From the respondents' final comment on the questionnaire, it is found that some have been benefited from the BDS session in addition to the ETW & WET trainings, whilst some were told to wait until called by phone to join the BDS session– but they didn't hear anything from the center yet. The KIIs at EDC said that they tried their best to accommodate all the applicants as per their application by making them in groups.

The other role of EDC in creating a suitable environment for the start-up women owned MSEs is through its partnership agreements described as below.

As data from EDC Ethiopia's main website, EDC has numbers of partnership agreements with public and private entities, UN agencies, and donor organizations that have a similar mission and vision as EDC i.e. to drive the facilitation and the realization of the entrepreneurship development goals of the country.

Figure 1. EDC's partnership framework



Source: UNDP/EDC Project Document (2012)

The composition of EDCs partnerships with organizations range from capacity building and training, media and awareness creation activities, financial schemes for entrepreneurs, as well as technical support in the form of business development services.

As per the KIIs of EDC, one of EDC's roles and activities is it support in the financial schemes under its partnership with Enat bank which is one key way of creating a suitable environment for those startup women-owned MSEs.

As per the researcher's document analysis and the interview made with EDC as well as Enat bank's focal person for the partnership, through the partnership, Enat Bank is dedicated to helping women succeed financially in business and personally. The source of the money allocated for loan under the mentioned scheme is a contribution of 6% from dividends of shareholders.

The bank gives such loan service through its Women Financial Services Department providing pre-requisites for those women applicants. The ceiling loan amount by the bank is 300,000ETB, to be paid in three years period, with an interest rate of 9.5% but currently increased to around 11%. Finance being the major challenge of so many start-up women entrepreneurs with low income, such partnership of EDC with Enat bank is found to be one way of creating a suitable environment for the women owned MSEs. The interview results showed that as of October 2017, about 18 low income-women entrepreneurs have benefited from Enat bank's collateral free loan – and the bank investing about 4.1 million Birr, and about 139 applicants have applied for the loan and are in waiting list .

This being true, the researcher has a doubt that many of those start-up women entrepreneurs are aware of such provision by the bank because as per the respondents' data which will be discussed in the next paragraphs, only 18% of the respondents said that they have used MFIs and banks to access loan while the remaining percentage used informal sources for their start-up capital.

*Assessment of Project Performance:* As per KI interview made with EDC, UNDP and FeUJC & FSA, as an assessment of EDC's project performance, quality assurance mechanism has been put in place to ensure quality delivery of services (especially training and BDS). Joint meetings and quarterly monitoring is conducted; quarterly progress reports are developed by EDC, sample surveys are also being conducted to ensure consistency as well as standardized delivery of training and BDS.

### **Gaps identified**

- ✓ EDC's target on number of women participation at the ETW and WET is achieved beyond the set target, from the data analysed and the interviews made, the researcher has identified that there is lack of post-training follow-up mechanism to track their progress on continuous basis. As a result it is difficult to know what works and what doesn't work for them. Many

of the respondents mainly those working as cooperatives mentioned in their remark at the end of each questionnaire that they wish they could be visited by the responsible government or trainers from the center so that they could be guided, advised and their efforts could be encouraged.

- ✓ Even though the interview made with EDC staff showed that applicants of ETW & WET trainees are screened and called made them being in groups, there is a gap identified in which many trainees of the ETW & WET still didn't get a chance to join the BDS session even if they want mainly those trained in 2014. The researcher has identified an interest on them for the BDS service because some of them requested the researcher to find a way to link them up with the center.
- ✓ From the respondents' remark again, it is found out that many wish to have an experience sharing platform where trainees of the center can meet once in a while and share ideas. From EDC's report of 2016, the researcher has identified that there is a Global Entrepreneurship Week events and activities that EDC has been hosting for the past 3 years with an average of 8 events per year. But the researcher has found out that there is still a gap in arranging platforms and forums specific to those ETW and WET trainees which would have been one method of an experience sharing and idea exchanging; therefore this would be a key area that the center is going to focus as a future plan – as per KII made with EDC. This could be made where a volunteer trainee shall be selected from the batches and will take a lead in announcing and information dissemination when there is a discussion platform or forum is scheduled.

#### **4.3. Analysis and presentation of data from survey questionnaire**

In the next paragraph, first, demographic profile of respondents is analysed and presented followed by the general business characteristics of those start-up women-owned enterprises. Thirdly, the data specific to the business particulars in relation to WET/ETW women trainees are presented and analysed. Finally, in view of the trainees, the data to address the effects of WET & ETW Trainings on the start-up women entrepreneurs' performance is well analysed and presented. Simple statistical methods like frequency and percentage were used to calculate the results which are summarised in tables and depicted graphically.

### 4.3.1. Demographic profile of respondents

The following table summarizes demographic profile of respondents by age, level of education, family size and marital status.

Table 3. Demographic profile of respondents

<b>1. Age</b>	<b>Frequency</b>	<b>Percentage</b>
22-25	11	17%
26-30	16	24%
31-50	26	39%
Above 51	13	20%
<b>Total</b>	<b>66</b>	<b>100%</b>
<b>2. Educational status</b>	<b>Frequency</b>	<b>Percentage</b>
1-8 grade	12	18%
9-12 grade	11	17%
Diploma	23	35%
Degree and above	20	30%
<b>Total</b>	<b>66</b>	<b>100%</b>
<b>3. Family size</b>	<b>Frequency</b>	<b>Percentage</b>
1-3	24	36%
4-5	34	52%
Above 5	8	12%
<b>Total</b>	<b>66</b>	<b>100%</b>
<b>4. Marital status</b>	<b>Frequency</b>	<b>Percentage</b>
Married	31	47%
Widowed	5	8%
Divorced	4	6%
Single	26	39%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

As can be seen from table 3, majority of the respondents are within the age category of 31-50 years (39%) followed by those under the category of 26-30 years (24%). The remaining 20% and 17% of the respondents are under the age category of above 51 and below 25 years respectively. It's

clearly shown that, the majority of the respondents are in an age where they are active, matured and productive age category which will have a positive influence on entrepreneur's business performance and this agrees with Shane's study of 2003. A related study conducted by ILO (2003) also presented that over eighty-nine percent (89%) of the women entrepreneurs in Ethiopia were under the age of 50.

A Government survey of Ethiopian women entrepreneurs in the informal sector showed that the majority (59 per cent) of those interviewed were illiterate, with only 20% percent having received elementary education (CSA, 1997). When we see the educational level of the respondents in table 3, the majority (35%) of them have a college diploma followed by those who have Degree and above (30%) and elementary level, Grade 1-8 (18%). The remaining 17% are at high school level, i.e. grade 9-12. By contrast, study made by ILO Sub Regional Office (2003) shows that 90% of microenterprise owners, and 88% of small enterprise owners report that they had had formal education, with 72% and 66% having received primary and secondary education respectively. In general, the fact that the respondents in this study being growth-oriented women entrepreneurs, many of them are found to be in a better level of education which is safe to say that they are in a better position to manage or at least learn how to manage their businesses.

Regarding the family size, 52% of the respondents have a family size of 4-5, whilst 36% have family size of 1-3 and the remaining 12% have more than 5 family members. As many studies show, women entrepreneurs are too occupied with family responsibilities that take away lots of their time as a result make them unable to concentrate on the enterprise and unable to be part of a business network and lack of information. From this table, we can analyse that the majority (52%) have the largest family size (4 to 5) which may have an impact on their business activities not only due to the family responsibilities, but will have an impact on the share of the income generated from the enterprise that may result in having less saving. On the contrary, if some of the members in the family are working and have income source, this will have a positive impact by being additional income source for the family.

Study by Zewde & Associates, 2002 conducted here in Ethiopia have shown that the majority (63.4%) of women business owners on the study are found to be married. In like manner, for this study an attempt has been made to know marital status of women owned MSEs. As such, table 3

shows that the majority are married (47%) followed by single (39%). The remaining 8% and 6% are widowed and divorced respectively. The majority of women entrepreneurs under both studies are found to be married may have an implication that they are not only business owners but also are responsible citizens as well as nurtures of the upcoming generation.

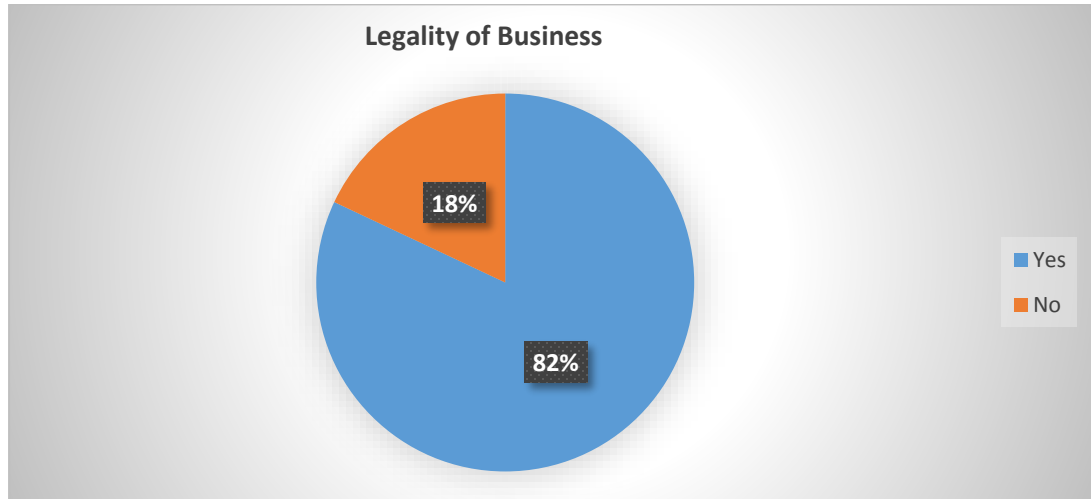
#### **4.4. Business related data**

Under this section, respondents were asked regarding legality of their business, type of business ownership, their work experience in the business, type of business sector, reasons to start own business, skill source to run the business, and funding source.

##### **4.4.1. Legality of business**

Concerning legality of business, respondents were asked if their business has any formal registration or legality. Accordingly, 82% are legally registered, whilst 18% shows that they are not legally registered. As per respondents data from the open-ended question i.e - 'why their business is not formally registered' the common reasons listed were : because their business is at startup stage, due to very low income, fear of additional costs like high tax from government, bureaucracies while processing to register and to exit (if failed) are the common ones. This state of registration has a differing message to convey to different bodies of the government. For a tax assessor, for instance, it may mean that there is still a huge potential from which tax can be collected; while to the MSE and cooperative offices, to which this research is more related, it may also mean that more work needs to be done to bring these establishments to the formal sector and get them registered so that they can access the supports that the government is extending to the sector.

Figure 2. Legality of business

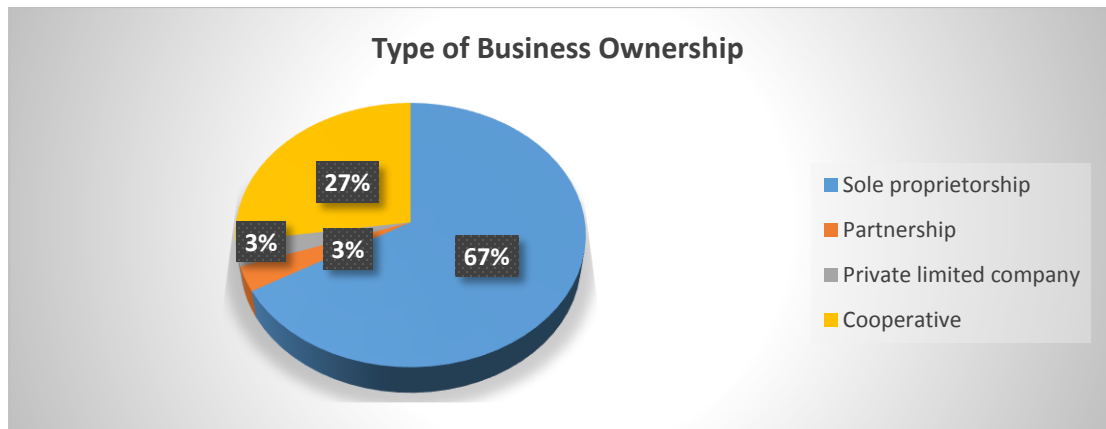


Source: (Own survey, 2018)

#### 4.4.2. Type of Business Ownership

Figure 3 underneath clearly shows that 67% of the respondents owned their business as sole-proprietorship, 27% of them as Cooperatives, 3% each as partnership, and private limited company respectively. The result demonstrates that since the majority (67%) of the businesses are solely owned, eventually they are less benefited not only from accessing loan opportunities but also access to fair fee premises by the government. On the other hand the cooperatives get the advantage of having new partner that will further inject new business ideas and ways of doing things which may ensure survival of the ventures, as well as getting priorities for group-based loan that requires group guarantees and fair fee premises mainly given by the government.

Figure 3. Type of Business Ownership



Source: (Own survey, 2018)

#### 4.4.3. Work Experience in the Business

With regards to the business work experience of the respondents, table 4 shows that majority of the respondents (76%) have 2 to 5 years of experience in their business whilst 17% and 6% of the respondents have an experience of 6 to 10 years and below one year respectively. The remaining 1% shows above 10 years work experience. In relation to the respondents' year of training at EDC being 2014, the majority (76%) of them have a business experience of 2 to 5 years reveals that they have started their business either a year before or after taking the training.

Table 4. Work Experience in the Business

<b>Work experience in the business</b>	<b>Frequency</b>	<b>Percentage</b>
Below one year	4	6%
2-5 years	50	76%
6-10 years	11	17%
Above 10 years	1	1%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

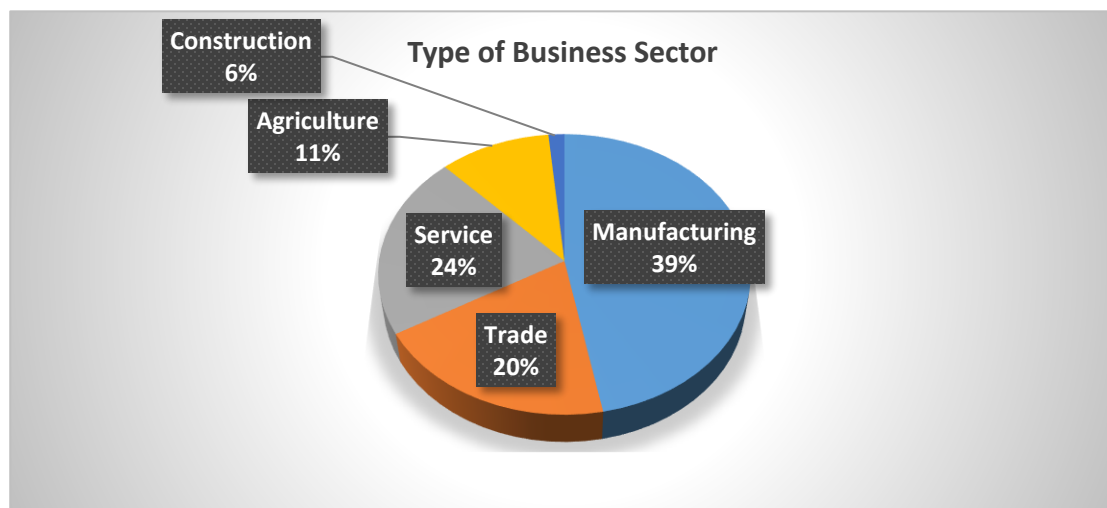
#### 4.4.4. Type of Business Sector

As per Zewde & Associates preliminary report on 'Women Entrepreneurs in Ethiopia' on October 2002, self-employed women tend to focus on economic activities that are perceived to be more flexible (such as petty trade which is less risky) and on activities that can be either home-based or carried out in the vicinity of the household, so as to enable them to fulfil the demands associated with their reproductive roles. In close resemblance with the above report, Fesseha Gebremairam asserted that women mostly participate in the service and trade sector of MSEs, where there are low-level capital requirements and are often short-term profit gaining enterprises with low sustainability (Gebremariam, F. M., 2017).

But the researcher's findings in figure 4 showed a slightly different result that about 39% of the respondents are engaged in manufacturing sector but like the above mentioned two reports, trade and service hold the next high percentage, i.e. 20% and 24% respectively. Agriculture and construction holds the remaining 11% and 6% respectively. Hence, it is wise to say that women

entrepreneurs must be encouraged and supported to further invest in manufacturing sector as the national priority agenda is to have export-led industrial economy.

Figure 4. Type of Business Sector



Source: (Own survey, 2018)

#### 4.4.5. Reasons to start own business

The motivations behind establishing own businesses are many in number and vary from individual to individual as there are several push and pull factors that attract women to the world of entrepreneurship. For instance, study conducted by ILO (2003) on Ethiopian Entrepreneurs interest to starting their own business includes business brings high income, to be self-employed and the amount of investment required is small. Further, in this study, when multiple responses were taken into account, a similar profile of preferences appeared with more emphasis (51%) of the respondents started their own business because they wanted to be self-employed. It is also evident that 26% had no other alternative for income and another 20% established their own business believing that it brings high income. The remaining 3% established their enterprise because it is a family business tradition.

Table 5. Reasons to start own business

Reason to start own business	Frequency	Percentage
Family Business Tradition	2	3%
To be self-employed	34	51%
Brings high income	13	20%
No other alternative for income	17	26%
Others	0	0
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

#### 4.4.6. Skill source to run the business

There could be many reasons for business owners to start their business. ILO (2003) revealed that lack of entrepreneurial skill and knowledge is an important issue that holds back women entrepreneurs in developing countries from progressing. For this particular study, respondents were asked from where they acquire the skill for running own business. Table 6 clearly revealed that 71% said from formal training, 9% said from friends, whilst 15% and 5% said from families and other sources respectively. From the results, it sounds to say that most of the respondents are well equipped in entrepreneurial skill to run and sustainably progress their business at the same time continuously upgrade their skill as they operate in dynamic world where technology and globalization is changing by minute.

Table 6. Skill source for running their business

<b>Where do you get the skill for running the business?</b>	<b>Frequency</b>	<b>Percentage</b>
Formal training	47	71%
From friends	6	9%
From Families	10	15%
Others	3	5%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

#### 4.4.7. Start-up capital/funding source

Regarding funding source for the start-up capital, table 7 depicted that about 27% of the respondents got their funding source from personal saving, followed by 21% borrowed from families or friends. In addition, 14% of the respondents confirmed that their funding source is assistance from friends or relatives. 12% said from Equb where each member of it puts monthly contribution and the pooled amount is given to each contributor on rotating basis. A total of 18% of the respondents got loan access from MFIs and from banks whilst 8% fund source is from NGOs/Church. In general the result shows that a total of 82% responded that they use informal financial sources, while only 18% got access loan from either MFIs or banks. Similarly, as per Desta Solomon (2010)'s desk review of studies conducted on women entrepreneurs in Ethiopia, 89% of start-up capital was from own savings, borrowing from friends and assistance from families

and friends. Only 0.12% borrowed from Banks and only 1% from micro finance institutions. A further 2% came from government or NGOs, with the source of the remainder unspecified.

This shows that formal financial institutions' contribution in this regard is very limited to startup women-owned businesses at Micro and Small enterprise level. The bureaucratic process to get loan, interest rate, short repayment periods and lack of knowhow about lending institutions can be taken as the major reasons for not having an interest/unable to access loans from loan lending institutions or Enat bank in this particular study.

Table 7. Start-up capital/funding source

<b>Start-up capital/funding source</b>	<b>Frequency</b>	<b>Percentage</b>
Personal saving	18	27%
Borrowed from families/friends	14	21%
Microfinance institutions	8	12%
Borrowed from Bank	4	6%
NGOs/Church	5	8%
Assisted by Friends/ relatives	9	14%
Equb	8	12%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

#### **4.5. Business particulars in relation to WET/ETW start-up women-trainees**

##### **4.5.1. Preparation of Business plan**

Respondents were requested if they have prepared a business plan for their business. Hence, Table 8 shows that 76% of the respondents said that they have prepared business plan for their business, whereas 24% said that they didn't prepare a business plan. From this, it is possible to say that the majority are able to set their goals and aims of their business which will for sure help them monitor their success against their plan and set goals.

Table 8. Preparation of business plan

<b>Have you prepared a business plan for your business?</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	50	76%
No	16	24%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

#### 4.5.2. Financial record keeping

Poor finance management or record keeping has been posted as the main cause of failure and leads MSEs to collapse as studied by Longenecker et al 2006, Bowen 2009, and Germain 2010.

In essence, recordkeeping is one thing any business owner cannot afford to ignore. Respondents were asked if they maintained the financial records of their business transactions. As Table 9 shows 70% of the respondents said they keep their financial records, whereas 30% revealed that they failed to maintain any records of their business transactions. This shows that the majority of respondents can easily track their day to day transactions, use the record for planning purpose and they will be well prepared for tax report requirements.

Table 9. Financial record keeping

<b>Do you keep financial records of your business?</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	46	70%
No	20	30%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

#### 4.5.3. Status of current business

The researcher has gone through the data which mainly targeted to see the contribution of the ETW/WTW training on the growth pattern of the business of those women trainees. Growth can be measured with number of workers, the amount of profit, revenue, and capital it makes across time. There are still others who claim that the rate at which the firm adopts a new technology or way of production can show the direction of growth. Measures like the growth of capital/total asset and newly created jobs have been introduced as variables to measure the growth of the establishments in this study. So it's by comparing their capital (in kind and money), monthly income and job opportunities they have created – since start of business after training and their status currently. Therefore, the table underneath summarizes respondents' data on their business growth pattern.

Table 10. Status of current business

<b>Status of current business</b>	<b>Frequency</b>	<b>Percentage</b>
Growing	41	62%
Stagnant	7	11%
Declining	8	12%
Closed	10	15%
<b>Total</b>	<b>66</b>	<b>100%</b>

Source: (Own survey, 2018)

The majority (62%) of the respondents said their business is growing with an increase in their capital and monthly income a minimum by two folds, and were able to employ a minimum of 1 to 3 employees additionally. Most importantly, all of the 41 respondents said that they have increased their saving due to the growth in their business. This shows that apart from other external contributions, the training given at EDC has a positive influence for the growth of their enterprise.

On the contrary, 15% of the respondents said that they have closed their enterprise. The remaining 12% and 11% of the enterprises said their business is declining and stayed stagnant respectively. This shows that there could be other challenges that hinder the growth of the women owned MSEs.

As per the interviewees from EDC and Enat bank, there are numbers of women-owned MSEs from start-up level reached either exporting their products or showing a transformative change. The researcher was able to interview two of them and believed that it is worth sharing as below. Both are among many who went through the major trainings and benefited from the Business Development Services given by EDC, and lately was granted a loan from Enat Bank women Loan service.

## **CASE 1**

*Ms. Lidia Million is a woman entrepreneur owning a leather manufacturing enterprise who started her business in leather goods manufacturing in 2013 with her own capital, two machines and a capital of 14,000 birr, hiring 1 employee including herself. Like many women-owned Micro, Small and Medium Enterprises, she had faced financial constraints to start and expand her business. Getting a working space was the other major challenge that made her start her business at her own house. She was able to take the trainings given by EDC including the BDS and it's by then that she knew Enat bank gives a collateral free loan to women potential entrepreneurs with low income. Going through all the processes at Enat bank, in August, 2016, she has been granted a loan worth of 300,000 birr, collateral free with a 9.5 % interest from women financial service department. She was able to settle the loan within 1 ½ years. Lidya has always given the credit to Enat Bank for such provision which made her reach to export her products to South Africa, Botswana and USA. She is a witness for the expansion of her business with her capital reaching to 3 million, and create a job opportunity to about 19 workers. Moreover, her production capacity increased from 5 bags per day to 100 bags per day. Reaching this stage was not an easy road for her, as she said, but she never gave up. Challenges are still there, mainly in securing access to market, and lack of additional premises to expand. She wishes and expect to get government's support mainly to get wider working premises, facilitate project based loans and creating a linkage with big companies. Besides, she said that such enterprises lag behind technological advancement therefore need training in technical, business, and marketing areas. She is in the process to have an investment license, to make the sole proprietorship to PLC. As her future expansion goal she is eyeing to further expand her work production to a leather-shoe factory that will have a capacity of producing up to 3000 shoes per day and will create job opportunities to many. (Interview made with Ms. Lidiya Million, April 2018.)*

## **CASE 2**

*Ms. Hiwot Aregaw is the owner of 'Ye Taitu Tibebe', a textile business since 2013. She started her business financially supported by her mother, with birr 15,000. With a rented machine of 400 birr per month, alone, Hiwot has been sewing and producing cultural dresses, at night at her house. She has been sewing 2 to 4 clothes per day, and she has been selling the products in a commercial container shop rented at 700birr per month around Piassa. Getting a low cost working and selling premises was her biggest challenge since start of her business. But the business needed to expand in order to better run itself and support her. Therefore she moved to another rented but wider shop around 22 Mazoria, with 4000 Birr per month. The high rental cost and inability to get fair fee and low cost premises challenged her in addition to the inability to get loan due to lack of collateral. Moreover, she has struggled to be competitive in the market for long. Even though all of these were overwhelming for Hiwot, she was not discouraged especially after knowing about the entrepreneurship trainings given at EDC and got a chance and trained in 2016. Since then, she said she got the motivation and confidence to face any challenge on her way. She became also one of the beneficiaries of Enat bank's women loan scheme, getting a loan of 100,000 Birr that made her able to purchase 4 sewing machines. She said that she will get the other approved 100,000Birr once she finalized settling the previous which she hoped will help her expand her business more. Few months back, she moved to a better market center at Merkato called Shema Tera, but still in a rented shop, 5000birr per month. She is using the three machines for her textile business, employing 3 permanent workers, and renting the other machine to be an income source for her enterprise. In addition to the cultural clothes, she started making cultural shoes which has got a good acceptance by the market. Currently, her production capacity reached to an average of 10 cultural clothes per day and has a capital of about 175,000Br. As her future expansion plan, she said that she would like to produce her products at a factory level with an advanced machine and start exporting, creating job opportunities to many. She said she will join the designers association and wants to promote her products in different fashion shows and related events. Finally she said that as a woman MSE owner, she wishes to have more support from the government, well established textile producing companies, fashion industries and related firms so that to have a strong market linkage for more expansion.*

*(Interview made with Ms. Hiwot Argaw, May 2018.)*

#### **4.6. Data of respondents regarding the WET/ETW training at EDC**

This part was intended to ascertain whether the trainings particularly the WET/ETW given at EDC had been valuable for the success of their business.

As per table 11, 45% and 52% of the respondents have strongly agreed and agreed respectively that the training has helped them to be highly motivated to own and run a business. Similarly, 33% of them have strongly agreed and 39% agreed that it helped them have a self-confidence in overcoming entrepreneurial challenges they face.

As the table showed on the last column, those who strongly agree (SA) and Agree (A) are combined as both implies positive feedback. Accordingly, to mentioned those have the highest percentage: 97% of the respondents said they are motivated, 85 % of them said it helped them have a skill of customer handling and another 85% said it helped them have a skill of financial record keeping. Similarly, 78% said it helped them do business plans for their business, and 72% said that it has increased their confidence to overcome entrepreneurial challenges. Almost all of the respondents are either strongly **agreed or agreed** with all listed benefits from the training in which they account more than 50%. This shows that almost all of the respondents revealed their satisfaction with the ETW/WET trainings given at EDC, but about 44% of the respondents said that the training helped them in taking calculated business risk which is a lower percentage than the above.

About 22% of the respondents disagreed that the training they have received helped their business to be efficient and productive or scaled up. Similarly, 20% of the respondents disagree that the training helps them take a calculated risk.

On the other hand, 38% of the respondents were neither agreed nor strongly agreed that the training helped them in reaching out new customers. Likewise, 36% of the respondents were neutral that the training helped them to take a calculated risk in their business, whilst 41% of the respondents were neutral that the training had helped them to have a good managerial skill.

Even though the majority of the respondents said that they are satisfied with the WET/ETW training given at EDC, the skills that the respondents said disagreed and neutral are the areas that

needs a greater emphasis by the center. Since the results are views of the respondents, it is subjective and will be difficult to conclude but results could be taken as areas for further attention.

**Table 11. Respondents' view about EDC training – particularly the WET/ETW**

S.No.	Respondents' view about ETW/WTW trainings of EDC	SA	A	UD	DA	SDA	Total	% of SA+A
1	The training has motivated me to engage/progress in my business.	45%	52%	3%	0%	0%	100%	97%
2	The training helped me in setting up of realistic goals to my business.	12%	59%	29%	0%	0%	100%	71%
3	The training helped me to plan in my business.	14%	64%	22%	0%	0%	100%	78%
4	The training helped me in reaching out new customers.	8%	45%	38%	9%	0%	100%	53%
5	The training helped me in handling existing customers.	6%	79%	15%	0%	0%	100%	85%
6	The training helped me in taking calculated business risk.	6%	38%	36%	20%	0%	100%	44%
7	The training helped me to have a record keeping for my business.	9%	76%	12%	3%	0%	100%	85%
8	The training helped me to have a good management skill.	8%	47%	41%	4%	0%	100%	55%
9	The training has increased my confidence to face entrepreneurial challenges mainly being a woman MSE owner.	33%	39%	23%	5%	0%	100%	72%
10	After the training, efficiency and productivity of my business has increased.	2%	64%	12%	22%	0%	100%	66%
11	After the training, I have the knowhow to approach money lending institutions for a loan.	9%	53%	29%	9%	0%	100%	62%

Source: (Own survey, 2018)

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.1. Summary of Findings

The below are summaries of findings in relation to the research questions.

As per the KIIs made with EDC, one of the objectives of EDC is to serve the need of prospective entrepreneurs, particularly women and youth, who are interested in starting their own businesses and to develop self-employment. One way of creating a suitable environment for those start-up women owned MSEs is enhancing their entrepreneurial skills and competencies to establish and operate profitable, competitive businesses on a sustainable basis particularly through the Entrepreneurship Training Workshop and Women Entrepreneurship Training.

ETW and WET trainees of start-up women owned MSEs have provided their responses on the trainings' **benefit** while running their business. As findings of this research showed, trainings given at EDC has played a major role in creating suitable environment for start-up women-owned MSEs. Among the trainings given, ETW and WET has a significant role, in addition to the Business Development Services even if it is not the researcher's area of focus. Regarding the requests made on how much the trainees have benefited from the WET and ETW trainings given at EDC, combining respondents' data i.e. those who strongly agreed and agreed, the researcher found that 97% of the respondents said they are motivated to own and run their own business, 85 % of them said it helped them have a skill of customer handling and another 85% said it helped them have skill of financial record keeping. Similarly, 78% said it helped them do business plans for their business, and 72% said that it has increased their self-confidence to overcome entrepreneurial challenges. The figures showed that the majority of the respondents are satisfied with the trainings in the area of motivation, building self-confidence, skill of customer handling, preparation of business plan and financial record keeping.

Even though a suitable environment is created for those start-up women-owned MSEs interms of skill development and attitudinal change in areas mentioned above, about 22% of the respondents

disagreed that the training they received helped their business to be efficient and productive. Similarly, 20% respondents disagree that the trainings helped them take a calculated risk.

On the other hand, 38% of the respondents were neither agreed nor strongly agreed that the training helped them in reaching out new customers. Likewise, 36% of the respondents were neutral that the training helped them to take a calculated risk in their business, whilst 41% respondents were neutral that the training had helped them to have a good managerial skill.

The other role mentioned by the EDC KIIs in creating a suitable environment is facilitating access to finance through its partnership with Enat bank whereby women-owned MSEs with low income can benefit the collateral free loan fulfilling the pre-requisites of the bank. The International Finance Corporation (2013) acknowledges that access to finance is still impeded by several barriers, on average only about 10% of women entrepreneurs worldwide have access to the capital needed to grow their businesses. The issue of collateral for loans is a major contributing factor to whether MSEs can qualify for bank loans, as well as whether they have business plans that yield good returns on the investments so that to access loans from banks.

Majority (76%) of the respondents said that they have prepared a business plan for their business in which the training given at EDC has a contribution factor towards skill transfer in business plan preparation. About 82% have responded that their business has a legal entity. Among the eligibility criteria by Enat bank for accessing a collateral free loan include being legally registered and have a viable/convincing business plan. And yet, 82% of the research findings showed that the startup capital source is still informal in which only 18% of the respondents said that their startup capital is either from MFIs or banks. This indicates that there is a need of awareness creation by the center on the service given and the pre-requisites to be fulfilled by Enat bank for the women-owned MSEs to benefit from the collateral free loan.

The research findings showed that 70% of the respondents said they keep their financial records, 30% revealed that they failed to maintain any records of their business transactions. As confirmed earlier by the respondents, 85% of the respondents said that the trainings they got at EDC helped them have skill of financial record keeping that obviously support them to track their business transaction

As EDC's contribution for success, the researcher in this study has found out that 62% of the respondents said their business is growing with an increase in their capital and monthly income a minimum by two folds, and are able to employ additionally a minimum of 1 to 3 employees. All of the 41 respondents said that they have increased their saving due to the growth in their business.

As per the new definition of MSEs, Micro Enterprises are those whose total asset is  $\leq 100,000$  Birr for industry sector and  $\leq 50,000$  Birr for service sector, with head count staff of  $\leq 5$  for both. On the other hand, Small Enterprises are those whose total asset is in between 100,001-1.5 million Birr for industry sector, and 50,001 – 500,000 Birr for service sectors; the headcount staff for both is 6 to 30.

On the growth pattern of the enterprises, the study showed that among the total of 41 grown enterprises, 5 of them engaged in manufacturing has succeeded to reach to a capital of more than 100,000 and another 8 engaged in service sector were able to form a capital of more than 50,000 Birr that accounts a total of 32%, whereas 68% of them showed progress in their capital but with less capital than the above. The fact that about 32% of the 41 grown enterprises showed a good progress in their capital is something encouraging but the other 68% still showed a change in their capital growth – but should be supported for a better transformative change.

On **job creation**, from the 41 grown enterprises, the research revealed that 13 of them (from construction & manufacturing sector), and 4 of them from the service sector (mostly the beauty salons) are able to create a job opportunity to more than 5 employees. This holds a total of 41% from the total percentage of the grown ones. The remaining 59% are those who created a job opportunity to less than 5 employees. As per Mead and Liedholm, MSEs that add workers or seeking to add labor force make a major contribution to the economic growth of the country and helping more of these enterprises to grow (add workers) can make a greater contribution to unemployment reduction and income generation than equal efforts made for the promotion of new MSEs (Mead and Liedholm, 1998). The additional job creation in those grown enterprises of the study indicates that women owned MSEs are truly the foundations for the medium and large enterprises towards unemployment reduction and income generation.

## **Challenges**

Women entrepreneurs face and deal with a diverse range of challenges and problems since start-up on a day-to-day basis, and these have hampered their growth and the potential contributions they could make towards creating meaningful and sustainable employment and a vibrant small business base.

Eventhough EDC's contribution towards creating an enabling environment in its partnership with Enat bank due to the collateral free loan access is an evitable, the findings of this study showed that about 82% of the respondents still accessed their start-up capital from the informal sources. Only 18% of the respondents got a loan access from MFIs and from banks. Fasikaw on his study regarding MFIs asserted that the majority of MSEs are not benefited from existed MFIs because of high collateral requirement, long process, high interest rate, small loan size, bureaucracy, high rate matching fund, problem of liquidity of matching fund, existence of corruption, small suppliers/numbers of MFIs (Fasikaw 2013). Similar responses were given by the respondents while asked why they didn't access loan from MFIs or Banks instead preferred the informal sources and that is: the easiness to access, no collateral requirement and no interest rate are the main ones.

As per the request made on the open-ended questions to the respondents regarding the major challenges that caused their business to become stagnant, declining and closed, here are some of the responses: lack of market due to inconvenient market places, high rental cost, lack of proper follow-up of their business (mainly those running their business as part time), lack of working capital and access to finance/loan, lack of market linkage, expensiveness and shortage of raw materials, high cost of entry into and exit from businesses, lack of support from the government, attitude of the society on MSE's products and therefore lack of demand for their products, lack of production facilities due to this low level of production are among many.

Besides, family responsibilities take away lots of their time therefore unable to concentrate on the enterprise and unable to be part of a business network and lack of information. Sinha in his study reiterate the researcher's findings mainly on the challenges that networks tend to be male-dominated where women hardly find confidence in making contact, which limit the chance for women to grow their business, expand network circle and get awareness of good role model (Sinha, 2005).

## 5.2. Conclusion

As World Bank's report of 2005, on what is called the "static" front, women owned MSEs contribute to output and to the creation of "decent" jobs; on the 'dynamic' front they are a nursery for the larger firms of the future, are the next (and important) step up for expanding micro enterprises, they contribute directly and often significantly to aggregate savings and investment, and they are involved in the development of appropriate technology.

As per ILO's report of 2005 on support for Growth-oriented Women Entrepreneurs in Ethiopia, the objective of any training and skills development system is to impart knowledge and skills in three main areas: (i) technical; (ii) business management, and (iii) entrepreneurship. There is a variety of organizations, NGOs and associations that offer enterprise-related training in Ethiopia, and EDC is one of them established under the framework of the Entrepreneurship Development Program.

The study has attempted to deal with what the targets, specific activities and the major roles being undertaken by EDC in creating a suitable environment for start-up women-owned MSEs, what benefits that those women enjoyed from EDC trainings including their successes and challenges. Trainings like ETW and WET targeting youth and women given at EDC is found to be one way of creating a suitable environment for the beneficiaries, more specifically as the researcher's focus area "start-up women owned MSEs". Based on the findings, the majority of the respondents are satisfied and said benefited from the trainings in the area of motivation, building self-confidence, skill of customer handling, preparation of business plan and financial record keeping. Even though they are few, some still disagreed that the training they received helped their business to be efficient and productive, and also they disagreed that the trainings helped them take a calculated risk. Again, some are still neutral that the training helped them in reaching out new customers and the training had helped them to have a good managerial skill.

The partnership created between EDC and Enat Bank is one suitable environment for the start-up women entrepreneurs in terms of creating accessibility for finance, free of collateral. But very little percentage of the respondents (18%) of those start up women-owned MSEs accessed loan from MFIs and banks. The majority got their start-up fund from informal sources. High interest rates,

need of collateral, short repayment period, bureaucratic process to access loan are some of the reasons for them to prefer accessing loan from the informal sources.

The growth pattern of many of the respondents showed that their enterprise has been growing (taken as success) since establishment to current state comparing their capital, monthly income and number of job creation. Manufacturing and service sectors are the main sectors where those women MSEs scored the highest percentage of growth in capital.

There are numbers of challenges mentioned by those women MSEs whose enterprises are either closed, stagnant or declining. Among those, lack of market due to inconvenient market places, high rental cost, lack of proper follow-up of their business (mainly those running their business as part time), lack of working capital and access to finance/loan, lack of market linkage, expensiveness and shortage of raw materials, high cost of entry into and exit from businesses, lack of support from the government, attitude of the society on products of MSEs and therefore lack of demand for their products, lack of production facilities due to this low level of production are the major ones.

There are some gaps identified by the researcher regarding the training center after going through document analysis, interviews made with KIs and data analysis of the respondents. The major ones are: lack of coordinated post-training follow-up of the trainees, lack of consistent follow-up on inviting applicants for further training like BDS session and absence of idea sharing platform arranged specifically to those trained women entrepreneurs so that to engage in dialogues where they can share business ideas and their experiences.

Therefore, the findings highlighted that the trained entrepreneurs gained new skills and knowledge relevant to running and creating a business; increased their motivation and self-confidence in their entrepreneurial abilities, and are able to employ more employees and increased their capital/total asset. Training alone may not guarantee for the achievement of the objectives of the programs, if other entrepreneurial infrastructures such as post-training follow-up and strengthened advisory services, access to credit, working premises etc. were incorporated, more success would have been achieved.

### **5.3. Recommendations**

Based on the findings of this study and conclusion, the following recommendations are made so that where possible, remedial actions can be taken by the center, the government, donors and others who work in partnership.

#### **On EDC side:**

- As per EDC's report of 2016, the center is able to achieve beyond the targeted number of women entrepreneur participants. But the center lacks a post follow-up mechanism on the ETW & WET trainees. As a result, it is difficult to learn what works well and what does not for them. In order to track the achievement of the set targets and assess the impact that the trainings brought to those women trainees, a post follow-up process, continuous guidance and handholding on how to manage their businesses is essential.
- The EDC should encourage ETW and WET trainees for further BDS session and select applicants in an organized and transparent manner.
- It is recommended that EDC to offer coaching and advisory services in particular to those start-up women owned MSEs with high emphasis on business plan development and record keeping skills as both are so relevant to the progress of their business.
- The networking and mentoring groups among those trained entrepreneurs is needed to share experience and for purposes of improving their businesses, In addition, EDC needs to arrange an experience sharing and discussion platforms by inviting successful women entrepreneurs who could be role model women-owned enterprises, government partners, MFIs, banks, donors and other interested groups.
- Realizing the recurrent financial problems of the start-up women-owned MSEs, Enat bank being such a unique exemplary, EDC needs to widen its partnership with other private banks and work on a wider range of loan options, with variable interest rates, repayment terms and conditions which are based on the varying needs of the businesses. Awareness creation and less bureaucratic process should be enhanced in order to benefit many numbers of startup women business owners with low income.

- EDC should build more sustainable relations and linkages with development partners/donors until the government fully owned the program.

**On the government (FeUJC & FSA) side:**

- There should be construction of more incubator premises for entrepreneurs mainly those women-owned MSEs in order to provide more accessible, reasonably priced, safe and suitable business premises with proper infrastructure.
- It will be essential to provide platforms through which the women entrepreneurs can engage in dialogue with policy makers so that they can come up with MSE friendly legislation and incentives such as interest rates on loans for the MSEs as those are the key obstacles to access loans from MFIs or banks.
- Introducing mentorship programs in which successful women entrepreneur can share their experience.
- For those start-up women owned MSEs, that demonstrated growth in their business and for them to bring a transformative change, a special support scheme needs to be prepared to ensure their access to working and sales premises as well as credit and markets so that they are able to make significant contributions to Ethiopia's industrial development.
- In view of the contribution of the informal sector to socio-economic development, an enabling legal and regulatory environment has to be created to prepare the ground for long-term opportunities to facilitate the transition from informal to formal ways of undertaking business activities. In this regard, the government needs to strategically define the role of the informal sector and play a coordinating role to effect the transformation process. And then, due to the transformation, banks will consider loan applications only from those run their business formally, access to import and foreign exchange and government programs for example, business service, finance, training, or public procurements also put registration as pre-requisite. These benefits might

have an effect in the productivity and the growth prospect of the women-owned micro and small firms.

- As a promotion mechanism, the government should work more on the organization of trade fairs, exhibitions and bazaars for women-owned MSEs to introduce and sale their products which as a result can increase their visibility.
- Promotion of market linkages with large companies has to be enhanced as this will encourage and build the capacity of women entrepreneurs to engage in growth oriented business activities.
- Provision of training and advisory services like business mentoring is needed so as to develop the managerial and marketing skills of women entrepreneurs would also contribute to alleviating internal impediments to the growth of enterprises.

In general, the entrepreneurship training programs given at EDC or other training center should be scaled-up, with the interlinked engagement and responsibilities of multiple stakeholders.

### **Limitations and Further Research**

This study proposes the following areas for further study;

1. Given that this research concentrated on the roles, targets and activities of EDC in creating suitable environment for startup women owned MSEs in Addis Ababa, trained in year 2014, the future research should include other regions where EDC offices exist, with more sample size.
2. The training type that the researcher focused is the WET and ETW, whereas the effect of BDS on the beneficiaries were not examined. Therefore further study is required to specifically examine the impact on the BDS trainees be it at EDC or other training centers.

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**APPENDIX A**

**QUESTIONNAIRE**  
**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS (CBE)**  
**DEPARTMENT OF PUBLIC ADMINISTRATION AND**  
**DEVELOPMENT MANAGEMENT**  
**MASTERS PROGRAM**

Dear respondent,

I am a graduate student in the department of Public Administration and Development Management at the Addis Ababa University. Currently I am undertaking a research entitled ‘The role of EDC in creating a suitable environment for start-up women-owned MSEs’. You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative in finding the role of EDC in creating a suitable environment for women-owned MSEs. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you that the information that you share me will be kept confidential and only used for the academic purpose. No individual’s responses will be identified as such and the identity of persons responding will not be published or released to anyone. Thank you in advance for your kind cooperation and dedicating your time.

Sincerely,  
Senait Gebremeskel

**Instructions**

- ✓ No need of writing your name
- ✓ For the multiple choice questions indicate your answers with a check mark (✓) in the appropriate block. If your choice is “Others” please specify by writing in the blank.

## **PART 1: Demographic information**

1. Age  
a) 22-25yrs  b) 26-30  c) 31-50yrs  d) above 51yrs
2. Level of education  
a) Grades 1-4  b) Grades 5-8  c) 9- 12   
d) 10+3 /diploma  e) BA/BSC and above
3. Marital Status  
a) Married  b) Widow  c) Divorced  d) Single
4. Family size/How many people are living with you.  
a) Less than 3  b) 4-5  c) More than 5

## **PART 2: General business related information**

5. Work experience  
a) Less than 1 year  b) 1-5 years   
c) 6-10 years  d) Greater than 10 year's
6. What type of business are you engaging in currently?  
a) Leather and leather products  b) Metal and wood works   
c) Retailer  d) textile and garments   
e) Building materials production  f) Other (specify) \_\_\_\_\_
7. How long have you been in your current business? (in years)  
a) <1yr  b) 1-5yrs  c) 6-10yrs  d) >10yrs
8. Does your business have a legal ownership?  
a) Yes  b) No
9. If the answer for Q.8 is Yes, what is the legal ownership status of the establishment?  
a) Sole Proprietor  b) Limited Company  c) Partnership   
d) Cooperative  e) Others (specify) \_\_\_\_\_
10. If the answer for Q.8 is No, why? \_\_\_\_\_
11. Number of employees in your enterprise?  
a) Self  b) 2-4  c) 5-7  d) more than 7
12. Why did you prefer to start your own business?

- a) Family tradition
  - b) To be self-employed
  - c) Brings high income
  - d) No other alternative for incomes
  - e) Others (Specify) \_\_\_\_\_
13. Who initiated you to start your own business?
- a) Myself
  - b) Family
  - c) friend/s
  - d) other (specify) \_\_\_\_\_
14. How did you acquire the skill for running your enterprise?
- a) Through formal training
  - b) From friends
  - c) From family
  - d) other (specify) \_\_\_\_\_
15. What was the main source of your start-up funding?
- a) Personal saving
  - b) Borrowed from Families or relatives
  - c) Micro-finance institutions
  - d) Equub/Idir
  - e) Assistance from friends/relatives
  - f) Inheritance
  - g) Borrowed from Bank
  - h) Assisted by NGO's
  - i) Others (specify)-

**Part III. Business Particulars in relation to Women Entrepreneurs Workshop (WET) & Entrepreneurship Training workshop (ETW) trainings to women**

16. Did you own an enterprise before the WET/ETW training?
- a) Yes
  - b) No
17. If your answer for Q.16 is yes, please answer the below questions. If “no” leave them.
- What was your start-up capital? (money + in kind/items)
- a) <5000
  - b) 5000-10000
  - c) 10000-15000
  - d) 15000-20000
  - e) >20000
18. What was your monthly net income?
- a) <1000
  - b) 1001-3000
  - c) 3000-5000
  - d) 5000-8000
  - e) > 8000
19. Is your income sufficient for your living?
- a) Yes
  - b) No
20. If yes, were you able to save from your income?
- a) Yes
  - b) No
21. What do you do with your savings?
- a) Reinvestment
  - b) buy raw materials for the business
  - c) Keep for emergency
  - d) Others /Specify \_\_\_\_\_

22. How many employees were working for you?  
a) Self      b) 2-4       c) 5-7       d) more than 7

23. After the training:  
a) I still continued my previous business  
b) I started a new business  
c) others/Specify: \_\_\_\_\_

24. Whether you continued your previous business or start a new business, what is the status of the business now?  
a) expanding       b) declining       c) stagnated       d) closed

25. If your answer for Q.24 is 'expanding': What was your initial capital?  
a) <5000       b) 5001-10,000       c) 10,001-30,000   
d) 30,001-50,000       e) > 50,000

Currently what is your capital?  
a) 5000-10000       b) 10,001-30000       c) 30,001-50,000   
d) 50001-70,000       e) > 70,000

26. If expanding: what was your previous monthly net income?  
a) <1000       b) 1000-3000       c) 3000-5000   
d) 5000-8000       e) > 8000

What is your current net income?  
a) <1000       b) 1000-3000       c) 3000-5000   
d) 5000-8000       e) > 8000

27. If expanding:  
How many employees were working for you?  
a) Self      b) 2-4       c) 5-7       d) more than 7

Currently, how many employees are working for you?  
a) Self      b) 2-4       c) 5-7       d) more than 7

28. Have you been able to access a financial loan after the Training?  
a) Yes       b) No

29. If yes to Q 30, from which source?  
a) Money Lenders       b) Micro Finance   
c) Commercial/Private Banks       d) NGOs   
e) Others/specify/ \_\_\_\_\_

30. Have you started preparing a business plan for your business?  
a) Yes       b) No

31. Have you started keeping your financial records?

- a) Yes                       b) No

32. If expanding, Is your saving increased? a) Yes                       b) No

33. If your answer for Q. 24 is not ‘expanding’, what do you think are the reasons?

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**Part IV. Questions specific to views of start-up women trainees of WET/ETW training at EDC**

Strongly Agree=5; Agree= 4; Undecided=3; Disagree=2; Strongly Disagree=1

No.		5	4	3	2	1
1	The training has motivated me to engage/progress in my business.					
2	The training helped me in setting up of realistic goals to my business.					
3	The training helped me to plan in my business.					
4	The training helped me in reaching out new customers.					
5	The training helped me in handling existing customers.					
6	The training helped me in taking calculated business risk.					
7	The training helped me to have a record keeping for my business.					
8	The training helped me to have a good management skill.					
9	The training has increased my confidence to face entrepreneurial challenges mainly being a woman MSE owner.					
10	After the training, efficiency and productivity of my business has increased.					
11	After the training, I have the knowhow to approach money lending institutions for a loan.					

**Finally:**

If you have any remark or comment regarding WET/ETW - EDC trainings, please write them below:

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THANK YOU.

## **APPENDIX B**

### **INTERVIEW QUESTIONS**

#### **i) With the Acting Chief Officer of EDC**

1. What are the main roles and activities of Entrepreneurship Development Center (EDC)? What are its objectives?
2. What are EDC's interventions towards women-owned MSEs?
3. What type of trainings are given under EDC?
4. How does EDC address women-owned MSEs' needs and challenges?
5. What do you think are the challenges (if any) of those women trainees?
6. What kind of approach that EDC has found more effective in addressing women-owned MSEs need? Any networking, partnership?
7. What are the results observed in those women-owned MSEs?
8. What are the future prospects of EDC, mainly to benefit women-owned MSEs mainly the start-ups?

#### **ii) With the Monitoring and Evaluation Specialist at EDC**

- 1) What are your roles at EDC?
- 2) How does EDC monitor and evaluate its training programs?
- 3) Is there a post training follow-up mechanism? For which specific trainings? And how do you follow-up the progress of those women trainees who took the training of WET/ETW.
- 4) What do you think are the challenges (if any) of those women trainees?
- 5) What are the results you have observed while monitoring and evaluating EDC clients/the start-up women-owned MSEs in relation to the set objectives?

#### **iii) With a focal person at UNDP on EDC training projects.**

1. Why is UNDP interested in the EDP initiative?
2. What is/are UNDP's objective/s in relation to supporting women owned MSEs through the EDC training projects?
3. Who is/are the main donors to fund UNDP in relation to EDC projects?
4. How does UNDP follow the performance of the training program by EDC?
5. How do you assess the performance of EDC in relation to the women-owned startup businesses?

6. What are the future prospects of UNDP mainly on creating networking and partnership to support start-up women-owned MSEs under EDC projects

**iv) With Enat Bank focal person for the partnership with EDC**

1. What is your role at Enat bank?
2. What is Enat Bank's loan system mainly to support women-owned MSEs?
3. What kind of partnership have you with EDC?
4. How do you assess the partnership with EDC clients? What are the successes and the challenges?
5. Did you have any challenges while giving loans to women-owned MSEs? Any bad loan records?

**v) With Deputy Director of the FeUJC & FSA**

1. What is your office's role on the projects at EDC?
2. EDC training programs targets the youth and women in particular. Is there any special support you provide for women trainees?
3. What do you think are the challenges of women-owned MSEs in general?
4. How do you monitor and evaluate the training programs at EDC in general? Do you have any follow-up mechanism to assess the progress of particularly the women trainees?
5. What are the future prospects of FeUJC & FSA to support start-up women-owned MSEs under EDC?