

GROWTH DETERMINANTS OF WOMEN-OPERATED MICRO AND SMALL ENTERPRISES IN ADDIS ABABA

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ABSTRACT

The role of Micro and Small Enterprises (MSEs) in employment and income generation is increasingly recognized for the unemployed people, especially for women, and has become a major playing field for policymakers and donors with dual objectives of enhancing growth and alleviating poverty. MSEs are particularly important for women since they offer a more flexible, less restrictive form of employment and can be undertaken by the skill they acquire. This study investigates the constraints and key determinants of growth, particularly in employment expansion, among women's-enterprise, based on the survey-covering 123 businesses units in four Kebeles of Nifas Silk-Lafto and Kirkos sub cities of Addis Ababa. The finding shows that marketing problems, due to the presence of competitors with identical products, change in demand and absence of market linkages are the basic constraints to the growth of women operated enterprises. Lack of enough working space, raw material accessibility, shortage of working capital, and lack of availability of enough loan access are the subsequent growth barriers for women's enterprises.

Keywords: Micro and Small Enterprises; Women Entrepreneurs; Growth Determinants, Market Linkages

INTRODUCTION

The role of Micro and Small-scale Enterprises (MSEs) in socio-economic development as a means for generating sustainable employment and income is increasingly recognized. In developing countries, the informal sector is a large source of employment and income, particularly for the urban population. The informal employment, outside of agriculture, is defined as employment that comprises of both self-employment, in the informal enterprises, and wage employment, in the informal jobs, without secure contracts, worker benefits, or social protection and represents nearly half or more of the total non-agricultural employment in all regions of the developing world. It ranges from 48% in North Africa to 51% in Latin America, 65% in Asia, and 72% in sub-Saharan Africa (ILO, 2002.) In Ethiopia, about half of the urban workforce is engaged in the informal sector and Addis Ababa nearly accounts for about 40% of the total operators in micro enterprise activities. Even if the composition of the female informal workforce varies across regions, the majority of economically active women in developing countries makes up a significant share of the micro-enterprise population and is considered critically important to

poverty reduction strategies. Women in Ethiopia also account for the larger share of the informal economy operators, as well as those running MSEs. About 60% of the total populations engaged in the informal sector are female urban work force (Gebrehiwot & Wolday, 2005). This shows that the informal sector is the primary source of employment for women than men.

The Government of Ethiopia gave attention to the promotion and development of MSEs, especially for women as a strategy for poverty reduction and increasingly for employment creation. The issuance of the first national MSE Development and Promotion Strategy in 1997 and formulation of Women Policy in 1998 aims to empower women by facilitating conditions to have access to resources and to participate in economic activities. The establishment of the Federal MSEs Development Agency and the issuance of Ethiopia's Industrial Development Strategy in 2003 are, additionally, important instruments to promote MSEs development. Furthermore, different national and international organizations, such as International Labor Organization (ILO), Women in Self Employment (WISE), Women Entrepreneurs Association (WEA), etc., designed different support programs to help women get out of poverty and build the capacity of women entrepreneurs by providing access to credit, training, and related assistances.

Statement of the Problem

The development of MSEs is becoming a very critical issue for the unemployed people, especially for women. However, only a new start rate is higher for Women operated Micro and Small Enterprises (WMSEs). They grow less rapid than those headed by males and relatively high percentages of the WMSEs were closed, due to personal and other non business failure reasons (USAID, 2001). Studies also show that male-headed firms' grow more than double that of WMSEs. (Lied Holm, 2001; Mulu, 2007). So, the challenge is less about trying to increase the number of women entrepreneurs and more about how to legitimize and strengthen the base of their activity so they can grow their enterprises. Therefore, a research into WMSEs could highlight the specific experiences and problems which confront women entrepreneurs by focusing specifically on urban women.

General Objective

The study aims to analyze the growth determinants and constraints of women operated micro and small enterprises in the two sub cities of Addis Ababa namely Nifas Lafto and Kirkos sub-cities.

Specific objectives

To examine the nature of the women operated micro and small enterprises.

To identify and analyze the entrepreneurial and enterprise characteristics that determines the growth of WMSE.

To find out the constraints faced by women operated enterprises in the study area.

Methodology

The method that is implemented for this research is exploratory survey. It is mainly preferred because of the need to investigate various information about the characteristics, constraints, and determinant factors of micro and small enterprise growths. This study mainly undertakes a cross-sectional study, which aims at finding out the prevalence of a situation or

problem by taking a cross-section of the population at one time. In order to obtain the required information that were relevant to meet the objectives of the study, mixed sampling/probability and non-probability sampling techniques were chosen to select the sample kebeles enterprise operators and participants of Focus Group Discussion (FGD) as well as key informants. The data used for the study are both from primary and secondary sources. The primary data, which is the main source of information for the study, were collected from 123 sampled women operated enterprises through questionnaire of both open ended and close-ended type. Qualitative data obtained from key informant interviews, FGD, and personal observations were analyzed to strengthen the data obtained from the survey.

Characteristics of the Enterprise

Establishment Year of the Enterprises

Most of the enterprises (87.8%) had been established since 1999 and 54.5% (67) of the enterprises have an age that ranges between 6-10 years and 33.3% (41) enterprises are within the age range of 3- 5 years. The remaining 8.1% (10), 1.6% (2), and 2.4% (3) enterprises are within 11-15, 16-20, and 21-25 age ranges, respectively. There is an increase in the number of enterprises since 1999, which may be associated with the favorable conditions created and the attention given by the government to the sector as well as to women, specifically the MSE strategy in 1997 and the women policy in 1993. Following these government policies and the increased involvement of NGOs, like WISE, they were able to create favorable conditions in creating employment for women through MSEs by creating access to finance and trainings. This makes them progressively more engaged in economic activities that enable them to contribute to the household income and to the development of the country.

Table 1: Age of the Enterprises

Enterprises age	3-5	6-10	11-15	16-20	21-25	Total
No.	41	67	10	2	3	123
%	33.3%	54.5%	8.1%	1.6%	2.4%	100%

Source: own survey, 2009

Employment Generated in the Enterprises

At the beginning stage, the surveyed enterprises created an employment for a total of 192 persons. Out of this, about 94.3% of the job is created within the employment category of 1-3 persons. The other 5.7% of the jobs were created by seven enterprises in which each had created an employment for more than three persons. Currently, the total number of persons employed in the surveyed enterprises is 240. This is 25% of growth in employment for the entire duration in their businesses. The average annual employment growth rate since startup (which is obtained by dividing the growth of employment of each firm to the number of years in business) is 11.72%. This growth rate is comparable to MSEs employment growth in five African countries, except Kenya. The annual average growth of employment since the start for Botswana, Malawi, Swaziland, and Zimbabwe ranges between 6.6% and 10.5% (Lied Holm, 2001). Even if the average annual growth rate of the businesses is high, the majority of the MSEs in the study (75.6%) did not grow at all since startup and only 21.9% of the MSEs added workers. The average number of employees created in enterprises is 2.1 persons, where as the maximum amount of

employment are 17 persons per enterprise. About 87.8% of the ventures create three or less numbers of employments and 6.5% of the enterprises have a number of workers ranging from 4-6 persons. The numbers of employees in 4.9% of the enterprises are in the range of 7-12 persons and the remaining 0.8% of them is within the ranges of 16-18 workers. In women-owned enterprises, family labor is the most significant source of labor. 74.2% (178 persons) of the total workers are either paid or unpaid family labors. Only 25.8% of the employees are hired labor. The existence of family labor helps small enterprises to minimize their cost of operation, but the firms could not tap the best talents from the labor markets (Tegegne & Mulat, 2005).

Table 2: Current Employment Generated in the Enterprises

Business type	Number of employees										Type of labor						Total surveyed enterprises	
	1-3		4-6		7-9		10-12		16-18		Family labor		Hired labor		Total employment			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Trade	60	48.8	3	2.4	0	.0	0	.0	0	0	77	62.6	6	7.9	83	34.6	63	51.2
Service	14	11.4	4	3.3	4	3.3	2	1.6	1	.8	45	36.6	53	85.5	98	40.8	25	20.3
Food & drink	28	22.8	1	.8	0	.0	0	.0	0	.0	47	38.2	2	3.2	49	20.4	29	23.6
Handicraft	6	4.9	0	.0	0	0	0	.0	0	0	9	7.3	1	1.6	10	4.2	6	4.9
Total	108	87.8	8	6.5	4	3.3	2	1.6	1	.8	178	100	62	100	240	100	123	100

Source: Own survey, 2009

The employments created in the enterprises differ sector-wise. Large numbers (40.8%) of the workers are employed in the service sector. Trade, food and drink, and handicraft takes up 34.6%, 20.4%, and 4.2% of the total employment created respectively. All of the enterprises that create employment for more than 7 persons are found in the service sectors, particularly those that are engaged in restaurant work. 48.8%, 11.4%, 22.8%, and 4.9% of the enterprises in trade, service, food and drink, and handicraft sectors, respectively, have less than five employees. This shows that the type of sector the enterprises are engaged in is one of the determinant factors of the level of employments. Even if the majority of women-operated enterprises have less than three employees, based on the nature of the enterprises, women have the potential to raise their enterprise employments and can create job opportunities for many unemployed people.

Source of Initial Capital

For 66.7% of MSE operators, their initial source of capital to start their own enterprises is the loan from WISE. The other important sources of finance for women to start businesses are personal saving/Equib, loan from family/friends, assistance

from family, and inheritance accounts, which fall at 19.5%, 5.7%, 4.9%, and 1.6%, respectively. WISE loan is the main source of finance, especially for over the last 10 years, for women who are poor and have no opportunity to access credit or to be self-employed. This shows that absence of micro-finance institutions that enable them to access finance is the major obstacle for women to start a business. In spite of the presence of many MSE agencies, the criteria, especially collateral, to obtain loan inhibits women access to credit. According to the FGD participants, the women entrepreneurs are encouraged to take loan from WISE because WISE provides credit for women with no need of collateral or guarantee. In addition, unlike the other MSE agencies, WISE does not force women borrowers to acquire the loan in groups to share the burden of default. This practice encourages poor women to obtain a loan and participate in economic activities, especially those women who were previously unemployed and housewives. Previous studies (Etsegenet, 2000; Tegegne & Mulat, 2005; Mulu, 2007) show that informal financial sources, especially saving and loan/assurances from relatives or friends, are a major source of initial capital for about 75% of their sampled MSE operators. But this study found that many women get their initial finance by borrowing from formal sources. Though for the majority of respondents, the WISE loan is the main source of initial capital, personal savings, and Equb are still the significant source of capital to start a business. The informal sources of finance enable 31.5% of women to start their business.

Table 3: Source of Initial Capital

Source of Initial Capital	Personal saving/ Equb	Inheritance	loan family /friend	assistance	WISE borrowing	other	Total
No.	24	2	7	6	82	2	123
%	19.5%	1.6%	5.7%	4.9	66.7%	1.6%	100%

Source: Own survey, 2009

THE GROWTH OF WOMEN’S MICRO AND SMALL ENTERPRISES: PROBLEMS, OPPORTUNITIES AND DETERMINANTS

Startup Problem of Women’s Enterprises

Women in Ethiopia as well as in Addis Ababa, like many other developing countries, have access to economic resources and education for them is very low. Therefore, women participation in economic activities, generally, and in self-employment, specifically, is limited. As Table 4 shows, the major problem for women to be self employed was the lack of capital. About 52.8% of the women responded that being dependent on their husband’s salary, coupled with low income levels, do not even satisfy their monthly expenses, which forces them to be engaged in MSEs. The second obstacle for women entrepreneurs (17.9% of respondents) is the lack of skill. The lack of awareness about institutions, like WISE, that helps women to participate in economic activities and lack of entrepreneurial skills were the important problems for them. For 17.1percent of the women, access to working place and for 10.6 percent shortage of raw materials were the important problems . Only 1.6% of the operators reported that obtaining license was a major difficulty for them.

Table 4: Start Up Problem of the Enterprises

Startup Problem	Frequency	Percent
Lack of capital	65	52.8
Raw material problems	13	10.6
Skill problems	22	17.9
Working place	21	17.1
Obtaining licenses	2	1.6
Total	123	100

Source: Own Survey, 2009

Problems for the Enterprise Growth

Access to Credit

The major difficulty for entrepreneurs, especially for women, is access to credit because of the collateral requirement by the banks. To solve this problem, WISE gives microfinance services to women through the established cooperatives without any collateral need. All the women organized under cooperatives in their corresponding Kebeles can get the specialized loan. Any woman above the age of 18, who agrees with the cooperative rule and able to buy at least one share and pays two ETB registration fees, is eligible to get the loan.

All the women entrepreneurs under the study borrow money from the microfinance institution organized by WISE at least once. This study gathered data about how much money the women borrowed in the past 12 months, starting from March 2008, and is presented in Table 5. Out of the total 123 respondents, about 93.5% (115) of women operators borrowed money in the last 12 months. An average of 3089.83 Ethiopian Birr (ETB) and a maximum of 15,000 ETB was borrowed. The total amount of money taken by the sampled women was 355,330 ETB. Regarding 39% of the women, they borrowed money between 1701-7000 ETB. This is the amount of money lent to the fourth level borrowers, according to the rule of cooperative. About 25.2% of the women borrowed less than 700 Birr. This is the amount of money given to the initial borrowers. The next largest group of women (14.6%) borrowed money in the range of 1201-1700 ETB, which is the amount of money lent to women who borrowed for the third time. Women who borrowed more than 7000 ETB are 8.9% of the total sampled entrepreneurs. These women had borrowed at least four times before they received this much money. In order to get the upper limit of the money for each level, the women have to be actively engaged in their enterprises, return the money they borrowed before the due date, and have enough money in their savings account. If they do not fulfill these criteria, the amount of money lent to them will be reduced.

Table 5: Amount Borrowed and Utilized Proportion by the Respondents

Amount Borrowed(ETB)	Frequency	Percent
Less than 700	31	25.2
701-1200	7	5.7
1201-1700	18	14.6
1701-7000	48	39.0
Greater than 7000	11	8.9
Total	115	93.5
Loan proportion used		
0	12	10.4
1-25	2	1.7
26-50	9	7.8
51-75	4	3.5
76-99	8	7
100	80	69.6
Total	115	100

Source: Own Survey, 2009

To better understand whether women access to credit is based on their need to grow their enterprises, the loan sanctioned to women, according to their requirement as well as their loan utilization, was collected. From the 115 women that borrowed money in the last 12 months, almost 70% of them used all the money they borrowed to expand or grow their businesses. During the FGD, many of the participants stated that in addition to the higher inflation rate in the country, the money they are allowed to borrow from the financial institutions is less than they requested, which is not enough for their enterprise growth. About 23.4% of the respondents used less than 75% of the money they borrowed to expand their enterprises. One reason is that these women do not use the money fully and watch the performance of their enterprise in order to protect themselves from paying the liability incase bankruptcy happens. In some cases, some of the women use the money to solve personal problems, which the cooperative law also allows.

In case of enough loan access, about 85.4% of the women respond that the loan they received was not enough for the growth of their enterprises, since the money permitted by the cooperative is less than they requested. This is because of the amount of credit given to the women is determined by the amount of money in their savings deposit they have in the cooperative bank. In line with this, more than half of the women (64.2%) use credit from raw material suppliers in order to fill the financial gap to operate their enterprises. This shows that even if there are some efforts to help women to access credit to initiate and participate in economic activities, there is still a financial problem for the growth of women's enterprises.

Working Premise

The working place is one of the main components that are needed for a successful and sustainable growth of enterprises because it is essential in creating access to resources and the necessary markets. Most of the women do not have their own working premises. Only 16.3% of the respondents work in their own premises. The majority of the respondents (71.5%) claimed that their working place is shared with other members in the cooperative. This working place, which is built by WISE, is under the control of cooperatives. The remaining 4.1% (5) of them either are rented from private owners or from government. For 53.7% of the women, the main problem is lack of enough working space. However it was found that few women rented some parts of their working area to other persons in order to get additional income from the rent. For 10.6% of the women, the problem they face is the long distance they have to travel to their working place and uneasy access to transportation. This is because their working area is far from the place where they can get access to raw materials or from their home. For 3.3% of the women, their problems are lacking enough working area and fairness. The lack of a healthy and clean work place or the sustainability of the place where they work is a dilemma for 9.8% of MSE operators. Sustainability is the foremost problem for those women who work in places they rented from private owners or governments. Since these buildings are not in good condition, the women have to pay for the maintenance of these buildings. If they do not pay, the women may lose their working place. The rest of the women respondents, 22.8% (28), do not recall any problems related to the working place.

Table 6: Working Place Problem

Place Problem	Frequency	Percent
No problem	28	22.8
Transportation	13	10.6
Narrowness	66	53.7
Narrow & Transport	4	3.3
Other	12	9.8
Total	123	100.0

Source: Own Survey, 2009

Raw Material Problem

Raw material is a basic component for the existence of the venture. Raw material, demand by enterprises, creates a backward linkage and demand for other sector products. The surveyed enterprises mainly use three types of raw materials; namely, agricultural products, industrial products, and imported products. The types of raw materials used in the enterprises vary with the nature of the enterprises. Agricultural products are the main type of raw material used by the majority of enterprises found in all the sectors, except handicraft. All the enterprises in the food and drink sector and more than half of the enterprises in the trade and service sectors use agricultural products as a main source of raw material.

Industrial products are used by a total of 20.3% of the enterprises. From this, 13% enterprises are in trade sector, 4.9% enterprises are in service sector, and 2.4% enterprises are in handicraft sector and use industrial raw materials. The use of imported raw materials dominated the trade sector enterprises (8.1%), followed by handicraft (1.6%) enterprises. Both industrial and agricultural products are used by 4.1% of the enterprises, which are found in the trade and service sectors. Out of the three types of raw materials, any two types of combinations are consumed by 1.6% enterprises in each trade and service sectors. This shows that the backward linkage for agricultural products seems stronger in the enterprises.

Table 7: Raw Material Need by Business Type

Sector	Agricultural Products		Industrial Products		Imported Materials		Agricultural & Industrial Products		Industrial &/Or Agricultural &/Or Imported Products		Total	
Trade	33	26.8%	16	13.0%	10	8.1%	2	1.6%	2	1.6%	63	51.2%
Service	14	11.4%	6	4.9%	0	.0%	3	2.4%	2	1.6%	25	20.3%
Food & Drink	29	23.6%	0	0%	0	.0%	0	.0%	0	.0%	29	23.6%
Handicraft	1	0.8%	3	2.4%	2	1.6%	0	.0%	0	.0%	6	4.9%
Total	77	72.6%	25	20.3%	12	9.8%	5	4.1%	4	3.3%	123	100%

Source: Own Survey, 2009

Many women (65%) obtain the raw materials for their venture from wholesalers near to their home or work place. About 28.5% of women-owned enterprises obtain their raw materials from retailers. The remaining eight enterprise operators get the raw material from farmers. In order to meet the farmers, the women have to travel to the nearby towns around Addis Ababa.

The high cost is the key raw material problem for the growth of enterprises. This is one of the consequences of a higher inflation rate in the country. As expressed in Seid (2008), the inflation rate in Ethiopia, for March 2008, has risen to 29.6% and food price inflation rose higher to 39.4%. In addition, access to raw materials from wholesalers and retailers, rather than primary producers, may have its own contribution to the increase in the cost of raw materials. Long distance between raw material source and their working place is a problem for 12.2 percent of the enterprises found at Kebele 58 and for 8.9 percent of enterprises in Kebele 56 in the Nifas-silk Lafto sub city. This is due to their farness from the center since the sub city is located in the peripheral part of Addis Ababa. Lack of standardization, raw material storages, are problems with the quality of raw materials affect 27.6%, 25.2%, and 22.8% of women, respectively. Lack of standardized products and shortage problems of raw materials may be linked with women access to raw materials from wholesalers, rather than primary producers. Only 4 (3.3%) stated that there is no raw material problem hindering their enterprise growth.

Table 8: Raw material Problem - Multiple Responses

Sector	Agricultural Products		Industrial Products		Imported Materials		Agricultural & Industrial Products		Industrial &/Or Agricultural &/Or Imported Products		Total	
Trade	33	26.8%	16	13.0%	10	8.1%	2	1.6%	2	1.6%	63	51.2%
Service	14	11.4%	6	4.9%	0	.0%	3	2.4%	2	1.6%	25	20.3%
Food & Drink	29	23.6%	0	0%	0	.0%	0	.0%	0	.0%	29	23.6%
Handicraft	1	0.8%	3	2.4%	2	1.6%	0	.0%	0	.0%	6	4.9%
Total	77	72.6%	25	20.3%	12	9.8%	5	4.1%	4	3.3%	123	100%

Source: Own Survey, 2009

Marketing Problem

The marketing problem is the main constraint for the growth of enterprises. Most women enterprises sell their products to any customer that comes to the market where they sell the products. They account for 87% out of the total sampled enterprises, from which 50.4% are in the trade sector and 19.5%, 12.2%, and 4.9% are in the service, food and drink, and handicraft sectors, respectively. Almost half of the enterprises in the food and drink sector sell their products to customers around their working place. Only one enterprise in the trade sector sells its products to customers that are found in other sub-cities of Addis Ababa. Additionally, almost all (97.6%) women's enterprises sell their products to any person that comes to the market area. Only 1.6% and 0.8% of the women have market linkages with private companies and shops/supermarkets. This shows that business linkages in women-operated enterprises are almost nonexistent and that demand for their products may not be consistent.

Table 9: Customer Boundary for Women's Enterprises

Customer boundary\//////////	Trade		Service		Food & Drink		Handicraft		Total	
Around working place	0	.0%	1	.8%	14	11.4%	0	.0%	15	12.2%
customers in the sub city	62	50.4%	24	19.5%	15	12.2%	6	4.9%	107	87.0%
in further sub cities in A.A	1	.8%	0	.0%	0	.0%	0	.0%	1	.8%
Total	63	51.2%	25	20.3%	29	23.6%	6	4.9%	123	100%

Source: Own Survey, 2009

The market problem is still the major difficulty for the growth of women-owned enterprises. As stated by the women, the presence of competition is the most significant rationale behind it. The justification that follows is women in the same sector sell identical products without any additional distinctiveness and innovative activities. This led them to compete for the same demand. In addition, presence of illegal traders around their market place leads to unbalanced competition and low demand for merchants who are legal. This results in lack of demands, which is another problem for the women. The establishment of markets in residential areas also limits the demands. The change in demand and being unable to modify their products with

the demand is the other marketing problem for 9.8% of women ventures. For the other 9.8% of women, competition with illegal traders and market demand problems, because of a higher inflation rates are the foremost problems for their enterprises. For an equal percentage of women (10% each), lack of displaying place and lack of marketing skills are subsequently the main market problems. Change in demand and presence of competition are the most considerable market related problems for the women's enterprises. In the FGD, it is also recognized that the women do not have any idea or information about market linkages. There is no effort that is done by any other governmental body or NGO's to facilitate this. In addition, innovative activities in women's enterprises and government support and response for their issues is almost non-existent.

Infrastructure Problem

The main infrastructural facilities that are being used by the women's enterprises are electricity and transportation, which accounts 65% and 85.4%, respectively. The most important use of electricity for the enterprises is for lighting and most enterprises have an easy access to transportation.. Limited number of enterprises have access to the rest of the infrastructures. Only 33.6%, 21.1%, 23.6%, and 13% of the enterprises have water, television, radio, and telephone access, respectively. However, the use of these facilities is dominated by the service and food and drink sectors due to the nature of the enterprises. For example, enterprises in the food and drink sector is mainly home based, thus they can easily use the infrastructures that are found in their home without any additional cost to make them available in their enterprise. The service sector enterprises, particularly restaurants, need to use television and radio to entertain their customers and water to prepare food items they serve to consumers. The use of telephone, for the enterprise purpose, is insignificant.

Table 10: Infrastructure Access in Enterprises

Infrastructure		Kebele 56		Kebele 58		Kebele 49/50		Kebele 6		Total	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Electric	Yes	19	15.4%	23	18.7%	19	15.4%	19	15.4%	80	65.0%
	No	13	10.6%	20	16.3%	3	2.4%	7	5.7%	43	35.0%
Telephone	Yes	4	3.3%	1	.8%	6	4.9%	5	4.1%	16	13.0%
	No	28	22.8%	42	34.1%	16	13.0%	21	17.1%	107	87.0%
Water	Yes	5	4.1%	5	4.1%	17	13.9%	14	11.5%	41	33.6%
	No	27	22.1%	37	30.3%	5	4.1%	12	9.8%	81	66.4%
Television	Yes	4	3.3%	5	4.1%	9	7.3%	8	6.5%	26	21.1%
	No	28	22.8%	38	30.9%	13	10.6%	18	14.6%	97	78.9%
Radio	Yes	4	3.3%	5	4.1%	11	8.9%	9	7.3%	29	23.6%
	No	28	22.8%	38	30.9%	11	8.9%	17	13.8%	94	76.4%
Transportation	Yes	29	23.6%	38	30.9%	18	14.6%	20	16.3%	105	85.4%
	No	3	2.4%	5	4.1%	4	3.3%	6	4.9%	18	14.6%

Source: Own Survey, 2009

Though the largest part of the enterprises has limited use of the infrastructures for enterprise purpose, the women do have access in their homes. Nevertheless, they do not use radio and television as a source of information for their enterprise growth. The women stated in the FGD that they do not have time to listen to them since they have to perform household activities and

take care of the family after the enterprise work. Some of them believed that the information that is transmitted through media is far from reality. The women also emphasized that the problem of water is the major obstacle for their enterprise growth, especially for those in the service sector. These enterprises use water by buying it from Kebele or other places since they do not have the facility in their enterprises.

The main growth problem faced by women's enterprises is the marketing problem, mainly due to the presence of many competitors with identical products, change in demand, and absence of market linkages. The second major problem that is identified by women is working place. The raw material shortage, shortage of working capital, and lack of enough loans are the other problems for WMSE operators. Heavy family burden is not cited as a major problem for growth. However, in the FGD, the participants in the Kebele 58 explained that there is a gap in the government policy and in its implementation. Even if there is an established market area given by WISE to solve a working place and market problem of women, the illegal traders take the opportunity out of it. The illegal traders come at market dates and sell their products. Since the buyers can easily access them in the open area, they buy products from them. The women in this market place make efforts to solve this problem in cooperation with the government either by making the illegal traders be legal or to stop their activities in the area. But lack of attention with the government bodies or the gap in the implementation of policies and regulations cannot solve their problems.

CONCLUSION

More than three-fourths of the women MSE operators are migrants. However, their migration status does not have any influence for their enterprise growths since there is no problem associated with the creation of networks and getting access to economic resources. Almost half of the women covered in the study were economically active even before they started these enterprises. Nearly one-fourth of women had similar work experience relating to their current business prior to start up. The previous ownership of business has a positive and significant contribution, since they acquire the knowledge in running business and they expand their social networks. The majority of women are engaged in low risks and return activities, such as trade and food and drink sectors, which are the sectors the women can participate based on the skills acquired from outside the formal education system, especially from household activities. Therefore, except for the service sector, the growth of women's enterprises is very low. After the establishment of WISE, the startup capital does not seem to be the major problem for women to establish ventures. However, access to sufficient credit for the growth of their enterprises is limited to the saving ability of the women. In the study, firms financing from external sources have an advantage to the growth of their enterprises, even if the loan disbursed to the women is low. In addition, filling the financial gap by using credit from raw material suppliers also has a positive contribution to the growth of enterprises. Almost all women sell their products to customers who come to their selling area, which limits the scope of their market. Market linkage among the women entrepreneurs is almost nonexistent. Therefore, selling products and rendering of services around their home or residential areas has negative effects on the growth of their enterprises. Partnerships have positive impacts for women-owned enterprise growth; where as delegation of bookkeeping activity to professionals has a positive effect to the growth of enterprises. Even if access to infrastructure is not reported as a significant problem, lack of access to water and lack of awareness about the advantages of telephones and media leads to a negative or insignificant effect on the growth of enterprises. As stated by the women, presences of competition and lack or change in demand are the major problems for WMSEs. Lack of enough working space,

high costs of raw materials, lack of working capital ,and enough loan access are the subsequent problems that hinders women's enterprise growth.

The use of external finance is found to have a positive contribution for enterprise growth. Therefore, adequate provision of finance should be the main element in the development programs. The provision of finance based on their savings amount and saving habits encourage more women to take loans since they mostly lack economic resources and are unable to give collaterals. Therefore, specialized microfinance services that benefit women entrepreneurs must be established or encouraged. Other ways, such as initiating specialized lending services to women in the existing microfinance institutions, must be sought. The role of information for business growth is significant. However, use of media and experience sharing among entrepreneurs is almost nonexistent. Therefore, the use of media as a source of information, besides entertaining customers, must be encouraged. Experience sharing and joint problem solving must also be encouraged. Partnership, due to its significant and positive contributions, should also be encouraged. Therefore, informing women business owners about the benefits of sharing resources, experiences, and responsibilities is important. Women's enterprises concentrate in products that are similar thereby limiting their demand. Therefore, trainings that are concerned with innovative activities, risk taking, and management must be encouraged.

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