



*ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES*

*DETERMINANTS OF MICRO AND SMALL
SCALE ENTERPRISES' PERFORMANCE
IN BURAYU TOWN*

By Berkenesh Negi

*FEBRUARY, 2013
ADDIS ABABA, ETHIOPIA*

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SCALE ENTERPRISES' PERFORMANCE
IN BURAYU TOWN***

BY BERKENESH NEGI

ID NO. 0070/2003

SECTION C

***A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY COLLEGE,
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ADDIS ABABA, ETHIOPIA***

**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Abera Demsis (PhD.Cand). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

St. Mary's University College, Addis Ababa

Signature

February,2013

ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

St. Mary's University College, Addis Ababa

Signature

February, 2013

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LIST OF ACRONYMS

BDS:	Business Development Services
ECSA:	Ethiopian Central Statistics Authority
EMTI	Ethiopian Ministry of Trade and Industry
GTZ:	German Technical Cooperation
ILO:	International Labor Organization
MSE:	Micro and Small Enterprises
MSSE:	Micro and Small Scale Enterprisers
MDGs:	Millennium Development Goals
MOTI:	Ministry of Trade and Industry
NGO:	Non Government Organization
TVET:	Technical and Vocational Education and Training

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ABSTRACT

The Government of Ethiopia is focusing on the MSEs sectors for its role in job creation and Poverty reduction. The focus stems from the increasing of unemployment and poverty problem. The objective of this study is, therefore, to identify factors that determine Micro and Small enterprises performances. The study used both Primary data and secondary data. The survey method involved 100 SMEs. The sample was taken from formally registered MSEs by the Burayu Town Trade and Industry Bureau. Among the registered SMEs, Town Agriculture, Industries, Services and General Construction, work enterprise were selected based on a combination of high proportionate share and economic importance.

A sample of 100 MSEs engaged in 5 sectors was taken for the study using stratified random sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, Economic factors of MSEs, and determinant factors that affect the performance of MSEs designed in a closed ended and likert scales. After the data has been collected, it was analyzed using simple statistical techniques (tables and percentages) and descriptive statistics. The results of the study indicate the individual characteristics of MSEs, importance of MSEs and the determinants of performance that shows access to finance, training and man power development, market opportunity and skills and managerial efficiency.

The study found that there are micro finance institutes and other lending institutes which are willing to give awareness to MSEs how to manage the finance and to give training. TVETs provide technology, machine maintenance, technical skill training and facility supports, cooperation in the areas of business related, financial and manpower development trainings are poor. Based on the major findings, recommendations are forwarded to existing and potential members of MSEs in Burayu Town, Trade and Industry Office of Burayu Town, Micro finance institutes, and to TVET centers.

CHAPTER ONE

1.1 Back ground of the study

Micro and small Scale enterprises (MSEs) are important vehicles to address the challenges of unemployment, economic growth and equity within the country. When they grow in size, they would contribute more to economic growth and poverty reduction. As a result , the government of the Federal Democratic Republic of Ethiopia has recognized and paid due attention to the development of micro and small Scale enterprises (MSEs).

Micro and Small enterprises can be defined as one, which is independently owned and operated, and not dominant in its field of operation. It can also be defined in terms of sales volume and by the number of employees in the firm. Micro and Small Enterprises may be defined as businesses with a small number of employees. The legal definition of “Micro and Small Enterprise” often varies by country and industry. According to the new Small & Micro Enterprises Development Strategy of Ethiopia (published 2011) the working definition of MSEs is based on capital and Labor as follows:

Table 1 working definition of MSEs based on capital and labor

Sr. No.	Enterprise level	Sector	Hired person	Capital
1	Micro	Industry	5	\$6000.00 or £4500.00 Birr 100,000.00
		Service	5	\$3000.00 or £2200.00 or Birr 50,000.00
2	Small	Industry	6-30	\$90,000.00 or £70,000.00 Birr 1,500,000.00
		Service	6-30	Birr 500,000.00

Source: - Addis Ababa City Administration Micro & Small Enterprises Development Bureau

In most fast developing countries, MSEs by virtue of their size, location, capital investment and their capacity to generate greater employment, have demonstrated their powerful propellant effect for rapid economic growth. The MSE sector has also been instrumental in bringing about economic transition by providing goods and services, that are of adequate quality and are reasonably priced, to a large number of people particularly in rural areas, and by

effectively using the skills and talents of a large number of people without requiring high-level training, large sums of capital or sophisticated technology. The micro and small scale enterprise sector is also described as the natural home of entrepreneurship. It has the potential to provide the ideal environment for enabling entrepreneurs to optimally exercise their talents and to attain their personal and professional goals. In all successful economies, MSSEs are seen as an essential facilitator for growth, job creation and social progress. The small business sector is also seen as an important force to: generate employment and more equitable income distribution, activate competition, exploit niche markets, and enhance productivity and technical change and, through the combination of all of these measures, to stimulate economic development. While we cannot deny the importance of large industrial and other enterprises for the growth of the Ethiopian economy, there is ample evidence to suggest that the labor absorptive capacity of the micro and small Business sector is high, the average capital cost per job created is usually lower than in big business, and its role in technical and other innovative activities is vital for many of the challenges facing Ethiopia. (Ministry of Trade and Industry, 1997)

In Ormia Regional State, Oromia Special Zone Burayu Town, MSEs are working enlarge. In this town more than seven types of formal MSSEs are accessible. Those are: urban agricultural development, Industries, Service, trade, General construction, Cobblestone preparation for the road, and stone work. In all these sectors there are 364 MSEs which maintain 3316 members (male and female) involved as shown below in table 2. (Report of Trade and industry Office of Burayu Administration, 2012)

Table 2: Micro and Small Scale Enterprises on processes of Work in Burayu Town

No.	Types of Work	No. of MSSEs	Members of MSSEs		
			Male	Female	Total
1	Urban Agriculture	62	379	280	659
2	Manufacturing	45	202	112	314
3	Services	77	402	159	561
4	Trade	29	81	85	166
5	Construction	19	174	20	194
6	Stone work	32	306	57	363
7	Cobble stone work	100	407	652	1059
Total		364	1951	1365	3316

Sources: - (Reports of Trade and industry Office of Burayu Administration,2012)

The study focused on the MSEs that have started and successfully performing their work by solving the problem related the determinant factors are becoming profitable, enlarging production level, increasing their sales volume and they are sustainable in the business. And also the study would see those unsuccessful MSEs due to the determinant factors.

In Burayu town the administration assists MSEs to perform well in many aspects, like giving work permit (licensing and registering), providing training and consultancy, creating market linkage, jobs opportunity, information, loan financial services, providing land for production and selling, providing advanced technology, giving them audit services and others. With all these supports some MSEs do not perform well, the study wants to identify the causes of the failures and intends to make deep investigation based on the successful MSEs.

1.2 Statement of the Problems

Micro and Small Scale Enterprises play a vital role in poverty reduction, employment generation as well as economic development of both developed and developing countries like Ethiopia.

In Ethiopia specifically, MSEs have many problems that performance. According to the ECSA Report (1994-1995), the major determinants of performance experienced by MSEs were access to finance, Market opportunity, Skills and managerial expertise, training and awareness, infrastructure, information and technology.

These determinant factors affect the performance and result in successes or failure of those MSSEs to expand and have the effect of preventing their expansion almost from the beginning of their operations. It can be learned from many researches that the issue of businesses failure is one of the cases the researchers and policy makers alike should be aware, as the economies of many countries could be seriously affected, if the owners of micro and small businesses are not assists in these determinant factors of performance rates. Therefore, this paper tries to evaluate the determinants of Micro and Small Enterprises' performance in Oromia Regional State, Oromia Special Zone Burayu Town. This research paper is expected to be a point of departure for further research and to give recommendation to fill the gap that MSEs of this town have.

1.3 Research Questions

Access to finance and managerial efficiency affect the performance of MSEs. According to, Lerner and Wulf (2007), there is a significant association between the managerial efficiency of small firms and long-term survival, stability and viability. The acute shortage of finance experienced by small businesses is a result of lack of efficiency in the management of development finance. When formal financial institutions fail to fulfill the needs of small enterprises, informal institutions fill the gap based on informal social networks.

Training and manpower development in SMEs will give encouragement to perform well and to solve the problems by come across bright feature. The last two decades have witnessed resurgence in the MSEs sector (David Neumark, 2008). Structural changes in the economy have favored smaller firms. Technological changes have lowered barriers to business operation, and large firm specialization, contracting out and downsizing have opened up opportunities for smaller firms to fill market niches, or indeed may have actually created SMEs via management buy-outs. The shift towards service activities with lower capital requirements has also favored MSEs. High levels of unemployment have, in addition, pushed some people into self-employment as an alternative.

According to Andu-Alem Tegegne, lack of sufficient marketing and promotional support are not sufficient institutional facilities that nurture the promotion, growth and development of MSEs in the country. Consequently, marketing their products effectively is one of the main bottlenecks that MSSEs face all over the country.

Business performance can be measured using different indicators, like profitability, growth in employment, production level, sales volume and sustainability in the business. In addition, firms also have their own indicators of measuring their performance (Rosemary, 2009)

- Does access to finance will determine micro and small enterprises' Performance?
- Does skills and managerial efficiency Determine Micro and Small Enterprises' Performance?
- Do Market opportunities determine Micro and Small Scale Enterprises' Performance?
- Are Training and manpower development determined Micro and Small Enterprises' Performance?

1.4 Objectives of the Study

1.4.1 General Objective

The General objective of the study is to identify the Determinates of Micro and Small Scale Enterprise's Performance of Oromia Special Zone Burayu Town

1.4.2 Specific Objectives

The following are the specific objective of the study:

- To evaluate to what extent the financial problem will determine the performance of MSSEs,
- To analyze whether Market opportunity will determine the MSSEs Performance or not.
- To investigate whether Skills and managerial expertise determine the performance of MSSEs or not,
- To evaluate whether lack of training and awareness will determine the performance of MESSs or not,

1.5 Definition of Terms

Determinant: - is a factor or element that limits or defines a decision or condition

Enterprise: - is a business or company, entrepreneurial activity, especially when accompanied by initiative and resourcefulness.

Micro finance: - refers to the provision of financial services to low-income clients, including consumers and the self-employed.

Performance: - is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. Performance is MSEs in strengthening their enterprises.

TVET institute:- Currently, formal TVET in Ethiopia includes 10+1 to 10+3 programs, which currently redesigned in to five levels (level I to V) provided by public and private/ government/ non government institutions and finally accredited by the regional Education bureau/TVET agency.

1.6 Significance of the study

The study could serve as stepping-stone for other researches, which may focus on similar topics and issues, related to Micro and Small Enterprises in general and their determinants of performance in particular. It is important for policy makers like MSEs Development Agencies. The study will also enable Micro and Small Enterprises owners to know that determinants of performance of their business by suggesting some practical measures to be taken by these MSEs.

The study is expected to provide the Oromia Special zone Burayu Town Micro and Small enterprises and the office with solutions for solving some problems that the MSSE's have in their performance. In addition to this the MSE's will learn a haut the determinants of performance that drive them out from their jobs.

1.7 Scope of the Study

The study area is Burayu town; Burayu is one of the towns of Oromia Special Zone of Oromia. It is located 10km away from west Addis Ababa, Ethiopia, and it has an estimated population of 121,944 (one hundred twenty one thousand and nine hundred forty four). (Burayu town Administration) This Town is chosen for the study for the following reasons.

1. Micro and Small enterprise's are working enlarge in this town,
2. Viable, Micro and Small Enterprise's have started in recent years in this town but most of them have not survived for more than a year. Therefore, the researcher has chosen this town as the most appropriate place to undertake the study.
3. The town is not far away from the center of the country,

Among the different types of business classification based on their size, this paper focuses on Micro and Small Scale Enterprises in Burayu Town.

The main reasons for selecting MSEs are that:

- a. The sector has been given special attention by Government and it is a means of poverty reduction in developing countries.
- b. The sector is a quick solution for unemployment problem,
- c. The sector has been growing from time to time in Ethiopia, especially in Addis Ababa and around Addis Ababa, following the increase of the number of graduates from technical and vocational schools.

1.8 Organization of the study

Chapter one contains background of the study, statement of the problem, basic research questions, objectives of the study, definition of terms, significance of the study, and delimitation/scope of the study. Chapter Two demonstrates the literature relevant to the study. Chapter Three describes the type and design of the research, participant of the study, the sources of the data, the data collection tools/instruments used, the procedures of data collection, and the methods of data analysis applied. Chapter Four summarizes the results/findings of the study, and interpretation and/or discussion on the findings, and Chapter Five consists of three sections, which contain summary, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. Introduction

This chapter is dedicated to Literature Review, presents the definition, characteristics of MSEs, constraints of MSEs. Then it highlights the benefits of MSEs; and it addresses attributes of successful MSEs. It concludes by summarizing the gaps in the existing knowledge.

The Government of the Federal Democratic Republic of Ethiopia has recognized and paid due attention to the promotion and development of MSEs for they are important vehicles to address the challenges of unemployment, economic growth and equity in the country. To this effect, the government has formulated a National MSEs Development and Promotion Strategy, which enlightens a systematic approach to alleviate the problems and promote the growth of MSEs. *Micro and Small Enterprises Development Strategy, (1997)*

2.1 An overview of MSEs

2.1.1 Explanation and Definitions of Micro and Small Scale Enterprises MSEs

The sample survey, conducted in 48 major towns, by the Ethiopian Central Statistical Authority (ECSA), in May 1997, showed that there are 584,913 and 2,731 Informal Sector activity operators and Small Scale Manufacturing Industries respectively that absorb 739,898 labor forces. The survey revealed that a micro enterprise on an average engages one person, and the average annual operating surplus is about birr 1300.

Regarding the diversity of the informal sector activity (Micro Enterprises), the survey indicated that a large number of informal sector operators are concentrated in a limited area of activities, i.e., 47% in manufacturing, 42% in Trade, Hotel and Restaurant activities, about 6% in Community and Personal services and the rest 5% are involved in Agriculture, Hunting, Forestry & Fishing, Mining & Quarrying, Construction and Transport activities.

On the other hand, the survey on Small Scale Manufacturing Industries showed that the small manufacturing industries are mainly engaged in the manufacture of food, fabricated metal, furniture, and wearing apparels. These sub-sectors constitute more than 85% of the surveyed small scale manufacturing industries.

The small scale manufacturing sector engages, including owners, on average 3 persons per industry and the average employee per industry is 2 persons, while the average annual wage per employee is birr 1914. The average operating surplus per industry is Birr 18,934 which shows that income generated by the small manufacturing activities is much better than those engaged in the informal activities. The average capital per Informal Sector activity during the survey period is birr 3,528 while the average capital per Small Scale Manufacturing Industries is found to be birr 38,354. Ethiopian Central statistics, 1997

As highlighted above, the MSE sector is characterized by highly diversified activities which can create job opportunities for a substantial segment of the population. This indicates that the sector is a quick remedy for unemployment problem. To curb unemployment and facilitate the environment for new job seekers and self-employment a direct intervention and support of the government is crucial. Hence, in order to channel the support facilities to this diversified sector, a definition is needed to categorize the sector accordingly.

The Central Statistics Authority for the purpose of its survey on Urban Informal Sector Activity Operators and Small Scale Manufacturing Industries has set a definition on different sectors, viz., Informal Sector, Cottage/Handicrafts, Small-Scale Manufacturing Industries, and Medium and Large Scale Manufacturing Industries. The Authority based its definition on size of employment and automation for small, medium and large-scale enterprises and a combination of criteria for informal sector operators. However, this definition could possibly incorporate some capital-intensive establishments, which could fall solely under medium or large-scale categories. Thus, in order to exclude those capital intensive enterprises which will not be entitled for the support services and address the real target MSEs, it is advisable to use a definition that can take this into account. Hence, a definition that is based on capital and which takes into consideration the level of technical and technological capacities is adopted.

Since there are limited resources available to address all the needy enterprises, it is also recommended to narrow the definition at this stage and expand it later as resources permit. Thus the following definition is used to categorize the sector for the purpose of this strategy at this stage.

Definitions of MSEs by Multilateral Development Institution

SMEs definitions used by multilateral Institutions by maximum size criteria.

SME Definitions Used by Multilateral Institutions

Institution	Maximum # of Employees	Max. Revenues or Turnover (\$)	Maximum Assets (\$)
World Bank	300	15,000,000	15,000,000
MIF – IADB	100	3,000,000	(none)
African Development Bank	50	(none)	(none)
Asian Development Bank	No official definition. Uses only definitions of individual national governments		
UNDP	200	(none)	(none)

Tom Gibson Principal, (2008), SME think Co-Founder, Small Enterprise Assistance Funds
Brookings Global Economy and development,

Definition of MSEs in Malawi

Size of the Enterprises	Net Capital investments (Million Rwf)	Annual Turn Over (Million of Rwf)	Number of employees
Micro enterprises	Less than 0.5	Less than 0.3	1 to 3
Small Enterprises	0.5 to 15	0.3 to 12	4 to 30
Medium Enterprises	15 to 75	12 to 50	31 to 100
Large Enterprises	More than 75	More than 50	More than 100

Ministry of Trade and Industry, Lilongwe, Malawi Government Small and Medium Enterprises (MSEs) Development Policy, (2010)

Definition of Micro and Small Enterprises in Ethiopia, (MSEDS,1997)

Micro Enterprises are those small business enterprises with a paid-up capital of not exceeding birr 20,000, and excluding high tech. consultancy firms and other high technology establishments.

Small Enterprises are those business enterprises with a paid-up capital of above 20,000 and not exceeding birr 500,000, and excluding high tech. consultancy firms and other high tech. establishments.

Improved definition of micro and small enterprises (2011)

Micro enterprise:-

- a. Under industry sector (manufacturing, construction and mining)
An enterprise operates with 5 people including the owner and/or their total asset is not exceeding Birr 100,000 (one hundred thousand).
- b. Under service sector (retailer, transport, hotel and Tourism, ICT and maintenance service). It operates with 5 persons including the owner of the enterprise and/or the values of total asset is not exceeding Birr 50,000(fifty thousand)

Small enterprise:-

- a. Industrial sectors (manufacturing, construction and mining)
It operates with 6-30 persons and/or with a paid up capital of total asset Birr 100,000(one hundred thousand) and not exceeding Birr 1.5 million.
- b. Service sector (retailer, transport, hotel and Tourism, ICT and maintenance service)
It operates with 6-30 persons or/and total asset, or a paid up capital is with Birr 50,001 and not exceeding Birr 500,000.

2.1.2. Characteristics of MSEs

1. Directly observable characteristics: this includes relatively nearness of the enterprises; high density of economic activities; and the presence of numerous firms involved in same, similar and subsidiary activities.

2. Foundational and universal characteristics: defining characteristics that fall in this category includes inter-firm linkages between enterprises as a result of (vertical) subcontracting; inter-firm linkages between enterprises in specific forms of (horizontal) co-operation; and some degree of specialization.

3. Theoretically constructed characteristics: this includes several defining characteristic features of group such as joint social history; mutual and collective learning processes; Social networks that are not embedded in transactions among producers or traders; external economies resulting from linkages and networks; a role for local and traditional institutions; shared cultural

background; generalized atmosphere of trust and absence of or limits to opportunism; similar levels of technical sophistication; widespread local product imitation; Shared technical competence pool etc.

2.1.3 Determinant factor that affect MSEs Performances

In most developing countries, small businesses face a wider range of constraints and problems and they are unable to address the problems they face on their own, even in effectively functioning market economies. The constraints relate, among others, to the legal and regulatory environments, access to markets, finance, business information, business premises (at affordable rent), the acquisition of skills and managerial expertise, access to appropriate technology, access to quality business infrastructure, access of training and development and, in some cases discriminatory regulatory practices.

In Ethiopia's situation, since there have not been any organized policy and support systems that provide for the sector, MSEs have been confronted by various problems which are of policy, structural and institutional in nature. To start with, lack finance, lack of market, lack of smooth supply of raw materials and lack of working premises, lack of skilled managerial competency, lack of training and development are the major bottlenecks for small scale manufacturing industries to commence their activities. On the other hand, lack of sufficient capital and working premises were the leading problems facing the informal sector operators from the start.

Serious marketing problems, shortage of supply of raw materials, lack of working capital are the first and most pressing problems facing small manufacturing industries for not expanding their businesses. Whereas lack of capital, market and working premises are affecting informal sector operators not to expand their businesses.

Access to Finance

Access to finance and low demand are the chief factors affecting small businesses in the current decline. Governments have responded by loosening monetary policy, strengthening banks, encouraging lending and providing demand stimulus through fiscal policies. It is too early to tell

which policies will be effective in supporting recovery. This section sets out the various financial constraints faced by small businesses and the measures being taken by policymakers.

Credit has tightened in most countries and not only where banks held mortgage-backed securities (MBS) and collateralized debt obligations (CDO) linked to the U.S. housing market. Most governments have cut interest rates, lowered reserve ratios and urged lenders to pass on lower rates to their customers.

As few countries set the rates that are charged by commercial banks, lower rates in the inter-bank markets are not automatically passed on to commercial customers. In addition - and in most cases more importantly – lenders are offering fewer loans. Credit has tightened for small enterprises in many countries although the actual impact is not well known.

Banks and non-bank financial institutions are consolidating their own financial positions by ensuring adequate reserves as a precaution against delinquency and default. These prudential measures have reduced the flow of new lending and the extension of existing lines of credit in many countries. Lenders are finding it difficult to assess credit worthiness in the downturn. A stable company last year may be risky this year, notably if demand has slumped for its products or services. Even enterprises with a good credit history are finding it difficult to obtain loans. In the UK, where the number of small business closures rose dramatically to 85 per day in early 2009, the Federation of Small Businesses summarized the problems briefly: "Costs are up, orders are down and banks are not being helpful." Smaller enterprises that can access credit in good times now face difficulties. Micro-enterprises and some small business which are unable to access credit under normal conditions will continue to be shut out during the crisis. *Micro and Small Enterprises Development Strategy, (1997)*

Several development economists in Ethiopia have abundantly demonstrated that lack of access to finance is a major obstacle to the growth and development of the MSME sector in the country (Woldehana et al., 2008). The availability of external finance is critically important to dynamic enterprises whose growth potential outstrips their internal sources of finance. However, as a result of imperfection in the credit markets of developing countries, the majority of MSMEs start

business with little or no support from formal financial institutions. Consequently, small enterprises find it difficult to grow and expand their businesses.

Credit constraint is experienced by small enterprises due to the unwillingness of banks to lend money to small enterprises, the wrong assumption that the risk associated with lending money to small enterprises is high. As a result, formal money lending institutions such as commercial banks demand collateral as a means of reducing risk, shortening the screening process, and view collateral as a proven mechanism for compensating for bad debts. From the point of view of banks, it is too costly and difficult to recover bad debt without securing adequate collateral. The majority of small businesses lack the necessary skills needed for sound bookkeeping, auditing and tax assessment. Andersson et al. (2007) have pointed out that information asymmetry is one major cause of credit constraint in small businesses and enterprises. According to the authors, capital does not always flow to small firms because of adverse selection and moral hazard.

A number of development economists have reported that in most credit markets, most widely accepted forms of collateral are mobile assets such as motor vehicles and fixed assets such as real estates, homes, industrial equipment, etc. Collateral is needed mostly due to the significant information gap that exists between potential lenders and borrowers. The key challenge here is to balance the credit needs of small businesses and enterprises with the specific needs and requirements of lending institutions.

Access to Market

Marketing challenges identified in market development support in East Africa

Lack of promotion

Entrepreneurs do not carry out active promotion of their products or services. They rely on passing trade and customers finding their businesses by chance which results in minimal and local sales.

Business Premises

The entrepreneur may not have an identifiable business premise in which to display and sell their products. Many may sell their products in someone else's shop or from their home. Business location is also important to maximize on passing trade. If the business is located far from the market the entrepreneur may rely on customers coming to them or will have increased

transportation costs to get their products to market. The entrepreneur may also have limited space available to them for both the production and storage of their products.

Finding New Markets

An entrepreneur may rely heavily on local customers and has a need to form links with markets in other towns to expand their customer base.

Product Range

The entrepreneur may rely on selling one specialist product which limits the amount of sales they will make each month. They may benefit from expanding their product range particularly into complimentary products.

Transportation

If an entrepreneur's business is located far from the market centre, the cost and logistics of transportation may be an issue particularly in areas with poor quality roads.

Competition

The entrepreneur may face a lot of competition from similar businesses in the area. This is a particular issue in the briquetting business where competition exists from more established options such as charcoal as well as other briquette suppliers.

Product Awareness

Potential customers may lack awareness and understanding of the benefits and uses of the product.

Capital

An entrepreneur may lack capital to buy stock or raw materials in bulk which allows them to benefit from economies of scale. They may also lack capital to engage in marketing activities, research and development or to purchase equipment which would help their business to expand.

Sourcing

An entrepreneur may struggle to source low cost, quality products and raw material in the local area.

Quality

Entrepreneurs may struggle to uphold quality in their products which would help them maintain customers and fetch higher prices. (Laura Clough, 2011)

Marketing Problems in Ethiopia

Small enterprises usually regard market constraints and the inability to sell their products and services as one of the most serious obstacles to the starting of businesses and growth beyond mere subsistence level. This assertion also holds true in the case of Ethiopian MSEs, as revealed from various studies undertaken concerning the MSE sector.

Responsibility for steps to overcome this constraint falls upon many different groups: individual entrepreneurs and groups of small businesses which have to compete with others for the same clients, regional governments, chambers and business associations who should see to it that there are no hindrances to market access of new comers, and big enterprises who should re-orient procurement towards small suppliers and subcontractors.

Most Ethiopian MSEs lack adequate marketing channels through which they could market their outputs. Marketing channels could serve both as means through which marketing information is made available and sales outlets created for the products and services of MSEs. Chambers of industry and trade, sector associations of MSEs, government promotional institutes, NGOs etc. shall be actively involved in establishing and organizing emporia, display centers, exhibitions, trade fairs, rural business centers, open markets, etc.

It is believed that there are many potential users of MSEs products and services, who would buy if they knew about them. Most of the time the quality, quantity and price would suit the needs of many, and potential suppliers would also be willing and able to provide what is required, but neither side is aware of the existing possibilities. This problem, therefore, calls for launching aggressive awareness campaign about MSEs to the public. The Federal and Regional governments shall consider the use of Radio, TV, magazines and newspapers, etc. to advertise the range of products and services offered by MSEs and introduce outstanding MSEs as role models to share their experiences to others. Moreover, group advertisement efforts will be made through cooperative associations.

The government will provide possible solutions to the problem to facilitate this complex process in order to ease the marketing problems of MSEs:

- Put in place the necessary legal and regulatory frameworks necessary for implementing inter linkage mechanisms, such as franchising.
- Consider steps to provide incentives in terms of training, etc. to motivate the big business sector to systematically expand its links with small and micro enterprises. In this respect sector specific and localized efforts are likely to bear better results and minimize confrontation, compared to national rule or guidelines.
- Encourage cooperation between relevant government institutions as well as private sector organizations and NGOs to reach MSEs and to mobilize training and mentoring support for small enterprises, so that they are able to manage inter linkage activities and contracts.
- Facilitate the development of more appropriate small-enterprise export-support programs. Such programs could cover exhibition facilities, export trading houses, and promote export credit schemes, an expansion of the export marketing assistance scheme and special training efforts with regard to quality development systems.
- Closely associated to marketing and supply problems of MSEs are issues related to reasonable access to raw materials and quality services at affordable prices. Associations of MSEs and cooperatives play an important role to address such problems by way of bulk purchase arrangements and group service requests. Chambers of Industry and Trade and the envisaged Federal MSE development Agency and regional agencies or the designated organs shall encourage the establishment of sector MSE Associations and cooperatives and provide assistance to individual firms through extension networks.

At present there is no market information center and/or system that would furnish market related information, in such areas as, information on prices, source of inputs, existing and potential markets, consumer needs, etc. for MSEs. One possibility to address these problems is to establish a marketing information center and/or system or integrate the activity in already existing or in the envisaged Federal MSE development Agency and regional agencies or the designated organs. The MOTI, respective regional bureau, chambers of industry and trade and sector associations of MSEs, etc shall assume the task to create and support such a center and/or system.

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Managerial Efficiency

Lerner and Wulf (2007) have shown that there is a significant association between the managerial efficiency of small firms and long-term survival, stability and viability. The acute shortage of finance experienced by small businesses is a result of lack of efficiency in the management of development finance. When formal financial institutions fail to fulfill the needs of small enterprises, informal institutions fill the gap based on informal social networks.

There is a long-term strategic benefit in financing today's small enterprises through appropriate support strategy. Efficient managerial and technical skills are critical for the sustained growth and development of small businesses and enterprises in Ethiopia. The lack of essentially needed managerial skills is a serious threat to the continued survival and profitability of small businesses in developing economies. Managerial and technical skills have a significant impact on reducing production and transaction costs. As a result, economic activities conducted by managers with no managerial skills lack the ability to prioritize objectives and utilize scarce resources optimally. Hence, managerial efficiency is a key ingredient of long-term survival and profitability in small

businesses. Lack of efficiency in managerial and technical skills is a well known problem that stifles the growth and development of the small, medium and micro businesses and enterprises (MSME) sector. The reluctance of financial institutions in Ethiopia to introduce innovative ways of providing meaningful financial assistance to the MSME sector is attributed to lack of competition among service providers (Grada, 2007). Iqqub schemes provide easy finance to small businesses in Ethiopia. The schemes are similar to the “Stokvels” in South Africa which use social capital for providing assistance to a member of a community that is in need. Stokvels represent a type of rotating savings and credit associations, and are more popular among black communities in South Africa because formal banks are reluctant to provide finance to needy black entrepreneurs who do not have adequate collateral. Although Iqqub schemes in Ethiopia lend money to entrepreneurs, they are poorly resourced, and cannot be a substitute for fully-fledged commercial banks. The performance of the MSEs sector in Ethiopia is poor in comparison with similar sectors in other Sub-Saharan African countries such as South Africa, Kenya, Uganda and Tanzania. Small businesses and enterprises in Ethiopia are generally characterized by an acute shortage of finance, lack of technical skills, region, and lack of training opportunities, shortage of raw materials, poor infrastructure and over-tax. (Zelege worku, 2009). Lack of access to finance is the most influential factor from among all adverse factors hindering the growth and development of the MSME sector in Ethiopia.

Ladzani and Netswera (2009) have reported that the number of small businesses in South Africa has grown by 150% in the past 10 years, and that small businesses alleviate poverty among the masses in addition to creating jobs for the poor. However, the success realized in South Africa has failed to be achieved in Ethiopia mainly due to lack of vision on the part of government, shortage of finance, poor infrastructure and an acute shortage of technical skills.

According to Currie (2009), the majority of MSMEs in countries such as Ethiopia operate at under capacity due to lack of credit or over-regulation. This problem has been exacerbated by the demand for collateral by commercial banks as a prerequisite for the approval of loan applications. A report by the Ethiopian Central Statistical Authority (2003) shows that only 0.2% of small-scale operators were given loans by the Commercial Bank of Ethiopia at their start-up stage while 45% of them were supported by own savings, 24% were supported by friends, and

20% were supported by relatives. Only 0.8% of operators raised finance from micro finance institutions.

While the MSEs sector suffers from terrible financial constraint, the state-owned Commercial Bank of Ethiopia sits on an excess liquidity of 165% (Alemayehu, 2006). The lack of integration between the vocational curriculum taught at academic institutions and skills required at the workplace in small businesses and enterprises is a major obstacle to the growth and development of small businesses and enterprises. Economists such as Hanushek and Woessmann (2008) have shown that unless there is relevance between what is taught in classrooms and what is needed at the workplace, it would be almost impossible to overcome the unacceptably high failure rate among new entrants into the MSME sector.

Alemayehu (2006) has argued that the EMTI must allow competition from foreign MSMEs with a view to foster innovation, new developments and productivity. Doing so however, requires a favorable macroeconomic policy that enables foreign competitors to come into the local financial market and provide assistance to small businesses and enterprises. Efficiency in managerial and technical skills has enabled small businesses and enterprises to play a major role in the alleviation of poverty and job creation in several emerging market economies. The Grameen Bank of Bangladesh (Dowla, 2005) has provided finance to MSMEs on easy terms since the early 1970s, and this assistance of finance has contributed significantly to the alleviation of poverty and job creation. The success achieved by Grameen Bank is attributed to visionary leadership, innovative thinking and managerial efficiency.

Training and manpower development in SMEs

Training and awareness given by government to the society about self employments will change the mind of many people to start to work in MSSEs.

The argument for increased training and manpower development, the last two decades have witnessed resurgence in the SME sector (David L. Birch, 1996). Structural changes in the economy have favored smaller firms. Technological changes have lowered barriers to business operation, and large firm specialization, contracting out and downsizing have opened up opportunities for smaller firms to fill market niches, or indeed may have actually created SMEs via management buy-outs (Cecilia Wong, et.al, 1997). The shift towards service activities with

lower capital requirements has also favored SMEs. High levels of unemployment have, in addition, pushed some people into self-employment as an alternative.

Notwithstanding this positive picture, employment and business growth are concentrated in just a few small firms; many SMEs are not very dynamic (Kevin Mole, 1999). There is a widely held view that work-force training and development can help to improve businesses, including such lagging smaller enterprises. Many of the factors that have promoted the growth of SMEs also require their managers to acquire new skills. In fast-growing small firms the management team will be constantly developing, and the skills need change as both cause and effect of the development of the firm itself.

Measuring Small and Medium-Sized Enterprise Performance

A business organization could measure its performance using the financial and non-financial measures. The financial measures include profit before tax and turnover while the non-financial measures focus on issues pertaining to customers' satisfaction and customers' referral rates, delivery time, waiting time and employees' turnover. Recognizing the limitations of relying solely on either the financial or non-financial measures, owners-managers of the modern SMEs have adopted a hybrid approach of using both the financial and non-financial measures. These measures serve as precursors for course of actions. (*H Gin Chong, 2008*)

Firm linkages and enterprise Performance one of the main reasons why firms link up is to ultimately improve their performance. Firm performance can be measured using different indicators, like profitability, growth in employment, production level, or even sales. In addition, firms also have their own indicators of measuring their performance (*Atieno 2002*).

Opportunities of Micro and Small Enterprises in Ethiopia

MSEs by virtue of their size, location, capital investment and their capacity to generate greater employment have demonstrated their powerful propellant effect for rapid economic growth. The MSE sector has also been instrumental in bringing about economic transition by providing goods and services, that are of adequate quality and are reasonably priced, to a large number of people particularly in rural areas, and by effectively using the skills and talents of a large number of people without requiring high-level training, large sums of capital or sophisticated technology.

The micro and small enterprise sector is also described as the natural home of entrepreneurship. It has the potential to provide the ideal environment for enabling entrepreneurs to optimally exercise their talents and to attain their personal and professional goals. In all successful economies, MSEs are seen as an essential springboard for growth, job creation and social progress. The small business sector is also seen as an important force to: generate employment and more equitable income distribution; activate competition; exploit niche markets; enhance productivity and technical change and, through the combination of all of these measures, to stimulate economic development.

Constraints Facing by Micro and Small Enterprises

MSEs came across wide range of constraints and they are often unable to address the problems they face on their own - even in effectively functioning market economies. The constraints relate amongst others to: the legal and regulatory environments; access to markets; finance; business information; business premises (at affordable rent); the acquisition of skills and managerial expertise; access to appropriate technology; access to quality business infrastructure and, in some cases, discriminatory regulatory practices. In Ethiopia specifically, MSEs have been confronted by many of these problems. According to the CSA Report (1994-1995), the major obstacles experienced by small scale manufacturing industries were the irregular and erratic supply of raw materials and a shortage of suitable working premises. The lack of working premises was also found to present difficulties for the informal sector operators who, faced with insufficient capital, were often impeded from the start. It is suggested that the problems of raw material shortages, lack of working capital and effective marketing which face small manufacturing industries, result in the failure of these businesses to expand. Whereas the same set of problems, when experienced by informal sector operators, have the effect of preventing their expansion almost from the beginning of their operations. For instance, the results of the survey on “Urban Informal Sector Activities” showed that out of the 584,913 informal sector activity operators, about 50 per cent replied that their first major difficulty when starting their operation was the lack of sufficient initial capital. According to their responses, this problem becomes more critical when they intend to expand their businesses. (Zewde and Associate, 2002)

2.2 Summary

As paper of growth Determinates of Micro-Business in Canada “the determinant factors of growth of Micro-Business are divided in three categories:

- a. Owner-manager characteristics – factors that have a potential impact on the abilities and attitudes of the business owner or are indicators of entrepreneurial attitudes;
- b. Business practice characteristics – factors reflecting the way the owner operates his business; and
- c. Firm characteristics – variables traditionally encountered in the empirical studies of firm growth in economic literature: firm size and age, industry and province. We have added to this list the legal status of the firm.

As Minilek Kefale and K. P. M Chinnan, (2012), the deterministic problems that hindered employment growths are lack of work space which is a very serious problem. SMEs were working under high house rent. Seasonality work, input supply problem, power fluctuation, lack of skilled manpower, high rent, high input price, unfair competition and utilities expense are also major problems encountered by small and micro enterprises.

After considering the above studies to fill the gap the researchers grouped determinants of SMEs performance of Burayu Town into four main parts;

- Accesses to finance,
- Market opportunity,
- Training and man power development and
- Skills and management.

CHAPTER THREE

3. Research Design and Methodology

In this chapter the research design used, the data gathering methods and tools; sampling and sampling procedures and the methods of data analysis are discussed in depth.

3.1 Research Design

A descriptive research design was employed in the study to assess the key factors that affect the Performance of MSEs in Burayu town. The reason for using this design is that it enables to describe the different factors that affect the Performance of MSEs.

3.2 Population, sample and sampling techniques

The population of the study consisted of 3316 of MSEs which work in 7 sectors. But the researcher considered five sectors that are actively operating by the time of survey those with population size 1894 and taken a sample of 100 MSEs members and heads together. For selecting these samples of MSEs, stratified random sampling was used in which the 5 key sectors that MSEs engaged were taken as strata to give chance to each of the sectors. From each sector, members were selected in proportion to the number of each MSEs in correspondence to the total number of MSEs, using lottery method by taking list of respondents from the MSE's office.

The following table summarizes the total population in each sector and the corresponding sample taken from each sector.

Table 3: Summary of MSEs population and sample

No.	Types of Work	No. of MSEs	Members of MSSEs			Ratio of Sample	Sample
			Male	Female	Total		
1	Town Agriculture	62	379	280	659	$(659/1894)*100$	35
2	Manufacturing	45	202	112	314	$(314/1894)*100$	16
3	Services	77	402	159	561	$(561/1894)*100$	30
4	General Construction	19	174	20	194	$(194/1894)*100$	10
5	Trade	29	81	85	166	$(166/1894)*100$	9
Total		232	1238	656	1894		100

Sources: - Reports of Trade and industry Office of Burayu Administration, 2012

3.3 Types of Data and tools/ instruments of data collection

Both primary and secondary sources of data were used for the study. The secondary data include information that are obtained mainly from different reports, bulletins, websites and literatures, which are relevant to the matter of the study, were gathered from various sources to complement the survey-based analysis. The primary sources of data were questionnaires distributed to members of MSEs.

In order to answer the basic questions fifty one question was prepared in three parts. The first part consists of demographic profile of the respondents which is designed in a close ended format. The second part covers the economic contribution of MSEs and also prepared in a close ended format. The third parts designed using Likert scale, address issues of Determinant of MSEs performance. The Likert scale ranges from 'strongly agree' to 'strongly disagree' (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree, See appendix A) so as not to limit the response of respondents.

3.4 Procedure of Data collection

Initially the questionnaire was prepared in English language based on the literature review. Taking in to account the respondents educational background and to increase more understanding it was later translated in to Amharic and then distributed to 10 sample respondents (randomly 2 respondents from each sector using lottery method) to check whether what is expected to acquire is achieved or not as a pre-test. Taking the number of items in the questionnaire and the characteristics of respondents, the value can verify the reliability of the testes. In addition, it was checked for grammar and other spelling errors using language. Based on the findings of the pretest and comments of language, certain amendments were made on the questionnaire and lastly by giving the necessary orientations to respondents, the questionnaire was distributed to the whole sample MSEs respondents. (See appendices A and B).

Moreover, in order to get detail information from limited number of respondents, the researcher conducted unstructured interviews with top officials. With the MSEs work process owner, TVET dean, micro finance head. In addition the researcher observed by paying a visit where MSEs produce their products, how they sell, and examine the filling they have.

3.5 Methods of data analysis

After the data has been collected, it was coded and feed to excel sheet so as to simplify further tasks. The respondents' scores were summarized from the sheet and made ready for analysis. After that, it was analyzed using both descriptive statistical techniques and descriptive method.

The General profiles, Economic contribution of MSEs, and determinants of the MSEs performances were analyzed using simple statistical tools such as tables and percentages. And finally to compare the determinants factors Descriptive statistics (mean and standard deviations) of the respondent scores were computed (see Appendix C).

Finally, all these were followed by the necessary interpretations and discussions so as to achieve the desired goals. In interpreting the results for the likert questions, the percentage is used to evaluate the agreement and disagreement scale among respondents on the issues raised rounding results to the nearest one decimal places.

CHAPTER FOUR

4. Data Presentation, Analysis , Results And Discussion

This chapter presents and analyzes the data collected and discusses it accordingly. First, general profile of respondents is analyzed and presented by tables, followed by the economic contribution of MSEs. The data related to the determinant factors that affect the performance of MSEs are analyzed using frequency tables and percentages. Finally, discussions are made based on the data presented and analyzed. From the total 100 questionnaires distributed 93 were properly filled and collected. These numbers will be 93% of the total respondents. Since this is adequate enough to make the analysis, all the discussions below are made on these groups of respondents.

4.1 Presentation and analysis

In this part, the data collected in the basic questions of the questionnaires' are described and analyzed in the following manner.

4.1.1 General profile of respondents

The following tables summarize the General profile of respondents by sex, age, marital status, educational level and types of jobs and the performance of Micro and Small Scale enterprise summarized in the chart as follows by the table.

Table 4: General profiles of respondents

No.	Description	Number	Percentage	Remark
1	Sex			
1.1	Male	74	80	
2.2	Female	19	20	
	Total	93	100	
2	Age			
2.2	Below 20years	10	10.75	
2.3	21-35 years	48	51.61	
2.4	36-45 years	29	31.18	
2.5	Above 45 years	6	6.45	
	Total	93	100	
3	Marital Status			
3.1	Married	87	93.55	
3.2	Single	6	6.45	
	Total	93	100	
4	Educational level			
4.1	Cannot read and write	4	4.3	
4.2	Below 10 th grade	46	49.46	
4.3	10+1	6	6.45	
4.4	10+2	23	24.74	
4.5	College diploma	14	15.05	
4.6	Degree and above	0	0	
	Total	93	100	
5	Types of work			
5.1	Construction and related	10	10.75	
5.2	Service giving	28	30.11	
5.3	Trade	9	9.68	
5.4	Manufacturing	15	16.13	
5.5	Town Agriculture	31	33.33	
	Total	93	100	

As can be seen from the table above, majority of the respondents are Male 74 in number and 80% of the respondents the remaining 19 are female and it is 20%. This will shows us the contribution of the female is so less than that of men.

The age category of 21-35 years consists 51.61% followed by those under the category of 36-45 years with 31.18%. The remaining 10.75% and 6.45% of the respondents are under the age category of below 20 years and above 45 years respectively.

When we examine the educational level of the respondents, it is clearly seen from the table that most respondents are below 10th grade 49.46%. This is followed by those who have 10+2 with 24.74%, and those with College diploma are 15.5%. The table also shows that 6.05% and 4.3% of the respondents are those which have 10+1 and cannot read and write respectively and there is no respondent who has a degree and above.

As far as work type there are five types of work assessed. Construction and related with 10.75% the Service giving with 30.11% followed by trade with 9.68%, Town agriculture and manufacturing with 33.33% and 16.13% respectively.

Discussion and Summary of demography of MSEs from the above findings

Table 4 shows the general profile of MSEs in which the contribution of female in MSEs is much less than that of male. When we see the age those respondents in the age 21-35 group have more participation in MSEs. In relation to the marital status, we can observe that married people are more involved in the membership of MSEs to maintain their family. In the case of Education level majority of the respondent is less than grade ten followed by 10 + 2 TVET educated and those have got diploma is involved, there is no respondent with degree or above. This shows that those who are educated do not give attention to this sector to work. The distribution of work is distributed in the interest of the people living around the town and they are more focused in town agriculture and in service giving.

4.1.2 The Importance of the MSEs for the Members

There are many contributions of MSEs to the economy of the country, that they generate income for the living, they save money, maintain their family and learn.

Table 5: Importance of MSEs

No.	Description	Number	Percentage	Remark
1	Did you have jobs before coming here?			
1.1	Yes	54	58.06%	
1.2	No	39	41.94%	
	Total	93	100	
2	To start this business what was your initial capital			
2.1	Below birr 1000	56	60.22	
2.2	2000-4000 birr	27	29.03	
2.3	5000-20000 birr	10	10.75	
	Total	93	100	
3	The income that you get from this business is enough			
3.1	Yes	31	33.33	
3.2	No	62	66.67	
	Total	93	100	
4	Do you save from your income			
4.1	Yes	62	66.67	
4.2	No	31	33.33	
	Total	93	100	
5	If your answer for No. 4 is No what is the reason for not saving			
5.1	Not enough income for saving	41	44.08	
5.2	Not planned for saving	11	11.08	
5.3	I help my family	41	44.08	
	Total	93	100	
6	What have you benefited from these jobs			
6.1	I have covered my expenses	44	47.31	
6.2	I have been studying	10	10.75	
6.3	I have been saving	39	41.94	
	Total	93	100	

Table 5

As can be observed from the table above, majority of the respondents had their jobs but majority came to MSEs for improving their life who are 54 in number (58.04%) of the respondents the remaining 46 (42.96%) were not had job.

When observed the startup capital majority of respondents 60.22 % started their business below 1000 birr and 29.03% start in between 1000-4000 and the remaining 10.75% start their business above 4000 to 2000. These show that in the most MSEs start their business with so scarce amount of money and have big difficulties to grow as it expected.

As it is study from above table the income generated from this business is enough, answered by the majority of the respondents 66.67% and the remaining answered the income is enough for living. This implies that the income from the business started with small amount of birr the profit is low and difficult for survival. Even if their income is less as observed above in the table the majority of respondents save some amount of many and 33.33% not save anything. Those who don't save answered their reason for not saving is the majority 44.08% the income is not enough and 44.08% didn't save because they maintain their family and the reaming respondent not planned to save. These show us if they have enough income the SMEs have developed the culture of saving.

The importance of MSEs got responded the majority of the respondents 47.31% cover their expenses by earning from these jobs and 41.94% the save from their income and the remaining 10.75% start learning by paying their tuition fee for school. These show that the economic benefit is high.

Discussion and Summary of importance of MSEs for the members

The importance of Economic contribution of MSEs, the survey depict majority of the respondent came to these job by leaving their previous job, this implies that this job is better to improve the life of the respondents. On the other hand, the respondents who had no job have got the opportunity in MSEs to generate income for their living. This shows us MSEs economic contribution is significant and changing economic situation of many people around us that we observed. When the researcher observe initial capital of MSEs majority start up with little amount of money less than one thousand, and followed by between 2000 to 4000 , and few respondent in between 5000 to 2000 birr. This shows that, with little startup capital it is possible to start business to live and maintain the family and also pass to bigger enterprise by doing hard without any hesitation it is encouraging. The earning seems little from our data the majority says

it is not enough, but in contrast to this the majority of the respondents save every month from 30 to 200 birr. This is also a change occurred before many person have no idea of saving but now as the survey shows many respondent have grown the culture of saving. Those who responds don't save their reason are that they have not enough income for saving and they help their family at equal number as it shown in table 2. Very little respondent respond not planned for saving, when they plan to save they start saving. The benefit of the MSEs jobs expressed by respondents majority answered they cover their expenses followed by we save from our income and also few of respondent use to learn from the income they generate.

4.1.3 Determinants of the MSEs performances in Burayu Town.

There are a number of factor that affect MSEs Performances. The following table shows how MSEs Performance affected by those determent factors. According to the ECSA Report (1994-1995), the determinants factors that affect the performance of MSEs include Accesses to finance, skills and managerial Efficiency, market opportunity and training, land, information, managerial skills, infrastructures and raw materials. From those factors, the research focused on Accesses to finance, Skills and managerial Efficiency, Market Opportunity and Training and Manpower Development due to the fact that to study all the factors that affect the performance of MSEs there is time and budget constraint and also it makes this research very wide. In the following graphs we interpret the questionnaire collected from the respondents and discuss.

1. Accesses to Finance:-

Table 6: Demonstrate that Accesses to Finance of Micro and Small Enterprises in Burayu Town.

5= strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

No.	1. Accesses to Finance	Agreement Scale									
		1		2		3		4		5	
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
1.1	Access to finance for startup capital is obtained easily.	16	17.2	29	31.2	16	17.2	20	21.5	12	12.9
1.2	Satisfaction Level with the financial access given by Micro finance and other lending institutions	3	3.2	32	34.4	12	12.9	18	19.4	28	30.1
1.3	You borrow money even without having assets for Collateral	2	2.2	20	21.5	16	17.2	31	33.3	24	25.8
1.4	Interest rate charged by micro finances and other lending institutions is reasonable	6	6.5	14	15.1	18	19.4	33	35.5	22	23.7
1.5	The repayment period of loan is convenient to pay back the debt.	2	2.2	30	32.3	8	8.6	18	19.4	35	37.6
1.6	Micro Finance and other Financial Institute treat all MSEs and other business competitors equally.	12	12.9	12	12.9	35	37.6	14	15.1	20	21.5
1.7	MSEs have got short term training from Micro finance and other financial institute how to handle the loan.	15	16.1	30	32.3	16	17.2	8	8.6	24	25.8
1.8	MSEs have access to necessary inputs for production (raw materials)	27	29.0	36	38.7	8	8.6	10	10.8	12	12.9
1.9	All MSEs have equal knowledge of financial management.	24	25.8	37	39.8	24	25.8	8	8.6	0	0
1.10	Financial problems are cause for making the MSEs not to grow and die in their infant stage.	10	10.8	4	4.3	17	18.3	23	24.7	39	41.9

Table 6

1.1 Access to finance for startup capital is obtained easily, 48.4% disagree have confirmed that they have not access to finance for starting their business while 34.4% of the respondents have stated that there is access to finance for starting a business. If remaining 17.2% of the respondents are undecided to agree or disagree added to the 65.6% concluded that there is no easy access to finance.

1.2 Satisfaction level with the financial access given by Micro finance and other lending institute, 37.6% of the respondent's disagree about satisfaction level with the financial access given by Micro finance and other lending institution. 49.5% agree and confirmed their satisfaction. If remaining 12.9% of the respondents are undecided to agree or disagree added to those disagreed respondents, 50.5% of respondent unsatisfied by the financial access.

1.3 MSEs borrow money even without titled assets for Collateral the respondent response is positive the agreement percent is 59.13 (Strongly agree 25.8 and agree 33.33 Percent) on the other hand 23.7% disagree (strongly disagree 2.2 and disagree 21.5 percent). If the remaining 17.2% undecided to agree or disagree to those disagree respondents become 40.9%.

1.4 Interest rate charged by micro finances and other lending institutions is reasonable the respondents as positive the agreement percent is 59.2 (Strongly agree 23.7 and agree 35.5 Percent) on the other hand 21.6% disagree (strongly disagree 6.5 and disagree 15.1 percent) the remaining 19.4% undecided to agree and disagree. If 19.4% added to disagreed it becomes 41%.

1.5 The repayment period of loan is convenient to pay back the debt, in this equation the respondents agreement is 57 (Strongly agree 37.6 and agree 19.4 Percent) on the other hand 34.5% disagree (strongly disagree 2.2 and disagree 32.3 percent) the remaining 8.6% undecided to agree and disagree. If 8.9% of the respondents that undecided to agree or disagree added to disagreed respondents becomes 43.4%.

1.6 Micro Finance and other Financial Institute treat all MSEs and other business competitors equally in this case the respondent response is those which agree 36.6% (Strongly agree 21.5 and Agree 15.1 percent) and on the other hand 25.8% disagree (strongly disagree 12.9 and disagree 12.9 percent) the remaining 37.6% not decided to agree or not disagree. If the respondents 37.6% undecided to agree or disagree those disagreed respondents becomes 60.4%.

1.7 MSEs have got short term training from Micro finance and other financial institute how to handle the loan the respondent 34.4% agree (25.8% strongly agree and 8.6% agree). The respondent disagree 48.4% (strongly disagree 16.1% and 32.3% disagree) and the remaining 17.2% undecided in the argument. If the respondents undecided to agree and disagree added with disagreed respondents the 55.6% becomes disagreed.

1.8 MSEs have access to necessary inputs for production (raw materials) the respondents 23.7% agree (12.9% strongly agree and 10.8% agree). The respondent disagree 67.7% (strongly disagree 29.0% and 38.7% disagree) and the remaining 8.6% undecided in the equation. If the respondents undecided to agree or disagree added to respondents to disagree the respondents become 76.3% becomes disagreed.

19 All MSEs have equal knowledge of financial management the respondents 8.6% agree. The respondent disagree 65.6% (strongly disagree 25.8% and 39.8% disagree) and the remaining 25.5% undecided in the equation. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 91.4%.

1.10 Financial problems are cause for making the MSEs not to grow and die in their infant stage. The respondents 66.7% agree (41.9% strongly agree and 24.7% agree). The respondent disagree 15.1% (strongly disagree 10.8% and 4.3% disagree) and the remaining 18.3% undecided in the equation. If the respondent undecided to agree or disagree added to the disagreed respondents the disagreement becomes 33.3%.

Discussion and Summary Access to finance for MSEs from the above findings

Lerner and Wulf (2007), has shown that there is a significant association between the managerial efficiency of small firms and long-term survival, stability and viability. The acute shortage of finance experienced by small businesses is a result of lack of efficiency in the management of development finance.

When formal financial institutions fail to fulfill the needs of small enterprises, informal institutions fill the gap based on informal social networks.

The survey indicated that the main financial resources for start-up and expansion of MSEs come from personal savings and family support. This situation can be a constraint for MSEs owners wishing to mobilize adequate working capital to expand their businesses. MSEs, find it difficult to access credit from micro finance institute the need of collaterals and payment period is not enough as they stated above.

The main problem in access to finance that recognized from the survey is that the MSEs not only getting money from the micro finance the problem is lack of training to handle their loan and repayment. The other main problem is MSEs have no knowledge of financial management. Finally majority of the respondent agree financial problems are cause for making the MSEs not to grow and die in their infant stage.

2. Skills and Managerial Efficiency

Table 7: demonstrate in percentage the Skill and Managerial Efficiency of Micro and Small Scale Enterprise of Burayu Town

No.	2. Skills and Managerial Efficiency	Agreement Scale									
		1		2		3		4		5	
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
2.1	MSEs representatives have managing (leading) skill of other members of MSEs.	10	10.7	45	48.4	16	17.2	16	17.2	6	6.5
2.2	MSEs representative Nomination (selection) depends on skills and managerial efficiency.	14	15.1	26	28	35	37.6	12	12.9	6	6.4
2.3	Members of MSEs have knowledge of management and team spirit.	12	12.9	31	33.3	26	27.9	12	12.9	12	12.9
2.4	MSEs are Future oriented.	8	8.6	16	17.2	18	19.4	31	33.3	20	21.5
2.5	MSEs representatives are trained not only for working on their business but also for managing their business.	13	14	31	33.3	12	12.9	25	26.9	12	12.9
2.6	MSEs have written work plan to evaluate their business and their members how much they are efficient enough and to go ahead.	6	6.5	20	21.5	12	12.9	35	37.6	20	21.5
2.7	Government body follows MSEs to upgrade their knowledge trough training and development.	4	4.3	16	17.2	8	8.6	41	44.1	24	25.8
2.8	MSEs representatives have access to information to get and better knowledge in management.	6	6.4	6	6.4	22	23.6	37	39.8	22	23.6
2.9	All MSEs have equal opportunities of using the incentives given by the Governments.	10	10.8	20	21.5	23	24.7	21	22.6	19	20.4
2.10	Skills and management efficiency can help MSEs not to die at infant stage.	4	4.3	2	2.2	25	26.9	21	22.6	41	44.1

Table 7

2.1 MSEs Representatives have skill of managing (leading) other members of MSEs. The respondent agree 23.7% (strongly agree 6.5 and agree 17.2 percent) and 59.1% disagree (strongly disagree 10.7 and disagree 48.4 percent) and the reaming 17.2% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 76.3%.

2.2 MSEs representative Nomination (selection) depends on skills and managerial efficiency, the respondent agree 19.3% (strongly agree 6.4 and agree 12.9 percent) and 43.1% (strongly disagree 15.1 and agree 28 percent) and the remaining 37.6% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 80.7%

2.3 Members of MSEs have knowledge of management and team spirit, the respondent agree 25.8% (strongly agree 12.9 and agree 12.9 percent) and 46.2% (strongly disagree 12.9 and agree 33.3 percent) and the remaining 27.6% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 73.8%

2.4 MSEs are Future oriented, the respondent agree 54.8% (strongly agree 21.5 and agree 33.3 percent) and 25.8% disagree (strongly disagree 8.6 and agree 17.2 percent) and the remaining 12.9% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 38.7%.

2.5 MSEs Representatives are trained not only for working their business but also for managing their business, the respondent agree 39.8% (strongly agree 12.9 and agree 26.9 percent) and 47.3% disagree (strongly disagree 14 and agree 33.3 percent) and the remaining 12.9% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 60.2%.

2.6 MSEs have written work plan to evaluate their business and their members how much they are efficient enough and to go ahead, the respondent agree 59.1% (strongly agree 21.5 and agree 37.6 percent) and 28% (strongly disagree 6.5 and agree 21.5 percent) and the remaining 12.9% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 40.9%.

2.7 Government body follows MSEs to upgrade their knowledge through training and development, the respondent agree 69.9% (strongly agree 25.8 and agree 44.1 percent) and 21.5% (strongly disagree 4.3 and agree 17.2 percent) and the remaining 8.6% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 30.1%.

2.8 MSEs Representatives have access to information to get and better knowledge in management, the respondent agree 63.4% (strongly agree 23.6 and agree 39.8 percent) and 12.9% disagree (strongly disagree 6.4 and agree 6.45 percent) and the reaming 23.7% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 36.6%.

2.9 All MSEs have equal opportunities of using the incentives given by the Governments, the respondent agree 43% (strongly agree 20.4 and agree 22.6 percent) and 32.3% (strongly disagree 10.8 and agree 21.5 percent) and the reaming 24.7% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 57%.

2.10 Skills and management efficiency can help MSEs not to die at infant stage, the respondent agree 66.7% (strongly agree 44.1 and agree 22.6 percent) and 6.5% (strongly disagree 4.2 and agree 2.2 percent) and the reaming 12.9% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 19.4%

Discussion and Summary of skills and management efficiency of MSEs

Skills and Management efficiency determines the performance of MSEs, as we examine from the survey majority of respondents disagree MSEs representative have skill of managing. It is shown that lack of effective management is also a major cause business failure for MSEs. The majority of respondent agree that Skill and management efficiency can help MSEs not to die at infant stage, when the MSEs have good leader that guide them they grow and perform and transfer themselves to bigger enterprises.

3. Market Opportunity

Table 8: Demonstrate in frequency and in percentage Market Opportunity of Micro and Small Scale Enterprise in Burayu Town

No.	3. Market Opportunities	Agreement Scale									
		1		2		3		4		5	
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
3.1	MSEs Products have access to market	11	11.8	22	23.7	14	15.1	28	30.1	18	19.4
3.2	There is no stiff competitions in the market place that MSEs are engaged in.	10	10.8	31	33.3	10	10.8	18	19.4	24	25.8
3.3	Government body search for market for MSEs and link market.	10	10.8	31	33.3	8	8.6	28	30.1	16	17.2
3.4	There is market linkage between Micro and Small enterprises.	4	4.3	21	22.6	16	17.2	31	33.3	21	22.6
3.5	MSEs have the opportunity to study and assess market for their product.	8	8.6	10	10.8	21	22.6	42	45.2	12	12.9
3.6	MSEs have entered to market easily without any competition.	10	10.6	25	26.9	28	30.1	22	23.7	8	8.6
3.7	MSEs exchange the experience with other town or region for market penetration.	25	26.8	10	10.8	18	19.4	26	27.9	14	15.1
3.8	MSEs and other enterprises have price difference in their product for capture the market for the price sensitive market.	12	12.9	8	8.6	20	21.5	35	37.9	18	19.4
3.9	MSEs differentiate their product to penetrate the market.	6	6.4	12	12.9	22	23.7	37	39.8	16	17.2
3.10	Marketing problem is the bottle neck for development of MSEs	4	4.3	2	2.2	2	2.2	32	34.4	53	56.9

Table 8

3.1 MSEs Products have an access to market, the respondent 49.5% agree (strongly agree 19.4 and agree 30.1 percent) and disagree 35.5% (strongly disagree 11.8 and agree 23.7 percent) and the remaining 15.1% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 50.5%

3.2 There is no stiff competitions in the market place that MSEs are engaged in, the respondent agree 45.2% (strongly agree 25.8 and agree 19.4 percent) and disagree 44.1% (strongly disagree 10.8 and agree 33.3 percent) and the reaming 10.8% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 54.8%

3.3 Government body search for market for MSEs and link market, the respondent that agree 47.3% (strongly agree 17.2 and agree 30.1 percent) and disagree 44.1% (strongly disagree 10.8 and agree 33.3 percent) and the reaming 8.6% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 52.7%.

3.4 There is market linkage between Micro and Small enterprises, the respondent agree 55.9% (strongly agree 22.6 and agree 33.3 percent) and disagree 26.9% (strongly disagree 4.3 and disagree 22.6 percent) and the reaming 17.2% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 44.1%.

3.5 MSEs have the opportunity to study and assess market for their product, the respondent agree 58.1% (strongly agree 12.9 and agree 45.2 percent) and disagree 19.4% (strongly disagree 8.6 and disagree 10.8 percent) and the reaming 22.6% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 42%

3.6 MSEs have entered to market easily without any competition, the respondent agree 32.3% (strongly agree 8.6 and agree 23.7 percent) and disagree 37.5% (strongly disagree 10.6 and disagree 26.9 percent) and the reaming 30.1% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 67.6%

3.7 MSEs of this town will exchange the experience with other town or region for market penetration, the respondent that agree 43% (strongly agree 15.1 and agree 27.9 percent) and 37.6% disagree (strongly disagree 26.8 and disagree 10.8 percent) and the reaming 19.4% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 47%.

3.8 MSEs and other enterprises have price difference in their product for capture the market for the price sensitive market, the respondent that agree 57% (strongly agree 19.4 and agree 37.6 percent) and disagree 21.5% (strongly disagree 12.9 and disagree 8.6 percent) and the reaming 21.5% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 43%

3.9 MSEs differentiate their product to catch the market, the respondent that agree 57% (strongly agree 17.2 and agree 39.8 percent) and disagree 19.3% (strongly disagree 6.4 and disagree 12.9 percent) and the reaming 23.7% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 43%

3.10 Marketing problem is the bottle neck for development of MSEs, the respondent agree 91.3% e (strongly agree 56.9 and agree 34.4 percent) and disagree 6.5% (strongly disagree 4.3 and agree 2.2 percent) and the reaming 2.2% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 8.7%

Discussion and Summary of Market Opportunities for MSEs

According to Andu-Alem Tegegne (1997), lack of sufficient marketing and promotional support not sufficient institutional facilities that nurture the promotion, growth and development of MSEs in the country. Consequently, marketing their products effectively is one of the main bottlenecks that MSSEs face all over the country.

The majority of MSEs target the low income market areas because of low entry barriers. Enterprises in this market tend to compete for the same customers. The magnitude of this hindrance is higher for those concentrated in one area as they tend to apply a copy cut strategy and thus produce similar products. This limits their growth potential and stability and is one of the reasons why MSEs experience a relatively high instance of down fall. (Ishengoma & Kapel, 2006)

In the study area the finding of the study revealed that, 91.4% of the MSEs members of under study agreed as Marketing problems is the bottle neck for development of MSEs. Many of the MSEs in Burayu Town market their product /services to a limited local market. Most of the MSEs also sell their products directly to consumers where as few of them through intermediaries. This shows that MSEs have limited sales out let networks. There is also very low promotion of businesses by MSEs as the majority use word of mouth and signboards to advertise their product/services. In other words, advertising and introducing of business through participation in exhibition, distributing flyers and business cards, etc are not well used by many MSEs and seen as important means of creating additional demand for their product or service in Burayu Town.

91.3% of the respondents believe that lack of marketing is the most difficult bottle neck the development of the MSEs in Burayu. Therefore, the concerned government organs have to support the MSEs in finding market for their products/services.

4. Training and Manpower Development

Table 9: demonstrate in percentage Training and Man power development in Micro and Small Scale Enterprise of Burayu Town

No.	4. Training and Man power development	Agreement Scale									
		1		2		3		4		5	
		Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
4.1	MSEs have got entrepreneurship training from TVETs and other government body's	6	6.4	39	41.9	10	10.7	18	19.4	20	21.5
4.2	MSEs have got marketing and market study training from TVETs	12	12.9	29	31.1	10	10.8	28	30.1	14	15.1
4.3	MSEs have got planning and financial reporting training from TVETs	8	8.6	11	11.8	15	16.1	35	37.6	23	24.7
4.4	MSEs have got machine maintenance training from TVETs and from the seller of the machine.	6	6.4	50	53.8	6	6.4	10	10.8	21	22.6
4.5	MSEs have got customer service training from TVETs	7	7.5	32	34.4	10	10.8	20	21.5	24	25.8
4.6	MSEs have got technical skill training from TVETs	6	6.4	21	22.6	20	21.5	26	27.9	20	21.5
4.7	MSEs have got Financial management training from Micro Finance and Financial institutes	9	9.7	34	36.6	12	12.9	14	15.1	24	25.8
4.8	MSEs have got training to work in team to overcome poverty.	6	6.4	11	11.8	13	13.9	21	22.6	42	45.2
4.9	MSEs have to entre to the market with new products to catch market.	4	4.3	40	43	4	4.3	15	16.1	30	32.3
4.10	Training and manpower development is the method for growth in MSEs.	4	4.3	4	4.3	2	2.1	21	22.6	62	66.7

Table 9

4.1. MSEs have got entrepreneurship training from TVETs and other government body's, the respondent agree 40.9% (strongly agree 21.5 and agree 19.4 percent) and disagree 48.3% (strongly disagree 6.4 and disagree 41.9 percent) and the reaming 10.7% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 59.1%

4.2 MSEs have got marketing and market study training from TVETs, the respondent agree 45.2% (strongly agree 15.1 and agree 30.1 percent) and disagree 44% (strongly disagree 12.9 and disagree 31.1 percent) and the remaining 10.8% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 54.8%

4.3 MSEs have got planning and financial reporting training from TVETs, the respondent agree 62.3% (strongly agree 24.7 and agree 37.6 percent) and disagree 21.5% (strongly disagree 9.7 and agree 11.8 percent) and the remaining 16.1% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 37.6%.

4.4 MSEs have got machine maintenance training from TVETs and from the seller of the machine, the respondents that agree 33.4% (strongly agree 22.6 and agree 10.8 percent) and disagree 60.2% (strongly disagree 6.4 and disagree 53.8 percent) and the remaining 6.4% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 66.6%.

4.5 MSEs have got customer service training from TVETs, the respondents that agree 47.3% (strongly agree 25.8 and agree 21.5 percent) and disagree 41.9% (strongly disagree 7.5 and disagree 34.4 percent) and the remaining 10.8% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 52.7%

4.6 MSEs have got technical skill training from TVETs, the respondents that agree 49.5% (strongly agree 21.5 and agree 27.9 percent) and disagree 29 % (strongly disagree 6.4 and disagree 22.6 percent) and the remaining 21.5% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 50.5%

4.7 MSEs have got Financial management training from Micro Finance and Financial institutes, the respondents that agree 40.9% (strongly agree 25.8 and agree 15.1 percent) and disagree 46.3% (strongly disagree 9.7 and disagree 36.6 percent) and the remaining 12.9% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 59.1%

4.8 MSEs have got training to work in team to overcome poverty, the respondents that agree 67.8% (strongly agree 45.2 and agree 22.6 percent) and disagree 18.2% (strongly disagree 6.4 and disagree 11.8percent) and the remaining 13.9% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 32.2%

4.9 MSEs have to enter to the market with new products to catch market, the respondents that agree 48.4% (strongly agree 32.3 and agree 16.1 percent), disagree 47.3% (strongly disagree 4.3 and disagree 43 percent) and the remaining 4.3% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 51.6%.

4.10 Training and manpower development is the method for growth in MSEs, the respondents that agree 89.3% (strongly agree 66.7 and agree 22.6 percent), disagree 8.6% (strongly disagree 4.3 and disagree 4.3 percent) and the remaining 2.1% undecided to agree and disagree. If the respondents undecided to agree or disagree added to the respondents disagreed the disagreement become 10.7%.

Discussion and Summary of Training and Manpower for MSEs

According to Birch (1996), training and manpower development in SMEs will give encouragement to perform well and to over pass the problems by looking bright feature. The last two decades have witnessed resurgence in the MSE.

The supports that TVET institutes provide to MSEs are stronger training in the areas of technology, machines, technical skill trainings, facility supports, and machine maintenance. In the contrary, marketing trainings, plan and reporting trainings, entrepreneurship trainings, financial supports, machine gifts, raw material supports and customer service trainings are weak. This indicates that TVETs are emphasizing on technical trainings. They do not give a comparable value to business trainings and other supports. Therefore it is possible to conclude that, even though the establishments of different municipality services, TVETs, MSEs and micro finances institutions are seen in different towns, the problem identified in this research show that all are not doing what is expected from them. That is the municipalities in providing working premises (land), the TVETs in training entrepreneurs, the micro finances in providing financial supports, and MSEs in recruiting and selecting the youth. All these are joint responsibilities among these stakeholders in bringing MSEs in to high performance.

62.3% of the respondents are satisfied with on training and on planning and financial reporting, while 66.6% of respondents not satisfied with the training on machine maintenance. Therefore, 89.3% of the respondents agree that Training and Manpower development is the method for growth MSEs.

4.1.4 Comparison of determinates of MSEs Performance

Even though, all the factors, Accesses to Finance, Skills and Managerial Efficiency, Market opportunity and Training and Manpower Development factors affect the performance of MSEs, this does not necessarily mean that all have equal impact.

Table 10: Explains Comparison of the overall impact of all the key determinant factors affecting the MSEs Performance in details above.

No.	Determinant Factors	Mean	Standard Deviation	Sensitivity Rank
1	Accesses to Finance	1.88	2.57	1 st
2	Skills and Managerial Efficiency	2.17	3.54	2 nd
3	Market Opportunity	2.47	4.72	3 nd
4	Training and Manpower Development	2.54	5.31	4 th

Table 10

The grand mean (1.88) and grand standard deviation (2.57) in the above table clearly demonstrate that accesses to finance are more severe than the others followed by the skills and managerial efficiency that has a grand mean of (2.17) and a grand standard deviation of (3.54). The table also shows that the impact of the Market Opportunity mean of 2.47 and Standard deviation of 4.72 and Training and manpower development has mean of 2.54 and standard deviation of 5.31 that have less impact comparative to the above three determinants factor.

CHAPTER FIVE

5. Summary, Conclusion and Recommendations

In this chapter, the major findings are summarized; conclusions are drawn based on the findings and recommendations are forwarded for the concerned bodies.

5.1 Summary

In this study, it was designed to assess the determinant of Micro and Small Scale Enterprises performance in Burayu Town. It was also tried to address the characteristics of MSEs and their economic contribution of MSEs in this Town. A sample of 100 MSEs members engaged in 5 sectors was taken for the study using stratified and simple random sampling. In the process of answering the basic questions, a questionnaire that include demographic profiles, economic contribution of MSEs, Determinant of MSEs performance closed ended and likert scales. After the data has been collected, it was analyzed using simple statistical techniques (tables and percentages) and descriptive statistics (mean and standard deviations). Based on 93 respondents the major findings of this study are summarized as follows:

- Most of the respondents are Men 80% and women MSEs 20%, when we see age the majority of respondent 51.6% is in the age between 21-35, remaining 31.18%, 10.75% and 6.45% in the age 36-45, below 20 years and above 45 years respectively. Marital status 93.55% married and the remaining 6.45 are not married. Educational level 49.46% below grade 10, 24.74% is 10+2 and the remaining 15.05%, 6.45%, 4.3% and 0 are college diploma, 10+1, Cannot read and write and degree and above respectively. Type of work taken sample are 37.6% are Constructions and related, 19.4% are service giving the remaining 17.2%, 15% and 1.8% are trade, industry and town agriculture.
- Economic contribution of MSEs 58.06% of the respondents have job before coming to this enterprises and the remaining 41.94% have no jobs before coming to this enterprises. 60.22% of the respondents start the business with initial capital of Birr below 1000, the remain 29.03% and 10.75% are start the business with initial capital between birr 2000-4000 and between birr 5,000-20,000 respectively. 33.33% of respondents have got enough income from this business and 66.66% have not got enough income from this business. 66.66% of respondents save from their income and 33.33% didn't save from their income. The reason for not saving 44.08% of the respondent not enough income for

savings and the remaining 44.08%, 11.08% are helping their family and not planned for saving respectively. The benefit from these jobs 47.31% of respondents have covered their expenses and the remaining 41.94% and 10.75% are saving from their income and learning from their income respectively.

- Determinants of Micro and Small Scale Enterprises performance the first factor is Access to Finance. As evaluated in this the survey the MSEs have no so much problem of getting money from micro finance and they get without collateral and with enough repayment time this is done by the Municipality of the town and MSEs department of Trade and Industry office of the town. On the other hand the survey the MSEs members have no enough knowledge of financial management and the financial problems are cause for making the MSEs not to grow and die in their infant stage. The respondents 66.7% agree and the remaining 15.1%, and 18.3% of respondents disagree and undecided respectively.
- The second factors of determinates of MSEs Performances is Skills and Managerial Efficiency. As investigated in the survey MSEs representative have no skill of managing other members of MSEs, while the municipality upgrade their knowledge through training and development as majority of the respondents agree. Besides training Skills and management efficiency can help MSEs not to die at infant stage, the respondents which agree in this equations agree 66.7% and the remaining 6.5% and 12.9% are disagree and undecided to agree and disagree respectively.
- The third factors of determinants of MSEs Performances is Market Opportunity. As analyzed in the survey MSEs have no market penetration and no so much product differentiation as observed they provide similar products. Marketing problem is the bottle neck for development of MSEs, the respondents that agree are 91.3% and the remaining 6.5%, 2.2% are disagree and undecided to agree and disagree respectively.
- The Fourth and the last factor of determinants of MSEs performance is Training and manpower development. As it is evaluated in the survey many kinds of training offered to MSEs as it seen there is problem of implementing what is trained in practice. In addition in some important works like machine maintenance the majority of respondent not satisfied with training and manpower development. Finally the majority of the respondents agree training and manpower development is the method for growth in MSEs.

5.2 Conclusion

The demography of Micro and Small Scale enterprises in Burayu town shows that they have more men participating and the participation of women is not as much of expected. And the age groups also concentrated in the young age and married people come to work here to maintain their family. Besides this the economic contribution of MSESs in Burayu Town is noticeable the survey clearly shows as many of the MSESs members got job opportunity and cover their expenses and also they develop the habit of saving like other countries to grow the economy and learn to change their life from the income they earn.

The financial problem will have great impact on the growth of MSEs. From the survey the researcher would infer that the MSEs which have opportunity of getting money from Micro financing and other financial institution, the MSEs which get training on financial management and managing their money in proper accounting manner will grow to large enterprises.

Marketing Opportunities are also factor of micro and small scale enterprises performance as it is analyzed in the survey the MSEs have no power of marketing penetration. As the survey and observed from the MSEs the government body find and link the market for their products. In addition the government organizes the opportunity of exchange of experience. Even if the supports of the offices are still with them the majority of MSEs members agree that marketing problem is the bottle neck for development of MSEs.

Training and man power developments are also the determinate factor of performance of micro and Small scale enterprises examined in the survey and the MSEs of Burayu town have got many kinds of training. As the table 4.6 show briefly majority of respondents express their disagreement on training and man power development from TVETs and other government body, except for training for financial and reporting and training on working in team helps to overcome poverty that majority of the respondents agree. Finally 87.3% of the respondents agree Training and manpower development is the method for growth in MSEs.

5.3 Limitations of the Study

This study does not pretend to be free of limitations. Though the findings and conclusions are not affected, it is important to highlight some of the limitations. Firstly, the study has only been conducted in the Burayu Town, and has not examined regional variations in Oromia regional state. Secondly, as with most surveys, the study only captures the circumstances prevailing at the time of the questionnaires and time of observation. Thirdly, it is also possible that some of the respondents did not provide their true opinions during the answering questionnaires because they regarded some of the questions as sensitive. Lastly in the report and the MSEs members numbers there are miss much, the report shows the number little greater than the truly existing members. However, this group is considered to be small and we assume that they did not affect the overall results and conclusions.

5.4 Recommendations

Based on the findings of the study, the necessary recommendations are forwarded to existing MSEs, To Trade and industry Office of Burayu Town Administration, to Micro Finances Institutes and TVET institution.

To MSEs Members and MSEs Heads of Burayu Town

MSEs have many problems to overpass and to perform well; existing and potential MSEs should not see it as a last alternative. This is because starting own business creates sense of independence, flexibility and freedom; make own boss, give time and financial freedoms. Besides this, in the time of globalization, it would be impossible to get jobs easily because of the serious competition throughout the world. Moreover, to tackle the different economic, social and legal bottlenecks they face, MSEs should make lobbies together to the concerned government officials through their associations.

In addition to this, MSEs should search for other alternative supporting agents rather than relying only on TVET institutions, micro finances and MSEs offices in improving their performance and solving problems. For example, they should also approach known individual entrepreneurs, NGOs, banks and other supporting organizations. At last, MSEs of Burayu town should share experiences with other MSEs in other towns and regions so that they can learn a lot from best practices.

To Burayu Town Trade and Industry Office

This office should design a different screening mechanism while selecting candidates rather than using “one kebele member system”. Besides this, the minimum number of members to form a cooperative should also be revised. Being in one/the same kebele should not be a criterion to form a cooperative association, rather members’ skill compositions, their ethical attitudes and commitment to work should also be taken into account. Furthermore, keeping the minimum number of members to form an association in to 10 is not reasonable, because what matters is not their number rather their willingness and their relationship among themselves should also be considered. Besides the office have to collect feed back where they are? What they do? Are they sustainable or phase out? And so on. Finally the office must have the report and practical work one and the same.

To Micro Finances Institutes

As the survey show the researcher would like to recommend that for MSEs to grow the lending amount for startup their business to expand the business and to work in wider possibility. In addition, Micro finance institutes should have to give short term training how to handle the loan and to pay back the debt because all MSEs have no equal knowledge of financial management. In addition, Micro finance institutes should change the practice of “group lending system” since members in a group cannot have the same thinking level, attitude and commitment as there are personal differences. Hence institutes should allow individual lending systems. Micro-finances should also minimize the interest rates that they charge to MSEs so as to strengthen their entrepreneurial spirit. In addition Credit services need to be reviewed in order for them to be accessible to small enterprises with limited capacity. This has yet to be achieved despite the

proliferation of microfinance institutions alongside the MSE strategy. The procedures for securing loans must be simplified or greater support offered by the lenders to support SMEs. Some microfinance institutions also need to be sensitized to the nature of SMEs and the sustainability of their businesses.

To TVET Institutes

Even though technical skills trainings are of great importance to MSEs, it should be supplemented with business trainings to improve their business to grow. Consequently TVET institutions should provide both technical and business trainings to MSEs so that these MSEs can endure competitions, develop entrepreneurial sprits, improve managerial skill in such a competitive world.

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APPENDIXES

APPENDIX (A)

St. Mary's University College Schools of Graduate studies

Questionnaire will fill by

Worker of Micro and Small Scale Enterprises

In Oromiya Regional State, Oromiya Special Zone Burayu Town

This questionnaire is developed to examine the Determinants of Micro and Small Scale Enterprise performance in Burayu Town Oromiya Regional state. The information you provide will be used only for research purposes and will be kept strictly confident.

Thank you in advance for your cooperation!

Part I: - General Information

No Need of Writing the Name

Notice: - For those questions that have box please put this “ ” mark in the box you choices.

Before you will answer the questions, please fill the following boxes.

- | | | | | |
|------------------------|------------------------|--------------------------|---------------------|--------------------------|
| 1. Sex | Male | <input type="checkbox"/> | Female | <input type="checkbox"/> |
| 2. Age | Below 20 Years | <input type="checkbox"/> | Between 21-35 years | <input type="checkbox"/> |
| | Between 36-45 years | <input type="checkbox"/> | Above 45 year | <input type="checkbox"/> |
| 3. Marital Status | Married | <input type="checkbox"/> | Single | <input type="checkbox"/> |
| 4. Levels of Education | No Reading and writing | <input type="checkbox"/> | Below grade 10 | <input type="checkbox"/> |
| | 10 + 1 | <input type="checkbox"/> | 10+2 | <input type="checkbox"/> |
| | College diploma | <input type="checkbox"/> | Degree and above | <input type="checkbox"/> |
| 5. Type of activities | Construction | <input type="checkbox"/> | Service giving | <input type="checkbox"/> |
| | Trade | <input type="checkbox"/> | Town Agriculture | <input type="checkbox"/> |
| | Industries | <input type="checkbox"/> | | |

I. Question relate to the contribution of micro and small enterprises for economic growth.

1. Have you had job before you engage in this activity?
Yes No

1.1 If yes what was your previous job and why you change it?

2. What was the amount of your initial capital to start the business?

• Less than birr 1000

• Between birr 2000-5000

• Between birr 5000-20,000

• State if any other _____

3. What is your average monthly income after you engage in this activity in Birr? _____

4. Is the income you get from this activity is enough?

Yes No

If your answer for question number '4' is 'no', do you have additional income source?

Yes No

5. Have you ever save some of your income?

Yes No

5.1 If your answer for question number '5' is 'no', what is your reasons

• It is not enough to save

• I did not plan to save

• I help my family

• State if any other cases _____

5.2 If your answer for question number '5' is 'yes', what is the average amount of your saving each month in Birr? _____

6. What are the benefits you got after you engage in this activity?

• I am able to cover my expense

• I am able to help my family

• I am able to learn

• I am able to save

• State if any other _____

II. Question related to determinant factors of micro and small enterprise Performance.

The major Determinants factors that affect MSEs’ performance are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark “ ” under the choices below in the tables provided.

5= strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

<i>No.</i>	<i>Item</i>	<i>Agreement Scale</i>					<i>Remark</i>
		1	2	3	4	5	
	<i>1. Accesses to Finance</i>						
1.1	Access to finance for startup capital will be got easily.						
1.2	Satisfaction Level with the financial access given by Micro finance and other lending institutions						
1.3	You borrow money even without titled assets for Collateral						
1.4	Interest rate charged by micro finances and other lending institutions is reasonable						
1.5	The repayment period of loan is convenient to pay back the debt.						
1.6	Micro Finance and other Financial Institute treat all MSEs and other business competitors equally.						
1.7	MSEs have got short term training from Micro finance and other financial institute how to handle the loan.						
1.8	MSEs have access to necessary inputs for production (raw materials)						
1.9	All MSEs have equal knowledge of financial management.						
1.10	Financial problems are cause for making the MSEs not to grow and die in their infant stage.						

<i>No.</i>	<i>Item</i>	<i>Agreement Scale</i>					<i>Remark</i>
		1	2	3	4	5	
	2. Skills and Managerial Efficiency						
2.1	MSEs representatives have skill of managing (leading) other members of MSEs.						
2.2	MSEs representative Nomination (selection) depends on skills and managerial efficiency.						
2.3	Members of MSEs have knowledge of management and team spirit.						
2.4	MSEs are Future oriented.						
2.5	MSEs representatives are trained not only for working their business but also for managing their business.						
2.6	MSEs have written work plan to evaluate their business and their members how much they are efficient enough and to go ahead.						
2.7	Government body follows MSEs to upgrade their knowledge trough training and development.						
2.8	MSEs representatives have access to information to get and better knowledge in management.						
2.9	All MSEs have equal opportunities of using the incentives given by the Governments.						
2.10	Skills and management efficiency can help MSEs not to die at infant stage.						

<i>No.</i>	<i>Item</i>	<i>Agreement Scale</i>					<i>Remark</i>
		1	2	3	4	5	
	3. Market Opportunities						
3.1	MSEs Products have an access to market						
3.2	There is no stiff competitions in the market place that MSEs are engaged in.						
3.3	Government body search for market for MSEs and link market.						
3.4	There is market linkage between Micro and Small enterprises.						
3.5	MSEs have the opportunity to study and assess market for their product.						
3.6	MSEs have entered to market easily without any computation.						
3.7	MSEs of this town will exchange the experience with other town or region for market penetration.						
3.8	MSEs and other enterprises have price difference in their product for catching the market for the price sensitive market.						
3.9	MSEs differentiate their product to catch the market.						
3.10	Marketing problem is the bottle neck for development of MSEs						

<i>No.</i>	<i>Item</i>	<i>Agreement Scale</i>					<i>Remark</i>
		1	2	3	4	5	
	4. Training and Man power development						
4.1	MSEs have got entrepreneurship training from TVETs and other government body's						
4.2	MSEs have got marketing and market study training from TVETs						
4.3	MSEs have got planning and financial reporting training from TVETs						
4.4	MSEs have got machine maintenance training from TVETs and from the seller of the machine.						
4.5	MSEs have got customer service training from TVETs						
4.6	MSEs have got technical skill training from TVETs						
4.7	MSEs have got Financial management training from Micro Finance and Financial institutes						
4.8	MSEs have got training to work in team to overcome poverty.						
4.9	MSEs have to entre to the market with new products to catch market.						
4.10	Training and manpower development is the method for growth in MSEs.						

Thank You Again for your Cooperation and Your Valuable Time.

APPENDIX (B)

ቅድስተ ማርያም ዩንቨርሲቲ ኮሌጅ

የድህረ ምረቃ ፕሮግራም

**በኦሮሚያ ክልላዊ መንግስት ኦሮሚያ ልዩ ዞን ቡራዩ ከተማ
ጥቃቅንና አነስተኛ ማህበራት ሰራተኞች የሚሞሉ መጠይቆች**

ይህ መጠይቅ የተዘጋጀው ለጥቃቅንና አነስተኛ ማህበራት ውጤታማነት ወሳኝ የሆኑ ምክንያቶችን ለመመዘን ነው። ከዚህ መጠይቅ የሚገኘው መረጃ የሚያገለግለው ለትምህርታዊ ጥናት የሚውል መሆኑን በመገንዘብ በጥንቃቄ እንዲሞሉልኝ እየጠየቅሁ የመረጃውም ሚስጥራዊነት እንደሚጠበቅ አሳውቃለሁ።

ለሚደረግልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ክፍል ፩ አጠቃላይ መረጃ

በመጠይቁ ላይ ስም መጻፍ አያስፈልግም

መመሪያ:- ከፊት ለፊታቸው ሳጥን ላላቸው መጠይቆች “ ” ይህንን ምልክት በሳጥኑ ውስጥ ያድርጉ፤ ለሌሎቹ ጥያቄዎች አጠር ያለ መግለጫ ይስጡ። ወደ መጠይቁ ሳይገቡ እባክዎ እነዚህን ሳጥኖች ይሙሏቸው።

- | | | | | |
|---------------|----------------|--------------------------|----------------|--------------------------|
| 1. ስም | ወንድ | <input type="checkbox"/> | ሴት | <input type="checkbox"/> |
| 2. እድሜ | ከ 20 ዓመት በታች | <input type="checkbox"/> | በ 21 – 35 ዓመት | <input type="checkbox"/> |
| | ከ 36 – 45 ዓመት | <input type="checkbox"/> | ከ 45 ዓመት በላይ | <input type="checkbox"/> |
| 3. የጋብቻ ሁኔታ | ያገባ/ች | <input type="checkbox"/> | ያላገባ/ች | <input type="checkbox"/> |
| 4. የትምህርት ሁኔታ | ማንበብ መፍና የማይችሉ | <input type="checkbox"/> | ከ 10ኛ ክፍል በታች | <input type="checkbox"/> |
| | 10+1 | <input type="checkbox"/> | 10+2 | <input type="checkbox"/> |
| | ኮሌጅ ዲፕሎማ | <input type="checkbox"/> | ድግሪ እና ከዚያ በላይ | <input type="checkbox"/> |
| | | <input type="checkbox"/> | | |
| 5. የስራው አይነት | ግንባታ | <input type="checkbox"/> | አገልግሎት መስጠት | <input type="checkbox"/> |
| | ንግድ | <input type="checkbox"/> | የከተማ ግብርና | <input type="checkbox"/> |
| | እንዲስትሪ | <input type="checkbox"/> | | |

ክፍል ፪ ጥቃቅንና አነስተኛ ማህበራት ለኢኮኖሚያዊ እድገት ያላቸው አስተዋፅኦ የሚገልፅ መጠይቅ

1. ወደዚህ ስራ ከመግባትዎ በፊት ስራ ነበርዎ?

አዎን አይ

1.1 መልስዎ አዎን ከሆነ ስራዎ ምን ነበር? ለምን የቀድሞ ስራዎን ለወጡ?

_____.

2. ይህንን ስራ ለመጀመር መነሻ ካፒታልዎ ስነት ብር ነበር?

• ከ1000 ብር በታች

• ከ2000-4000 ብር

• ከ5000-20,000 ብር

• የተለየ ከሆነ ይግለጹ _____.

3. ወደዚህ ስራ ከገቡ በኋላ በአማካይ የወር ገቢዎ በብር ምን ያህል ነው?

_____.

4. ከዚህ ስራ የሚያገኙት ገቢ በቂ ነው?

አዎን አይ

የ4ኛ ጥያቄ መልስ አይ ከሆነ ሌላ ተጨማሪ ገቢ አለዎት?

አዎን አይ

5. ከሚያገኙት ገቢ ይቆጥባሉ?

አዎን አይ

5.1 የ5ኛ ጥያቄ መልስ አይ ከሆነ ምክንያትዎ ምንድን ነው?

• ለመቆጠብ በቂ ገቢ የለኝም

• ለመቆጠብ አላቀድኩም

• ቤተሰብ እረዳለሁ

• የተለየ ከሆነ ይግለጹ _____.

5.2 የ5ኛ ጥያቄ መልስ አዎን ከሆነ በየወሩ በአማካይ ምን ያህል ይቆጥባሉ?

_____.

6. ወደዚህ ስራ ከገቡ በኋላ ያገኙት ጥቅም ምንድን ነው?

• ወጪዬን መሸፈን ችያለሁ

• ለመማር ችያለሁ

• ለመቆጠብ ችያለሁ

• የተለየ ከሆነ ይግለጹ _____.

ክፍል ፫ ጥቃቅንና አነስተኛ ማህበራትን ውጤታማነት ላይ ተጽዕኖ የሚያሳድሩ ሁኔታዎችን የሚገልፅ መጠይቅ

ከዚህ ቀጥሎ በጥቃቅንና አነስተኛ ማህበራት ውጤታማነት ላይ ተጽዕኖ ያሳድራሉ ተብለው የሚጠበቁ ሁኔታዎች ተዘርዝረዋል። የእንዳንዱን ተጽዕኖ ካለው ሁኔታ ጋር በማያያዝ ለምርጫ በተሰጠው ሰንጠረዥ ውስጥ ይህንን ምልክት “ ” በማድረግ በተሠጠው ሰንጠረዥ ውስጥ ምላሽ ይሰጡ።

5= በጣም እስማማለሁ 4 = እስማማለሁ 3 = ለመወሰን እቸገራለሁ 2 = አልስማማም 1 = በጣም አልስማማም

ተ.ቁ.	ሁኔታዎች	የሰምምነት ደረጃ					መግለጫ
		1	2	3	4	5	
	1. የገንዘብ ማግኛ ሁኔታዎች						
1.1	ስራዎችን ለመጀመር ገንዘብ ያገኙት በቀላል ዘዴ ነው።						
1.2	ከአነስተኛ ብድርና ቁጠባ ተቋምና ከሌሎች አበዳሪ ተቋማት በሚያገኙት የገንዘብ ብድር አሰጣጥ ረከተዋል።						
1.3	የብድር አገልግሎት ያለ ማያዣ (ቋሚ ንብረት) አግኝተዋል።						
1.4	ለአነስተኛ ብድርና ቁጠባ ተቋም ና ሌሎች አበዳሪ ተቋማት የሚከፈል የወለድ መጠን የገንዘብ ብድር አግባብ ያለው ነው።						
1.5	እዳዎችን ከፍለው ለመጨረስ የተሰጠዎት ጊዜ በቂ ነው።						
1.6	አነስተኛ ብድርና ቁጠባ ተቋም ና ሌሎች አበዳሪ ተቋማት ጥቃቅንና አነስተኛ ማህበራትን ከሌሎች ተወዳዳሪ የንግድ ድርጅቶች ጋር እኩል መስተንግዶ ይሰጣሉ።						
1.7	ከአነስተኛ ብድርና ቁጠባ ተቋም ና ከሌሎች አበዳሪ ተቋማት ብድርዎን እንዴት እንደሚቆጣጠሩ ስልጠና አግኝተዋል።						
1.8	የጥሬ ዕቃ አቅርቦት ለማግኘት የተመቻቸ ሁኔታ አለ።						
1.9	ሁሉም ጥቃቅንና አነስተኛ ማህበራት እኩል የገንዘብ አያያዝ እውቀት አላቸው።						
1.10	የገንዘብ እጥረት ጥቃቅንና አነስተኛ ማህበራትን እንዳያድጉና በጅምር አንዲቀሩ ያደርጋቸዋል።						

ተ.ቁ	ሁኔታዎች	የሰምምነት ደረጃ					መግለጫ
		1	2	3	4	5	
	2. የማስተዳደር ችሎታና አቅም						
2.1	የጥቃቅንና አነስተኛ ማህበራት ሃላፊዎች አባላቱን የማስተዳደር ችሎታና አቅም አላቸው።						
2.2	የጥቃቅንና አነስተኛ ማህበራት ሃላፊዎች ምርጫ (ምደባ) የማስተዳደር ችሎታና አቅምን ያገናዘበ ነው።						
2.3	የጥቃቅንና አነስተኛ ማህበራት አባላት የማስተዳደርና በቡድን የመስራት ብቃት አላቸው።						
2.4	የጥቃቅንና አነስተኛ ማህበራት የወደፊት ግባቸውን አስቀምጠዋል።						
2.5	የጥቃቅንና አነስተኛ ማህበራት ሃላፊዎች የሚሰጣቸው ስልጠና ለስራ ብቻ ሳይሆን ለማስተዳደርም ጭምር ነው።						
2.6	የጥቃቅንና አነስተኛ ማህበራት የአባላቶቻቸውን ችሎታና የስራቸውን መሻሻል ለመገምገም የሚረዳ በጽሁፍ የተቀመጠ የስራ ዕቅድ አላቸው።						
2.7	የጥቃቅንና አነስተኛ ማህበራትን የማስተዳደር ዕውቀት ለማሳደግ የመንግስት አካላት ስልጠናና እገዛ ይሰጣል።						
2.8	የጥቃቅንና አነስተኛ ማህበራት ሃላፊዎች አመራር የተሻለ እውቀትና መረጃ የማግኘት እድል አላቸው።						
2.9	ሁሉም የጥቃቅንና አነስተኛ ማህበራት ከመንግስት የሚሰጡ ድጋፎችን እኩል የመጠቀም ዕድል አላቸው።						
2.10	የማስተዳደር ብቃትና ችሎታ ጥቃቅንና አነስተኛ ማህበራትን በጅምር አንዳይቀሩ ይረዳቸዋል።						

ተ.ቁ	ሁኔታዎች	የሰምምነት ደረጃ					መግለጫ
		1	2	3	4	5	
	3. ገበያ የማግኘት እድል						
3.1	የጥቃቅንና አነስተኛ ማህበራት ምርቶች ለገበያ ተደራሽ የመሆን እድል አላቸው።						
3.2	የጥቃቅንና አነስተኛ ማህበራት በተሰማሩባቸው የስራ ዘርፎች ከፍተኛ የስራ ፉክክር አየገጥማቸውም።						
3.3	የመንግስት አካላት ለጥቃቅንና አነስተኛ ማህበራት ገበያን የፈለገው እንዲሁም የገበያ ትስስርን የፈጥራሉ።						
3.4	በጥቃቅንና አነስተኛ ማህበራት መሃከል የገበያ ትስስር የፈጠራል።						
3.5	የጥቃቅንና አነስተኛ ማህበራት ለምርቶቻቸው የገበያ ጥናትን የማድረግ እድል አላቸው።						
3.6	የጥቃቅንና አነስተኛ ማህበራት ያለ ምንም የገበያ ፉክክር ወደ ገበያ የመግባት እድል አላቸው።						
3.7	የጥቃቅንና አነስተኛ ማህበራት ከሌላ ከተማ የጥቃቅንና አነስተኛ ማህበራት ጋር ወደ ገበያ ዘልቆ ለመግባት የሚረዳቸውን የልምድ ልውውጥ ያደርጋሉ።						
3.8	የጥቃቅንና አነስተኛ ማህበራት ከሌላ የንግድ ድርጅቶች የተሻለ ገበያ ለማግኘት በመሀከላቸው የዋጋ ልዩነት ይፈጥራሉ።						
3.9	የጥቃቅንና አነስተኛ ማህበራት የተሻለ ገበያ ለማግኘት አዳዲስ ምርቶችን የቀርቧል።						
3.10	የገበያ ችግር ለጥቃቅንና አነስተኛ ማህበራት እድገት ማነቆ ነው።						

ተ.ቁ.	ሁኔታዎች	የሰምምነት ደረጃ					መግለጫ
		1	2	3	4	5	
	4. ስልጠናና የሰው ሃይል ማጎልበት						
4.1	የጥቃቅንና አነስተኛ ማህበራት ከቴክኒክና ሙያ ስልጠና እና ከሌሎች የመንግስት ተቋማት የፈጠራ ክህሎት ስልጠና አግኝተዋል።						
4.2	የጥቃቅንና አነስተኛ ማህበራት ስለ ገበያ እና ስለ ገበያ ጥናት ከቴክኒክና ሙያ ስልጠና እና ከሌሎች የመንግስት ተቋማት ስልጠና አግኝተዋል።						
4.3	የጥቃቅንና አነስተኛ ማህበራት ስለ ዕቅድና ስለ ሒሳብ መግለጫ ከቴክኒክና ሙያ ስልጠና እና ከሌሎች የመንግስት ተቋማት ስልጠና አግኝተዋል።						
4.4	የጥቃቅንና አነስተኛ ማህበራት ስለ ማምረቻ መሳሪያ አጠቃቀምና ጥገና ከቴክኒክና ሙያ ስልጠና እና ማምረቻ መሳሪያዎቹ ከተገዙበት ድርጅት ስልጠና አግኝተዋል።						
4.5	የጥቃቅንና አነስተኛ ማህበራት ስለ ደንበኛ አያያዝና አገልግሎት አሰጣጥ ስልጠና አግኝተዋል።						
4.6	የጥቃቅንና አነስተኛ ማህበራት ቴክኒካዊ ክህሎተ ከቴክኒክና ሙያ ስልጠና አግኝተዋል።						
4.7	የጥቃቅንና አነስተኛ ማህበራት ስለ ሂሰብ አያያዝ ከአነስተኛ ብድርና ቁጠባ እና ከሌሎች የብድር አገልግሎት ሰጪ ድርጅቶች ስልጠና አግኝተዋል።						
4.8	የጥቃቅንና አነስተኛ ማህበራት ድህነትን ለማሸነፍ በጋራ መስራት እንዳለባቸው ስልጠናዎቻቸው።						
4.9	የጥቃቅንና አነስተኛ ማህበራት የተሻለ ገበያ ለማግኘት አዳዲስ ምርቶችን ይዘው ወደ ገበያ ማቅረብ እንዳለባቸው ስልጠናዎቻቸው።						
4.10	ስልጠናና የሰው ሀብት ማጎልበት ዘዴ ለጥቃቅንና አነስተኛ ማህበራት የእድገት መሠረት ነው።						

ውድ ጊዜዎትን ሰውተው ስለ ተባበሩኝ በድጋሚ አመሰግናለሁ!

APPENDIX (C)

Responses	1. Question Accesses to Finance										Cumulative SD and Mean
	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	1.1	
1	16	3	2	6	2	12	15	27	24	10	
2	29	32	20	14	30	12	30	36	37	4	
3	16	12	16	18	8	35	16	8	24	17	
4	20	18	31	33	18	14	8	10	8	23	
5	12	28	24	22	35	20	24	12	0	39	
SD Respondents	6.47	11.78	10.81	9.99	14.03	9.74	8.53	12.28	14.62	13.46	2.57
Mean Respondents	4.72	9.12	7.68	7.12	11.12	7.12	6.72	10.32	11.68	9.92	1.88

Responses	2. Question to Skills and Managerial Efficiency										Cumulative SD and Mean
	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	2.1	
1	10	14	12	8	13	6	4	6	10	4	
2	45	26	31	16	31	20	16	6	20	2	
3	16	35	26	18	12	12	8	22	23	25	
4	16	12	12	31	25	35	41	37	21	21	
5	6	6	12	20	12	20	24	22	19	41	
SD Respondents	15.36	11.70	9.21	8.29	8.85	10.90	14.69	13.03	5.03	16.10	3.54
Mean Respondents	10.56	9.52	7.92	5.52	7.52	7.68	11.12	10.08	3.44	12.48	2.17

Responses	3. Question to Market opportunity										Cumulative SD and Mean
	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	3.1	
1	11	10	10	4	8	10	25	12	6	4	
2	22	31	31	21	10	25	10	8	12	2	
3	14	10	8	16	21	28	18	20	22	2	
4	28	18	28	31	42	22	26	35	37	32	
5	18	24	16	21	12	8	14	18	16	53	
SD Respondents	6.69	9.099	10.43	9.813	13.99	9.044	6.914	10.33	11.82	23.06	4.71
Mean Respondents	5.12	7.12	8.72	6.88	10.32	7.68	5.52	7.12	8.72	19.12	2.47

Responses	4. Question to Training and Man Power development										Cumulative SD and Mean
	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.9	4.1	
1	6	12	8	6	7	6	9	6	4	4	
2	39	29	11	50	32	21	34	11	6	4	
3	10	10	15	6	10	20	12	13	4	2	
4	18	28	35	10	20	26	14	21	15	21	
5	20	14	23	21	24	20	24	42	32	62	
SD Respondents	12.76	9.15	10.85	18.60	10.24	7.47	10.29	14.15	11.97	25.45	5.31
Mean Respondents	8.72	7.92	8.48	13.52	8.08	5.04	8.32	10.32	9.04	18.32	2.566