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Address all communications to:

St. Mary's University
Research and Knowledge Management
Office (RaKMO) P.O.Box 18490, Addis
Ababa, Ethiopia

☎: +251(0)11-552-4575

✉: rakmo@smuc.edu.et



www.smuc.edu.et

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Preface

Research and Knowledge Management Office of St. Mary's University (SMU) has been organizing Annual Multi-Disciplinary Seminar (MDS) since 2009 along with other national and international events. The overall aim of MDS is to promote the culture of knowledge generation, presentation and dissemination among academicians, researchers and practitioners. At this year's annual event, 11 papers were presented by researchers from different universities and institutions which include Addis Ababa University, Ambo University, Ethiopian Civil Service University, Medda Wolabu University, and St. Mary's University.

Every year SMU publishes papers presented at the Multi-Disciplinary Seminar (MDS) for wider dissemination and use. This proceeding is, therefore, a compilation of the 11 papers presented on August 3, 2023.

Finally, the Research and Knowledge Management Office of St. Mary's University would like to thank all presenters and participants for their contribution in presenting their research papers and engaging in scientific discourse.

Tampon Tax Fiscal Policy and Women's Rights in Ethiopia: A Comparative Study

Muluken Kassahun Amid, Ph.D. Researcher, Addis Ababa University

- Contact Address- Email- mulkas2003@gmail.com/
- Mobile- 09 31 01 26 80

Abstract

Tampon Tax refers to an imposition of indirect taxes, especially VAT, on menstrual hygiene products. Globally, there is a movement to eliminate tampon taxes as it unfairly imposes tax burden on women based on their natural or biological difference from men. Tampon taxes are not only blamed for restricting affordability of menstrual hygiene products, but it also undermines the enjoyment of several interdependent human rights of women. Ethiopia recently removed tax from imported raw materials for the local manufacturers of menstrual products and reduced the taxation rate on imported menstrual products from 30 to 10 %. However, the allegation against tampon tax is claiming for a total exemption of menstrual related products and their raw materials from taxable items. The objective of this paper is to examine the imposition of tampon taxes from a women's rights perspective. The study used a qualitative research approach. The paper argues menstrual products are biologically driven necessities, even more than the already exempted items such as condoms. Tampon tax constitutes covert regulatory discrimination based on sex and it undermines gender equality. The tax endangers women's right to health, education, work, movement and right to dignity. Consequently, several states have totally eliminated tampon taxes, while others reduced it to a lower percentage of taxation. Still other states make tampon tax unconstitutional through constitutional review. The Ethiopian regulatory reaction is a partial solution and, actually, has not brought the intended result of affordability as there is no reduction on the price of menstrual products. The Ethiopian government should learn from the best lessons of other countries and exempt tampon tax on imported menstrual products as well as monitor and supervise its effectiveness on the ground.

Keywords: Tampon Tax, Fiscal Policy, Women's rights, Ethiopia, Foreign lessons

1. Introduction

Menstruation is an involuntary biological challenge. It is a monthly regular occurrence in most women's lives. Menstruation happens on women averagely between the ages of thirteen to fifty-one. Women have an estimated 450 periods during their lifetime. The average woman spends roughly 2280 days (6.25 years) menstruating (UNICEF, 2018). Every day, more than 300 million girls and women are menstruating. Unlike pregnancy, menstruation is a consistent and unavoidable aspect of most women's lives for nearly four decades.

In many developing countries, including Ethiopia, menstruation is perceived as a taboo that causes discrimination and restricts them from participating in socio-economic life. Moreover, lack of access to clean menstrual management materials and sanitation facilities makes their life miserable during the period (FSG, 2016). In most low and middle-income countries, access to sanitary products such as pads, tampons, or cups is limited, and girls often resort to using strips of cloth and other proxy materials to try to absorb their menstrual flow.

The affordability of menstrual products is not only limited by material accessibility, but also economic accessibility called Period poverty. Period poverty may be defined as women and girls being unable to access safe, hygienic sanitary products often due to financial constraints. It may include community stigma and sanctions and having poor knowledge of menstruation. In Ethiopia, studies show that only 28% of women have the necessary product and facility environment to manage their menstruation (Rosenburg S, 2018). More than 70% of girls are reported for not using sanitary products due to unaffordability and period poverty (Geertz, A, 2016). Unreasonable imposition of tax on the menstrual product is one of the major factors that hinder its affordability in many countries as they are considered as luxury items rather than necessities.

Currently, there is a global offline and online campaign in different countries to eradicate taxes imposed on menstrual products which are commonly called Tampon/ Period Tax. Many countries are lifting and reducing to a lower rate of the tampon tax. For instance, Australia, Bhutan, Guyana, India, Jamaica, Kenya, Lebanon, Malaysia, Maldives, Nicaragua, Nigeria, Rwanda, Saint Kitts & Nevis, and South Korea have totally exempted menstrual products from taxation, while other countries such as Canada, Colombia, Ireland, Lesotho, Mauritius, South Africa, UK, Uganda, Trinidad, and Tobago decided Zero rate of VAT (Wash United, 2020). Still, other countries such as Belgium, Cyprus, Estonia,

Germany, France, Italy, Luxembourg, Netherlands, Poland, Portugal, Vietnam, Spain, and the Slovak Republic reduced the taxation rate of tampons (Wash United, 2020). In December 2020, Ethiopia exempted tax on imported raw materials of MHM products and reduced the tax rate of imported products from 30% to 10%. Comparatively, the reduced tax rate is high compared to other countries that take the same measures.

The objective of this paper is to examine the imposition of tampon taxes from women's rights

perspective in the context of Ethiopia's period poverty. The specific objectives of the study are:

- To demonstrate the relationship between taxation and gender equality;
- To examine the global movements against tampon tax and measures undertaken to address period poverty;
- To investigate menstrual hygiene management frameworks and challenges of period poverty in Ethiopia from perspective of the rights of women; and
- To analyze Ethiopia's response to Tampon tax and effectiveness on ground.

The study followed a qualitative research approach with doctrinal legal research techniques, which was examining the legal frameworks from relevant human rights instruments adopted by Ethiopia. The data were gathered from primary legal sources, particularly international human rights instruments, and foreign and domestic statutes. From secondary sources, the author reviewed literatures, electronic sources, reports, and daily news on the issue. In doing so, comparative studies with foreign jurisdictions were employed to learn from their best practices and failures.

The paper is organized into five sections. Following this introductory section, section two demonstrates the relationship between Gender, Taxation, and period poverty. Section three examines foreign experiences in responding to the global movement to eradicate the tampon tax. Section four analyzes tampon tax in the context of women's rights, period poverty, and Ethiopia's responses to the movement against the tampon tax. It also deals with the effectiveness of government response with appropriate alternative way-outs. Finally, the paper wraps-up in section five by providing concluding remarks.

2. Gender and Fiscal Tax Policy

No comprehensive study has been conducted on the relationship between taxation and gender equality. The Beijing Platform for Action emphasizes the need to analyze tax policies from a gender perspective as a means to realize substantive gender equality. Tax systems and fiscal policy decisions affect women and men differently, because tax regulations interact with socio-economic realities. Socioeconomic inequalities between men and women bring a gendered dimension into distributional and allocative impact of tax laws and policies (Gunnarsson, 2021). However, such impacts on gender equality are still not taken into account adequately by policy-makers. In fact, tax law is one of the political instruments to advance feminist goals such as equal treatment, encouraging women's market work, and assistance to caregivers. Several states, like Germany have introduced national gender equality obligations applying to taxation. The European Court of Human Rights also decides gender-differentiated taxes as a form of impermissible discrimination (Crawford & Haub, 2017).

In other instances, tax policies have effects on gender equality through explicit and implicit biases.

Explicit biases refer to tax provisions that explicitly treat men and women differently. For example, policies that force married women to file jointly can result in them paying a higher marginal rate of tax than if they were able to file separately (Stotsky, 1996). Other policies could favor women when tax policies assign a lower rate of tax for property owned by women. For instance, India introduced a higher tax exemption threshold explicitly for women in order to provide incentives for increasing female property ownership.

Implicit forms of gender bias describe tax regulations that are written in gender-neutral terms but affect men and women differently due to socioeconomic inequalities (Stotsky, 1996). The reasons for these disadvantages/inequalities include gender differences in labour markets; women's burden of unpaid care; gender differences in consumption expenditure, and women's limited ownership of property and assets (Gunnarsson, 2021). Most tax policies have implicit biases either because of the way tax policies are formulated or implemented and enforced. The effects of tax policy on gender are mainly attributed to implicit biases that are embedded in policies relating to small and micro businesses, informal taxes, and taxes on assets and property.

In third world countries, implicit tax bias against women happens more on consumption taxes. For instance, VAT is regressive and disproportionately burdens women and other marginalized groups, while providing tax incentives and lax enforcement for large corporations, trans nationals, and high net-worth individuals (Joshi *et. al*, 2020). Most women in developing countries do not earn enough formal income to pay direct income taxes. They are usually taxed through indirect taxes on consumption and trade. In recent decades, governments have increasingly turned to indirect taxes, especially VAT to raise revenues, and low-income countries currently raise around two-thirds of their income through indirect taxes. This has negative implications for women living in poverty.

There are also taxes called 'Pink taxes' or 'Care taxes' which refer to the additional costs for products or services that are marketed for women and girls. They are often more expensive than the men's equivalent products (e.g. shavers).¹ These kinds of costs increase the financial burden on women based on their sex. The pink tax is a selective consumption tax as it targets specific goods and services. Many are unaware or uneducated regarding the reasoning and persistence of this tax within a society. Hence, it is branded as a 'hidden tax'. The tax allows and cultivates the placement of a discriminatory effect on the women population (Joshi *et. al*, 2020). The tampon tax is one manifestation of the pink tax. Tampon tax² refers to taxes placed on all menstrual and feminine hygiene products as luxury items, such as tampons, sanitary pads, menstrual cups, and others, while other products are considered basic necessities and granted tax exemption status such as condoms and deodorants.

In other circumstances, tax administrations may introduce gender biases through the ways that tax officials enforce tax policy. Gender biases may be introduced where tax collectors enforce certain tax policies more harshly than others. For example, more visible businesses such as market traders and street vendors might in practice pay more than less visible or harder-to-tax businesses

due to stricter enforcement of tax policies. Besides, where tax administration is based on face-to-face interaction, there are widespread reports of women facing greater harassment relative to men. For example, studies show in cross-border trading posts in Sierra Leone, female traders faced much higher levels of verbal, physical, and sexual harassment by border officials and faced higher threats of detainment by those officials (Brenton & Gamberoni, 2013).

From feminist perspectives, women constitute more than two-thirds of the global poverty population. In this regard, regressive taxes, such as sales taxes, disproportionately affect poor women compared to other tax systems because regressive taxes in nature will promote economic inequality in society and discourage savings by imposing a larger burden of taxes on the poor people as compared to that of a wealthy person (Joshi *et.al*, 2020).

Overall, gendered tax policies breed in a culture of silence and secrecy. Meaningful tax reform and gender justice will occur only when accurate information is visible to all citizens and when legislators are committed to non-discrimination in fiscal policies and reducing women's poverty. Governments can seek not only to remove implicit biases against women but use tax policies to enhance the status of women in the economic sphere by incentivizing labor force participation, land asset ownership, and the growth of women-owned businesses (Wash United, 2020). A progressive tax design is one feature of tax systems aimed at mitigating pre-tax inequalities in income and wealth between men and women. Gender budgeting initiatives also tend to focus on the expenditure side of the gender-sensitive budgeting scheme.

3. Global Movement Against Tampon Taxes

There is a widespread global campaign against tampon taxes, particularly by feminist movements. Feminists argue that tampon tax ultimately represents an unfair imposed tax burden on already economically and socially marginalized groups of women populations because of their sex. Taxes on menstrual products are commonly raised in the form of a Value-Added Tax or a Sales Tax. They are paid by customers when purchasing a product. In a VAT system, the tax is applied at every stage of the product's journey from production to distribution to sale. It can also include import taxes on raw materials or products (ERCA, 2017). In other words, the areas where taxes can be reduced or removed are taxes on production, distribution, and sales; taxes on sales only (mainly USA and Malaysia), and taxes on the import of raw materials or products.

•Justifications for Campaign Against Tampon Taxes

The justifications against tampon taxes are aimed at exempting menstrual products from tax. It is justified on the ground that menstrual products are basic necessities and tax exemption will reduce costs for consumers, particularly for women who live in period poverty; fosters gender equality by tackling discriminatory laws; and breaks the taboo around menstruation. This subsection explains the multifaceted justifications raised against tampon taxes.

- **Economic justifications**

Menstrual products are normally an additional cost to women because of nature. Tampon tax further imposes a unique economic burden on female consumers by levying differential taxes from men.

Abigail Durkin said the economic burden on women remains even if tampon taxes were repealed. Tax imposition on menstrual hygiene products could lead to higher priced products for consumers. Women already face a myriad economic and other disadvantage compared to men (Ooi, 2018). Tampon taxes further restrict the affordability of menstrual hygiene products, in addition to period poverty. The tax has also the effect of redistributing wealth from women to men. Women shoulder the burden of paying the tax, and those revenues are then redistributed throughout society in the form of public goods. As a result, menstruation should neither be recognized as a potential source of revenue for governments nor commercial gain for male-owned companies. Removing the tampon tax would lift a small financial burden; help inch toward a model of economic parity and gender equity. In addition, ending tampon tax is much easier than eliminating the wage gap, permanently securing women's access to reproductive rights, or taking on any of the numerous other challenges women face because of their gender (Bennet, 2017). Hence, menstrual products should be exempted from tampon taxes because they are necessities rather than luxury items.

- **Biological Justifications**

The campaign against tampon tax based on biological justification argued that menstruation is an involuntary and unavoidable biological function, which women cannot control. Unlike pregnancy, menstruation is a normal, consistent, and undeniable regular aspect of women's lives for nearly four decades. Consequently, menstruation products are medical necessities used to control natural functions, like urination, defecation, sneezing, coughing, and others (Kaur *et. al*, 2018). Women use menstrual products because of their biology rather than choice. Poor menstrual hygiene may cause infection and cervical cancer (Kaur *et. al*, 2018). Hence, menstrual hygiene products should be tax exempted as necessities because, for most women, they are as necessary as food and shelter. Imposing a tax on a menstrual product is imposing a tax on women's biological necessity. Neither women's uncontrolled menstrual bleeding should be treated as an abnormality nor menstrual hygiene products be considered as cosmetics or as luxuries.

- **Human Rights and Gender Equality Justifications**

Justice Antonin Scalia once said, "A tax on wearing yarmulkes is a tax on Jews." Similarly, feminists argued that a tax on tampons/ menstrual products is a tax on women (Crawford J, 2018). LingLing Chang states the tampon tax is a type of "regulatory discrimination" because women have no control over their period. Senator Bush also proclaimed that the tampon tax "unfairly targets women for a product they are literally biologically incapable of avoiding" (Crawford J,

2018). Tampon tax is discriminatory because similar gender-neutral products (for example, shampoo) are considered medical devices and are not subject to taxation. Unlike women, there are no products that men exclusively must use by virtue of an involuntary biological process. Differential tax treatment on menstrual products is discrimination on the ground of sex.

Hence, tampon tax is not only a sex-based tax, but it is also unfair and gender-discriminatory. It restricts the enjoyment of several interdependent human rights of women such as the right to participate in social and cultural activities like absence from school. Menstruation should not be a source of inequality between men and women. Moreover, a woman should not be liable to tampon tax depending on the state or jurisdiction in which she lives that imposes tampon taxes, while others are exempted. Besides, imposing tampon tax is against woman's reproductive health and access to reproductive justice. Women should not be burdened and discriminated for their involuntary menstrual bleeding, while men's medical treatment products are tax exempted for their voluntary and temporary bleeding such as in war or conflicts (Crawford & Haub, 2017). Overall, the tampon tax is a discriminatory legal misclassification that undermines gender equality.

- **Socio-Cultural Justifications**

In most communities, menstruation is considered as a stigma, taboo, an abnormality of a woman's body, and indicative of their weakness. Campaign against tampon tax indirectly aimed at changing such misperceptions about menstruation, hostility to women's physicality, and the culturally enforced invisibility of women's bodies (Crawford & Haub, 2017). Moreover, the elimination of the tax ensures affordability of menstrual products, which is crucial to realizing the full participation of women in the public sphere including social life, education, and other socio-economic activities.

- **Movements Against Tampon Taxes: Foreign Experiences**

- **USA**

In the United States, there is no national sales tax. Sales taxes are imposed by the state and local tiers. So, the taxation of menstrual hygiene products is a matter left to each of the fifty states. Five states-Alaska, Delaware, Oregon, Montana, and New Hampshire impose no sales tax on any products (Ooi J, 2018). In other states, the legal challenge against state and local taxes on menstrual hygiene products was started in the mid-1980s in Cook County, Illinois (Crawford & Haub, 2017). Since then, some states and local governments have taken to facilitate access to menstrual hygiene products, including elimination of all sales taxes and the provision of free products in public schools, jails, and homeless shelters. According to recent data, however, the tampon tax currently costs American women approximately \$3.1 billion each year (Bennet, 2017).

Currently, menstrual products are still taxed as luxury items in 33 states of the USA. Even in those states, several products which are less necessary than menstrual products are not taxed on the ground of essential items. For instance, Colorado (private jet parts), Georgia (tattoos), Hawaii (erectile dysfunction pills), Idaho (hair loss treatment), Louisiana (Mardi Gras beads), Missouri (bingo supplies), New Mexico (souvenir items at minor league baseball games), North Carolina (fraternity and sorority meals), Oklahoma (sun lamps), and Vermont (garter belts) are exempted from taxation on the ground of essential items, while menstrual products are taxed as luxury items (Earle & Courtney, 2020). Legally scholars argued that tampon tax is a tax on women and as such violates the equal protection clause guaranteed in both the U.S. and state constitutions.

Since 2016, more than 15 USA states eliminated sales tax for tampon purchases and the other 22 states are considering legislation to do so. The ways of exempting tampon tax differ from one state to another (Zraick, 2019).³ Repeal of the tampon tax, however, is only half the battle. As a method of redistribution, providing a women's health credit to all women of menstruating age is another step toward equalizing relative levels of welfare between men and women and will end menstrual inequity. Some states such as New York to address period poverty started free distribution of menstrual products to people in needy, students and women in prison centers.

- **European Union**

European law calls for European Union-wide measures that advance equality between the sexes. EU tax law allows countries to apply different VAT rates, including reduced rates, but zero-rating or tax exemptions are not possible. Therefore, campaigns in EU countries against tampon tax can only target the minimum reduced rate possible for their country. Earlier, in most states of the European Union, menstrual hygiene products are subject to taxation as non-essential luxury items, and as such, are taxed at the highest permissible rate (Rodriguez, 2021). Following the European Commission's 2018 updated rules to give member states more flexibility to set VAT, a number of countries decreased taxes on menstrual products (Rodriguez, 2021).

The European Court of Human Rights and the European Court of Justice have decided cases that recognize a connection between taxation and human rights. However, no cases have come before both courts to challenge the tax on menstrual hygiene products. From European countries, tampon tax was abolished in Britain in January 2021, following Britain's departure from the EU. Now, there is a zero rate of VAT applying to women's sanitary products in the country (Russon, 2021). Other EU member states such as Belgium, Cyprus, Estonia, Germany, France, Italy, Luxembourg, Netherlands, Poland, Portugal, Spain, and Slovakia apply a reduced rate of the tampon tax. For instance, the Germany parliament reduced the rate of tampon tax from 19 to 7% in 2019. In contrast, Ireland is the only EU member having Zero VAT on menstrual products. The country introduced such tax rate before EU introduced minimum VAT tax rates (Rodriguez, 2021). Above all, in Nov. 2021, Scotland became the first country in the world by making free access of menstrual pads for all. The law mandates all local authorities to facilitate free access

of menstrual products by state to a person in need and women who live in period poverty (Diamond, 2020).

- **Africa**

Before 2015, most African countries imposed the highest tax rate on menstrual products. For instance, in 2013, Botswana, South Africa, and Namibia levied as high as 40% of tampon taxes (KPMJInternational, 2016). This makes the product too expensive and unaffordable to a lower level of society. In contrast, Kenya and Uganda eliminated tampon tax as early as 2004 and 2005, respectively. In recent years, there has been a wave of countries that have eliminated/ reduced taxes on menstrual products. The wave of removal was followed by Rwanda (removal of sales tax, 2019); South Africa (removal of VAT, 2018); Nigeria (removal of sales tax on locally-made MHM products, 2019), and Mauritania (removal of unspecified tax, 2017). Tanzania removed VAT in 2018 and re-imposed it in 2019 (Welham, 2020). In Tanzania, tax exemption fails to bring the intended product price reduction due to lack of planning for policy implementation after the tax was dropped and supply chain problems. In other words, tax exemption benefits the producers and importers of menstrual products instead of women and girls living in period poverty.

The ways and processes of removal varied among countries. For instance, Kenya removed VAT on sanitary pads and tampons as early as 2004, import tax on final products in 2011, and VAT and excise tax on imported raw materials for the production of menstrual products in 2016 (Welham, 2020). Nigeria, as of February 2020, exempts locally manufactured MHM products from VAT, but it still charges VAT on imported products and raw materials. South Africa removed VAT on sanitary pads in April 2019, but VAT on tampons are still in place. Some countries such as Lesotho, Mauritius, and, Uganda reduced tampon tax to zero rates. Others, such as Kenya, Nigeria, and Rwanda totally exempt tampon taxes. Rwanda removed VAT on all sanitary products in December 2019 (Welham, 2020). The main challenge in Africa regarding the removal of tampon tax was it didn't result in the expected drop in product prices because of supply chain problems and lack of monitoring mechanisms.

- **Other Countries**

Although the global movement against tampon tax is continued across the globe, the response to such allegations differs from one country to another. Most countries have taken positive responses and measures. For instance, Canada, Colombia, Trinidad, and Tobago are countries that have reduced tampon tax to a Zero rate since 2016. Other countries such as Australia, Bhutan, Guyana, India, Jamaica, Lebanon, Malaysia, Maldives, Nicaragua, Saint Kitts & Nevis, and South Korea have totally exempted tax on menstrual products in response to the global movement (Wash United, 2020). In contrast, China still imposes 13% sales tax on menstrual products, the same as for most consumer items (Rodriguez, 2021). The removal of tampon tax in most of the above countries was achieved through legislative responses. Exceptionally, the Colombian Constitutional Court unanimously ruled to strike down the tax on tampons and pads on the ground

of gender equality in 2018 (Herman, 2018). This indicates that though the tax reduction/exemption around the world has been done primarily by the legislature, there is a parallel judicial movement to limit the legislative body's margin of discretion in taxation based on principles of reasonableness and non-discrimination.

4. Examining Tampon Tax and Women's Rights in Ethiopia

In Ethiopia, studies show about 40 million women and girls experience menstruation monthly. Among them, 54% use homemade menstrual health alternatives. Moreover, 49% of the girls reported that they did not know about menstruation before their first period. Only 25% schoolgirls in Northeast Ethiopia had learned about menstruation and sanitary management at school (UNICEF, 2019). In Ethiopia, menstruation is considered a taboo, and shame leading to stigma. About 75% of the country's women and girls do not have access to menstrual supplies in order to manage their periods (UNICEF, 2019). According to UNICEF, 50% of rural girls are absent from school due to lack of adequate menstruation management facilities. In Ethiopia, there are about eight menstrual product factories, and about 57 products are authorized for menstrual hygiene management (UNICEF, 2019). However, they are unaffordable to women who live in period poverty and the imposition of taxation makes the products as luxury items rather than necessities. This section examines the relationship between the tampon tax and women's rights in the context of Ethiopia.

4.1. Ethiopian Tax System and Tampon Tax

In Federal Ethiopia, the taxation powers and jurisdictions are divided between the federal and regional governments. Some taxes are exclusive to federal or regional governments, while others are shared between them. In principle, all products are subject to relevant taxation other than exempted and zero rated products and services. Concerning MHM products, previously, menstrual hygiene products were taxed under the VAT proclamation as opposed to other supplies, imported items, and rendered services such as condoms and petroleum. Customs taxes on finished pads, as well as imported raw materials used to manufacture pads are all subject to taxation in Ethiopia. Among the taxes imposed on sanitation products and services were customs duties (from 0 to 35 % on imported goods and raw materials), VAT (15 %), Surtax (10 %), and Withholding Tax (2-3 %) (Feldman, 2019).

Applying such taxation on sanitary products contributes to the unaffordability of products to consumers, particularly to women and girls living in period poverty. The manufacturers, importers, distributors, wholesalers, and retailers also raised their concerns to the government on the ground of lack of support to encourage MHM as one of the major public health priorities. In response to such concern, in late 2020, Ethiopia's Ministry of Finance announced that the government has removed the tax on imported raw materials for the local manufacturers of menstrual products and reduced the taxation rate on imported menstrual products from 30 to 10 %. This was considered a big win among stakeholders, such as the *Jegnit* movement who

campaigns to remove tax on menstrual products (Ethiopian Herald, 2019). However, the exemption and tax reduction on menstrual products has not brought the intended result. The price of menstrual products continued to be high instead of becoming cheaper. This reduction or removal of taxes by the government is inadequate to ensure its affordability. Rather it requires monitoring the supply chain and encouraging further production.

4.2. Tampon Tax Implication on the Rights of Women in Ethiopia

The rights of women are guaranteed under general human rights instruments and specific women's rights treaties including CEDAW and Maputo Protocol. Those treaties recognized specific human rights of women with respective obligations of government. However, almost all core international and regional women's rights instruments failed to expressly recognize menstrual health as a human right. In effect, the issue of menstrual health is derived from general human rights. Menstrual rights, among others, are interconnected with the right to health, right to dignity, right to equality and non-discrimination, right to education, right to work, and movements. Moreover, menstrual hygiene management is linked with several goals of the UN Sustainable Development Goals including ending poverty in all its forms including period poverty (Goal 1), quality education (Goal 4), gender equality (Goal 5), and clean water and sanitation (Goal 6).

The issue of rights to menstrual health was later expressly addressed under CEDAW general recommendation No. 34 (the rights of rural women and the rights of girls) and General Recommendation No. 36 (the right of girls and women to education). Each instrument identifies the implication of menstruation on enjoying the right to health and education. Recently, in July 2021, the UN Human Rights Council drafted a resolution entitled 'menstrual hygiene management, human rights, and gender equality' (UN HRC, 2021). The draft resolution covers a wide range of issues related to MHM. Concerning tampon tax, the resolution calls upon states 'to eliminate or reduce sales taxes on menstrual hygiene management products, including sanitary pads, and to provide support to women and girls in situations of economic vulnerability'. This aimed to ensure that women and girls have access to adequate facilities, information, and products for optimal and effective menstrual hygiene management. The resolution indicates unfair taxation on menstrual products is a partial reason for its unaffordability.

In Ethiopia, although the FDRE and regional constitutions and other laws recognized the rights of women in a separate provision, they failed to expressly guarantee the right to menstrual health. In fact, menstrual health has been linked with numerous human rights as they are interrelated and interdependent. International human rights are incorporated into Ethiopian legal system through express recognition in the federal and state constitutions as well as other primary and subordinate legislations, making international agreements an integral part of the laws of the land upon ratification and interpreting of fundamental rights and freedoms of chapter 3 in conforming to international human rights instruments adopted by the country. In this regard, the imposition of tampon tax restricts the enjoyment of wide range of rights of women and girls guaranteed under

the FDRE Constitution such as the right to reputation and dignity, right to non-discrimination, right to education, right to work, freedom of movement and other related rights. Women and girls, during menstruation period, find it difficult to move from one place to another place without accessing menstrual pads. If they are confined at home due to menstruation, it has negative impact on exercising above illustratively listed rights.

4.3. Effectiveness of Ethiopia's Tampon Tax Reduction and Exemption

As has been discussed earlier, the Ethiopian government recently removed tax from imported raw materials for the local manufacturers of menstrual products and reduced the taxation rate on imported menstrual products from 30 to 10 %. The goal of exempting or lowering taxes on MHM products is expected to lower their price; lower prices will increase access; increased access will allow a larger number of women and adolescent girls to better engage in their preferred MHM practices; this will ultimately combat violation of rights of women due to lack or poor MHM. However, in reality, the effectiveness of exemption and reduction of tampon tax faces numerous challenges. This section examines the major challenges with their prospects.

4.3.1. Absence of Price Reduction after Tax Removal and Reduction

Theoretically speaking, tax removal/ reduction will have a parallel impact on the reduction of the price of products. However, the impact of reduction/ exemption in taxation on the prices of products, quantities consumed, and changes to consumer and producer behavior in different kinds of markets depends on a number of factors. The price dynamics have many determinants, such as market competitiveness, complicated tax structure, and providers' profit-seeking behavior, in addition to tax. Tax removal has been effective as expected in several states. For instance, in the New Jersey state of USA, consumer prices on menstrual products decreased by 7.3% after the 2005 tax removal. The price drop was greater than the removed 6.9% sales tax, and low-income consumers received the most benefit from the lower tax, as their prices went down by 12.4% (Cotropia & Rozema, 2017).

In contrast, in many African countries including Ethiopia, tax removal didn't result in the expected drop in menstrual product prices. This makes the government lose revenue generated from tampon tax, on the one hand, and women and girls are not beneficiaries on the other. In relation to this, the Tanzanian government reinstated tampon tax in 2019 after one year of tax removal due to the absence of price reduction on menstrual products. Tanzanian feminists argued that the problems occurred due to the supply chain problem. The government expects immediate price reduction, while most retailers have old products. In Ethiopia, similarly, according to the Reporter gazette assessment, the price of menstrual products continued to be increased after the government approved and implemented tax reductions and exemptions on menstrual products (Ethiopian Reporter, 2021).

In the event when tax removal is insufficient to increase the affordability of the product, different countries take diverse measures to cope up with the challenge. This includes tax cuts should be

accompanied by additional measures to increase affordability (e.g. free distribution in Kenya and South Africa) and to ensure that the cut is reflected in the retail price (e.g. requiring a price sticker or indication on the product packaging, in India and Bangladesh). South Africa enforced competition among producers and retailers to ensure the affordability of menstrual products. Overall, it is recommendable that government and the public will hold producers and retailers accountable and pressure them to pass through tax reductions to consumers to make tax removal/reduction effective on the ground.

4.3.2. Tax Reduction Ensures Expanding Access of Menstrual products

The government enforced tax cuts with the aim of improving the accessibility and affordability of menstrual products nationwide. Unfortunately, neither prices are more affordable, nor menstrual products are more accessible than earlier as expected. We have discussed failures related to expected price reduction. Like price, expanding the accessibility of menstrual products depend on a number of factors other than tax structure and existing prices. Hence, reductions in the tax/price of MHM products are not automatically expanding its access. The quantity, producers/ suppliers /importers' competitiveness, and capacity, availability of raw materials for local producers, supply chain effectiveness, affordability of the price, and economic capacity of citizens determine the accessibility of products at grassroots levels.

In Ethiopia, recent data shows that there are eight menstrual product companies and 57 products authorized for both locally manufactured products and imported ones. In the country, there are about 40 million women in need of such products regularly. However, currently, less than 30 % of women have access to MHM products, particularly those who live in cities and economically afford those products. This emphasizes that there is demand supply deficiency not only in terms of price but also in the context of material and economic accessibility. For example, according to Addis Maleda April 2022 gazette's report, the price of menstrual products doubled within three months and increased by 200% within one year from the price of April 2021 (Tade, 2022). Such challenges can be rectified through stimulating local production and tax incentives to emerging investors or small and medium scale enterprises interested to establish menstrual product factories. The government can also establish publicly owned menstrual product factories to expand the accessibility of products.

4.3.3. Absolute Poverty

People who live in absolute poverty won't be able to afford products even if the tampon tax is removed and menstrual products become cheaper. In other words, tax exemption or reduction on menstrual products does not impact structural inequities related to income, property ownership, reproductive and child care responsibilities, unpaid labor, and access to education and other essential public services. That is why in Ethiopia more than 70% of women have no access to quality MHM products or facilities. This is mostly derived from period poverty. Those groups of people need further positive measures from both state and non-state actors to guarantee accessibility of menstrual pads. Several states (such as Kenya and South Africa) provide free

menstrual products in schools or implemented distribution schemes for low-income households, homeless people, and prison centers (New York, USA) (Gruer *et al.*, 2021). To do so, those states regularly allocate a proper budget. Such measures are important to address the need of the most vulnerable group in society.

4.3.4. Scope of Tax Exemption and Reduction

Concerning tampon tax, the areas where taxes can be reduced or removed are: taxes on production, distribution, and sales; taxes on sales only (mainly USA and Malaysia); and taxes on import of raw materials or products. As we discussed earlier, the Ethiopian government recently removed tax from imported raw materials for the local manufacturers of menstrual products and reduced the taxation rate on imported menstrual products from 30 to 10 %. There is some confusion over the precise definition of menstrual products that are now tax exempted and reduced, and this can affect implementation. In the broadest sense, menstrual products include tampons, sanitary pads, menstrual cups, and others. Other countries also faced similar problems. For instance, the South African government regulation to end taxation of MHM products included sanitary pads but excluded tampons and menstrual cups (Welham, 2020). The confusion over understanding of menstrual production can be rectified through introducing justifiable operational definitions.

5. Conclusion and Recommendations

Tax on menstrual hygiene products is sex-based regulatory discrimination due to the uncontrollable involuntary natural function of women. Since 2015, most parts of the globe are engaged in taking positive measures in removing and reducing tampon taxes. Ethiopia removed tax on imported raw materials for the local manufacturers of menstrual products and reducing the tax rate on imported menstrual products from 30 to 10 %. This helps to ensure rights potentially restricted as a result of menstruation such as the right to equality and non-discrimination, right to health, right to dignity, right to education, right to work, and other related rights. However, tax exemption and reduction will not bring the intended result of affordability of price and accessibility of products. This indicates that the repeal of the former tampon tax is only half of the battle. The price reduction and ensuring accessibility of menstrual products depends on many factors other than tax exemption and reduction to mitigate the impacts of period poverty.

Hence, state and non-state actors, including the business communities and NGOs, are required to further work on alternative ways of realizing affordability and accessibility. Among others, monitoring the supply chain from producers up to retailers; guaranteeing free access of pads to the most vulnerable group of society through mobilization and allocating proper budget; removing the remaining 10% tax rate on imported menstrual products; encouraging local production and competitiveness through tax incentives and other means to establish or expand factories. Government can also intervene through establishing publicly owned menstrual product

factories.

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Gender-based Social and Economic Vulnerabilities: Challenges of Women's Access to and Control over Resources in West Shewa Zone, Ambo, Toke Kutaye, and Chaliya Districts

Mengistu Debele Gerbi (PhD)*, Misgana Jora

*Assistant professor at Ambo University, Department of Special Needs and Inclusive Education madegaorman@gmail.com. P. O. Box 19

Lecturer at Ambo University, Department of Psychology, PhD candidate at Addis Ababa University; misganajora@gmail.com

Abstract

Gender is widely misunderstood and often misapplied to refer to an imbalance in the number of men and women. The concept of gender, however, goes far beyond numbers (UNESCO, 2015). Gender is the issue of power relations between men and women. The deeply-rooted patriarchal culture that attributes power to men and other factors can limit women's access to and control over resources. Social and economic vulnerabilities are among the most common factors that barrier women not to have power over house holding resources. Accordingly, the objective of this study was to investigate the challenges of women's access to and control over the resources as a factor of social and economic vulnerabilities. To this end, qualitative descriptive research design was employed. The districts were selected through non-probability sampling of convenience sampling method. Seven kebeles from three districts were selected purposively. The participants of the study were 99 elders (community leaders and religious leaders), 110 women and 3 government gender office experts. The instrument for data collection were FGD and interview guides. The data were organized thematically and qualitative content and narrative analysis were made. It was found that early marriage, polygamy, social norm, abduction, lack of infrastructures like transportation, brokers in the market, distance of market, and the poor and lenient follow-up by government bodies are social and economic challenges for women. It is recommended that encouraging the law against harmful traditional practices, discouraging social norms that negatively discriminate women through offering training and public awareness creation, and accessing women to free education, free market and other resources should be implemented.

Keywords: Challenge, Gender, Economic, Resource, Social, Vulnerability, Women.

1. Introduction

Gender is a concept that is widely misunderstood and often misapplied or used randomly to refer to an imbalance in the number of men and women in a gathering like institutions. The concept of gender, however, goes far beyond numbers (UNESCO, 2015). According to Verloo (2007), gender is widely used and perceived to mean women's issues. In reality, gender refers to socially determined roles and relations between men and women. From the wider perspective, the term "gender" refers to a socio-cultural classification of women and men. This classification is based on societal norms and values that define the roles men and women should play in society (International Labor Organization, 2008b). This classification is manifested in family (household), school, religion, government organizations, media and community as a whole (Verloo, 2007). The classification is usually at the disadvantages of females that gives many roles and responsibilities to them.

Gender can also be defined as a set of characteristics, roles, and behavior patterns that distinguish women from men socially, economically, and culturally and relations of power between them (Women Information Centre, 2005 cited in UNFPA, 2008). These characteristics, roles, behavior patterns and power relations are dynamic; they vary over time and between different cultural groups because of the constant shifting and variation of cultural and subjective meanings of gender (Hirut, 2004).

Gender-based social and economic vulnerability are conditions in which human beings are prone to being at risk of harm by socio-cultural stigmatization and economic deprivation because of their gender (Duvvury, 2009). This definition incorporates all forms of abuse, including sexual, physical, emotional, and psychological harms.

The power relations between men and women are one of the areas where men supremacy is reflected. In the Ethiopian case, particularly in rural areas, men are power holders (head of family) and women are forced to obey their male counterparts. So far, to study gender-based vulnerability is to study humanity and human rights. Gender-based vulnerability is perhaps the most pervasive yet least recognized human rights violation of the 21st century. Although both males and females are often victims of this type of risk, its prevalence remains higher for women and girls. Today, there is no country where women and girls live free from violence (UNFPA, 2014). Everywhere in the world women and girls are gendered and vulnerable for social, economic and physical risks. According to the UNFPA (2010) estimates, about one in three women have experienced physical or sexual abuse. Gender-based vulnerability is even more alarming in less developed regions where poverty is positively associated with gender-based vulnerability, especially abduction, prostitution, sexually transmitted diseases, early marriage, unwanted pregnancy, homelessness and migration (Duvvury, 2009).

The deeply-rooted patriarchal culture prevalent in most societies, including Ethiopia, attributes power to men both at home and community level. According to patriarchal social

organization, male is the family head and title, ownership, and kinship are traced through the male line. The culture also attributes roles to either sex which is referred to as gender stereotyping. Gender stereotyping, and thereby gender inequality -the inequality of opportunities, rights, responsibilities, roles, and access to and control over resources is the result of socialization (UNFPA, 2008).

Globally, gender inequalities impose real costs on the agriculture sector which is composed of the broader economy and society, as well as rural women themselves. Women in agriculture and rural areas have typically less access than men to productive resources, technology, agricultural extension, and rural infrastructure and may as a result incur higher labor costs than men (WFP, 2011). This is also true in Ethiopia. However, the organizations did not mention the specific reason behind the rural women's less access to the resources which is of course very critical for appropriate intervention as a means of escaping from vulnerability.

Social vulnerability describes combinations of social, cultural, economic, political, and institutional processes that shape socio-economic differences (Spielman et al., 2020). It further refers to the potential damaging effects on communities caused by external stresses on human health. Such human health problems include maternal health problems such as pregnancy risks and human-caused disease.

Economic vulnerability of women is the undeniable fact of the feminization of poverty. The majority of the world's poorest are women (Seger & Hartmann, 2005) and this is why they are disproportionately vulnerable to adverse impacts of global changes (Skutsec, 2004). Reducing social vulnerability can decrease both human suffering and economic loss.

The Ethiopian National Women's Policy mainly aims to institutionalize the political, economic, and social rights of women by creating an appropriate structure in government offices and institutions so that the public policies and interventions are gender-sensitive and can ensure equitable development for all Ethiopian men and women. However, the policy undermines women at rural areas where about 75% of women and girls are illiterate or less educated. Article 25 of FDRE' Constitution prohibits any discrimination on grounds of gender. In addition, Article 35 reiterates principles of equality of access to economic opportunities, including the right to equality in employment and land ownership. According to the Beijing declarations (1995), special effort was made by the Ethiopian government to bridge the gender gap in development through taking affirmative actions and prioritizing among the twelve critical areas of concerns.

In Ethiopia in general, and in West Shewa Zone in particular, women face challenges in participating on the productive sector of the economy and mobilizing the existing resources. This may worsen the lives of women and that of their families. Thus, the study explored the hindering factors of women to access and control over different resources that would improve their quality of lives.

Women's responsibilities to improve social and economic well-being, and to improve the lives of the whole family place them in a unique position. However, women in many countries do

not have equal access to education, health care, employment, land, credit, and technology, social, economic or political power. Failure to provide equal opportunities and equitable supports to women to pursue social and economic self-sufficiency has meant that a disproportionate number of women are vulnerable to various risks. These failures, exclusion, low status and poverty are also barriers to a sustainable development of a country (United Nations, 2009).

In Ethiopia, more than 27 million people are living with poverty (Women Watch-Ethiopian National Action Plan). Given the lack of access and control over resources and many discriminatory traditional customs, women comprise a majority of those living in absolute poverty. Women's disproportionately bearing the burden of poverty is mainly the result of the gender-based division of labor and lack of access to and control over resources due to tradition and cultural factors. Rural women are responsible for all the household chores, in addition to child rearing and the support they provide in agriculture and livestock production.

Many of the social customary laws in Ethiopia (Yeneger Abbat/Jarsummaa) are also in favor of men. The family arbitration system used for solving inter-household quarrels is conducted mainly by elder men who want to maintain the subordinate position of women and this results in the application of gender-biased customary laws. The fact that women are often not well-informed of their rights under the law further contributes to their being marginal and being at risks of victim (<http://www.un.org/womenwatch/daw/country/national/Ethiopia>).

Gender-based differences with regard to responsibility for productive tasks and access to and control over resources, are reasons for gender-based differences of indigenous knowledge (Curry, 1996). According to Haregewoin and Emebet (2003). Women in Ethiopia have the power to make decisions on issues related to the daily life of their family, but decisions about large household purchases, degree of participation of a woman in social activities, and reproductive health issues are dominated by men.

Although rural women's contribution to their households, food production and national economies is immense, it has not been translated into better access to resources or decision-making powers. As a result, women remained to be the poorest of the poor constituting 70% of the global poor (Women's Affairs Office, 2004). The office further discussed that women in Ethiopia face similar constraints. Due to the different roles and responsibilities men and women have in the society, the causes and experiences of poverty also differ by gender. Rights such as access to land, credit and other productive resources are difficult for women, particularly for recently married women, to attain.

Harmful traditional practices (HTPs) such as early marriage, having many children for boy sex preference, and supremacy of husband may force women to accept whatever decision is to be made by male headed households. According to Women Watch-Ethiopia National Action Plan, 75% of

Ethiopian girls marry before the age of 17. The lack of role playing by women in decision making because of such HTPs are expected to limit their access to and control over resources. These and other HTPs need to be explored further and the impacts and the types of HTPs may also vary from region to region and from rural to urban in Ethiopia.

To the extent of the knowledge of the current study authors, the studies conducted on this area in Ethiopia focused on whether women have access to and control over resources. We have not come across studies that focused on the identifications of the challenges of getting access to and control over resources taking social and economic vulnerabilities into consideration.

Accordingly, this study addressed the following questions:

1. What are gender-based social and economic vulnerabilities of women in order not to get access to and control over available agricultural and common natural resources in the selected areas of rural villages (Kebeles)?
2. What are the harmful traditional practices (HTPs) that limit women's access to and control over resources?
3. How does lack of access to and control over resources affect the livelihood of women in rural community?

1.2 Objective of the study

The general objective of the study was to investigate the main challenges that limit women's access to and control over resources in the selected kebeles of the three districts (Ambo, Toke Kutaye, and Chaliya) of West Shewa Zone. Specifically, the study was conducted to:

- Identify the social and economic vulnerability factors that hinder women not to get access to and control over available agricultural and common natural resources;
- Identify HTPs that limit women's access to and control over resources; and
- Show how lack of access to and control over resources affect the livelihood of women in rural community.

2. Materials and Methods

2.1 Study Area

This study was conducted in three districts of West Shewa Zone (Ambo, Toke Kutaye and Chaliya Districts). West Shewa is one of the zones in Oromia regional state bordered on the south by the Southwest Shewa Zone and the Southern Nations, Nationalities and Peoples Region, on the southwest by Jimma, on the West by East Welega Zone, on the northwest by Horo Gudru Welega Zone, on the north by the Amhara Region, on the northeast by North Shewa, and on the east by Oromia Special Zone Surrounding Addis Abeba (Shager). Its highest point is Mount Wenchi (3386 meters); other notable peaks include Mount Menagesha and Mount Wechacha. Towns and cities in West Shewa include Ambo, Gedo, Bako, Guder, Ginchi, Ejere, and, Holeta.

Two kebeles (Senkelle Farisi and Gosu Kora) from Ambo district were selected by convince

sampling. Ambo district is located between 8° 47' N - 9° 21' N and 37° 32' E - 38° 03' E (Ambo District Finance and Economic Development Office, 2007). The capital of West Shewa zone is Ambo town, which is located 125 km away from Addis Ababa, the capital of Ethiopia. Ambo District has a mean annual temperature ranging between 23-25°C and a mean annual rainfall of 1300-1700mm (WSZBFED, 2007). The lowlands, midlands and highlands cover 17%, 60% and 23%, respectively, of the district. Three kebeles (Tullu Jaldesa and Rafiso Alanga) were selected from Chaliya district. Wajira, Ejere Arfinjoo, and Toke Arfinjoo kebeles were selected from Toke Kutaye district.

2.2 Research Design

The study employed a qualitative research approach using a descriptive research design. This design gives concentrated descriptions of the challenges of women's access to and control over resources.

2.3 Sample and sampling technique

Primary data sources were used to gather relevant information. West Shewa Zone and the three districts were purposely selected by the researchers based on proximity. From all the existing offices at district level, women and children office of each district was selected purposely as it was believed that rich information on the issues of the study could be obtained from the office. Three kebeles from each of Toke Kutaye and Chaliya districts were purposely selected based on the agro-ecological differences that they have and the base line information collected from the Districts' concerned bodies and based on its convenience for the availability of the participants of the study. Three kebeles were selected from Ambo district since the data obtained from the two kebeles were not saturated and with the recommendation of district officers thinking that additional rich information might be obtained.

2.4 Participants

The participants were selected based on their willingness to be available on the discussion sessions. Community facilitators (CF) of World Vision Ethiopia (WVE) informed the participants of FGDs (women, community leaders and religious leaders) one day before the discussion sessions were held. The community facilitators purposely selected those who showed willingness and who were believed to be representatives of the village in each Kebele and can give rich information. Snow ball sampling technique was used to identify women with special cases that were selected for in-depth interview. To select the KII of the districts' children and women offices, we passed through two steps. First we had discussions with all the workers of the offices about the purpose of the research and second we selected an individual who has high experiences and who used to live or work in the rural areas of the districts so that he/she could share us lived experiences.

Table 1. Sample participants of the three districts in Western Shewa Zone

			Elders	Women	KII	Officials	
Ambo	Senkelle Farisi	4	20	24	1	1	69
	Gosu Kora	2	12	10	1		
Chaliya	Tullu Jaldeesa	2	13	12	1	1	52
	Rafiso Alanga	2	12	11	2		
Toke Kutaye	Ejeree Arfinjoo	2	11	10	1	1	
	Tokkee Arfinjoo	3	16	17	1		
	Wajiraa	3	15	17	2		91
Total	7	18	99	101	9	3	212
	District	Kebele	#FGD	No. of Participants			

2.5 Instrument

Data were collected through interacting with the participants by using in-depth interview, Key informant interview (KII) and FGD using semi-structured open-ended questions. In-depth interviews were conducted with women who have actual experience with the study problem. Open-ended interview questions were prepared based on the research questions and the objectives of the study. To obtain rich information about the issues under investigation focus group discussion sessions were conducted with women and elders. The detailed number of FGDs in each kebele is indicated in Table 1.

Key-informant interview guides were developed covering a wide range of issues, intending to identify women's activities in their day to day activities as well as their opportunities and constraints with regard to access and control over resources.

2.1 Data Collection Procedures

Pre-test of the instrument was made based on the pilot study we conducted at Gatira Dagalee Kebele of Ambo District. Based on the pilot study, the subsequent data collection procedures were thought over in advance besides improvement of some items. It was during the pilot study that we understood where to conduct the discussions so that it would not be interrupted.

To obtain detailed and relevant information from the participants we arranged the necessary materials for data collection including tape recorder and stationeries. First, permission was obtained from the concerned Districts after giving them letter from Ambo University and discussing with CARE and WVE managers to collect the data from the sampled Kebeles. The districts' concerned bodies informed the Kebele chairpersons through phone and CF of the Kebeles. Second, before starting the in-depth interview, issues like the appropriateness of the place or location for the interview, the purpose of the study, the length of interview session, the issues of confidentiality and verbal consent to participate in the study and to tape recording the interview were discussed and agreed upon with the participants. Finally, the data collection process continued on the basis of plan of data collection. The interview environment was decided by the participants and the facilitator of the discussions. The FGDs were conducted in schools in some Kebeles and in offices of kebeles and under trees where there was no disturbance.

Data Analysis Procedures

The collected data were prepared for analysis by transcribing the interviews and field notes, and sorting and arranging the data into different types depending on the sources of information. Repeated readings through the organized notes were held to comprehend the content of the data and to develop coding and to make themes from the data by shading similar concept with similar colors. Both the content and context of data were used in analyzing in narrative way to communicate the result. Thus, content analysis and narrative analysis were used. Researchers of current study organized and analyzed the data independently and brought together to discuss the similarities and differences of the analysis made. This helped us to maintain the quality of the data and minimize subjective outlook at what have been reflected by the participants of the study. Besides, research document was given to experienced reviewer who critically read and commented including to reconsider the validity of the data.

To ensure the quality of the data, the data were collected by both researchers which gave an opportunity to make data analyst triangulation. Thus, three types of triangulation were made for the quality of the data; namely data source triangulation, data collection methods triangulation and data analysts' triangulation. The triangulation of data sources from women, elders and officials made. Triangulation of data reviewer of the analyses was made independently by two researchers and cross- checked the analyses.

2.2 Ethical Considerations

Throughout the research process, the issue of individual's anonymity and confidentiality was considered to ensure that the respondents are comfortable in providing relevant responses. In FGDs sensitive issues that we assumed may harm the participants were not raised. The participants were oriented and informed that they can keep silent or ask not to respond to any question that they did not want to answer fully or partially and may also quit the interview/discussions process at any time and that their participation was voluntary. After assuring the participants of the

confidential nature of the interviews/discussions, we obtained informed consent from the discussants and interviewees.

3. Results

The results of the finding and discussions were made in line with the specific objectives of the study. Accordingly, the available resources in the study areas, social norms that limit women's access to and control over resources, the influence of HTPs on access to and control over resources and coping strategies used by women to overcome the challenges of access to and control over resources were discussed.

Theme 1: Women at the three districts of rural areas did not get access to and control over locally available of agricultural resources.

Availability of agricultural resources varies from place to place based on ecological location and weather conditions. However, almost all cereal crops are available with various degrees. The data obtained with regard to the available agricultural resources are summarized in Table 2.

Table 2: Summary of agricultural and livestock resources availability by district.

Crops, Fruits, Vegetables and Livestock Resources		
Ambo District	Chaliya district	Toke Kutaye
District Bean, *Maize, *Teff , Wheat, Barley, *Potato , Tomato, onion Beat root, Lettuce, Compact cabbage, Garlic, *Chickpea, Ensete Goat, Cows, sheep, Hen, horse and Donkey	*Onion, Maize, *Red Paper, *Enset Tomato, *Ensete beans , potato, Fruits and vegetables, goat cows, Sheep, hen , Donkey	*Maize, wheat, *Ensete beans , barley, *teff, *Potato , Tomato fruits and vegetables, Sheep, goat, cows , hen, horse , Donkey, honeybee/hive

Table 2 shows that almost all types of crops are cultivated in the districts. *Teff* is cultivated in all districts with relatively great amount. Women are extensively engaged in land preparation for Teff cropping. However, they are denied by their husbands to get economic benefits from agricultural products they contributed the lion's share in production. Girls and women devote significant time to unpaid work within the family (Elshaday, Mekuria, & Emil, 2009). Regarding this, Ogato (2007) stated that out of ten persons who engage in Teff land preparation (*meesu*) in Senkele Farisi kebele, eight are women.

Traditional hive is very common in Toke kutaye districts. Ensete plant and vegetables such as red paper and onion are cultivated in some Kebeles of Chaliya and Toke Kutaye districts. Similarly, potato and tomato are cultivated in all three districts with great amount. Women are largely engaged in chopping, grating and fermenting the ensete plant in the districts.



a. Ensete plant b. Grating and chopping ensete c. Fermenting ensete
 Fig. 1: Ensete plant and women engagement in preparation of ensete for food in Toke Arfinjoo kebele.

Teff is the main crop cultivated in Ambo and Tokey kutaye districts, while maize is the main crop in Chaliya district. This finding is in line with the discussion given by Alemayehu, Paul, and Sinafikeh (2012) which stated that agricultural production patterns vary markedly across Ethiopia according to agro-climatic conditions, in particular, widely varying rainfall and elevation. They added that maize has the largest share of cereal crops cultivated in Ethiopia as also confirmed in this study.

With regard to livestock, all kinds are available in the districts except camel. In high land of the districts, sheep are reared in large amount. Chicken are reared everywhere while cattle are reared in high land and semi-high land.

According to Dhakal, Karki, and Gauchhan et al. (2016), many comparative studies done in African countries have shown that women's property rights and their overall role in the household economy are interrelated, which means women who own land have greater control on agricultural income, higher shares of business and labor market earnings, and more frequent access to credit.

Throughout our studies held in different sites, we mostly came across of almost similar resources like cow, oxen, goat, sheep, horse, donkey, and cereal crops like teff and maize. In general, with regard to the identification of the available agricultural resources, different agricultural crops and livestock are available. The women are not getting access to these resources due to different challenges. The first challenge is that men supremacy over women and absence of awareness on gender equality.

This is in line with the analysis made by Ethiopian national women’s policy (2013) which states that rural women extensively engage in agricultural and livestock production which they do not get access to and control over the family resources.

Theme 2: Family’s resources are controlled and managed by head of family, i.e. husband.

The data obtained from Ambo District Women and Children expert revealed that husbands are the one who control and manage family’s resources (both agricultural and livestock products). Despite, improvements on women empowerment in all aspects, still women are dominated by their husbands. This is due to insufficient awareness of women and men about their rights. The husband gives cereals such as wheat, barley, and maize for “qalaba” literally food for consumption or to feed the family.

According to the report made by the Federal Democratic Republic of Ethiopia (2000), one of the major achievements recorded in the economic sphere is the enhanced economic empowerment of women from improvements in access to and control over productive resources like land through certification and property ownership. This gave them an opportunity to get collateral for credit. But the certification of land did not continue for those who engaged in marriage recently.

Theme 3: Women are not getting economic benefits from common/natural resources.

There are common resources in the districts to which women could get access to. These common resources include minerals like Ambo stone, and black and red sand used for construction.

Table 3: Available Common Resources by Districts

Ambo District	Chaliya District	Toke Kutaye District
Mountain	Mountain	Sand
Ambo stone	Stone	Stone
Red and black sand	Irrigation	Rivers for irrigation
Nyamaer gold		

As shown in Table 3, the three districts under study have different common resources that do not belong to an individual. However, in none of the study areas women are being benefitted from these resources because of lack of commitment by government in giving awareness regarding equal opportunity to use natural/common resource. In discussing questions related to the existence of common resources the elders from Senkelle Farisi kebele stated the issue of the red and black sand:

“At kebele level, we have valleys and mountains where sand can be extracted. Some adults [male youths] were organized by Oromia micro business enterprise on this minerals. The kebele together with the enterprise provided the land for only 5 years for them to extract sand and stone and benefited from these. But, the life span of the project is extended to 8 years for the reason we are unsure. They sell stone, red and black sand and the most expensive Ambo stone. But, it could have been better if the adults are graduated and the turn is given to others including girls” (Ambos district, Senkelle Farisi kebele, Elders FGD).

Most FGD discussants and interviewees held in the study participants revealed that women are encountering different challenges in getting access to market. The major challenges are distance of the market and the expensive cost of transportation. FGD conducted with women in Chaliya district, Tulluu Jaldeesa kebele confirmed that...

“We were not getting access to market in our locality. We were also not capable of covering the payment of transportation services”.

There is no transportation service like cars even if there is infrastructure like road. This is evident in the district of Toke Kutaye, particularly among residents of Tokkee Arfinjoo, and Ejeree Arfinjoo kebeles.

“There are no transportation services to take our products like potato and Ensete to the market on time.” (Ejeree Arfinjoo and Tokkee Arfinjoo kebele, Women FGD).

Another challenge in getting access to market is existing norms in the community which allowed women to sell and buy small assets like chicken, eggs and milk products and denied to /not permitted to sell and buy big assets like oxen, and cows because their husbands have a mandate to control over these resources. Sheep and goat are sold by both wife and husband. In addition, most of the time small amount of *teff* and milk products is taken to market frequently; it is assumed that the selling of these commodities is not suitable for the males.

From the three types of market (formal, informal and structured public) identified by Ferris, Robbins and Best (2014), the market type available in Ethiopia, in general, and in our study areas in particular is informal market in which the control of the trading system by local authority is lenient. As a result, the brokers in the markets of our study areas enforce arbitrary stall fees for the products that the rural farmer take to market which is great challenge for the women who engage in trade and who take their products to market.

With regard to this, FGD held with women at Toke Kutaye District, confirmed that...

“Our husbands most of the time take cattle to market and being challenged and beaten by illegal brokers. As a result, when our husbands go to market we are unhappy until they come back home. This is what almost all of us have been witnessing”. (Wajira Kebele, Women FGD).

Theme 4: Women suffer from social norms that attach overburden works, stereotype, and gender division of labor.

Social norms often also define the activities women can engage in. The exploitative and customary nature of domestic works is devastating the rights of women in rural Ethiopia. In spite of their contributions to the wellbeing of their family and community affairs, women suffer from work stereotype and gender division of labor; they experience lower socioeconomic status and engage in economically invisible work. They are supposed to work in home and even outside of home in the agricultural activities but not yet recognized. This leads the women to psycho-social problem.

Theme 5: Rural women engaged in intensive works.

FGD conducted with women in Chaliya District indicated the burden women face.

“We engage in activities like supplying milk products to the nearby market for sell, taking chicken, sheep and goats to the market for sell, taking care of our children, collecting firewoods, washing clothes of our family, buying clothes for children, buying tobacco for our husband, preparing what is to be consumed (Meal, lunch, dinner etc.) by family members. We sleep mostly after all family members have slept”. (Tullu Jaldeesa Kebele, Women FGD).

This engagement of women in intensive work limits them from access to information such as listening to radio and participation on meeting; hence they would not get access to information about HIV/AIDS, HTPs and saving and credit.

Theme 6: Harmful traditional practices put rural women in subordinate position and militate against equal rights.

According to the national strategy and action plan on harmful traditional practices (HTPs) against women and children in Ethiopia formulated by FDRE Ministry of Women, Children and Youth Affairs (MoWCYA) in 2013, HTPs are deep-rooted in the beliefs, values and norm of the community.

Subtheme 6.1: Early marriage is the most HTP affecting the women.

In all FGDs and KIIs, it was stated that early marriage is the most HTP affecting the women. The age at which a girl marries varies from kebele to kebele and even from a village to a village.

In general, the age range of early marriage mentioned in FGDs is 13-17 years old. The most frequently mentioned age of early marriage is 14 years old. The data indicated that the average early marriage for girls is 15 years old.

The case of Bontu (pseudonym) reflects the mysterious life of many girls who married early and divorced. We have come across many divorced women who have been living with their parents without sharing any property from their ex-husbands. As can be understood from the case, early marriage leads to dropping out of school, brings about maternal health problems (such as fistula, maternal death), early birth to child which may not be able to survive, and have high chance for giving many births. Fortunately Bontu is lucky for having brothers who treated and sent back her to school. But others have migrated to the nearby towns like Ambo, Holeta, Shagar and also to Arabian countries. The inter-migrated girls engaged in low wage daily labor who care stone for construction, make pot coffee under veranda, on street and even under tree. They are highly vulnerable for unwanted pregnancy. (In-depth interview at Ambo town with woman migrated from Gosu Kora kebele).

Subtheme 6.2: Polygamy is rarely practiced in districts.

In some cultures very young girls are forced to marry an old man for matrimonial or other benefits (Dibaba, 2008). Polygamy is rarely practiced in all the three districts.

“Polygamy is practiced in the case when wife is barren or not able to give baby boy. In rare cases a man marries more than one wives based on his economic capacity of heading a family, or for performing cultural rituals”. (FGD, Women from all the kebeles).

Polygamous family sometimes is characterized by co-wife jealousy, competition, and unequal distribution of household resources in the family, where the husband left behind the senior wife with her children but had good relationship and care for junior wife and her children.

In some polygamous family, all wives live together peacefully by sharing the household resources such as agricultural and livestock products.

As Darwin's principle of the fittest stated human being does not sit idle to perish from the world. He/she strives to survive and search mechanisms of survival. The women in the study areas of West Shewa Zone used different mechanisms to survive themselves since they have limited access to and control over resources.

Engagement in daily labor, milk processing, poultry, share cropping or share rearing of sheep and engagement in petty trade are some of the coping strategies that women take. Moreover, few of them have been successful in taking loan from Oromia saving and credit corporation and rearing cattle.

Subtheme 6.2: Abduction is greatly reduced in the districts.

Even though this is greatly reduced it is still appears when girls turn from primary schools and market place. Abduction both with and without the knowledge of the girl occurs in the case when social and economic status of the girl's family does not match that of the boy's family. "Yearly, 5-10 girls get abducted in rural area schools. For instance, five female students were abducted in 2014 E.C academic year." (KII, Ambo district).

Theme 7: Women are vulnerable for physical and psychological abuse by their cruel and alcoholic husbands.

FGD in the three districts show that some cruel and alcoholic husbands beat their wives and disturb their families. Regarding this:

Patriarchal societies typically link feelings of cruelty with sexuality, the latter often equated both with evil and with power. This is apparent both in the sexual fantasy reported by psycho-analysis and that reported by pornography. The rule here associates sadism with the male ('the masculine role') and victimization with the female ('the feminine role'). (Millett 1977).

Similarly:

Wives who are beaten usually face a consequent loss of control over household decisions and thus suffer in the allocation of resources within the family. Family resources may be transferred away from the wife and her children to other members of the household. More importantly, the husband and wife are not able to construct a strong marital bond; which is reflected in the extent to which the husband cares for the welfare of his wife and children. Regardless of the mechanism, when a wife is hit, not only does she suffer but her children are also adversely affected (Rao, 1998).

According to Simister (2012), Ethiopian women agree that a husband is justified in beating his wife, 52% if she argues with him, 50% if she burns the food, 58% if she goes out without telling him, 59% if she neglects the children, and 39% if she refuses sex with him.

4. Discussion

Fineman's vulnerability theory provides the theoretical justification for transforming social values to enable government to reshape public institutional forms and behaviors (Fineman, 2004). Vulnerability's *universality* makes it a powerful concept for social organization, but its *particularity* fuels Fineman's arguments for reconceiving social values and institutions to support the poor, the weak, the powerless, and the despised, just as Thomas More (1516) imagined happened in a Utopia. According to the World Bank conceptual framework (2009) gender-based vulnerability can be explained based on four types of factors. These are (1) societal factors (Economic, social, and gender inequalities), (2) community factors (high unemployment, challenging traditional gender roles, social isolation of females), (3) relationship factors (parental conflict involving violence, low socioeconomic status), and (4) individual levels factors (witnessing vulnerability for marital violence and marital conflict).

The findings of this study reveal that women in rural area do not exercise rights of economic, social, and gender equalities. They do not access to and control over the family's resources. Similarly, women are overburdened by domestic works and supporting men in agricultural and livestock productions. Early marriage and forcing women to give many children in sex preference of boys are some of community factors of gender-based vulnerability of women at rural areas. Regarding relationship factors, husband has the power to assault or beating his wife and then resolved the dispute by customary law that favors him. Men control over every big social and economic issues. Regarding to individual levels factors, marital conflict in case when husband is alcoholic, and polygamy in the case when wife is barren or notable to give baby boys, abduction in case when social and economic status of girl not match that boy family deviated in rural areas.

Education is considered an important means of addressing gender inequalities in Ethiopia. According to UNESCO statistics, Ethiopian primary and secondary schools have nearly achieved gender parity (Gender Parity Index (GPI) being 0,91 and 0,96 respectively), yet gender parity in tertiary education is lagging behind (GPI 0,48) according to the latest statistics of 2015 (UNESCOa, 2018). Many girls face child marriage (41% marry under 18 according to UNFPA, 2012), FGM/C (74% according to UNICEF, 2013), domestic violence, and fewer work opportunities than men (UN- HABITAT, 2008). Teenage pregnancies are a growing concern, with an average of 10% of 15–19 year olds falling pregnant (CSA and ICF, 2016). Gender inequality and highly patriarchal structures in Ethiopian society are among the root causes of unmet SRHR needs (Pankhurst, 2014). Prostitution was among the major problems facing young women in the geographical context of study (as came forward through the data as well). This often resulted from migration, job seeking, economic challenges, and family pressure (Hoot et al., 2006; Van Blerk, 2008).

5. Conclusion

Women in rural areas are vulnerable for social and economic challenges. Gender-based vulnerability (GBV) can increase a husband's control of household decisions. Perhaps the main motive for oppressive men to use GBV is to force his wife to accept his preferences. Where a husband controls household spending, he may decide to allocate spending to his own preferences – including, for example, spending on alcoholic drink for himself. Hence, women who constitute half population of the country should get attention.

Harmful traditional practices prevalent in the study areas are the great challenges for the women to get access to and control over resources. Heavy workload of the women in household chores and agricultural land preparation are the neck bottle for women in attending media such as listening to radio so that they couldn't get access to information that is expected to have positive impact on their livelihoods. Early marriage, abduction, having many children in sex preference of boy, and polygyny are harmful traditional practices in the districts. These are leading to divorce which has also negative impact on the livelihoods of the whole family member.

6. Recommendations

It is recommended to encourage the law against harmful traditional practices, discouraging social norms and customary laws that negatively discriminate women through offering training and public awareness creation, and accessing women to free education, free market and other resources. More specifically the following cope up strategies are recommended:

- The idea of gender equality should be promoted in rural society.
- The brokers in market systems should be controlled by the concerned government bodies.
- Awareness creation training should be provided by governmental organizations and NGOs to minimize the women's workload that hinder them from getting access to other resources.
- Clubs focusing on HTPs particularly about early marriage should be facilitated in schools.
- Land certification should also work for the newly married couples so that she gets an opportunity to have her own share after divorce.
- Awareness creation training needs to be provided for women in order to exercise their rights.
- Awareness creation training should be provided for the men and women on the impacts of early marriage, abduction and polygyny.
- The brokers who facilitate early marriage should be given attention and there should be mechanisms to let them abstain from the wrong doing.
- Strict follow-up should be made by the offices targeting on women issues on those kebeles which are lenient in fighting against HTPs, including early marriage, abduction and polygamy.

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Corporate Social Responsibility Practices of Foreign Direct Investment in Ethiopia

Meshesha Zewdie (MSC, Ph. D Candidate)¹

¹Lecturer at Ethiopian Civil Service University Department of Development Economics and Ph.D. Candidate at Arbaminch University: Email: mesheshazewde@gmail.com. Mobile 0926726128

Abstract

Corporate social responsibility (CSR) refers to a company's ongoing, unwavering commitment to promote economic and social development to improve the lives of stakeholders. Accordingly, this study examined the CSR practices of foreign direct investment (FDI) manufacturing firms in Ethiopia. An Ethiopian Civil Service University team of researchers in collaboration with the Ethiopian Investment Commission collected data from 55 FDI firms. The subjects were 516 households from communities near FDI firms, and 18 key informants using scientific methodology, standardized questionnaires, and interview questions in the year 2021. Descriptive statistics and the standard Tobit model were used to analyze the data. The descriptive result of the FDI survey revealed that 81.8% of firms have CSR programs and nearly 77.8% of firms practiced at least one CSR activity. In the community survey, 31.03% of participants were aware of the CSR initiatives and 58% of community's respondents said that firms undertake at least one CSR activity. The marginal effects after the Tobit result indicated annual sales, ownership, the number of years of operation, and investment policy were found to be statistically significant in explaining the firm's decision to contribute and the amount of contribution. Based on the results, we can conclude that firms are engaged in above-average CSR activity and firms should integrate CSR initiatives into their business operations. Hence, the government should raise awareness of the CSR concepts for both communities and FDI firms, stakeholders should participate in the planning and implementation process of CSR activities and CSR should be enforced with rules and regulations to enhance CSR practices.

Keywords: Foreign direct investment, corporate social responsibility, Tobit model, Ethiopia

1. Introduction

Governments need to compete to attract more Foreign Direct Investment (FDI) around the world because it is thought that FDI will greatly boost well-being, export, employment, and foreign currency earnings (Javorcik, 2019; Alfaro, 2017). The appropriate operation of foreign direct investment (FDI thereafter) is essential for the social, economic, cultural, legal, and environmental development of countries. Economic and social growth is by nature multifaceted, necessitating the corporate involvement of governments, non-governmental organizations (NGOs), multinational organizations, or any other interested institution.

Ethiopia is the top recipient of FDI in East Africa, despite a modest drop in FDI inflows for the year 2020. According to United Nations Conference on Trade and Development (UNCTAD) World Investment Report (2021), FDI inflow in Ethiopia was \$4.02 billion in 2017 and it was \$3.36, \$2.55, \$2.4, and \$3.9 billion in the years 2018, 2019, 2020 and 2021 respectively. The Ethiopian government has also given the manufacturing sector high priority. Growth and Transformation Plan II (GTP II) calls for accelerated growth of the manufacturing sector by explicitly focusing on luring FDI to promote growth in the economy and encourage technology transfer to local firms. The government creates industrial parks and special economic zones to increase FDI inflow. Up until March of 2019, the total number of FDI projects operating in Ethiopia was 3,043. Of the total projects, 2837 are working in Oromia, Amhara, Tigray, SNNPR, and Addis Ababa. The manufacturing sector constitutes 1451 firms (EIC, 2019). Thus, the increase in FDI inflow to Ethiopia has led to an increase in interest in understanding the concept, practice, and actual contribution of corporate social responsibilities.

Because corporate social responsibilities are a growing concern and important in the business world today to achieve sustainable economic and social development, it has received adequate attention from academics around the world as a feasible strategy and useful instrument for firms to support sustainable development (Dobers, 2009; Margolis & Walsh, 2003; Nyeadi et al., 2018). According to Porter and Kramer (2006), businesses and society are intertwined; they cannot succeed without one another and both stand to gain from it. In addition, prosperous businesses are necessary for healthy societies since they are better able than any other groups to raise living standards through producing wealth and jobs. Therefore, societies have to make an effort to get involved in the implementation of CSR activities and multinational corporations (MNCs), particularly FDI, need to engage in CSR operations.

CSR essentially refers to an organization's ongoing commitment to act morally and promote social and economic advancement. It is described as an organization's duty to the community in which it operates (Mallen, 2012; Yasmin & Shamshuddin, 2014). Carroll (1979) added economic, legal, ethical, and philanthropic duties to further redefine this idea. He contends that there is a social link between business and society, and as a result, business is required to take society as a whole into account. Wood (1991) offered another helpful definition of CSR,

contending that FDI and societies are interlinked rather than separate entities.

Therefore, this study looked at the corporate social responsibility of FDI in the textile and garment, food and beverage, chemical and pharmaceutical, metal and engineering, and leather and leather products, all of which have a significant impact on Ethiopia's growing manufacturing sector.

1.1 Statement of the problem

Communities pressurize FDI to engage in CSR efforts as a result of the growth of stakeholder knowledge of FDI activities and their impact on social, economic, environmental, ethical, and legal issues. To this end, there are empirical and theoretical debates among academicians about the participation of FDI in CSR practices. According to some researchers, FDI contributes to CSR activities in a positive way (Tanimoto & Kokko, 2010; Bardy et al., 2010; Nyuur et al., 2016), while others find a negative impact of FDI on CSR (Scholtens, 2008). On the theoretical front, Friedman (1970) asserted that a company's social obligation is to uphold the wills of its shareholders and enhance profits while remaining within the bounds of legality and corporate ethics. Friedman goes on to say that businesses shouldn't focus on CSR initiatives unless they add value and respect the interests of the company's shareholders. A firm's primary goal is to maximize profits for its stakeholders while abiding by the rules of the country in which it operates. While Freeman (1984) argued in his stakeholder theory that FDI goes beyond using the resources of the firms for the sole benefit of shareholders and that using some of these resources for the benefit of a much wider group of stakeholders is crucial for their profitability and success as it builds their reputation, attracts customers, and ensures compliance with international supply chain standards as well.

The majority of previous studies that were conducted before only looked at firm-side CSR initiatives; they did not consider how FDI firms implemented their CSR in the community. This study attempted to gather and analyze quantitative data from FDI firms, communities around the firm, and relevant stakeholders' qualitative input. Empirical studies done before have produced conflicting findings about FDI firms' CSR efforts. Suzuki et al. (2010) discovered, for instance, that FDI firms are more likely to institutionalize and undertake CSR activities. Similar to this, Nyuur et al. (2016) found a positive correlation between FDI inflows and CSR practices in Ghanaian businesses. According to Campbell et al. (2012), FDI-based enterprises are more likely to engage in CSR activities than non-FDI-based firms because MNEs can increase their social legitimacy and get around the liability of being foreign by committing to CSR in host nations. Contrarily, FDI companies might harm CSR initiatives, even when compared to domestic companies (Dam & Scholtens, 2008; Amran & Devi, 2008). This demonstrated how FDI companies can have either a positive or negative impact on local CSR efforts.

Except for a few specialized businesses including the brewery, banking, tannery, and floriculture industries, limited CSR research is carried out in Ethiopia's manufacturing sector to

pinpoint the factors that influence CSR participation of FDI in terms of monetary, CSR implementation practices, and challenges (Abdulhamid, 2013; Tedla, 2013; Mamo 2017; Elfineh,2017; Anteneh & Mamenie, 2020). FDI contribution to CSR is largely reported in Philanthropic activities in Ethiopia. Philanthropic CSR entails donations to community development, cultural practices, and celebrations. The socio-economic aspects of CSR, such as portable water, schools, parks, and health centers as well as the empowering of the underprivileged, have received less attention. Furthermore, earlier studies did not show whether FDI engaged in CSR activities on their initiative was subject to external regulation and also did not indicate if they have a well-organized system to oversee CSR activities if they participate willingly (Abdulhamid, 2013; Anteneh & Mamenie, 2020; Joseph et al., 2021). Thus, this study focused on assessing the practices, determinants, challenges, and benefits of implementing CSR by FDI firms in Oromia, Amhara, Sidama regions, and Addis Ababa and Direedawa city administrations. The scope of the analysis was also confined to employees, local communities, input suppliers, and the environment. The findings of the research will contribute to the body of knowledge of CSR for empirical and theoretical debates by examining the CSR practices of FDI and also help us to better understand the topic of CSR by providing empirical evidence on the determinants that promote or prevent implementation of CSR practices by FDI.

1.3. Objective of the study.

The general objective of the study was to examine the corporate social responsibility (CSR) practices of foreign direct investment (FDI) firms in Ethiopia.

The specific objectives which are addressed by the study:

- ✓ To identify CSR activities carried out by FDI firms in Ethiopia;
- ✓ To examine determinants of CSR practices of FDI firms in Ethiopia;
- ✓ To identify the benefits of FDI firms experienced by participating in CSR activities in Ethiopia; and
- ✓ To assess the challenges faced by FDI firms in practicing CSR activities in Ethiopia.

2. Literature Review

2.1. Definition and Concepts of Corporate Social Responsibility (CSR)

The debate over the social responsibility of the corporate sector started in the 1930s, which marks a significant turning point in the creation of the present concept of CSR as a definitional construct. However, it wasn't until the 1950s that Bowen (1953) established what the first academic definition of CSR is likely by stating that corporate executives had a social obligation to make decisions in line with societal ideals. The academic literature developed a new understanding of the idea in the 1960s (Davis 1960; Frederick 1960; Walton, 1967), but this understanding was still limited to issues of employee satisfaction, management, and the social welfare of the community, and it was primarily concerned with the creation of economic profit.

The term "corporate social responsibility" (CSR) gained popularity during the 1970s, and Carroll (1979) may have provided the first comprehensive definition of the term. Carroll (1979) imposed specific obligations and expectations (economic, legal, ethical, and discretionary) on corporations and understood that a firm's economic and social objectives were not mutually exclusive but rather an integral part of its overall business strategy.

Although Carroll (1979) provided the first thorough explanation, there is still no single, accepted definition of CSR. Different academics have various definitions of it. The foundation for several definitions and discussions surrounding the notion comes from: first, to who are firms (FDI) responsible, and second, for what types of firms? As a result, there is still no agreement in the literature (Matten & Moon, 2008). Nevertheless, other academics have expressed the definition and the notions as follows. Corporate social responsibility (CSR) can be defined as "continuous commitment by business to contribute to economic development while improving the quality of life of the employees and their families as well as of the community and society at large" (WBCSD, 2001). This definition from the World Business Council for Sustainable Development (WBCSD) highlights the reality that businesses have obligations to society outside and inside the factory, including social, environmental, and ethical responsibility.

According to Mortazavi et al (2013), CSR is the practice of corporations integrating social, economic, and environmental issues into their company operations and relationships with stakeholders. Alternatively, CSR can be described as businesses' worries about their responsibilities to society and the environment, with an emphasis on sustainable development, public policy, and environmental repercussions (Martinuzzi et al., 2013). Furthermore, CSR can be defined as an approach to reducing the negative effects of corporate production, and operation, and ensuring society's welfare as well as compassionate business practices under pressure from owners and shareholders to improve profitability rather than create or preserve organizations (Crifo & Vanina, 2015).

CSR definitions suggest that foreign direct investors have responsibilities to society in addition to their economic responsibilities. Carroll (1991) said that CSR should include four distinct responsibility or dimension categories. The first is purely economic: be profitable, that is, return on investment to owners and shareholders; create jobs and pay people fairly; identify new resources; and encourage technological development, innovation, and the production of new goods and services. The second is Legal, which claims that in addition to society's approval of businesses operating for the sake of profit, businesses are also expected to abide by the laws and regulations issued by the federal, state, and local governments as the guidelines by which they must conduct their operations. The third is ethical, which means the standards, norms, or expectations that indicate a concern for what customers, employees, shareholders, and the community consider as fair, just, or consistent with the respect for or preservation of stakeholders' moral rights are what is embodied by ethical obligations. The final one is philanthropic, which indicates that business and society are tied through charitable giving,

sponsorships, and staff volunteerism.

Another scholar, Dahlsrud (2008) divides CSR into five dimensions. Environmental considerations in company operations, a cleaner environment, and environmental stewardship are the first. The second is social: make a positive contribution to society and incorporate social issues into company practices. The third is the economic side of CSR, which focuses on socio-economic or financial factors and describes CSR in terms of how a firm operates, is also important for the growth of the economy. Stakeholders are the focus of the fourth dimension, which places special attention on how businesses engage with their staff, vendors, clients, and communities. Last is voluntariness, which is defined as behavior that is not required by law.

2.2 Theories of Corporate Social Responsibility (CSR)

2.2.1 Stakeholder Theory (Freeman, 2001)

According to the stakeholder theory, modern firms and their managers have a fiduciary duty to their stakeholders, and the author further stated that a modern company must consider its stakeholders' interests. As a result, Freeman defined stakeholders as any organization with an interest in or claims on a business, such as vendors, clients, employees, investors, and the community (Freeman, 2001)

Because stakeholders are essential components of CSR, it is obvious that an organization's success depends on how it can manage its relationships with customers, employees, suppliers, communities, politicians, owners, and other parties that may affect the organization's ability to achieve its goals. Stakeholder theory thus aids in identifying corporate traits and researching the nature of relationships between organizations and diverse stakeholders. In other words, the study of the relationships between FDI and stakeholders will be based on the stakeholder theory (Ihlen, 2008). Stakeholder theory is a prominent method for examining how firms engage in CSR. Although the stakeholder theory of the social responsibility of business is more appealing, the theory of the social duty of the firm oscillates between the two extremes of the shareholder theory and the stakeholder theory (Argandoña, 1998).

2.2.2 Shareholders theory (Friedman, 2002)

Milton Friedman's (2002) shareholders theory contends that corporations have no obligations beyond maximizing returns to their shareholders and producing a profit, in contrast to Freeman's stakeholder theory. Furthermore, a government is wrong if it forces a company to pursue goals other than profit. Friedman's stance on the notion of business selfishness and a singular focus on profit is from the perspective that if businesses are selfish, they act in a way that benefits their employees, does not result in the production of subpar goods or causes harm to their customers, and ultimately benefits them and boosts their profit. However, some argue that doing something for the benefit of the community out of selfishness is not truly virtuous if it is not driven by selfishness. Other criticisms of Friedman's theory include its poor understanding of human nature, restricted self-determination and freedom, atomistic view of society, and independent conceptualization of economic activity within society (Sethi, 1975; Grant, 1991).

2.2.3 Institutional Theory (Campbell, 2006)

According to institutional theory, businesses must adhere to local social norms to function in that context and survive without a certain level of legitimacy or external social approbation (DiMaggio & Powell, 1983). The institutional theory aids in examining how different institutions impact organizations' CSR and its factors. Based on institutional theory, institutions exert institutional pressure on a firm based on normative expectations, and firms that best meet these demands are likely to perform best. The theory also addresses how firms seek legitimacy within a given environment and make an effort to become isomorphic with these environments (Campbell, 2006).

2.2.4 Legitimacy Theory

CSR can be used as a strategy to increase legitimacy and to do so, organizations must ensure that society will accept their operations. This concept explains the legitimacy theory, which focuses on obtaining acceptability (Suchman, 1995). According to this theory, approval is attained when organizations act following the standards of the society to which they belong and are accountable. According to Suchman (1995), legitimacy is a generalized view or presumption that, under some socially formed system of norms, values, beliefs, and definitions, an entity's activities are desirable, legitimate, or appropriate. The study from the legitimacy theory perspective shows that businesses use a variety of strategies to legitimize themselves, most notably, corporate philanthropy and social transparency (Lanis & Richardson, 2012).

3. Methods and Data

This survey was carried out with several themes initiated by the Ethiopian Civil Service University (ECSU) and the Ethiopian Investment Commission (EIC). A corporate social responsibility practice of FDI is one of the major themes that the survey focused on. Data were gathered in 2021 from the manufacturing sector by an ECSU team of researchers using standardized questionnaires, scientific methodology, and insightful interview questions.

3.1 Sampling procedure

The team collected quantitative primary data from foreign manufacturing firms that are operating in the Oromia, Amhara, and Sidama regions, as well as from Addis Ababa and Dire Dawa cities. Each region and city administration was composed of five sectors: textile and garment, leather and leather products, food and beverage, chemical and pharmaceutical industries, and metal and engineering. Since the number of foreign firms varies from region to region, systematic random sampling and proportional sampling to size were applied to choose a total of 55 FDI firms where data was collected.

Similarly, 516 households from communities near FDI manufacturing firms were also

randomly selected and quantitative data was collected from them to triangulate the reliability of CSR activities carried out by FDI firms. Moreover, qualitative information was collected from foreign firm managers (7), experts and team leaders from the Oromia investment commission (3), experts from the Ethiopia investment commission (3), and community leaders (5). The result was analyzed by descriptive and econometric analysis.

3.2 Model specification

The standard Tobit Model (Tobin 1958) was applied to analyze determinants of FDI firm's contribution to CSR activities.

The Tobit model was chosen because the amount of FDI contribution to CSR activities tends to be censored at the lower limit of zero (Gujarati, 2007). The Tobit model specification is given as ((Tobin, 1958; Cameron and Trivedi, 2009; Greene, 2012):

$$y_i = X_i\beta + \varepsilon_i, \quad i = 1, 2, \dots \quad 3.1$$

$y_i^* = x_i\beta + \varepsilon_i, y_i = y_i^*,$ if $y_i^* > 0$, for FDI firms with a positive contribution

$$y_i = 0, \text{ if } y_i^* \leq 0, \text{ for FDI firms with zero contribution.} \quad 3.2$$

Where:

y_i : the observed amount of FDI contribution to CSR practices

y_i^* : is the latent dependent variable that is not observed (CSR participation)

β : is the Vector of coefficients

X_i : Vectors of independent variables determining FDI contribution

ε_i : the error term assumed to be independently and normally distributed with zero mean and constant variance ($\varepsilon_i \sim N(0, \sigma^2)$). The threshold value in the above model is zero.

Estimation of the parameters of the model is carried out by non-linear least square estimation using the maximum likelihood method. The likelihood function consists of two parts: the probit-part or the slope of the line in the Tobit part and the linear part which is the uncensored part of the model. The Tobit log-likelihood functions also can be written as (Green, 2012, Maddala, 2002):

$$\ln L = \sum_{y_i > 0} -\frac{1}{2} \left[\log(2\pi) + \ln \sigma^2 + \frac{(y_i - X_i'\beta)^2}{\sigma^2} \right] + \sum_{y_i = 0} \ln \left[1 - \Phi \left(\frac{X_i'\beta}{\sigma} \right) \right] \quad \dots 3.3$$

Maximizing this log-likelihood function with respect to β and σ , we can obtain maximum likelihood estimates of the parameters.

Since the Tobit coefficient represents the effect of an independent variable on the latent dependent variable of the Tobit model, we cannot directly interpret coefficients as the OLS interpretation. Thus depending on the nature of the study coefficient of marginal effects of the Tobit model was interpreted after regression. These marginal effects are:

1. The change in the probability of FDI participation as independent variable X_i changes is:

$$\frac{\partial F(Z)}{\partial X_i} = \frac{Z^{\beta_i}}{\sigma} \quad \dots 3.4$$

2. The change in intensity (amount) of contribution with respect to a change in an explanatory variable among the FDI firms:

$$\frac{\partial E(Y_i|Y_i)}{\partial X_i} = \frac{f(z)}{F(z)} \beta_i \left[1 - \frac{z}{F(z)} \right] \quad \dots 3.5$$

$F(z)$ is a cumulative normal distribution of z , $f(z)$ is the value of the derivative of the normal curve at a given point (i.e., unit normal density), and Z is the zero score for the area under the normal curve, β is a vector of Tobit maximum likelihood estimate and σ is the standard deviation of the error term.

3.3. Variable definitions

3.3.1 Dependent Variable

The dependent variable is the total amount of birr contributed by FDI companies for advancing health and education in local settings, as well as for enhancing community welfare through the provision of potable water, road construction, irrigation schemes, business shop construction, and environmental protection.

3.3.2 Independent Variables

The definition and working hypothesis of independent variables are formulated based on the nature of survey data and relevant literature.

Table 3.1. 3.1: Variables definition

Variable	Description	Types of variables	Hypothesized sign
Initial capital(ln)	Total initial capital investment of the firm in birr	continuous	+/-
Current capital(ln)	This refers to the current level of capital in birr that firms currently have.	continuous	+
Annual sales(ln)	The annual sale of the firm in 2019/20 in birr	continuous	+
Workers total(ln)	The sum of permanent and temporary workers the firm currently has	continuous	+/-
Ownership	Belongingness of the firm. Coded as "1" if the firm is fully owned by Ethiopian and "0" if fully owned by foreigners	Dummy	+/-
Country of origin	Country of origin of the FDI firm. Coded as "1" if the firms are from different countries and "0" for Ethiopian Origin	Dummy	+/-
Number of years	Number of years since the firm started operation	Continuous	+
Manager Citizenship	Nationality of the General Manager. Coded as "1" if Ethiopian and "0" otherwise	Dummy	+/-
Investment policy	Importance of investment policy. Coded as "1" if the policy is very important and "0" otherwise	Dummy	+/-

4. Results and Discussion

4.1 Descriptive Results

4.1.1 Foreign Firm Characteristics

The majorities of foreign firms are working in Addis Ababa (29.09%), Oromia (29.09%), and Amhara (25.45%) and then followed by Sidama (12.73%) and Dire Dawa (3.64%). Firms were also questioned about their preferences for working in these areas. They claimed a better market for their product (40%), relative stability (38.18%), and better availability of infrastructure (34.55%) are the main causes (Table 4.1).

Foreign firms are engaged in different sectors based on their interest and the country's industrial policies. Accordingly, the survey result showed that 34.55% of firms have been working in textile and garment, 30.91% have engaged in chemical and pharmaceutical, 18.18% in food and beverage, 9.09% in leather and leather products, and 7.27% in metal and engineering. This suggests that over 65% of FDI firms were active in a sector that employs more labor and makes a greater contribution to lowering unemployment rates across the board. The survey's findings also revealed that foreign firms were 80% held entirely by foreigners, 16.4% by Ethiopians, and 3.6% by a joint venture. In terms of country of origin, 27.3% of firms are Ethiopian, and 72.7% are from other countries throughout the world. Moreover, 81.8% of the general managers of the firms are non-Ethiopian and the rest, 18.2% are Ethiopians. The mean number of years since the firm started operation is 6.7 years with a minimum of 1 year and a maximum of 18 years. The mean initial capital of the firm is 409,000,000 birr and the firm's mean current capital reaches 300,000,000 birr (Table 4.1). Creating jobs is one of the goals of foreign firms doing business in Ethiopia. Thus, during the period that data was collected, FDI firms employed on average 106 temporary workers, 422 permanent workers, and 527 total workers.

Table.4.1 General Characteristics of foreign firms

Region of operation	Freq	Percent	
Oromia	16	29.09	
Amhara	14	25.45	
Sidama	7	2.73	
Addis Ababa	16	29.09	
Diredawa	2	3.64	
Sectors			
Textile and garment	19	34.55	
Chemical and pharmaceutical	17	30.91	
Food and beverage	10	18.2	
Metal and engineering	4	7.27	
Leather and leather products	5	9.09	
Ownership			
Fully owned by Foreigner	44	80	
Fully owned by Ethiopians	9	16.4	
Joint venture	2	3.6	
Country of Origin			
Different Country	40	72.7	
Ethiopian Origin	15	27.3	
Nationality of General Managers			
Ethiopian	10	18.18	
Non-Ethiopian	45	81.82	
FDI –CSR Programs			
Yes	45	81.2	
No	10	18.2	
Continuous variables	Mean	Min	Max
Workers total	527	3	2400
Initial capital	409mil	1.5mil	6.6bil
Current capital	300mil	0.42mil	2.97bil
Experience	6.7	1	18

Source: Computed from survey data, 2021

4.2 CSR activities undertaken by FDI

Integrating CSR efforts into a company's operations is important in the modern, globalized world. Communities near the FDI firm, employees, consumers, and input suppliers place high demands on businesses. Firms were, therefore, questioned about their CSR initiatives. According to the survey's findings, 81.8% of the firms have CSR initiatives, while the remaining 18.2% do not.

When asked why they didn't have a CSR initiative, those firms responded in one of two ways: 40% claimed they didn't know anything about it, and 60% stated they were aware of it but hadn't made it part of their activities. This suggests that regional or federal investment commissions or other interested parties should constantly raise awareness about CSR programs for FDI firms. FDI firms with CSR activities were asked to identify the division within their organization in charge of CSR activities. Accordingly, the survey's findings indicated that 64.4% of CSR operations were managed by the human resource administration department, 8.89% by top management, and 17.8% by no one at all, with CSR decisions made at random. In addition, firms were asked about how they introduce CSR activities of the firm to their stakeholders and the survey's findings also revealed that 61.82%, 30.91%, and 7.27% of the firms' stakeholders, learned about CSR through their annual reports, company plans, and audit reports, respectively. This shows that CSR initiatives have not been well handled and have not been made plain to stakeholders in the company's annual plan.

FDI firms were expected to implement different activities as part of their CSR initiative. Based on the survey result of firms which have CSR program, 53.3% of firms were engaged in environmental protection followed by road construction (37.8%), potable water provision (35.5%), health and health facilities (33.3%), education and education facilities (31.1%), and did nothing (22.2%). This implies about 77.8% of firms participated in one or more activities as part of their CSR initiative (Table 4.2).

The qualitative data was gathered from an interview with six experts from the federal and regional investment commissions to complement the quantitative result with the qualitative findings. The first question asked was to see the presence of a legal framework concerning CSR of firms in Ethiopia and the benefit gained from CSR implementation. The response showed that there is a legal framework that governs CSR. Participants in the interview stated that a legislative framework governing FDI corporate social responsibility is there and is spelled out in an article when FDI firms make an agreement. But it is not properly implemented, supervised and controlled by firms and government bodies. Some 5 years ago, firms did not give due attention to CSR activities. Communities also did not feel a sense of ownership.

However, there is a strong perception nowadays that to maintain sustainability and profitability of firm, CSR is more important than advertising. Ethiopia has received a strong message, especially in the last three years. FDI firms that fulfill the needs of the neighborhood are unaffected by the community at a time of political instability. During the crises, certain businesses received protection. Due to CSR initiatives, the community displayed a sense of ownership. An expert from Ethiopia's investment commission disagreed with this statement, claiming that there are no rigid regulations governing CSR. However, we frequently suggest businesses to do good deeds in the neighborhood to maintain their viability. As an illustration, we suggest that businesses hire residents. If we don't, they are free to plan CSR independently and we can't compel them to participate.

Participants in the interview stated that aside from creating jobs for communities surrounding the project, there are also good CSR practices done by FDI to improve the livelihood of local communities and workers of the firm. This is about the typical CSR practices usually undertaken to improve the livelihood of local communities and protect the environment. Some of the usual activities of FDI as part of CSR include building churches and roads, providing clean water and food for the company's employees, and building schools.

Table 4.2: CSR activities done by FDI Firms

CSR activities	Responses	Freq	Percent
Education and education facilities	Yes	14	31.1
	No	31	68.9
Health and health facilities	Yes	15	33.3
	No	30	66.7
Road construction	Yes	17	37.8
	No	28	62.2
Potable water provision	Yes	16	35.5
	No	29	64.5
Environmental protection	Yes	24	53.3
	No	21	46.7
Irrigation Scheme construction	Yes	6	13.3
	No	39	86.7

Did nothing	Yes	10	22.2
	No	35	77.8

Source: Computed from survey data, 2021

4.3 Monetary contribution of FDI to CSR activities

The financial contributions of FDI firms were summed up for specific activities to assess the true level of engagement of FDI firms in CSR activities. Accordingly, the survey's findings showed that firms contribute more to health and health facilities, shop buildings outside of company compound, and provision of potable water for communities worth 774,272.7, 345,636.4, and 195054.5 birr, respectively. The minimum and maximum contributions were both zero and 17,000,000 birr, with the average contribution amounting to 1,495,691 birr (Table 4.3).

Interviews with seven FDI firm managers were conducted to combine the monetary contribution of firms with qualitative data. The first interview question concerned whether FDI firm has their own firm-related rule or regulation that can help to implement CSR activities for stakeholders. According to the interview findings, FDI firms establish their own rules for engaging in CSR initiatives. In agreement with this, interviewees stated that their company engages in various CSR initiatives to enhance local populations' quality of life and save the environment. For the displaced people from the country's east, we built 50 homes. We contribute when the municipality asks for any development work, like building a road. Additionally, businesses contributed money for the great renaissance dam, donated PPEs for the COVID-19 emergency, supported community people in need, and provided security for the youngsters of the local community.

Table 4.3: Monetary Contribution of FDI Firms to CSR activities

Activities/Contribution	Mean	Std.Dev.	Min	Max
Road Construction	47818.2	271099.9	0	2000000
Potable water	195054.5	758765.5	0	4000000
Health	775272.7	3070077	0	15700000
Education	63333.3	276930.6	0	2000000
Environment	68818.2	68818.18	0	1000000
Irrigation	909.1	3859.9	0	25000

Shop building	345636.4	1157207	0	5500000
Total contribution	1495691	4155168	0	17000000

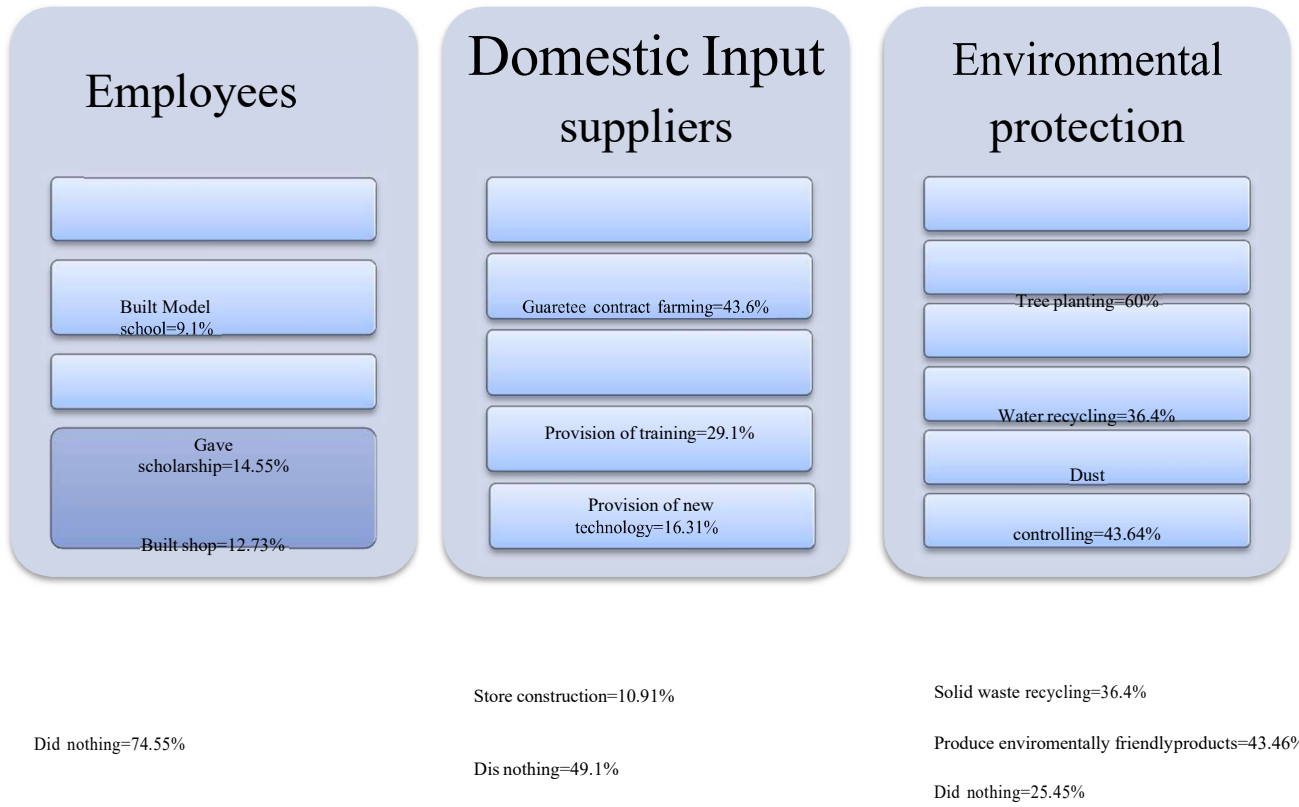
Source: Computed from survey data, 2021

4.4. CSR activities and Stakeholders

Firms were asked to list the kinds of CSR-related actions they undertook for their employees, input suppliers, and the environment. The survey's findings indicated that the majority of firms (74.55%) did nothing to support their employees, although a small number of firms (12.73%) constructed stores outside of their company compound, and 14.55 % of firms provided scholarships to employees. On the other side, 43.6%, 29.1%, 16.31%, 10.91%, and 49.1% of firms, respectively, guaranteed contract farming, offered training, provided new technology, built stores, and did nothing for domestic input suppliers (Figure 4.1).

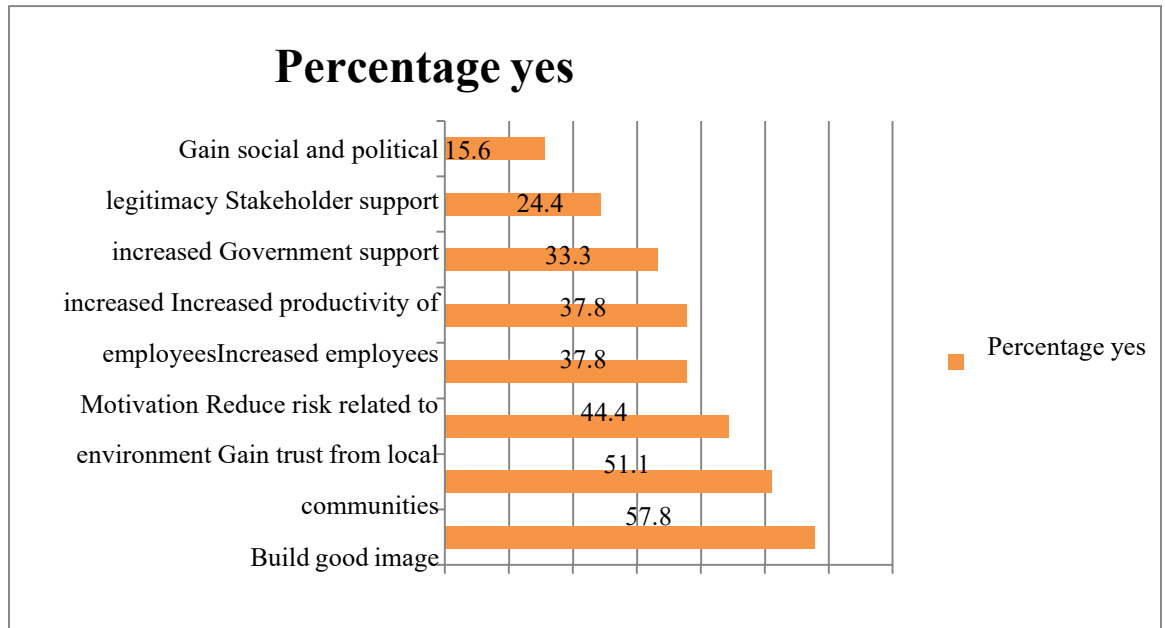
FDI firms were also required to list the specific CSR initiatives that were carried out to advance environmental protection. The survey's findings revealed that some of the actions taken by foreign businesses to protect the environment include recycling industrial solid waste (30.91%), planting trees (60%), controlling dust (43.64%), producing environmentally friendly products (43.46%), implementing an integrated pest management system (14.55%), recycling water (36.4%), and did nothing (25.45%) (Figure 4.1). This data suggests that below-average CSR activities are being made for employees and better has been done for local input (raw material) suppliers and environmental protection.

Qualitative research from FDI managers revealed that firms made significant contributions to stakeholders as part of CSR. Planting trees, implementing treatment facilities to treat wastewater (especially acidic water), recycling liquid waste, and composting solid waste are all examples of environmental protection measures. For the benefit of the employees, a clinic has been built in the company's compound to treat employees in the event of an accident. If the accident is serious and requires more care than the clinic can provide, however, firms transport employees to the hospital at no cost. Bus transportation is also available for employees who travel long distances.



4.4 Benefits firms gained from practicing CSR activities

Engagement of FDI in CSR initiatives benefits not just stakeholders but also the firms. Consequently, the survey result portrays that firms engaged in CSR benefited a lot from practicing CSR activities. Building a good firm image (57.8%), gaining trust from local communities (51.1%), reducing risk related to the environment (44.4%), increasing employees' motivation (37.8%), increasing the productivity of employees (37.8%), and increasing support from the government (33.3%) are the major ones among many (Figure 4.2).



Source: Computed from survey data, 2021

Figure 4.2: Benefits firms gained from CSR activities

4.5 Challenges faced by FDI in practice CSR activities

Practicing CSR activities by firms is not a simple task. It consists of a lot of challenges from inception to implementation. As a result, out of firms which has CSR program, the survey result showed that inadequate of government support (51.1%), lack of specific enforcement rules and regulations (42.2%) and insufficient understanding of CSR (40%) are the main challenges of implementation of CSR activities by FDI firms. This implies that CSR activities need support from federal and regional concerned bodies and should be enforced by rules and regulations (Table 4.4).

The qualitative data gathered and analyzed from six important experts of the federal and regional investment commission also revealed that putting CSR activities into practice presents several challenges. The main challenges in implementing CSR activities include lack of government support and cooperation, as well as the absence of a particular institution (Department or unit) to enforce CSR at the regional and federal levels. When there are complaints regarding taxes and customs, a firm will not engage in CSR practices. Moreover, FDI does not have a clear plan to implement CSR initiatives regularly for communities that is comparable to their company's production plan. Most FDI engaged in CSR after locals began to protest their operations and raise concerns.

We can get the conclusion that engaging in CSR activities is not a straightforward undertaking and that FDI firms face many challenges. Some of the challenges are firm-specific, while others are connected to the lack of clear guidelines and norms to handle CSR at the federal and regional levels since CSR needs their support.

Table 4.4 Challenges of CSR activities implementation

Challenges	Freq	Percent
Inadequate support from the Government	23	51.1
Lack of specific enforcing rules and regulations on CSR	19	42.2
Insufficient understanding of CSR	18	40
Less interest in CSR activities	12	26.7
CSR activities are costly	9	20

Source: Computed from data, 2021

4.6 Community Surrounding the FDI Firms and CSR

Respondents from the community were asked if they were aware of the existence of a CSR initiative of a foreign firm that is working near them. According to the survey's findings, 31.03% of respondents indicated that they are aware of FDI firms' CSR programs, while the remaining 68.97% showed that they are not. This suggests that most respondents were unaware of the company's CSR initiative. Similarly, those who indicated their agreement with the CSR program were asked how they learned about the company's CSR initiatives. The survey's findings showed that 38.2% of respondents claimed to have learned about the company's CSR program from the management team, while 66% said they had learned about it from kebele administrative bodies, 59.7% from the Woreda/town investment office, and 22.9% from a civil society organization (Table 4.5).

Preparing a participatory plan is essential to properly implementing CSR initiatives. As a result, 23.28% of respondents have been involved in the planning of CSR activities, while the remaining 76.72% abstained. This suggests that involving communities in the development of CSR plans is inadequate and that this weak participation may lead to the implementation of initiatives that the communities have not requested. The results of the FDI business study also revealed that 61.82% of stockholders learn about CSR from the annual corporate report. This shows that the link between FDI firms and communities surrounding the firm is weak and needs to be strengthened.

Respondents were also asked about the types of activities firms did as part of CSR. Consequently, the survey result showed that 57.95%, 34.58%, 33.1%, 29.89%, and 27.05% of respondents said that FDI firms were engaged in potable water provision, road construction, education and education facilities like school construction, table purchase, book purchase etc, health and health facilities (materials needed for day to day activities), and environmental protection activities respectively. In addition, 41.9% of survey participants said that FDI firms made no CSR efforts to help them and 58.1% respondents said firms undertake at least one activity. The findings from the FDI survey also showed that FDI firms were engaged almost in a similar activity as witnessed by communities. The main difference between FDI and community survey is that in the FDI survey 77.8 % of firms said that firms undertake at least one activity as part of CSR, whereas in the community survey 58.1% of community respondents said FDI firms did at least one activity for communities as part of their CSR initiative.

Table 4.5: CSR activities recognized by the community

CSR activities	Responses	Freq	Percent
Education and education facilities	Yes	93	33.1
	No	188	66.9
Health and health facilities	Yes	84	29.89
	No	197	70.11
Road construction	Yes	102	34.58
	No	193	65.42
Potable water provision	Yes	164	57.95
	No	119	42.05
Environmental protection	Yes	76	27.05
	No	205	72.95
Training provision	Yes	49	10.91
	No	232	89.09
Credit provision	Yes	28	9.96
	No	253	90.04
Did nothing	Yes	216	41.9
	No	300	58.1

Note: Frequency figures vary from activities to activities. This is because of missing values and missing values were dropped from computation. Source: Community survey data, 2021

4.7 Econometric Result

4.7.1 Determinants of CSR practices of FDI firms

To identify determinants of CSR practices, the Tobit model was used and its results were presented in terms of marginal effect (Table 4.6) because it gives sound meaning if the coefficients of the Tobit result were interpreted in marginal effect. So the marginal effects of changes in the probability of participation in CSR activities and the change in intensity (amount) of contribution for CSR activity implementation with respect to a change in an explanatory variable among the FDI firm contributors were computed after Tobit regression. Classical linear regression model assumptions were tested

The Tobit log-likelihood ratio, LR ch2, is statistically significant at a 1% probability level. This implies variables entered in the model jointly explained the dependent variable (amount of money contributed). Similarly, the Tobit model result indicated that annual sales, ownership, number of years of operation, and investment policy were found to be statistically significant in explaining firms' decision to contribute and amount of contribution whereas initial capital, number of workers, country of firms origin and citizenship of general manager were found statistically insignificant in affecting the amount of contribution and the decision to contribute. But current capital statistically significantly affects only amount of contribution, not the decision to contribute.

The amount of contribution for CSR operations is affected by the current capital of the firm. According to the econometric analysis, current capital has no bearing on the choice to make a financial contribution. Instead, a 1% rise in current capital is related to an 82.7% increase in the amount contributed and is statistically significant at the 10% level. This indicates that businesses can contribute more to CSR efforts if their current capital increases. A close similar finding was reported by Workineh and Daniel, 2015.

Profit maximization is the main objective of FDI firm operations. This is accomplished by raising sales volume. According to the econometric findings, if a firm's annual sales rise by 1%, the amount of contributions will rise by 89.2%, and the decision to contribute will be increased by around 3.1%, both of which are statistically significant at the 1% and 5% probability levels. This implies that firms can engage in CSR initiatives if they are successful in growing their yearly sales.

Ownership of foreign firms is another important variable that affects the amount of contribution and the decision to contribute. Based on the econometric result, firms that are fully owned by Ethiopians, their contribution to CSR activities increased by 3.34 birr compared to those firms fully owned by foreigners and statistically significant at a probability level of 5%. Similarly, the decision to contribute to CSR for firms that are fully owned by Ethiopians is also higher by 11.4% compared to those firms owned by foreigners at a 10% significant level. This indicates that firms

that are owned by Ethiopians are most likely concerned about CSR practices than firms owned by foreigners. Nearly a similar finding was reported by Zheng et al, 2015.

Engagement in CSR efforts by firms is determined by the number of years since the company began operations. When a company operates for an additional year, the amount contributed and the decision to contribute both decreased by around 0.312 birr and 1.2%, respectively, and this difference is statistically significant at the 10% level. This variable was hypothesized to have a positive effect on the amount contributed and the decision to contribute, however, the econometric analysis revealed the opposite. This is more likely plausible that firm may contribute more in their early years of operation to introduce themselves to stakeholders and get recognition. After some time, firms begin to reconsider their decision to donate to CSR initiatives.

Effective investment policies are crucial in luring foreign capital. The survey's findings revealed that companies who stated that investment policies are important to their ability to remain in business and produce at their highest levels contribute more to CSR initiatives and increased their decision to do so by 3.89 birr and 13.3% in comparison to companies who stated that investment policies are very important and statistically significant at the 5% and 10% levels. This suggests that even though a welcoming investment policy is important for encouraging FDI firms to participate in CSR initiatives, investment policy alone is not a deciding factor for firms to participate in CSR initiatives. This implies that other factors, such as the political stability of the hosting nation, trade policy, macroeconomic stability, and foreign relations, are more likely important for effective participation of FDI firms in CSR initiatives.

Table 4.6: Tobit Model Estimation Result

Variables	Coeff.	Str.Err.	Change among the Contributors $\partial E(Y_i/Y_i^*>0)/\partial X_i$	Change in probability $\frac{\partial F(Z)}{\partial X_i}$
Initial capital(ln)	-0.054	0.584	-0.041	-0.0013
Current capital(ln)	1.104*	0.624	0.827*	0.028
Annual sales(ln)	1.189**	0.453	0.892***	0.031**
Workers total(ln)	1.121	0.728	0.84	0.029
Ownership	4.452**	2.22	3.34**	0.114*
Country of origin	1.96	1.88	1.47	0.05
Number years	-0.417*	0.215	-0.312*	-0.012*
Manager citizenship	-2.22	2.66	-1.662	-0.056
Investment Policy	5.19**	2.57	3.89**	0.133*
Cons	-45.16	13.94		
Log-likelihood	-140.26			
LRChi2(10)	29.36***			
Prob >Chi2	0.0006			
Pseudo R2	0.0947			
Number of Obs	55			
Left censored obs	15			
Uncensored obs	40			

- ***, ** and * is significant at 1%, 5% and 10% level of statistical error.
- $y = \Pr(\ln \text{contribut_total} > 0)$ (predict, $\text{pr}(0,.)$), probability of participation for CSR = 0.9213
- $y = E(\ln \text{contribut_total} | \ln \text{contribute_total} > 0)$ (predict, $\text{e}(0,.)$), for contributors = 8.98
- The dependent variable: Amount of money contributed by FDI Firms in birr
- The reference category for ownership is fully owned by foreigners; the reference category for the county of origin is a different country, the reference category for manager citizenship is Ethiopians, and the reference category for policy is very important.

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary and Conclusion

The findings from the descriptive analysis showed that 81.8% of these firms had CSR programs, compared to 18.2% who did not. Regarding activities done by firms, 53.3% % of firms did

environmental protection followed by road construction (37.8%), potable water provision (35.5%), health and health facilities (33.3%), and education and education facilities (31.1%). To do this work, firms contributed on average 1,495,691 birr. The benefits of CSR initiatives for businesses extend beyond just the stakeholders. This research revealed that building a good firm image (57.8%), gaining trust from local communities (51.1%), reducing risk related to the environment (44.4%), increasing employees motivation (37.8%), increasing the productivity of employees (37.8%), increased support from the government (33.3%) are the major one among many. The survey showed that lack of government support (51.1%), lack of specific enforcement rules and regulations on CSR (42.2%) and lack of understanding of CSR (40%) are the main challenges to the implementation of CSR activities by FDI firms.

To identify determinants of CSR practices, the Tobit model was used and its results were presented in terms of marginal effect. The finding showed that annual sales, ownership, number of years of operation, and investment policy were found to be statistically significant in explaining firms' decision to contribute and amount of contribution whereas initial capital, number of workers, country of firms origin and citizenship of general manager were found statistically insignificant in affecting the amount of contribution and the decision to contribute. But current capital statistically significantly only affects the amount of contribution, not the decision to contribute.

Therefore, we can conclude that communities think CSR should be a fundamental component of businesses operation and that businesses should appropriately consider active stakeholder participation beginning with the planning phase and continuing through implementation. The FDI survey showed that 77.8% of firms involved in CSR activities while the community survey revealed that 58% of respondents recognized firms involvement in CSR activities. Despite disparities in participation levels, both community and FDI survey results revealed that FDI enterprises engage in above-average CSR activities. However, in terms of FDI activities for stakeholders, firms performed above average for domestic input suppliers and environmental protection while performing below average for employees. According to the qualitative data gathered from community representatives, communities are unhappy with CSR activities because firms carry out an activity not as part of CSR but as a philanthropic action. CSR activities have to be governed by rules and regulations.

5.2 Recommendations

The more the FDI inflow to an economy, CSR became a growing concern by stakeholders. Thus, in light of the results, the following recommendations were made:

- ✓ Government should raise awareness of the CSR idea for both communities and FDI firms.

According to survey results from FDI and the community, clear comprehension of CSR efforts

continues to be a challenge, More than 18% of FDI that did not have a CSR program reported that they were unaware of CSR activities. Communities view CSR operations as philanthropic endeavors and more than 68% of communities are unaware of CSR activities. This demonstrated that CSR programs are not always evident to everyone.

- ✓ Stakeholders should actively participate in the planning and implementation process of CSR activities.

More than 61% of stakeholders learn about CSR initiatives from the annual report. Stakeholders are not sufficiently involved in the preparation of CSR programs, and this under-involvement may result in the implementation of CSR activities that the stakeholders have not desired.

- ✓ CSR activities should be governed by rules and regulations.

Both qualitative and quantitative responses indicated that there are guidelines for managing CSR initiatives. However, businesses do not properly take it into account, and relevant organizations do not adhere to it. This showed that there are issues with and a need for proper enforcement of the rules and regulations related to CSR programs.

- ✓ Government should better support CSR initiatives.

Government shouldn't limit CSR efforts to FDI firms solely. The planning and execution phases as well as the challenges faced by FDI firms should involve closely regional or federal investment commissions or other interested parties.

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The Impact of Cybercrime on the Banking Sector in Ethiopia

Hailu Abebe (LLB, LL.M; Mada Walabu University School of Law)

Contact Address: E-mail: hailuabebe495@gmail.com Phone no:
+251(0)922326683

Abstract

Twenty-first-century societies have become inextricably dependent on digital infrastructure. Banks also offer their clients numerous technology-based e-banking services to narrow the landscape between the bank and the client. But, as technology presents us with great promise, it may also be transformed into a conducive environment for criminals, specifically cybercriminals. Cyber Crimes a generic term that refers to all criminal activities done with the aid of communication devices in a network, including the internet, the telephone line, etc. Over the last decades, there has been a tremendous increase in cyber intrusions and crimes. This unprecedented crime growth has caused severe damage to the critical banking processes and caused substantial financial losses to the system. Ethiopia has enacted a computer crimes proclamation to control the commission of cybercrimes and facilitate its investigation. This paper intends to assess the impact of cybercrime on the banking sector in Ethiopia and draw a lesson from experienced domestic and international banks on the ways of shielding from crime. Accordingly, the researcher utilized a mixed research methodology and qualitative research approach. Besides, the researcher interviewed concerned stakeholders and investigated dead files. Financial losses, long-term reputational damage, and loss of customer trust were among the significant effects of cybercrime on banks. Preventive and remedial measures to combat cybercrimes include reporting threats to the concerned bodies, educating customers, and developing and training internal cyber security policies. The researcher also recommended banks prepare an Acceptance Use Policy, train their human resource about cybercrime, alert their customers, and work proactively to prevent and mitigate the impacts of cybercrimes.

Key Words: Banks, Cyber Crime, Internal Threat, Social Engineering

List of Acronyms

ATM: Automated Teller Machine

BoA: Bank of Abyssinia

CBE: Commercial Bank of Ethiopia

CBO: Cooperative Bank of Oromia

FDRE: Federal Democratic Republic of Ethiopia
ICT: Information Communication Technology

ID: Identity

INSA: Information Network Security Administration
INTERPOL: International Criminal Police Organization
MINT: Ministry of Innovation and Technology

SMS: Short Message Service

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Over the past two decades, the fourth industrial revolution has rapidly increased information and communication technologies and actively implemented them in different areas of society worldwide (Kuzior et al., 2022). Consequently, twenty-first-century societies have become inextricably dependent on digital infrastructure, particularly the financial industry, whose business model relies on consumer confidence in the overall financial system. The rapid growth of information technology and mobile networks has led to the development of an information society in the modern world. Although this development facilitates computer users to collect information at their fingertips, organizations must consider some issues.

The evolving nature of technology supports criminals with new methods and tools to commit crimes. Likewise, innovation has fueled the creation of new patterns in criminal ecosystems concerning product placement, subcontracting, and networking. Cybercriminals employ schemes similar to the legitimate B2B (business-to-business) models for their operations, such as the highly sophisticated C2C (criminal-to-criminal) models, which make stolen data and very effective tools for committing cybercrime available through digital networks (Tropina, n.d.).

Crime has always been part of human society, but how these crimes are committed constantly develops and expands (Di Nicola, 2022). Technology is neutral and can empower those who build and destroy alike. With every new invention, many people see only its potential to do good, while others see new opportunities to commit a crime or make money. Hence, technology presents us with great promise and is transformed into a safe haven for criminals (Halefom Hailu, n.d.). Thus, the computerized and digitalized processes have resulted in such negative phenomena as cybercrime, accompanied by increased digital literacy and decreased cost for technology to commit cybercrimes (Halefom Hailu, n.d.).

Cybercrime is a generic term that refers to all criminal activities done with the aid of communication devices in a network, including the internet, the telephone line, or the mobile network (Mozid & Yesmen, 2020). Interpol defined cybercrime as an offense committed against computer data, computer data storage media, computer systems, service providers, etc. Cybercrime usually covers offenses such as illegal access, interfering with data and computer systems, fraud, and forgery, unlawful interception of data, illegal devices, and intellectual property infringements (Interpol, 2021, p. 10). Cybercriminals attempt to steal credentials and obtain information such as bank staff's and customers' passwords and personal information, allowing them to access accounts and place fraudulent payment orders (Antoine Bouveret, 2018).

Like many other countries, Ethiopia has embraced ICTs and ICT-based services as crucial social and economic development enablers. Even though Ethiopia is still lagging behind compared to

many developing countries, ICT penetration and usage is steadily growing. As part of the world, Ethiopia is not an exception for cyber-crimes committed in the banking sector. The dependency of banks on digital infrastructure makes them vulnerable to cyber-related crimes. In general, the digitalization of the banking sector was followed by a new type of sophisticated crime. Hence, it's essential to identify cybercrimes committed in the banking sector and give a speedy solution. Therefore, this paper explores cybercrime in Ethiopia and its effect, particularly on the banking sector. The study recommends a way to halt or control these cybercrimes.

1.2 Statement of the Problem

The banking industry offers its clients numerous services, such as mobile banking, internet banking, card services, etc., to narrow the landscape between the bank and the client. With the help of these services, customers can access all types of bank facilities 24 hours a day, and they can conveniently transact and run their accounts from anywhere in the world using the internet and cell phones. These services are helpful to customers, but they also have a dark side, which hackers and robbers may exploit.

The development of the digital economy and the increasing dependence of many financial services on information networks have dramatically changed the criminal landscape and offenders' motivation. High rewards combined with low risks have made digital networks attractive for various types of profit-driven criminals, who, according to some research, might shape the new form of organized criminal networks (Tropina, n.d.).

Over the last decades, there has been a tremendous increase in cyber intrusions, attacks, and crimes. This unprecedented crime growth has caused severe damage to the critical banking processes and caused substantial financial losses to the system (Acharya & Joshi, 2020). Various researches revealed that amongst several banking organizations surveyed, a significant number of organizations were affected by cybercrimes (Barrett, 2001). The financial sector has constantly been exposed to cyber-attacks, and it is not only about stealing clients' money but also about doing damage *just to do damage* (Kuzior et al., 2022). That is, the financial sphere is the most targeted industry for cyber criminals and is one of the most vulnerable to cybercrime.

The problem of cybercrime is evident and is now one of the biggest international concerns. While the number of crimes committed in cyberspace is constantly growing, and criminal activities are becoming more sophisticated, lack of reliable sources of information makes it difficult to obtain an accurate picture of the dark side of the information networks. Furthermore, the international character of cybercrime and the continually evolving tools used by cybercriminals make it challenging to accurately estimate the scope of cybercrime.

Security developers are using many tactics to provide secure financial platforms. However, cybercrime is typically carried out by offenders and impostors with technological skills who can outstrip and think one step ahead of the law to gain access to computers and commit crimes

(Vijayalakshmi P et al., 2021). Thus, it needs a broad approach to fight against cyber criminals and computer impostors by developing satisfactory legislation and appropriate legal framework to protect banking transactions and additional activities (Vijayalakshmi P et al., 2021).

Law enforcement agencies throughout the world have made efforts to prosecute cyber criminals. However, the volatile nature of electronic evidence and the frequent lack of logged information can often mean that evidence is destroyed by the time law enforcement officers can get the necessary warrants to recover equipment. Law enforcement bureaucracy provides good checks and balances but is often too slow to cope with the speed of cybercrime. Additionally, incident responders often do not understand the needs of law enforcement and accidentally destroy electronic evidence (OECD, 2008).

The Ethiopian Federal Police Crime Investigation Bureau stated that a drastic surge in mobile banking fraud exposed a record number of users (Samson Berhane, 2022). Rapid technological advancement plays a significant role in festering fraud as it allows scammers to thrive from virtually anywhere. Investigators also identified that fraud in mobile banking is growing at an alarming rate. At the same time, crimes on electronic payment platforms are significant, and the trend is likely to continue with the growth of digital banking in Ethiopia (Fortune, n.d.). Information Network Security Administration (INSA) also revealed that Social engineering cybercrimes, which are used to deceive and convince people to hand over confidential information, are increasing at a high level in our country (በ2015 የመጀመሪያ ሩብ አመት ብቻ ከ1600 በላይ የሳይበር ጥቃት ሙከራዎች ተደርገዋል - INSA, n.d.).

Cybercrime causes massive monetary losses borne by customers and banks, affecting a country's economy. Citing CBE and the Ministry of Justice, the Reporter newspaper reported that a significant amount of money was misappropriated by fraudsters from banks, which became a major threat to the banking industry. Clients have also lost their money because of fraud (Samson Berhane, 2022). Therefore, this paper will try to assess the negative effect of cybercrime on banks in Ethiopia.

1.3 Objectives of the study

1.3.1 General Objective

The general objective of this study is to assess the impact of cybercrime on the banking sector in Ethiopia.

1.3.2 Specific Objectives

- ❖ To provide an overview of cybercrimes;
- ❖ To examine the institutional and legal framework to combat Cybercrime in Ethiopia;

- ❖ To identify specific damage Ethiopian banks faced and will possibly face; and
- ❖ To explore the preventive and remedial measures available to control cybercrimes committed in the banking sector.

1.4 Research Questions

- ❖ What is cybercrime, and its constitutive elements?
- ❖ What institutional and legal framework exists in Ethiopia to combat cybercrime?
- ❖ What is the specific damage Ethiopian banks have faced and possibly face in the future?
- ❖ What preventive and remedial measures are available to control cybercrimes committed in the banking sector?

1.5 Research Methodology

1.5.1 Research Approach and Design

This paper intends to assess the impact of cybercrime on the banking sector in Ethiopia. Therefore, the research utilized a mixed doctrinal and empirical methodology to retrieve theoretical frameworks and apprehend the practice. A qualitative research approach is employed to conduct this research. Qualitative research is an approach to explore and understand the meaning individuals or groups ascribe to a social or human problem (C.R. Kothari, 2009). It concerns the subjective assessment of attitudes, opinions, and behavior's (John W. Creswell & J. David Creswell, 2018). Cybercrime involves the interaction of the legal and institutional framework, private and public actors, and digital infrastructure (tools) cybercriminals use. In line with this, the qualitative method is used to explain, interpret and analyze data and understand social phenomena in their contexts. Thus, by employing descriptive and explanatory research designs, the paper tried to assess the effect of cybercrime on the banking sector in Ethiopia. Likewise, a correlation between cybercrimes and the well-being of the banking sector has been dealt with qualitatively.

1.5.2 Source and Types of Data

Based on the research's nature, primary and secondary sources are used to scrutinize the issue under inquiry. Accordingly, primary sources include IT security experts from the Cooperative Bank of Oromia, the Commercial Bank of Ethiopia, and the Bank of Abyssinia, financial crimes investigative officers of the Federal Police Commission, and public prosecutors from the General Attorney Organized and Transnational Crime Directorate. Furthermore, legislation, decisions of various courts, audit reports, and policy documents were scrutinized as primary sources for this research. Secondary sources such as books, journals, articles, magazines, and internet sources are extensively utilized. Furthermore, news releases, reports, and online resources are used.

1.5.3 Sampling Technique

The research employed a purposive sampling technique to select those with the necessary interaction with cyber security and obtain comprehensive data on the ongoing efforts to combat cybercrime from specific personnel involved in combating cybercrime. Accordingly, the information system security department of the Commercial Bank of Ethiopia was selected as a representative based on its enormous financial capacity, previous vulnerability inferred from secondary data, and long years of experience in managing digital infrastructure. Likewise, the Bank of Abyssinia and Cooperative Bank of Oromia were selected based on the number of cybercrimes encountered.

On the other hand, an interview was conducted with experts from the Federal Police Commission Crime Investigation Bureau financial-related crimes investigation office and the General Attorney Organized and Transnational Crimes prosecution coordinating office. Accordingly, from each office, two representative experts were interviewed. Furthermore, some dead files were examined.

1.5.4 Method of Data Collection and Data Analysis

The researcher used Google's web engine to gather various laws, articles, commentaries, books, and newspapers. Besides, interview has been conducted to complement the theories with the practical side of the research area. Furthermore, the realistic scenario of BoA, CBE, and CBO has been investigated. Hence, the author will try to achieve the research objective and answer research questions by making an inference from various legal texts, audit reports, court decisions, interviews, and texts. However, to reduce false data tendency, all accessible materials on the internet will not be relied on in making an analysis. Instead, data collected from secondary sources have been relied on after examining the author's or journal's creditability.

1.6 Scope of Study

i. Thematic (Conceptual) Scope

The conceptual scope of this paper is on the impact of cybercrime. Accordingly, the study incorporates cybercrime's speculative and concrete effects, apprehending other banks' contexts and the existing practical influences.

ii. Institutional/organizational scope

The institutional scope of the study is limited to Ethiopian banks.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1 Definition of Cybercrime

A cyber-attack can maliciously disable computers, steal data, or use a breached computer as a launchpoint for other attacks (Hathaway & Crootof, n.d.). In its 9th edition, Blacks law dictionary defined cybercrime as a crime involving computer use, such as sabotaging or stealing stored data electronically (Bryan A. Garner, 2009). Likewise, Gordon and Ford described cybercrime as computer-mediated activities conducted through global electronic networks that

are illegal or considered illicit by certain parties (Douglas, T. & Loader, B. D, 2000). In contrast, finance cybercrime is defined as obtaining financial gain through profit-driven criminal activity, including identity fraud, ransom-ware attacks, email, internet fraud, credit cards, or other payment card information (Arkvik, 2021).

2.1 Types and Nature of Cybercrimes in the Banking Sector

Cybercrimes are classified differently from different perspectives. Accordingly, several experts categorized cybercrimes into *Cyber-Enabled* and *Cyber-Dependent Crimes*. In contrast, others organized them into *Crimes against the machine*, *Crimes using the device*, and *Crimes in the machine*. Furthermore, some others still classify it as *Cyber-dependent crimes or true cybercrimes*, *Cyber-enabled crimes or hybrid crimes*, and *Cyber-assisted crimes or the use of computers in traditional crime*. Majid Yar made a typical classification of cybercrime by categorizing it into four categories: cyber-deceptions, cyber-violence, cyber-pornography, and cyber trespass (Yar, 2005). The frauds in the e-banking sector are covered under *cyber-deception*. Cyber-deception is a complex cybercrime designed to gain access to funds by circumventing a firm's existing controls. These meticulously planned crimes usually involve tricking unsuspecting individuals into transferring money or information directly to the criminal. Most frauds are committed because of two goals: to gain access to the user's account, steal their personal information, and transfer funds from one account to another. The second is to undermine the bank's image and block the bank server so that customers cannot access their account (Dr. V.K.Bakshi, 2019).

Cybercrimes can be of various types and include social engineering attacks (phishing, smishing, and vishing), insider threat, denial of service attacks, key logging, malware, hacking & cracking, social networks, credit card fraud, man in the middle attack, injection attacks, zero-day attack, cross-site scripting, credential reuse attack, and drive-by download attack. Common types of cyber-crimes committed against the banking sector include the following:

2.1.1 Social Engineering Attacks

Social Engineering attacks typically involve some form of psychological manipulation, fooling otherwise unsuspecting users or employees into handing over confidential or sensitive data. Fraudsters make voice calls, send text messages (SMS), or email their targets to access personally identifiable information, such as credit card numbers, PINs, and account login credentials. These can then be used to steal the target's identity, take over their accounts, and access customer funds (Silvia Baur-Yazbeck et al., 2019). Common types of Social Engineering include Phishing, Smishing, and Vishing.

I. Phishing: This is a strategy by cyber criminals and impostors to make victims disclose their personal and other secret financial information. Phishing attacks are meant to steal user information, such as user credentials, credit card numbers, and PINs, to access the victim's bank account or take control of social network data (Acharya & Joshi, 2020). Cyber fraudsters use many tactics in phishing, but the most typical tactic is sending a phishing email to internet banking customers, pretending to be from a genuine company or organization (Vijayalakshmi P

et al., 2021).

II. Smishing: It is the application of social engineering through the telephone to gain access to private personal data from the public for ransom (Acharya & Joshi, 2020). Smishing is a form of phishing that is more sophisticated and uses phone text messages to bait victims and acquire customers' details and financial data. Smishing messages often use an urgent tone to rush targets into action (Dzomira, 2014).

III. Vishing: is also a form of phishing that uses phone calls to induce victims and acquire customers' details and financial data (Acharya & Joshi, 2020). The calls would have a sense of urgency, be unprompted, and impersonate legitimate brands or government agencies. The caller might ask for sensitive information, such as bank account details or money, through a wire transfer or gift card (Dzomira, 2014).

2.1.2 Insider Threat

The insider threat usually refers to employees or other people with authorized access that can potentially harm an information system by destroying it or parts of it, disclosing or modifying confidential information, causing a denial of service and other ways (INSA, 2021). If an insider can access sensitive information or systems, they could use that information to damage the organization or its assets. Insider threats can also be difficult to detect and prevent, as perpetrators may not appear to act out of malicious intent.

2.1.3 Denial of Service Attack

Denial of service (DOS) is an attack where the network or services are shut down, denying access to service to concerned users (Acharya & Joshi, 2020). By targeting a computer and its network connection, or the computers and network of the sites people are trying to use, an attacker may be able to prevent users from accessing email, websites, online accounts (banking, etc.), or other services that rely on the affected computer. The most common type of DoS attack occurs when an attacker floods a network with information and requests to view the website or access the services. The server can only process a certain number of requests at once. Thus, an attacker overloads the server with illegally generated requests, and the server cannot process requests from legitimate users. Though this attack does not cause loss or theft of vital information, the damage requires lots of money and time to mitigate (Tropina, n.d.).

2.1.4 Key logging

Key logging is a method by which fraudsters monitor and record actual keystrokes and mouse clicks (Dr. V.K.Bakshi, 2019). When logged in, the customer believes they are only talking with the device, but another person listens and writes down everything said. Key loggers are 'Trojan' software programs that target computer operating systems and are installed via a virus. These can be particularly dangerous because the fraudster captures user ID and password, account number, and anything else that has been typed (Dr. V.K.Bakshi, 2019).

2.1.5 Malware

Malware (Viruses, Worms, Trojans, and other threats) refers to any intrusive software developed by cybercriminals (often called “hackers”) to gain unauthorized access to users’ accounts to steal their financial data and other sensitive information. Furthermore, hackers try to gain access to private computer systems and destroy computers and computer systems (Dr. V.K.Bakshi, 2019). It is software used or created to disrupt computer operations and gather sensitive information.

2.1.6 Hacking and Cracking

Through hacking and cracking computers, impostors can break into computers and computer networks to steal financial information, which can later be used for an unauthorized purpose. Different malicious software could be used to hack by computer fraudsters such as Trojan virus (Vijayalakshmi P et al., 2021).

2.1.7 Social Networks

Social Networks are the mutual platforms available for cyber impostors to access information the account holders share. The accessed information by cyber fraudsters can later be used for unauthorized purposes. Social network platforms like Facebook and Twitter allow users to send instant messages. Users could be redirected to another website by providing a link to the fraudsters during the process (Vijayalakshmi P et al., 2021).

2.1.8 Card Fraud

Card fraud occurs when customers use their credit or debit card for any online payment or declare it anyway. Using the customers’ hacked card details and passwords may be misused for online purchases. The hacker can misuse the credit card by impersonating the card owner when electronic transactions are not secured (Dr. V.K.Bakshi, 2019).

2.2 The Effects of Cyber Impact on Banks

The banking sector has suffered the impact of cybercrimes. The catastrophic effect of cybercrime on the performance of banking institutions and relentless efforts undertaken to protect the banking industry from the clutches of cyber-attacks and growing competition among banks has drawn the attention of researchers, policymakers, and cyber experts to identify and analyze the cybercrime zones, intentions of cyber criminals and vulnerable points susceptible to cyber-attack (Acharya & Joshi, 2020). Therefore, financial organizations must be aware of cyber threats and must consider all those measures that can help improve individual’s awareness of safety and a maintainable financial business environment (Vijayalakshmi P et al., 2021).

E-commerce companies are impacted by malware in a variety of ways. Many have to deal with DoS attacks, often requiring them to buy more costly services from their Internet Service Providers (ISPs) to protect their services’ availability. A computer connected to an inadequately protected network can directly impact the security of other interconnected information systems. The damage resulting from software vulnerabilities may have reputation effects on software

vendors. In broad-spectrum, societal exposure to cybercrime in financial institutions will result in the erosion of trust and confidence in the specific organization (OECD, 2008).

The effects of cybercrimes are more than the financial integrity of financial institutions and other organizations (Vijayalakshmi P et al., 2021). Even though not all cybercrimes can be fully assessed and understood from an economic perspective, many information security failures could often be better explained in economics rather than by technological shortcomings (Lagazio et al., 2014). For appropriate measures to be implemented, organizations must understand the impact of cybercrimes.

Statistics evidence has disclosed a dynamic growth of cybercrime and cyber fraud and its negative consequences in recent years. The financial sector is ahead of all other sectors in its exposure to these risks, only in economic losses from cyber incidents in the US in 2021 (Vijayalakshmi P et al., 2021). It accounts for 22.4% of all attacks among all other sectors, and of these attacks, 70% of them were targeted banks (IBM Security, 2022). Geographically, cyber-attacks directed against the finance and insurance industry in the Middle East and Africa were comparatively high, accounting for 48% of total attacks. In contrast, cyber-attack in Asia's finance and insurance industry accounts for 30%, 18% in Europe, and 15% in Latin America (IBM Security, 2022). Similarly, most of the cyber-attacks in

Ethiopia targeted financial and service-providing institutions (በ2015 የመጀመሪያ ሩብ አመት ብቻ ከ1600 በላይ የሳይበር ጥቃት ሙከራዎች ተደርገዋል - INSA, n.d.).

2.3 Gaps in the Previous Research

Most previous studies generally dealt with cybercrimes and did not address the specific issue of cybercrimes in banks. At the same time, some research was conducted on banking fraud in general and did not specifically address the subject matter of cybercrimes in banks. Besides, the existing research was full of computer-related technical vocabulary and difficult for legal experts and other concerned persons to understand. Furthermore, no study has been undertaken to scrutinize the impact of cybercrimes on the banking sector, specifically in Ethiopia. Therefore, this paper attempted to fill existing research gaps by illustrating the impact of cybercrimes on the banking sector briefly and straightforwardly.

CHAPTER THREE: CYBER-CRIMES IN ETHIOPIA

3.1 Legal Framework to Combat Cybercrime

The Criminal Code of the Federal Democratic Republic of Ethiopia of 2004 (hereafter referred to as the Criminal Code), promulgated as a revised version of the Penal Code of 1957, was the first set of legislation pertaining to cybercrime in Ethiopia. The Criminal Code provisions from Art 706-710 deal with cyber/computer crimes. But as technology has advanced, threats from cybercrime have changed significantly from what the Criminal Code might have anticipated. Given the Code's lenient punishment, its provisions are inadequate to govern the concern of cybercrimes. Furthermore, simply incorporating cybercrimes into the Code without amending

investigation and prosecuting procedural laws diminishes the success of substantive law. Therefore, the criminal code provisions dealing with computer crimes were repealed by proclamation no 958/2016.

Under its second preamble, the repealing proclamation recognizes that “*utilization of information communication technology is vulnerable to various computer crimes and other security threats that can impede the overall development of the country and endanger individual rights*”(Computer Crime Proclamation No.958/2016, p. Preamble). Therefore, a new proclamation was promulgated to facilitate the collection of electronic evidence and incorporate the new legal mechanisms and procedures to prevent, control, investigate and prosecute computer crimes(Proclamation No.958/2016, p. Preamble).The proclamation under part two criminalized illegal access to a computer system, computer data, or network; illegal interception of non-public computer data or data processing service; intentional hindrance, impairment, interruptions, or disruptions of the proper functioning of a computer system; altering, deleting, suppressing a computer data, rendering it meaningless, useless or inaccessible to authorized users and intentionally transmitting any computer program exclusively designed or adapted to cause damage to a computer system, computer data or network (Proclamation No.958/2016, Art 3-6). Furthermore, computer forgery, computer fraud, and electronic identity theft were included in the criminalized lists by the proclamation (Proclamation No.958/2016, Art 9-11). The proclamation explicitly recognized the admissibility of any evidentiary document, a certified copy of the document, or a certified printout of any electronic record relating to computer data provided that any person who produces evidence provided has the burden to prove its authenticity (Proclamation No.958/2016, Art 33 & 34).

3.2 Institutional Setup to Deal with Cybercrime

The Ministry of Innovation and Technology is one of the 22 ministerial offices, which is reorganized in a new manner according to Art 16 of Proclamation No. 1263/2021. According to Proclamation No.1263/2021, the Ministry has set standards to ensure the provision of quality, reliability, and security of information communication technology services and monitor the implementation of the same in collaboration with concerned organs (Proclamation No. 1263/2021, Art 29(1)(e)). As a result, MINT was responsible for managing digital infrastructure, including ensuring its security against cyber- attacks.

Information Network Security Administration (INSA) is established to defend Ethiopia’s information and information infrastructure from attack and protect the national interest (*Duties and Responsibilities - En - INSA*, n.d.). Information Network Security Agency Reestablishment Proclamation No. 808/2013 empowered INSA to draft national policies, laws, standards, and strategies that ensure information and computer-based critical infrastructures security and oversight of their enforcement upon approval (Proclamation No. 808/2013, Art 6(2)). Taking all necessary countermeasures to defend against any cyber or electromagnetic attacks on information

and computer-based infrastructures or systems is also the other power of INSA (Proclamation No. 808/2013, Art 6(4)). Above all, the Administration is expected to provide assistance and support to prevent and investigate cybercrimes to the police and other organs empowered by law (Proclamation No.958/2016, Art 23(1) & 39; Proclamation No. 808/2013, p. Art 6(7)).

Where there are reasonable grounds to believe that a computer crime is to be committed, to prevent and control the crime, minimize the risks, or for the effectiveness of the investigation, INSA may conduct sudden searches upon a court warrant. Furthermore, it may carry out a digital forensic investigation or take other similar measures on computers, computer systems, or infrastructures suspected to be attacked or deemed to be the sources of attack (No.958/2016, Art 26(1)). Any service provider who knows the commission of cybercrimes or dissemination of illegal content data by third parties through the computer system it administers is expected to immediately notify INSA, report to the police about the crime, and take appropriate measures (Proclamation No.958/2016, Art 27(1)).

Investigating crimes related to the information network and computer system is entitled to the Federal Police Commission (Proclamation No. 720/2011, Art 6(5(b)) jointly with the public prosecutor. And the public prosecutor shall lead the investigation process (Proclamation No.958/2016, Art 23(1)). Moreover, the public prosecutor has the burden of proving material facts regarding the cases brought to the court according to the standards stipulated in the law (Proclamation No.958/2016, Art 37(1)). In 2004, the commission established a cyber-unit division, which lacks experts to investigate cybercrimes dealing with cybercrime *per se*, such as hacking, spam, denial of service, and the like (Iyasu Teketel, 2018, p. 51).

Concerning the adjudication of cybercrimes, the Computer Crime Proclamation under Art 40(1) entitles the Federal High Court to have first-instance jurisdiction over computer crimes. Reading into the Federal Courts Proclamation provisions also reveals that the issue falls under the first instance jurisdiction of the Federal High Court (Proclamation No. 1234/2021, Arts 4(17) & 12(3)). Thus, state supreme courts shall exercise the jurisdiction of the Federal High Court through representation as per the FDRE constitution (Constitution of the Federal Democratic Republic of Ethiopia, Art 80(2)).

As stated in the literature review, banks are the primary subjects of attacks for cybercrimes. Therefore, upon discovering any cyber intrusion, notifying INSA is mandatory. An interview with the information security department of the Commercial Bank of Ethiopia, the Cooperative Bank of Oromia, and the Bank of Abyssinia disclosed that they have a firewall to shield from cyber intrusions proactively. However, they refer the issue to INSA upon facing cyber-related attacks or attempts.

3.3 Common Types of Cybercrimes in Ethiopian Banks

An interview with (Temesgen Taye (CBO IT Security Manager), personal communication, 11th February 2023), (Yohanis Yemanebirhan (Vulnerability Assessment and Penetration Test Manager of CBE), personal communication, 15th February 2023) , and (Fantahun Demeke (IT Security Director of BoA), personal communication, 15th March 2023) revealed that cybercrimes and attempts for cybercrimes were prevalent in daily activities. However, cybercrimes committed with the direct acts of the human beings (semi- automated) are significant in their number. Especially frauds committed through social engineering, mobile banking and internet banking, password theft in ATM cards, and insider/internal threats by bank employees were predominant (Public Prosecutors of Organized and Transnational Crime Directorate of the Federal General Attorney, personal communication, 17th February 2023). Semi-automated cybercrimes do not require advanced technical knowledge, which is why they are prevalent currently. Respondents added that in contrast with fully automated cyber- attacks such as hacking and malware attacks, semi-automated cybercrimes are frauds that can be reduced through public awareness and easy identification. However, fully automated cybercrimes such as hacking and malware require advanced technical knowledge of programming and writing computer codes. Besides, sophisticated anti-virus software and multifactor authentication systems considerably shield against those cyber-attacks. Despite its low probability, its effect is horrific and difficult to control if it arises. Respondents from the finance-related crimes investigation department of the Federal Police also affirmed that mobile and internet banking frauds (Vishing & Smishing), and password theft in ATM cards, were the major cyber-crimes in Ethiopian banks. Furthermore, their department was engulfed with a caseload of similar types of crime and, therefore, transfer the investigation process to be conducted by Addis Ababa Police if the damage sustained was below 100,000 ETB (Investigators of Finance-Related Crimes Investigation Department of Federal Police Investigation Bureau, personal communication, 16th February 2023).

Concerning insiders- threat, respondents from CBE and CBO replied that bank employees also commit cybercrimes using colleagues' user names and passwords. Usually, it is the owner of the password who is responsible and subject to punishment administratively and criminally because, primarily, it is prohibited to share passwords, and finding and organizing evidence to punish the real criminal was complex/almost impossible. Therefore, interviewees replied that the simplest way to reduce insiders- threat was by discouraging password sharing in different ways. They also added that little awareness about the consequence of their conduct was one of the reasons for the prevalence of cybercrime.

An interviewee from the Cooperative Bank of Oromia replied that there are attempts and attacks to steal financial data and money from the Bank. However, because of the lack of skilled personnel who can interpret available data, it is impossible to know the extent of the damage. Interviewees also added that the collaboration of different governmental institutions with a task

to prevent, investigate, prosecute, and punish cyber-criminals was fragile. Furthermore, the alliance of various departments within the bank in cognizing cybercrime's nature, impact, and consequence was feeble. Therefore, the attention given to cybercrime was poor.

3.4 The Effects of Cybercrimes on Banks

The digital infrastructure of banks has created a new landscape for criminal behavior that can adversely affect banks, their customers, and the state. Interviewed experts stated that there are various reasons for the proliferation of cybercrime as a new crime haven. Among those grounds, some of them include: crime has a nature of being transitional and is committed from everywhere in the world; it enables the criminals to hide their identity and location; it can be executed using computer/network infrastructure; it is difficult to attest through witnesses; and the damage it causes is much greater than other crimes. Interviewees also replied that cybercrime might be fully automated, such as hacking, or semi-automated, such as different types of fraud.

The effects of cybercrime on banks can be best explained based on the motive of the criminals in committing the crime. Accordingly, the usual motive of the criminals is to steal money from the bank or the customer, which in turn causes financial losses for the bank or the client due to fraudulently transferring funds. Respondents from the General Attorney's office group the economic losses the banking sector faces due to cybercrime into two. The first is the bank as a victim and the employees as criminal. Art 2(4) of proclamation 881/2015 defines a bank as a public organization. Hence, where it is proved that the material element (the act) of theft of money has been committed against this public organization by its employee, it can be considered a corruption crime and will be prosecuted with the same proclamation. Secondly, when the victims are individuals and lose money through digital systems, it falls under typical cybercrime and will be charged under Computer Crime Proclamation No.958/2016.

Not only do banks experience direct financial losses due to cybercrime, but these crimes can also result in long-term reputational damage, including loss of customer trust, which can impede future profits if not addressed quickly and properly. Interviewees responded that the other cause of committing a cybercrime is to damage the bank's reputation and its good name. If the bank loses its reputation and good name, it cannot compete in the industry, and customers will also lose their trust and, in turn, will leave the bank, which is a terrible consequence. Therefore, this reputational damage will affect the economic well-being of the bank.

Banks must utilize the latest cyber security and fraud management systems to resist the dynamic nature of cybercrime and realize their banking objective. Using the latest cyber security system by itself requires efficient instruments such as software and trained personnel. Hence, banks will be subjected to additional costs. All respondents replied that costs associated with preventing and responding to future cyber-attacks were the other effects of cybercrimes.

Cybercrimes committed against banks is the cause of workload for the organization itself and other justice institutions. Respondents stated that the bank employees are expected to spend time investigating damages caused by cybercrime, which they may have dedicated to their primary duty. Furthermore, regulatory penalties resulting from non-compliance with security standards and data breaches that expose customer information to competitors and third parties are the other effects.

3.5 Preventive and Remedial Measures to Combat Cybercrimes

There is an international belief that the cyber- attack is purported *when* and not *if*, according to the BoAcyber security director. Hence every person is vulnerable to cyber- attacks; we cannot predict how they commission the crime and need to be ready to remedy the adverse impacts of the crime. Therefore, it's essential to utilize the following preventive and remedial measures:

I. Reporting to the Concerned Bodies

Whenever a cyber-fraud is committed, the victim should report it to the Anti-cybercrime team that every bank must set up to review, monitor, investigate, and report cybercrime. Furthermore, the fact should be submitted expeditiously to INSA and other justice institutions. These institutions are also expected to take remedial measures and share with other financial institutions to prepare for similar threats. Respondents from CBO and CBE replied that also they usually report cyber threats to INSA and the national bank of Ethiopia; however, the receiving institutions didn't usually share with other organizations.

II. Education to Customer

Customers should be educated and be aware of various types of bank fraud and safety measures so that they do not fall prey as victims of cybercrime. If a customer is conscious and reports the matter of cybercrime in the initial stage, instances of cybercrimes can be reduced. Hence, banks should inform their customers through their website, newspaper, advertisements, SMS alerts, poster education, etc. If a bank introduces any new policy or changes required by all banks, then the bank must inform the customer. The awareness material should be timely updated, keeping in mind the changes in the legislation and directives of the national bank. Respondents from the CBE also replied that their bank is alerting its customers about cyber-crimes via SMS, social media such as Twitter and Facebook, and Tv programs, mainly through its weekly Tv program on EBS Tv.

III. Training of Bank Employees

Banks need to organize training and orientation programs for their employees. The employees must be made aware of cybercrimes and prevention measures. It can be done through circulars, SMS alerts, magazines, and safety tips being flashed on the screen when logging into the bank's software, holding discussions on factors causing cybercrime and actions required to be

undertaken in handling them. However, interviewees from CBO replied that training aimed at preventing cybercrime has not yet been conducted. On the other hand, CBE and BoA have prepared an *Acceptance Use Policy*, in which every employee who joins the company is expected to train to discern the permitted and prohibited acts while using the organization's digital infrastructure.

Furthermore, BoA has prepared a module on cyber security in which all employees are expected to train through an online platform and to take exams on each module. An employee who has not scored a passing mark will not pass into the next module training and will re-train and read the module to take the exam. Besides, cyber security questions will be incorporated into every internal vacancy exam.

IV. Confidentiality in holding Passwords

In many banks, the passwords of employees and officers are known to each other, contrary to banking rules and regulations. In the guise of expediency, quick customer service, and speedy accomplishment of routine work, entry, and authorization passwords of anyone are used by anyone at any time. Similarly, customers share their passwords with various persons, increasing their vulnerability to cyberfraud. Therefore, to reduce exposure to cybercrime, employees and customers must avoid sharing passwords with others, even someone they trust or family members or friends. Furthermore, using strong passwords makes it harder for potential hackers to guess the correct code and reduce cybercrime. Interviewees from the CBE retorted that the banks' acceptance use policy instructs for the confidential handling of passwords by employees and utilized a multifactor authentication system in addition to user ID and password.

V. Coordination in Prosecuting Cyber-Criminal

Prosecuting cyber criminals involves various laws, agencies, and strategies. Typically, prosecuting cybercriminals requires law enforcement institutions to gather and present evidence in compliance with the rules of procedure for filing charges. Hence, banks, INSA, Telecom operators, etc., are expected to support police and public prosecutors in the prosecution of complex computer crimes successfully. Specifically, the presentation of evidence needs to be prompt to secure speedy justice and avoid its destruction.

VI. Investing in security technologies and experts

Banks can invest in security technologies to fight cybercrime in several ways, specifically monitoring the in and out system traffic. One way is to install security software on their computer systems. They can also install security cameras and sensors to monitor their facilities for signs of

tampering or theft. This will help protect against attacks and theft of data. Banks can also invest in cyber security experts to help them protect their systems from attack. However, in Ethiopia, the conventional technique to defend against cybercrime, especially hacking is turning off the infrastructure when there is a sign of an attack, which is not a contemporary way of defending against the attack. In this respect, the CBE and BoA have invested in securing their data by setting up an information security department that follows up on cyber threats and installing up-to-date software which monitors and points out the threats, if any.

VII. Developing internal cyber security policy and procedure

The National Cyber Security Framework Development Methodology developed in 2014 EC by INSA states that placing different security control measures is not an option but a question of protecting/ensuring national interest and business organizations. Therefore, organizations should place cyber security controls to protect their critical information, information systems, and infrastructures. The policy requires organizations to develop their own cyber security policies, procedures, guidelines, strategies, and plans to ensure cyber security, using the policy prepared by INSA as a template document (Information Network Security Agency (INSA), 2014, p. 1). Respondents from CBE and BoA replied that their organization had prepared its own cyber security policy, which is made accessible to all employees of the organization for its implementation. Respondents added that a cyber-security policy would help control cybercrimes, such as internal threats before happening. Furthermore, it helps to take transparent remedial measures after facing threats.

3.6 Problems in the investigation and prosecution of cyber criminals

3.6.1 Protracted time in providing evidence

Cybercrime is committed by using/ on a digital infrastructure. Therefore, it does not usually tenable to attest with ordinary witnesses about the commission of the crime. Therefore, the investigation and prosecution of the crime have to be accompanied by documentary evidence produced by victim organizations, INSA, telecom operators, and expert witnesses. Therefore, organizations and experts should promptly present the documents and testimonials to secure a speedy trial and justice. However, these institutions are practically not speedy enough to make the necessary documents available. Respondents from the Federal Police Commission Crime Investigation Bureau replied that the fastest time they received evidence was three months. Hence it creates a caseload at the hand of the police and entitles the criminal a time to abscond and destroy evidence.

3.6.2 Tracing the criminals

In safeguarding justice, the identification of the right suspect is needed. However, cybercrimes are committed using digital infrastructure without direct contact with banks. Hence, in responding to the question of *Who they are? How and where they committed the attack? Which evidence needs to be presented to clarify the identity of the suspect?* is not an easy task. Most cyber criminals transfer the stolen money not to their original/ correct account but to the account

opened with a fake identity card; moreover, stolen phone numbers are often used to commit Vishing and Smishing. Therefore, it is tiresome to identify the appropriate person who committed the crime.

On the other hand, the stolen money will be distributed to different accounts and links numerous people to the issue from different parts of the country. Furthermore, some criminals manage stolen money through accounts purchased from innocent individuals. Hence, investigators face the challenge of examining many people to identify the real criminal, which is time-consuming. Therefore, tracing the criminal is an enervating activity in the investigation and prosecution of cybercriminals.

3.6.3 The technicality of the subject matter

Crime Investigators, public prosecutors, and judges are legal experts, while cybercrime is filled with computer technical terms and technology. Therefore, it was complicated to understand, investigate, prosecute, and adjudicate the crime with traditional legal knowledge and skill. Furthermore, the crime was dynamic and exhibited progress within a short period. Respondent from the Federal Police Commission Crime Investigation Bureau replied that they get very little training on the subject matter. They added that unless sustained training that corresponds to the dynamic nature of the crime is given, criminals will be ahead in the race, while the justice machinery will follow them slowly.

3.6.4 Caseload on investigators

The number of cybercrimes being committed is numerous. However, the number of departments entrusted with the investigation of financial-related crimes, including cybercrime, in the Federal Police Commission is less than 20 personnel. Hence, the number of investigators is far less than the number of cases at hand currently. It is evident that if there is no compatibility between the number of investigators and the number of claims at hand, it reduces the quality of the investigation and delivery of a speedy trial.

3.6.5 Dynamic nature of the crime and the criminal

The nature of cybercrime is new not only to Ethiopia but also to the world. However, despite the crime being new, it is dynamic and makes daily progress. All respondents replied that tracking and investigating the offense is not an easy task; it requires being progressive, and must be equipped with cyber security technology. Therefore, controlling cybercrime's effects is unthinkable without providing technological instruments and training for investigators, prosecutors, and adjudicators.

3.7 Legal Measures Taken for Violating Criminal Law

As stated above, arresting the prosecution of cyber-criminals is not easy as it involves complex tasks of identifying and finding the real criminals and gathering relevant evidence. The researcher has found accusations letters sent to police stations concerning cybercrimes. However, judgments

pronounced based on the accusations made were very few. Some of them include the following:

In the (*Public Prosecutor of Finfinne Special Zone Vs. Abdulnasir Mohammed, 2011*) case, the criminal withdrew 416,398.00 from his bank account without having a sufficient balance, using a core banking system issued to his advantage. This occurred between the 18th and 24th of January 2017 and was done via his ATM card. Hence the court sentenced the criminal to simple imprisonment of one year and three months. The charge of the public prosecutor is under Art 679 (A) (which states that, *Whoever, with intent to obtain for himself or to procure for a third person an unjustifiable enrichment, appropriates: a) a thing the property of another and of which he has come into possession' by mistake, accident, the operation of natural forces such as wind or water or in any other manner independently of the will of the owner; is punishable, upon complaint, with simple imprisonment or fine*) of the criminal code for misappropriation; similarly, the court convicted the criminal under the same Article. The researcher firmly believes that this type of fraud falls under Art 10 of Computer Crime Proclamation No. 958/2016, which deals with computer-related fraud. (Proclamation No.958/2016, Art 10(2) *States that: Whosoever, with fraudulent intent of procuring any benefit for himself or for another person, causes economic loss to another person by any change, deletion, or any other damage of computer data shall be punishable with rigorous imprisonment not exceeding five years and fine from Birr 10,000 to 50,000 or in serious cases with rigorous imprisonment not exceeding ten years and from Birr 10,000 to 100,000.*) Therefore, the researcher differs both with the charge instituted and the judgment pronounced.

On the other hand, the theft of money by an employee from **the** bank falls under corruption crime and will be prosecuted under Corruption Crimes Proclamation No. 881/2015 (*Federal General Attorney Vs. Umer Gezali et al, 2015, n.*). Mr. Umer Gezali was an employee of one private bank empowered to create a mobile banking account. He was prosecuted under corruption crime proclamation for linking the client's account number with an inappropriate phone number and consequently transferring the client's money to his accomplice without quest from the client using the mobile banking platform. However, if the act was committed by illegally accessing the e-system of the bank in various ways, it also falls under computer crime (Proclamation No.958/2016, Art 3(1) states that: *Whosoever, without authorization or in excess of authorization, intentionally secures access to the whole or any part of a computer system, computer data, or network shall be punishable*). Hence, from the above provision, we can apprehend that mere illegal access is a crime. The criminal code of Ethiopia under Art 60(b) states that *when the same criminal act simultaneously contravenes several criminal provisions or results in crimes with various material consequences, it's a concurrent crime*. Therefore, employees who misappropriate money from the bank through illegal access, e.g., by stealing colleagues' User IDs and Passwords, are expected to be prosecuted both under Corruption Crime

Proclamation No. 881/2015 and Computer Crime Proclamation No.958/2016 concurrently.

However, the respondents from the General Attorney replied that in cases where this type of event materializes, they are prosecuting the suspects only under Corruption Crimes Proclamation No. 881/2015. Furthermore, in other similar cases, public prosecutors of both the federal government and regional states prosecuted the suspects only under Corruption Crime Proclamation No. 881/2015. However, all criminals accessed the bank's e-system by stealing their colleague's User IDs and passwords. Such acts are prohibited under the computer crime proclamation and known as insider threat in its conventional nomenclature. However, despite clearly violating the computer crime proclamation prosecuting the criminals only under Proc. No. 881/2015 raises a question of legal experts' cognizance of computer crime law. IT security experts of sampled banks reacted that despite the existence of computer crime law in Ethiopia, understanding the law and crimes listed is at an early stage. Especially there is a clear understanding gap among legal experts concerning cybercrimes.

CHAPTER FOUR: CONCLUSION AND RECOMMENDATION

4.1 Conclusion

To narrow the landscape between the bank and the client, banks offer their clients numerous technology-based e-banking services. But, technology presents us with great promise and may also be transformed into a safe haven for criminals since the evolving nature of technology supports criminals with new methods and tools to commit crimes. Accordingly, over the last decades, there has been a tremendous increase in cyber intrusions, attacks, and crimes against banks.

Cybercrime is usually carried out by offenders and impostors who can outstrip and think one step ahead to gain computer access. Furthermore, the volatile nature of electronic evidence and the lack of logged information made collecting evidence difficult. Therefore, prosecuting and sentencing cybercriminal is complex.

In Ethiopia, a significant amount of money was misappropriated by fraudsters from banks, which became a major threat to the banking industry. As part of effectively preventing, controlling, investigating, and prosecuting cybercrimes, Ethiopia repealed part of the criminal code, which dealt with computer crime, and enacted a new and more comprehensive proclamation. The proclamation criminalized many acts as computer crimes and explicitly recognized the admissibility of any evidentiary document, a certified copy of the document, or a certified printout of any electronic record relating to computer data.

An interview with different stakeholders revealed that in Ethiopia, semi-automated cybercrimes are significant in their number. Specially, frauds committed through social engineering (Vishing

& Smishing), mobile banking and internet banking fraud, password theft in ATM cards, and insider/internal threats by bank employees were common in Ethiopian banks.

Investigating crimes related to the information network and computer system is entitled to the Federal Police Commission jointly with the public prosecutor, while the adjudication of cybercrimes is entitled to the Federal High Court.

The effects of cybercrime on banks include financial losses for the bank. The illegal transfer of funds from banks as public organizations by its employee is a corruption crime and cybercrime at the same time when committed through a digital system. Cybercrime can also result in long-term reputational damage, including loss of customer trust, which can impede future profits if not addressed quickly. Furthermore, bank employees are expected to spend time investigating damages caused by cybercrime, which they may dedicate to their primary duty. Banks will also be subjected to additional costs associated with preventing and responding to future cyber-attacks.

Preventive and remedial measures to combat cybercrimes include reporting to the concerned bodies, educating customers, training bank employees, confidentiality in holding passwords, coordination in prosecuting cyber criminals, and investing in security technologies. On the other hand, problems in the investigation and prosecution of cybercriminals include protracted time in providing evidence, difficulty in tracing the criminals, the technicality of the subject matter, the caseload on investigators, the dynamic nature of the crime and the criminal, and insufficient knowledge of the law.

4.2 Recommendations

The researcher draws the following recommendations based on the above conclusion:

- Banks should work proactively to prevent and mitigate the impacts of cybercrimes.
- Banks should work cooperatively with law enforcement institutions. More specifically, banks need to align with authorities at the regional and federal levels to hamper the commission of cybercrimes in Ethiopia.
- Governmental institutions which provide technical support and evidence should provide it promptly.
- Banks should put in place updated and standard software to offer their clients services. Besides, they should employ a strong protection mechanism, including multifactor authentication against any loopholes which could possibly pave the way for cyber- attacks.
- Banks need to give consecutive training to their human resource concerning cybercrimes.
- Bank Managers should be instructed to order their employees to avoid password sharing, and a circular should be distributed to this end. When managers encourage and order password sharing between employees, punishment should follow.
- Integrating the account number with mobile and internet banking and resetting passwords

should be done carefully. Furthermore, the integration process should involve the participation of at least two persons.

- Telecom operators and their agents should apply strict filters and be very careful when giving a replacement for a lost SIM card.
- Banks should train their *Acceptance Use Policy* for every employee joining the company to discern the permitted and prohibited acts while using the organization's digital infrastructure.
- Banks should employ strong follow-up and monitoring activities to halt internal/insider threats. Furthermore, the employees should be aware of cybercrime's criminal and civil consequences.
- Concerned stakeholders should awaken public prosecutors about the nature of cybercrime and the law governing the issue.
- Public awareness should be made every time about the tactics of cyber- attacks.

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Interns' Rate of Satisfaction with their Engagement in the 2022 Internship Program: The case of SMU (Career and Internship Unit)

Daniel Zewdie, St. Mary's University

Abstract

The internship is an experiential learning that allows students to gain valuable practical experience in their professional fields to develop their future career paths. It permits them to gain first-hand exposure to work in the real world. With this intent, SMU sends students to different companies to gain practical labor experience. A vital requirement for the fruitful operation of an internship program is to study the satisfaction of interns. The question is to what extent interns are satisfied with the service rendered by the career office and agency supervisors while engaging in the internship program. Thus, the purpose of this survey was to investigate interns' satisfaction and analyze the factors that influence the implementation of the internship. The target population of the study was 3rd - year-completing students specializing in the field of Accounting and Finance, Marketing Management, Management, Computer science, and Tourism and Hospitality Management who have actively participated in the 2022 internship program. A total of 385 students was selected using stratified and random sampling techniques from a target population of 1300 students. Quantitative data from interns were collected using questionnaires, and qualitative data from office holders using interviews and document analysis. Most of the interns (71.5% and 85.8%) have suggested that the Unit's employees have given them the necessary service receptively, politely, and treating them equally, and have given them sufficient institutional information, professional guidance, and career orientation; The large majority of interns (80% - 88.8%) confirmed that they had adequate training about the internship; have received the necessary formats with appropriate orientation, and on what is expected of them to begin and continue the internship; schedules were addressed through official notices and telegrams timely; and the internship period was adequate to gain the intended skills and knowledge. Moreover, between 71% and 79% of interns, substantiated that they had the opportunities to exercise theoretical knowledge and to develop their profession throughout the internship; and they also verified that whatever theoretical knowledge and skills they acquired at SMU had helped them to complete the internship program. Besides, between 77.9% and 85.9% of interns have substantiated that companies' supervisors were easy to approach, responsive, regularly checking their progress, and conducting meetings with them, and generally had the required support and guidance from the supervisors during the internship. Regarding the accessibility and suitability of the office, between 76 % and 86% of interns orderly proved that the office hour of the Unit is convenient, open during office hours regularly, its location is accessible, has the necessary facilities and the human power to give the intended service was adequate. In the interview conducted with the Unit's employees, they emphasized that some interns didn't give due attention to the course, as a result missed the essential orientation offered in selecting the host company, how to use the different formats, the nature of the behavior, and personality trait they need to designate, and about the expectation of employers. They also stressed the challenge they faced in reaching all interns during the site visit (3:1300). The limited engagement of departments and respective teachers (only in grading the interns' portfolios) in the internship program is a challenge that requires attention to be treated in the future. They should have participated in the site visit in providing appropriate professional feedback. Thus, based on the main findings, one could infer that interns have been satisfied with the quality of services rendered by the career office and companies' services.

Chapter 1: Introduction

1.1 Background and Justification

The main goal of higher education is to prepare students to be effective and successful in their future careers. Completing a certain level of academic performance and gaining important life skills or human skills are crucial for career preparedness that students receive while in College or University. The point is more and more importance is being placed on the value of experiential learning. Among the experiential learnings, internship is the one, in which the degree program students practice whatever knowledge and skills they acquired from classroom learning in the world of work and gain new experiences in the process.

An internship can help to improve skills and competencies of students. It assists to fill the gap between the theoretical learning at class room and practical application at work place. It is also seen that students who experience internship are expected to perform better in their career development and be ready to start jobs. On the other hand, Internships also help them to achieve higher professional capabilities and excellence in their field of interest and so that they can perform better in their future job with full potential. This is where things like internships, job exploration opportunities and even some full-or part-time jobs can play an important role.

Many colleges and universities prioritize this type of experiential learning, requiring all students to engage in some sort of internship experience. The internship helps students to recognize the business sector and enables companies to take advantage of new knowledge, skills and innovative ideas from those engaged in the internship. Also, companies will have the opportunity to create a pool of valuable human resources, through which they can draw capable future employees. This cooperation between universities and businesses must be strengthened since there is a gap between the theoretical knowledge offered by the universities and the actual job demands (Bhaskar, 2009).

As in the case of St. Mary's University, the internship is considered as course with two credit hours to be taken by all undergraduate students after completing a three- years of course works. The University is preparing students to be ready for different positions in the labor market through provision of internships, orientation and trainings on career development, employability skills and entrepreneur skills in addition to knowledge and skill development within the curriculum content.

A vital requirement for the fruitful operation of an internship program is to study the satisfaction of interns. Thus, this survey aims to explore the overall student satisfaction on the service offered by the career office in general and internship in particular. It also locates and analyzes the factors that either positively or negatively influence the implementation of internship.

1.2 Basic research questions

This survey has attempted to answer the following research questions:

- 1.2.1 To what extent the services render by the career and internship unit weresatisfying students' interests and demands?
- 1.2.2 Were there challenges that obstructed the provision of services up to theeagerness of students?
- 1.2.3 What should be done by the office to get the most out of the provision ofservices to students' expectations?

1.3 Objectives of the Survey

Under this section the general and specific objectives of the survey were presented in this way:

1.3.1 General objectives

The very purpose of this survey was to examine the degree of students' satisfaction based on the servicegiven by the Unit in general and from the internship program implemented in 2021/22 academic year. Most importantly, the main intent was to explore the effects of the internship experience towards the satisfaction of 3rd year students at St. Mary's University.

1.3.2 Specific objectives

The specific objectives of the study were to:

- Determine the degree of students' satisfaction with regard to important parameters;
- Identify the key factors that influenced interns' dissatisfaction during their stay in theinternship program; and
- Find out possible ways to enhance the satisfaction of interns in the participation in the internship program in the future.

1.4 Significance of the study

A number of researchers in the field have authenticated the benefits of internship in the education and learning of students. Regarding this, Khalil (2015) identified benefits like self-fulfillment, efficiency, teamwork, effective communication, critical thinking, technical skills and social awareness andvoluntarism. Similarly, it was also found that internship develops the personal skills and professional development, and enhances employability of graduates by closing the gap between learning and doing. Moreover, students with internship experiences can have career gains in the form of choices, permanentemployment or even payment, and their adaptability to the working environment, and generally internship yields greater perceived attractiveness of job applicants to recruiters and those graduates get a job more quickly and with higher salary in

relation to their counterparts with no such experience, besides students who completed their internship have gained better knowledge of the job market (Binder et al. 2015; Khalil 2015; Alpert et al. 2009; and Clark 2003).

According to Lee and Chao, (2013), and Kwan (2005) companies also benefit from internships that accept interns within their labor force. They strongly contribute to the day-to-day activities of an enterprise since they bring novel ideas and provide real views for the business and the industry, and also complete small projects. As a result, industries choose and recruit suitable interns for permanent positions after their graduation.

Though the benefits of internship have been proved by several researchers, those benefits may not contribute or add if the internship programs are not carefully considered, assessed and organized. On the contrary, internships may result in disappointing and negative experiences and outcomes for the interns (Lee and Chao, 2013). Consequently, students' opinion regarding the quality of the internship program and their satisfaction with the internship experience can be a significant input for higher education institutions to help them improve their curricula and provide to their graduates access to the labor market.

Thus conducting such a satisfaction survey is significant to:

- assess the strengths and weaknesses observed in the implementation of the internship;
- identify best practices that could be used in the future;
- point out the challenges encountered to be avoided or improved for feedback; and
- Be used as source of information for further studies in the area.

1.5 Scope of the Study

The delimitation and limitations of conducting this survey was done in this manner:

1.5.1 Delimitation

This study is restricted to students attending the undergraduate degree program at St. Mary's University situated near by Shebelle Hotel. The study was delimited to those sample students who attended and completed 3rd year regular degree program in the field of Accounting and Finance, Management, Marketing Management, Computer Science, and Tourism and Hospitality Management. They were randomly selected from each field of study using random and stratified sampling.

1.5.2 Limitations

Customer satisfaction comprises several factors. However, this survey attempted to investigate interns' satisfaction with services given by the Internship Unit at SMU and respective departments. Most specifically, this survey was limited to examining interns' satisfaction obtained as a result of services granted to them about the practice of the internship program.

2. Review of related literature

In this part of study, relevant literature to the issue of study is reviewed and summarized as follows:

2.1 What is Internship?

According to the Dictionary.com (2020) an internship is defined as any official or formal program to provide practical experience for beginners in an occupation or profession. An internship is an opportunity to integrate career related experience into an undergraduate education by participating in planned, supervised work (Mala, Akash and Jewel, 2020)

Internships are broadly observed as important co-curricular experiences that can augment student learning and facilitate their transition to the labor market. In the internship program, it is claimed that students can nurture new skills and abilities by taking academic knowledge to real-world tasks, explore different career options, and develop new career networks. Simultaneously, employers can use internship programs to develop a channel of new staffs that can be examined on the job for future employment. Besides, higher institutions can increase their students' career prospects and real-world experiences through the internship. Given these potential outcomes, internships are often described as a "win-win-win" situation for higher education, employers, and students themselves.

The National Association of Colleges and Employers, NACE (2018) describes that an internship as "a form of experiential learning that integrates knowledge and theory learned in the classroom with practical implementation and skills development in a professional setting". These internships mainly offer an opportunity for undergraduate, and those changing careers to receive hands-on exposure to their chosen field of study or a new career, either in a paid or unpaid environment. To provide some uniformity and standards, NACE (2018) has fixed 7 criteria that should be applied as a test to be considered in an internship:

1. It is a learning experience that provides the opportunity to applying the knowledge gained in the classroom;
2. The skills or knowledge learned must be transferable to other employment settings;
3. The experience has a defined beginning and end, and a job description with desired qualifications;
4. There are clearly defined learning objectives/goals related to the professional goals of the student's academic coursework;
5. There is supervision by a professional with expertise and professional background in the field of the experience;
6. There is routine feedback by the experienced supervisor; and

7. There are resources, equipment, and facilities provided by the host employer that support learning objectives/goals.

2.2 Benefits of Internship

According to Mala, et al., (2020) internship has lots of benefits that could be specified with respect to students, departments, and employers this way:

i. To Students:

It gives them the opportunity to:

- work in career related or professional environment;
- get career awareness and guidance;
- evaluate, reflect upon and try a career field;
- obtain valuable experience that helps secure future employment;
- earn money or credit;
- find professional networking contacts;
- make classroom learning more interesting;
- help the student develop job search skills;
- develop self-confidence as they identify skills, abilities and talents;
- help them with retention and graduation; and
- Strengthen their ties to the university when the experience is facilitated by the department/college

ii. To the Department/University

- Strengthen ties to alumni and the community;
- make the transfer out process easier for students; and
- Curriculum can benefit through feedback from employers.

iii. To Employers

- Can evaluate the student for potential full time employment;
- Give the employer access to quality candidates;
- Students contribute new energy and ideas to the work place;

In the literature, different scholars have outlined the benefits of internships for interns and host organizations. According to them, internships are useful for developing interns' soft skills such as interpersonal skills, communication skills, team working, customer service skills, creativity professionalism, confidence and self-efficacy; Interpersonal skills are valued by employers and interns and are perceived to help them adjust to the work environment. It is also stated that the combination of institutional learning and practical work experience is necessary to develop

technical and problem-solving skills; they also increase the probability of finding employment; have a positive impact on earnings; provide useful labor at low cost to employers; they are helpful to reduce recruitment and training costs by employing interns; have the potential to facilitate professional networking and knowledge sharing; and knowledge sharing is more likely to occur if interns who join professional communities are assisted by well-connected mentors who can help them integrate into the community (Galloway et al., 2014; Maertz et al., 2014; Dobratz, Singh, & Abbey, 2014; Saniter & Siedler, 2014; Holyoak, 2013; and Gault, Leach, & Duey, 2010).

2.3 Effect of internship on Students' Career Success

A number of studies confirmed that internships are critical elements in determining career success. There are strong correlations between having at least one internship and improved job prospects after graduation and finding employment in the respective field of study. For example, Carys (2017) and UKCES (2015) in United Kingdom, indicated that internships are critical to secure a graduate job in the United Kingdom. Similarly, in Germany, a study designated that graduates with an internship experience are more likely to have better employment prospects and higher wages five years after graduation (Saniter and Siedler, 2014); likewise, internships reduced underemployment and increased employment prospects in the United States (Nunley et al., 2017, 2016). So also, according to Scarpetta & Triventi, (2015) and Eurobarometer (2013) internships have mostly a positive impact on the European Union, besides, they lead to increased employability prospects, higher wages and decreased skills mismatch in Spain and Italy.

More broadly, Ali and Muhammed (2018) conducted a study, in which the result indicated that business internship is a feasible/ practicable activity for the learning and growth of university students. Practical experience, teamwork, understanding strengths and weaknesses, financial support for further studies and exposure to real world problems were found as chief outcomes of internship in terms of professional development. Equally, goalsetting, internal motivation, confidence, punctuality, orderliness and understanding responsibility in terms of personality development were found as key outcomes of internship for business students.

Besides, truly engaging in internships helps graduates to get placement very early. According to a 2016 Look sharp study, among the 31.5% who said they had not completed an internship, more than 70% said they had searched for job unsuccessfully. On the other hand, there is also a correlation between multiple internships and job placement. Graduates who fulfill the internship requirements for 3 or more sites are more likely to receive full-time job offers. Slightly over 81% of the interns responded that these experiences helped them either shift the focus of their majors/classes or adjust their career plans (Galbraith and Mondal, 2020).

2.4 Value of Students' Satisfaction

Students' satisfaction is defined as an attitude stemming from an assessment of students' educational experience, services and facilities provided by a higher education institution (Elliot and Healy, 2001). Because students are the main customers that internally evaluate an institute's performance, student satisfaction surveys are important and helpful in the provision of relevant

information to improve and adjust the provision of quality education in Higher Education Institutes. According to DeShields et al.(2005), higher education institutions are increasingly accepting and placing greater emphasis on meeting the expectations and needs of their customers, that is, their students. Nowadays, they are competing and striving to enhance students' satisfaction for better student admission and retention through the delivery of appropriate services that add to the provision of quality education for students' academic success. Due to this, a lot of research studies have been carried out to determine the elements that influence student happiness in higher education. Regarding the factors that influence students' satisfaction, Appleton-Knapp and Krentler(2006) identified personal factors (i.e., as age, gender, employment, preferred learning style, and student GPA,) and institutional factors (i.e., instruction quality, promptness of instructor feedback, clarity of expectation, and teaching style). Moreover, Douglas et al., (2006) and Palacio et al. (2002) teaching ability, curriculum flexibility, university status and prestige, independence, faculty care, student growth and development, student centeredness, campus climate, institutional effectiveness, and social conditions have been identified as major determinants of student satisfaction in higher education. As stated by Butt (2010) university manager is responsible for two major issues: the university's reputation, financial viability, and growth as well as his/her students' wellbeing and education that prepare them for life. Gradually, student satisfaction has become the mark of performing well on both counts, and one has to be wise to merge its importance for his/her success. Providing a comfortable and encouraging environment to students is highly needed. It improves performance, and also cultivates students' mental health and stability, which are conducive to both short-term learning goals and long-term character building and social inclusion.

Recognizing the importance of student satisfaction in higher education is also a means of making appropriate investments into facilities and intangible social structures that promote student wellbeing and a sense of belonging. Although this may sound idealistic or impractical in today's results-driven world, one should consider the effects such investment choices produce and realize that every coin you put into student satisfaction produces concrete returns.

Chapter 3: Research Methods

In this section of the study, the research design, sampling techniques employed, the data collection methods, and the data analysis procedures used are discussed.

Research Design

The research was a descriptive survey, in which the variables are not manipulated rather considered as they are. In other words, the research organizes and summarizes data to communicate and describe important characteristics of the data. The research site is St. Mary's University, which is located in Addis Ababa, nearby Wabi Shebele Hotel.

3.1 Population and Sampling

The target population of the study was 3rd year-completing students specializing in the field of

Accounting and Finance, Marketing Management, Management, Computer science, and Tourism and

Hospitality Management. A total of 1300 regular and extension students have actively involved in the 2022 internship.

Stratified random sampling was employed to select sampling units (study subjects) proportionally from their respective departments (i.e. Accounting and Finance, Marketing Management, Management, Informatics, and THM). Once the proportions determined, a simple random sampling technique was used to select each intern from his/her department until the required sample size was reached.

3.2 Determining Sample Size

The study respondents (students) were sampled proportionally to obtain a representative sample by department. The formula below was used to determine the sample size (Cochran, 1977).

$$n_o = \frac{Z_{\alpha/2}^2 pq}{d^2}$$

Where $z^2 = 1.96$, (p) proportion and (d) margin of error used are the figures mentioned above, that is Using 95% confidence level, five percent margin of error, for 1300 students registered for the internship course, the sample size was proportionally allocated to each stratum (department) and students were finally selected using simple random sampling. Thus, $n_o = ((1.96)^2 (0.5) (0.5)) / (0.05)^2 = 385$. So a random sample of 385 students from the target population should be enough to give us the confidence levels we need.

3.3 Study Variables

The Student satisfaction measures considered are related to the service provision by the unit's employees (i.e., this refers to their politeness, eagerness, responsiveness, career guidance and counseling role to support interns), internship focused issues (i.e., refers to questions that examine the implementation processes, support and guidance service, companies' supervisors (i.e. their role in providing support to interns in the actual working environment, and evaluating while completing the internship), and the adequacy of working hours and facility respectively.

3.4 Data Collection Method

Primary data was collected from interns involved in the internship program carried out in summer 2022 academic year. Quantitative and qualitative data were collected using self-administered questionnaire, and interview guide. To collect the required data from interns a questionnaire with a total number of 40 items, (40 close-ended and 5 open-ended items) that examine their view about the quality of services rendered across different variables to them on a 5 point Likert scale (i.e., strongly agree = 5, agree = 4, unknown = 3, disagree = 2, to strongly disagree = 1), which can be responded by agreeing or disagreeing on the statements outlined.

The questionnaire was prepared in line with the research questions constructed. Categorically the items are divided into four groups of items as follows:

Table 1: Categories of Items

S.No	Item Categories	Item
1	Items that request about the responsiveness of employees of the Unit/ REU/	Q1-Q10
2	Items that focus on services given related to the implementation process of internship (SGIPI)	Q10-Q24
3	Items that focus on support and guidance service by companies' supervisors/SGDCS/	Q25-Q34
4	Items that focus on accessibility, suitability, working time, and facility of the Unit (ASWHU/	Q35-Q40

Finally, the questionnaire was distributed to a sample size of 385 interns drawn using random sampling from the population size of 1300. However, 354 questionnaires were filled out and returned, which accounts for 91.5% of the target sample. Few interns did not complete the questionnaire properly. The responses were recorded and encoded into the SPSS (version 21) software and the result was generated accordingly. Besides, the office employees were also interviewed on the challenges they encountered throughout the implementation of the internship.

3.1 Method of Data Analysis

Prior to data feeding, questionnaires from the population were reviewed thoroughly. Data were fed into IBM SPSS 21.0 by experienced data clerk with direct supervision from the researcher. After data entry completion data cleaning and analysis was conducted by the researcher. Data cleaning mainly involved checking each of the variables throughout for coherence and consistence including checking/comparing missing values against the paper questionnaires. Finally data were analyzed using descriptive statistics.

Chapter 4: Data Analysis and Interpretation

In this section of the research, the data analysis and main study results are presented with tables inline with the research questions outlined in the introduction part of the study.

4.1 Results of the study

4.1.1 Demographic Data

The respondents' characteristics as sex, age, education level, and academic year are presented below

Table 2: Students' Characteristics by sex * age * field of study Cross tabulation

Field of study			Age				Total
			18-20	21-22	23-25	above 25	
Accounting	Sex	Male	2	34	24	0	60
		Female	1	52	22	3	78
	Total		3	86	46	3	138
Marketing Management	Sex	Male	0	24	12	1	37
		Female	1	40	20	3	64
	Total		1	64	32	4	101
Management	Sex	Male	1	9	6	1	17
		Female	2	15	10	4	31
	Total		3	24	16	5	48
Computer science	Sex	Male	2	25	9	1	36
		Female	0	10	0	0	9
	Total		2	35	9	1	45
Tourism and hospitality management	Sex	Male		5	0	1	6
		Female		6	4	0	10
	Total			11	4	1	16
Total	Sex	Male	5	97	51	4	157
		Female	4	123	56	10	193
	Total		9	220	107	14	350

Referring to Table 2, you can see that from the department of Accounting and Finance, 52 female and 34 male interns are of age between 21 and 22, while 24 males and 22 females belong to ages between 23 and 25. Concerning marketing management students, most of them belong to the age between 21 and 22 or 23 and 25, still the number of females (40/20) is great than males (24/12).

Regarding management students, those belonging to the age range 21 to 22 are 9 males and 15 females, whereas, those fit into the age of 23 to 25 were 6 males and 19 females. As to interns from the department of Computer science, the majority of them (25 males and 10 females) were of age between 21 and 22. Likewise, among the samples considered from the department of Tourism and Hospitality Management, relatively more of females (6) and males (5) were between the ages of 21 to 22. Generally, gender wise, 97 males and 123 females were ages of 21 to 22, whereas, 51 males and 56 females belonged to ages between 23 and 25.

4.1.2 Quantitative Data Analysis

To make the analysis more easy and understandable, the items in the questionnaire were regrouped into five main areas (i.e. the unit's employees' behavior in the provision of service, internship focused issues; department mentors' support and guidance; companies supervisors' support and guidance; and Accessibility and Suitability of the Office). Moreover, the responses that were given by agreeing or disagreeing on a 5 point scales converted into 3 scales, by adding/ grouping strongly agree with agree, strongly disagree with disagree and considering the "unknown" as it is.

Table 2: Interns' Responses about Employees' Service Provision Manner

	N	Mean	SD	Behaviors		SDA+DA		Unknown		SA+A	
				N	%	N	%	N	%		
1	serve all students without discrimination;			26	7.3	24	6.8	304	85.8	4.3023	.97076
2	provide immediate and fast response to students requests;			36	10.1	64	18.1	254	71.7	3.9407	1.08002
3	treat students politely with respect and kindness;			42	11.9	34	9.6	278	78.6	4.0395	1.07962
4	Willingness to help students with adequate institutional information			24	6.8	50	14.1	280	79.9	4.0847	.94233
5	give professional guidance when it is needed			25	7.1	54	15.3	275	77.7	4.1130	.96611
6	support students with necessary advice			26	7.3	64	18.1	264	74.6	4.0000	.94314

7	Offer career orientation and employability skills training	34	9.6	67	18.9	253	71.5	3.9435	1.01667
8	Service provision is efficient and effective	30	8.5	63	17.8	261	73.7	3.9774	.98978
9	The service hours of the office is inadequate.	30	8.4	43	12.1	281	79.4	4.0424	.97325
	Aggregate mean							4.049	

Agreement level: 1.00 - 1.50= poor, 1.51 - 2.50= satisfactory, 2.50 -3.50=good, 3.50-4.50=V. Good
4.5-
5.00= Excellent

Considering the data summarized in Table 2, one can realize that most of the interns, between 71.5% and 85.8%, have suggested that the Unit’s employees have given them the necessary service with receptiveness, equal treatment with no discrimination, politeness, provision of institutional information, professional guidance, offering career orientation and employability skills. Nevertheless, between 6.8% and 18% of the interns selected the “unknown”, which imply that they are unable to say or take stand about the employees’ service quality in relation to the variables stated. Still, a very few of the interns (6.8% - 11.9%) disagreed on the statements specified under items 1 to 9. That means they don’t believe in the service quality offered by the Units’ employees.

The mean value of each item is between 3.94 and 4.30 and the dispersion of each item varies between .942 and 1.08 from its corresponding mean. Among the 9 items the 6 items have relatively small standard deviations less than 1.00, and are, therefore, highly clustered around their means, which designate that they have similar views on the issues raised. However, the remaining 4 items have relatively high standard deviations (1.02 -1.08) , indicating more spread out from their means relatively showing minor differences in their understanding of the issues. Overall, it could be interpreted that the aggregate mean of 4.049 points out that students’ rating was “Very Good”, which means that they have substantiated by agreeing and strongly agreeing about employees’ behavior, manner and responsiveness to the interns’ questions.

Table 3: Interns' Responses on the Internship-focused Issues

N	Behaviors	SDA+DA		Unknown		SA+A		Mean	SD
		N	%	N	%	N	%		
1	serve all students without discrimination;	26	7.3	24	6.8	304	85.8	4.3023	.97076
2	provide immediate and fast response to students requests;	36	10.1	64	18.1	254	71.7	3.9407	1.08002
3	treat students politely with respect and kindness;	42	11.9	34	9.6	278	78.6	4.0395	1.07962
4	Willingness to help students with adequate institutional information	24	6.8	50	14.1	280	79.9	4.0847	.94233
5	give professional guidance when it is needed	25	7.1	54	15.3	275	77.7	4.1130	.96611
6	support students with necessary advice	26	7.3	64	18.1	264	74.6	4.0000	.94314
7	Offer career orientation and employability skills training	34	9.6	67	18.9	253	71.5	3.9435	1.01667
8	Service provision is effective and efficient	30	8.5	63	17.8	261	73.7	3.9774	.98978
9	The service hours of the office is inadequate.	30	8.4	43	12.1	281	79.4	4.0424	.97325
	Aggregate mean							4.049	

Agreement level: 1.00 - 1.50= poor, 1.51 - 2.50= satisfactory, 2.50 -3.50=good, 3.50-4.50=V. Good 4.5-

5.00= Excellent

As observed in Table 3, the large majority of interns (80% -88.8%) confirmed that they have got adequate orientation about internship; have received the necessary formats to begin the internship; have adequate orientation on each format and on what is expected of them; the schedules were communicated through official notices and telegrams timely; and the internship period was adequate to gain the intended skills and knowledge. Moreover, between 71% and 79% of interns, substantiated that they had the opportunities to exercise the theoretical concepts and to develop their profession throughout the internship, in addition to, they verified that whatever theoretical knowledge and skills they acquired at St. Mary's university had helped them to successfully complete their internship.

On the other hand, 8.5% to 18.6% of interns selected the "unknown", which indicates that they were unable to decide either by agree or disagree on each issue raised about the internship. Though very few in number (4.2% -10.2%), they disagreed on each statement about what has been done regarding the internship.

The mean value of each item is between 3.92 and 4.32 and the dispersion of each item varies between .880 and 2.849 from its consistent mean. For example, item numbers 4, 1, 3, 9, 7, 6, 12, & 10 have relatively small standard deviations (.880 - .998), and therefore, gathered around their means, which designate that they have similar views on the issues raised whereas, item numbers 13, 14, 5, 11, 8, and 2 have relatively high standard deviations (1.00 - 2.85), indicating relatively more spread out from their means showing variations in their consideration of the issues. In general, it could be interpreted that the aggregate mean of 3.83 points out that students' overall rating was "V.good", confirming the ideas and activities stated about the internship focused issues.

Table 4: Interns' Responses about Department Mentors' Support and Guidance

N	Department mentors' Supports and guidanceservice	SDA+DA		Unknown		SA+A		Mean	SD
		N	%	N	%	N	%		
1	My internship mentors was easy to approach and 31 always willing to answer questions.	8.7	45	12.7	278	78.5	4.1	1.0	
2	My internship mentors regularly controlled my work 27progress.	7.6	52	14.7	275	77.7	4.1	.99	
3	My internship mentors conducted regular meetings, 41where I had the chance to present my progress and to discuss questions with him/her.	11.6	55	15.5	258	72.9	3.8	1.2	
4	I have regularly presented my internship mentors 27with updates on my work progress;	7.6	53	15.0	273	77.4	4.3	.93	
5	I had the necessary support and guidance on 31internship from my respective department	8.8	62	17.6	260	73.7	3.9	1.0	

Regarding Table 4, it could be said that most of inters (78.5% -72.9) reported that the mentors assigned from the respective departments were supportive and verified that they have given them the necessary guidance in terms of ideas specified in each item. Yet, a significant number of interns(12.7% - 17.6%) were not sure to decide about the role played by mentors in their respective departments. Still between 7.6% and 11.6% of interns disproved the support and guidance of their mentors.

Table 5: Interns' Responses about Companies' Supervisors' support and guidance

N	Supports and Guidance service from the organization supervisor assigned	SDA+D		Unknown		SA+A		Mean	SD
		A							
		N	%	N	%	N	%		
1	My internship supervisor was easy to approach and always willing to answer questions.	17	4.8	33	9.3	304	85.9	4.33	.885
2	My internship supervisor regularly controlled my work progress.	13	3.6	37	10.6	304	85.9	4.33	.849
3	My internship supervisor conducted regular meetings, where I had the chance to present my progress and to discuss questions with him/her.	30	8.5	48	13.6	275	77.9	4.08	1.04
4	I have regularly presented my internship supervisor with updates on my work progress;	23	6.5	44	12.4	287	81.1	4.14	.939
5	I had the necessary support and guidance from the organization I engaged my internship	18	5.1	35	9.9	301	85.0	4.27	.896
Aggregate mean								4.23	

As indicated in Table 5, very great number of interns (77.9% - 85.9%) validated the support and advice they gained from the supervisors assigned in companies they were engaged for the internship. They substantiated that the companies' supervisors were easy to approach and responsive, regularly check their progress and work in the internship, and have been conducting meetings with them, and generally had the required support and guidance from the enterprise in during the internship.

The mean value of each item is between 4.08 and 4.33 and the variability of each item is between .849 and 1.039 from its mean. The item numbers 2, 1, 5, and 4 have small standard deviations (.849-.903) below 1.00 respectively and are, therefore, highly bunched around their means. Referring into the range of means found for the categories ($\bar{x} = 4.08-4.33$) are numerically high, which designate that most of the sample students have responded by agreeing and strongly agreeing regarding the issues on supports and guidance service given by supervisors. Considering the aggregate mean ($\bar{x} = 4.23$), it could be said that interns have rated the supervisors' support and guidance service "very Good".

Table 6: **Interns’ Responses regarding Accessibility and Suitability of the office**

	N	Accessibility and Suitability of the Office				SDA+DA		Unknown	
		SA+A				Mean	SD	N	%
							N	%	N
1	Accessibility and Suitability of the Office	18	5.1	50	14.1	286	80.8	4.11	.906
2	The Unit has human power to give the intended service	24	6.8	58	16.4	272	76.8	4.03	.933
3	The unit is suitable in its size and the facilities used	28	7.9	50	14.1	275	77.9	4.03	.927
4	The location of the unit is accessible to students	22	6.2	41	11.6	291	82.2	4.13	.896
5	It is regularly open in office hours	16	4.5	39	11.0	299	84.5	4.25	.864
6	The office hour of the Unit is convenient	10	2.8	39	11.0	304	86.1	4.28	.804
Aggregate mean								4.13	

As specified in Table 6, one can grasp that most of the interns orderly proved the office hour of the Unit is convenient (86.1%), open in office hours regularly (84.5%), its location is accessible (82.2%), has the necessary facilities (77.9%), and the human power to give the intended service is okay (76.8). According to 81% of interns, the office is accessible and suitable. From the descriptive statistics, the mean value of each item is between 4.03 and 4.28 and the variability of each item is between .828 and .933 from its mean. The item numbers 6, 5, 4, 1, 3 and 2 have small standard deviations (.804-.933) respectively and are, therefore, highly clustered around their means. Looking into the range of means determined for the categories ($\bar{x} = 4.03 - 4.28$) are numerically big, which indicate that most of the sample interns have responded by agreeing and strongly agreeing concerning the accessibility and suitability of the career office, which is rated “very good”.

4.1.3 Qualitative Data Analysis

In the questionnaire, open-ended questions were set for interns to give their view beyond their responses for the close-ended items. The responses given by interns were analyzed in the following manner;

Concerning the Unit’s employees’ role, interns stated that they have:

- treated them equally and kindly;
- been cooperative to guide them in the right direction;

- given them ample time to get ready and to select host companies that interest them;
- played decisive role of advising, guiding, teaching, and monitoring their working progress during the internship;
- offered them adequate orientation about internship, (i.e., what personality characteristics they need to designate during the internship, the type of communication, interpersonal relationship, initiations and dedication they have to exhibit with workers in the companies, knowing about office etiquette, self and time management formats to be used and the interest employers wish from interns, and the like);
- delivered them about professional guidance about internship;
- provided them immediate and fast responses and supported them on their journey;
- helped them to develop their knowledge and enquire new experiences and values;
- played strong role to their career development and to see it in different perspective and helped them to shape their perspectives regarding work ethics; and

As a whole the unit employees have been trying their best to make them effective interns in the world of work.

Regarding areas of improvement for the future, they have suggested that:

- coordination with different departments should be strengthened;
- courses that are assumed as a prerequisite for internship should be offered earlier or identified previously;
- the time table for internship be at least three months to get adequate experience about the labor market;
- the restriction made on releasing application letter should be loose, and get at least letters more than once so that to get opportunity to join different companies; and
- It is important to have notes on pdf about internship to acquire more about it.
- Pertaining to the companies they were engaged in, most of the interns stated that:
- they had good times in the companies, because of the fact that the supervisors and employees were hospitable and supportive, which contributed to their preparedness for the labor market;
- the supervisors and employees were welcoming, sociable, supportive, motivating, willing and ready to show what they know them to get better experience about the world of work;
- the supervisors were very respectful, caring, and helped them to learn lots of things in the labor market; and
- They were pleased to have the opportunity to work in the different companies by which they learned personal discipline, commitment, professional ethics and other human skills.

On the other hand, employees' of the career office, have been interviewed about the challenges they encountered in the implementation of the internship. According to them, some interns because they failed

to attend the intensive internship orientation, have missed important information about what they need to clearly understand regarding;

- the expectation of companies from an intern,
- the type of behavior and personality one needs to demonstrate;
- searching for Host Company relevant to one's field of study;
- when to take placement confirmation agreement letter;
- identifying the different formats according to their purpose,;
- writing appropriate goals for internship; and
- Allotting time for the different internship activities,

As a result, it was observed that interns have been trying to take a single letter to different companies by copying; they have been taking "request for internship placement letter" without getting any oral approval from a company and coming back without being accepted for another request letter; and inability to write cumulative hours in the bi-weekly report format, etc., were some of the challenges mentioned.

Chapter 5. Conclusion and Recommendations

5.1 Conclusion

Based on the study findings it could be inferred that interns are satisfied with the:

- service rendered by the employees of the career center. It appears that the unit employees have played their role to meet the needs and interest of interns.
- internship focused issues, which implies that the internship orientation, schedules, procedures, guidelines, formats, progress checking schemes, etc., were clearly and timely communicated to interns. Besides, they have proved that the knowledge and skills they acquired in their education have supported them to complete their internship successfully.
- accessibility and suitability of the Office; and
- The overall service they got from companies supervisors.

5.2 Recommendations

Based on the study findings and conclusion reached, the following were suggested:

- Even though most of the announcements about internship of the career office are aired via

departments through students' group telegram, yet teachers' role in the internship program is simply confined to grading interns' portfolios. However, they have to be more involved in site visits to offer professional advice to their students.

- To improve the involvement of departments and their respective teachers, it is decisive to consider it as a critical issue for the academic counsel to discuss on the role of teachers as mentors and their importance during the internship. They need to be there for advising and providing feedback since interns expect them during the internship.
- It is also highly significant to identify prerequisite courses for the internship in advance and be communicated to student across departments.
- Moreover, the coordination of the internship program demands the participation of different stakeholders, therefore, departments, teachers, student service office, and the career office need to work collaboratively.

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Practice and Challenges of Freshman Program: The Case of St. Mary's University (2021-22) Fisseha Worede, St. Mary's University

Abstract

Education is a powerful tool that had been utilized by societies to shape citizens/generations. Due to its vital role stakeholders like governments, families and professionals are influential in the sector. The Ethiopian government has recently revised its education curriculum and got back its freshman program, after about two decades that comprise about 16 courses. The program intend to enable students have balanced cognitive skills, knowledge and higher order of thinking skills such as critical, creative and problem solving thinking. On the other hand, the first year University education is a new beginning for students. The new academic environment includes adapting new higher education teaching, learning and assessment methods. Having in mind the aforementioned two situations, this research statement of the problem was to examine SMU's freshman program practice of teaching and learning process (pedagogics), students' academic development in independent learning, use of reference materials, teacher-student interaction, and learning from assessment feedback and challenges faced; and practice towards contributing to the national Roadmap expected outcomes, based on 2014 EC entrants fresh students of SMU. The research design was Descriptive Research that is based on both quantitative and qualitative research methods. The deployed tools include: Participant Observation, Survey Questionnaire, Focused Group Discussion (FGD) and Key Informant Interview. Respondent students were drawn in simple random sample out of the SMU's freshman program 2014 EC entrants; and they filled-in questionnaires. Accordingly, 385 students responded through self-administered questionnaire (Likert Scale) and five Focus Group Discussions conducted with students and teachers. The entire number of respondents involved in this study was about 432 students and instructors. The data and information analyzed by triangulation in such a way that it substantiates relevant issue under investigation. Therefore, the overall findings revealed that the freshman program students learning and teaching performances had been taking place as per the expected standard of teaching, learning and expectations; except the existing limitation observed in independent learning that had been remedied by extra efforts of instructors or the university. Besides, students observed facing challenges in adapting university level education due to lack preparedness or capacity; and instructors also challenged in equipping students with necessary knowledge and skill based on the standard teaching methods. Pertinent recommendations are generated.

Keywords: Practice, Challenges, freshman program, St. Mary's University

I. Introduction

First year university education is a unique transition period for fresh students who were supported by different partners. However, starting from the first day of the university class, the student involve in new world where he/she expected to learn independently where there is no family and teachers special support. Moreover, for most students, the new situation include going to new area away from family, where all decisions made by student themselves. In such special student age and education level, responsible bodies including government, parents and professionals have to execute their responsibility accordingly.

The new education approach in freshman program need adopting independent learning, new learning methods, reading by understanding and use of different materials, learning through feedback, learning through interactive methods and related approaches.

In such education process, though different stakeholders involve, the lion share goes to governments, because they are responsible to lead the education system. Ethiopian education curriculum in general and the higher education curriculum in specific have been changing overtime with regimes change for the last 40 years. Professionals (Shishigu, Aweke, 2015) argue that the *bases* of modern education curriculum in Ethiopia are psychological, sociological, historical and philosophical factors. However, the last two curriculum changes were more of political, though one cannot deny the existence of the aforementioned scientific bases.

Currently, the Ethiopian Ministry of education has launched new higher education curriculum that comprises Freshman Program, which was excluded about two decades ago; and the new one has been implemented for the last four years. The curriculum of the program set expected outcome and courses that realize equipping the expected knowledge and skills.

Cognizant that, this study intends to examine practice and challenges of the freshman program with specific reference to St. Mary's University (SMU). Accordingly, this study focus on the practice of teaching and learning, assessment, students' adaptation to independent learning and challenges in relation realizing the program as well as contribute to the Road Map expected outcome. Believing that undertaking such study will have paramount importance to keep truck of the execution of the program and to tackle challenges and problems if any.

Efforts made to review related literatures, but could not come across similar study nationally though some aspects of the study had been studied at abroad. But in the case of SMU, the study is the first in its kind.

Therefore, the research document organized into six chapters. Chapter one deals with background that includes statement of the problem and related objectives. Chapter two

constitutes methodology. Chapter three comprises results and analysis. Chapter four constitutes conclusions and recommendations. Chapter five show the reference and chapter six comprises necessary annexes.

1.1 Background

1.2.1 Statement of the Problem

Education is a powerful tool that had been utilized by societies to shape generations. Due to its vital role stakeholders like governments, families and professionals are influential in the sector. They make use of directing tools like curriculum. The Ethiopian government has revised its education policy and curriculum after about two decades. As a result, the higher education curriculum gets back its freshman program after about two decades. Hence, the teaching and learning process of the freshman program is an opportunity as well as challenge for fresh students. As learning is about how we perceive and understand the world, about making meanings, whereas teaching is a process of changing a given person's mind acquisition that might be like writing on blank paper (Marton, Booth, 1997 & Fry Heather, 2008).

According to the *Ethiopian Educational Development Road Map-Draft Copy* the intentions of first year program are mainly to enable students have: “*balanced skills of cognitive and non-cognitive skills and having higher-order thinking skills such as critical, creative and problem-solving thinking, and a high degree of computer literacy*” (MoE, ESA, July 2018). That also helps students to focus on cognitive knowledge, entrepreneurial skills, understanding of unity within diversity, etc. **Cognitive skills include the core skills our brain uses to think, read, learn, remember, reason, and pay attention.**

On the other hand, the first year University education is a new beginning for students. That means for many students it is the first time away from home, where they will have the freedom to make their own decisions (Holly 2015). With regard to learning, freshman students *face* new experiences, new knowledge, and new understandings of themselves; and it brings new people, fresh ideas, and new skills into their lives. That needs adjustment to a new academic and social environment (Simpson, Frost, 1993; Millet, Holly, 2015). *The new academic environment includes adapting to new higher education teaching, learning and assessment methods.* As the program is a transition from high school to university, actually challenges are also inevitable.

Currently, freshman program of SMU has about 13 basic courses. Namely: Communicative English Language Skills I, Communicative English Language Skills II, Geography of Ethiopia and the Horn, General Psychology and Life Skills, Global Trends, History of Ethiopia and the Horn, Inclusiveness, Logic and Critical Thinking, Mathematics for Social Science, Mathematics for Natural Science, Moral and Civic Education, Social Anthropology, and Physical Fitness.

Therefore, based on the aforementioned facts, this study intend to examine and disclose them freshman program practice teaching, learning process (pedagogics), including independent learning,use of reference materials, teacher-student interaction, and learning from assessment feedback and challenges faced in relation to the nature of the students; and the *tendency* towards contributing to the national Road Map expected outcomes.

In doing so, the possible research questions could be:

- a) How was the teaching and learning process?
- b) The extent to which interactive instructional methods have been employed?
- c) The extent to which the continuous student assessment implemented?
- d) To what extent did the administration support students?
- e) What are the major challenges in freshman program (if any)?

1.2.2 Objectives

General Objective

The purpose of this research was to investigate the practices and challenges based on freshman program of 2014 EC entrants of SMU.

Specific Objective

In line with the research question, the specific objectives of the study were to:

1. examine the effectiveness of students learning practice
2. assess teaching, instructional methods practiced
3. examine teaching material unutilized, assessment and evaluation practice;
4. assess students support administration and facilities towards effective teaching; and
5. identify major challenges/problems faced.

1.1.3 Concepts and Scope of the Study

According to Fry (2008) learning involve mastering abstract principles, understanding proofs, remembering factual information, acquiring methods, techniques and approaches, recognition, reasoning, debating ideas, or developing behavior appropriate to specific situations; it is about change (Fry, Heather, 2008). Though psychologists have their own interpretation, most of them agree on constructivism theory that explains human learning.

Moreover, according to professionals in the field (Matsidiso, Naong, 2009) first year students shouldacquire new skills of learning like:

- Different methods of learning that require lecture note taking and intensive reading of given reference material/module.

- Time management, at high school there was parents' direct or indirect support but at higher education, students start self-managing which is particularly difficult for students to learn.
- Students need for detailed referencing and expression of ideas; need to adopt a new style of learning and cover wide range of basic concepts in a number of new fields or disciplines before they can engage with their application to their chosen profession.

Teaching: Constructivism tells us that we learn by acquiring new understanding and knowledge into and with, extending and replacing (as necessary), old understanding and knowledge. That is closely related to how we achieve learning that is teaching, we need teacher to complete the process.

Many educationalists and psychologists (Marton, Booth, 1997 & Fry Heather, 2008) commended the following effective teaching approaches:

Higher education lecturer should appear enthusiastic and interested, organized and take control of the lecture room. At the beginning of the lesson the lecturer could be introducing the learning outcomes for the session; telling them what they should have learned by the end. Where possible, this could be a link to their personal experience and link the lecture to some current news or activity. The lecturer could further consolidate by asking students to bring examples with them to the lecture, and inviting them to contribute.

The lecture should also keep students interest by making use of relevant and current examples to illustrate the point under discussion; use brainstorming questions to encourage students to keep on track; direct note taking, listening, and active participation; use visual materials or artifacts that are relevant to the topic of the lecture; use live links to the web to demonstrate currency of the material being presented.

Teaching Material, module, methodology and assessment practice:

According to draft desk review findings of the Ethiopian Educational Development Road Map (MoE, ESC 2018), the contemporary graduates of Ethiopian Higher Education Institutions (EHI) have deficiencies in computer skills, research skills; and oral and written communication in English. Because the teaching methods that were employed were highly dominated by the traditional lecture method with less emphasis to others, the world of work is not yet aware of movement of HEIs towards competence based curricula.

Therefore *“Modular approach demands changing the old structure of curriculum (knowledge-based) to give way to a new one, competency-based type of curriculum--which stresses identification of professional/vocational skills, job-specific skills and transferable skills a graduate may have after completing the curriculum”* (MoE, ESC 2018: P56).

Moreover, the recommended ways forwarded include that university staffs need to be trained continuously on how to identify the required competences, how to prepare modules and how to apply the teaching methodologies that emphasize learning than teaching.

Teaching method means the general principles, pedagogy and management strategies used for classroom teaching. The preference of teaching depends on your educational philosophy, classroom demographic, subject area(s) and institutional mission. Teaching theories can be organized into four categories based on two major parameters: a teacher-centered approach versus a student-centered approach; and high-tech material use versus low-tech material use.

At national level there are efforts to adopt student centered teaching method where the student and teacher equally interact in teaching and learning process. The teacher's roles are primarily coaching and facilitate learning.

Challenges

There are various issues that challenge first year students. The major ones include (Angelo & Cross, 1993, Matsidiso N., 2009): self-management, the need to be independent learner; the need to adopt a new style of learning; the need for students to learn a vast range of basic concepts in a number of new fields or disciplines; challenges by poor participation in class lectures and attendances due to fear of being perceived as ignorant. Mostly, there is a heavy reliance on lectures in the first year; there is a general decline among some students in the attendance of lectures as the course progresses; and they are typically under prepared and fail to understand the depth of preparation in university courses.

II. Methodology

2.1 Research Design

The research design is Descriptive Research that is based on both quantitative and qualitative research methods. The method was deployed as it suits to the nature of the informant in the data collection/information gathering process.

2.2 Research Target Area, Population and Unit of Analysis

The target research area is St. Mary's University Undergraduate program.

Universe: The research universe was the entire population of the freshman students enrolled in 2013 & 2014 EC; and all instructors and staff involved in running the program. **Unit of Analysis:** The units of analysis were portions of the population that was determined by the *sampling equation and methods* (see below).

2.1 Research Tools

Necessary information generated deploying the following data collection/information-gathering tools.

- a) **Participant Observation:** The researcher is a participant observer, an instructor in SMU and had utilized his experience in enriching the research process and findings.
- b) **Survey Questionnaire:** Self-administered, **Likert Scale** questionnaires were utilized.

c) **Focused Group Discussion (FGD):** Student representatives and teachers who were selected from the total research population have shared their experience through FGD based on well-designed FGD guide which were basically similar with questionnaire items and conducted by the researcher.

d) **Key Informant Interview:** Few the management and the program staff have participated as key informants.

2.2 Sampling and Sample Size

Respondent students were drawn, through simple random sampling, out of the SMU's freshman program 2014 EC entrants.

The sample size was determined by the following *GeoPoll* equation:

Students Sample Size = Sample size
 Z = Critical value of the normal distribution at the required confidence level, (1.96)
 p = Sample proportion, (0.5)
 e = Margin of error (0.05)

$$\text{Necessary Sample Size} = \frac{(Z\text{-score})^2 \times \text{StdDev} \times (1\text{-StdDev})}{(\text{margin of error})^2}$$

$$\begin{aligned} & ((1.96)^2 \times .5(.5)) / (.05)^2 \\ & (3.8416 \times .25) / 0.0025 \\ & 0.9604 / 0.0025 \\ & 384.16 \\ & 385 \text{ Sample respondents are needed} \end{aligned}$$

Instructor respondents were selected ensuring inclusion of all subject instructors and a minimum of 50% of all instructors. The Focus Group Discussion (FGD) participants were both teachers and students; and four group discussions, two groups from each were involved.

Tools	Participants	Number	Remark
Questionnaire	Students	385	
	Instructor	20	>50% participated
FGD	Instructor	12	Two groups (6x2)
	Students	18	Three groups (6x3)
Key informant Interview	Officers	2	Officers
		Total	438

The number of respondents involved in this study was about 438 students and instructors.

2.3 Data Collection/Information Gathering

Quantitative data and qualitative information was gathered from student who completed first year

program and started their second year class. The students filled-in the questionnaires being directed by course instructors as class started. Accordingly, 385 students filled-in the questionnaires.

2.7 Analysis

The quantitative data collected through questionnaires were encoded and organized through SPSS program. Similarly, the qualitative information gathered that the analysis went half way during the information gathering, were analyzed categorically and utilized to complement the quantitative data, by triangulation.

Descriptions of the quantitative data findings and analyzed through percentage, tables, etc. Hence, data and information generated through different tools will be analyzed by triangulation. Finally, the analysis of the finding done based on the research question/objective based on major findings.

2.8 Limitations

There might be negligence on who fill-in questionnaires irresponsibly that may have had certain influence on the quantitative method results. However, it is believed that the effects are minimized or corrected by the triangulation of the qualitative methods (FGD results & other).

2.9 Delimitation

The study didn't include detailed study of curriculum, pedagogy and relevance of the courses. Therefore, further study is recommended.

III. Data/information Analysis and Interpretation

3.1 Result of the Study

Table 1: Respondents Number by Sex

Sex		Frequency	Percent	Valid Percent	Cumulative Percent
Students	Female	210	54.5	54.5	54.5
	Male	175	45.5	45.5	100.0
	Total	385	100	100	
Instructors	Male	19	95	95	95
	Female	1	5	5	100.0
	Total	20	100.0		

As described in Table 1, a total of 385 students and 20 instructors participated by filling- in questionnaires. Among students, the proportion of female and male students constitutes 54.5% and 45.5%, respectively; whereas among instructor respondents except one female respondent the others are male.

3.1.1 Teaching and Learning

Learning

The study was started by questioning whether there is a difference in the teaching method between freshman program and the high school. As one can depict from Table 2 #1, the responses of students indicate as 69% (strongly agree and agree) whereas the remaining didn't agree (neutral and disagreement). But 90% of the instructors strongly agreed and agreed that there is a difference. Similarly, most of the students and teachers FGD participants agreed as there is a difference. However, still there were debates among the FGD participants; some of the participants claimed there are similarities of teaching depending on situations. According to teacher discussants, because of the student absorption capacity, instructors are forced to teach in similar manner. A representative explained that *"in some situation there is no difference, it is just like substitution of text book by module"*.

As university education is independent learning, freshman respondent students who were asked whether they were independent learners, who adopted new style of learning compared to high school, 65% of them strongly agreed and agreed. Similarly, 60% of the instructors strongly agreed and agreed their students were independent learners (Table 2 #2). Both student and teacher FGD participants also confirmed that more than half of the students can be considered as independent learners while the remaining half didn't.

The level of preparedness can also be observed in student class participation. About 58% of the students replied that they have been participating (Table 2 #4) and the remaining (42%) replied that they didn't participate. Teachers' response also revealed that 35% of them confirmed that most of their students participated, whereas the majority differed. Teachers and students FGDs also revealed that except a few students (sometimes participate) the large majority were not participating in asking and answering questions. But in group works, instructors forced them to involve and most of them were forced to present their part. Students FGD participants also explained that students' class participation depends on the teachers' facilitation and there are teachers who mobilize students; however, in general, participation is low.

Teaching

Respondents were asked about the extent to which instructors teach their course with passion, interest and enthusiastic (being devoted) in teaching their courses. Accordingly, 47.6% of the students agreed and strongly agreed while the remaining 52.4% differed (27.1% neutral, 17.1% disagreed and 8% strongly disagreed). However, all (100%) respondent instructors claimed that they teach with passion and interest. On the other hand, two student FGD participants agreed that about half of the instructors teach with passion and interest. Instructor FGDs also revealed that they were teaching being passionate and enthusiastic. Moreover, in the open-ended questions of the questionnaire, many sample students explained this issue by saying that *"Most of the*

instructors are capable teachers who execute their professional responsibilities accordingly”.

With regard to practice of instructors in introducing the learning outcomes of a given lesson at the beginning of the unit/section, 64.1% of the students agreed that most of the instructors do so and 84.4% of the instructors claim the same (Table 2 #6). But student FGD participants explained that a few instructors introduce learning outcomes, whereas teacher FGDs claim they introduce the expected outcomes.

About 62% of the students replied that most instructors consolidate concepts by examples, experience and linking with some current situations, whereas all (100%) instructors claimed they have been doing so (Table 2 #7). The two FGD groups substantiate the teachers' claim that most of the instructors consolidate concepts by example, experience and linking with some current situations.

Only 51% of the students confirmed that they get regular feedback in their performances at exams, assignments, tests, etc (Table 2 #8), whereas about 95% teachers replied that they do so. However, the FGD student and instructor participants complement the situation/fact explaining there is good feedback giving up to mid-exam. But after the start of the recent electronic correction gaps were observed; all instructors may not give feedback on final exams. 48.3% students and 65.3% instructors agreed that the ***work load allocated*** for this course is reasonable except a few courses that have 11 units.

With 54% of strongly agreed and agreed, the students revealed that instructors of different courses ***encourage and motivate*** them to do well in the course; whereas 94.3% (strongly agreed and agreed) of the instructors claimed that they do so (Table 3 #10).

3.1.2 Teaching Material, Methods and Assessment

74% and 90% students and teachers, respectively replied that modules are useful (Table 2 #13&14). However, 45% of both student and teacher respondents replied that the modules have problems. Accordingly, instructors explained *“Most modules are helpful, relevant and reliable. But few modules like Inclusive and Global Trends are not. Student participants also explained that “all courses are based on specific Modules, but some modules like Logic (not readable), Civic and Global have observable problems”.*

In relation to the application of teaching methods, 66% of the students replied that most instructors use additional teaching methods (Group Discussion, Cases, Presentation) other than Lectures. Both student and instructor FGD participants have fully agreed that most instructors make use of additional teaching approach.

With regard to students' satisfaction on the assessment and evaluation (exams, quiz, assignments), only 59% of the student replied that they are satisfied, while the remaining 41%

didn't; about 55%, the instructors replied that they are satisfied and the remaining 45% differed. Both FGD participants confirmed that in general, the assessment methods evaluate the students. But group assignment may not be done by all group members equally. Moreover, instructors FGD participants explained that exams are vulnerable to academic cheating though the University has been making efforts to prevent and eradicate academic cheating. According to participants, there is attitude problem to condemn cheating.

3.1.3 Program/Schedule, Facilities and Administration

Both students and instructors were asked about the convenience of overall course programs/schedules, and 46% of the students replied that they are comfortable with, while the majority disagreed (Table 2 #11). On the contrary, above 76% the teachers said it is convenient for them. The student FGD participants explained it is convenient, except a few who said the programs force them to learn up to the eighth period. 60% and 58% students and teachers, respectively agreed that the facilities (class room, library, etc.) are reasonably adequate to run freshman courses in relation to the number of students. Students FGD groups also unanimously agreed similar to the instructors idea. But there are some minor problems: shortages of chairs in Green Campus; marker problem in the entire university. In relation to this a participant student said *"Due to serious marker problem I observed a teacher sending a student from class to buy him marker in 2014 EC"*. Instructors FGD participants' explained their observation that except B-1, the other rooms and facilities (class room, library etc.) are reasonably adequate to run basic course delivery.

In relation to the administrative issues repeated instructors qualitative explanation constitute that the BCD is running the department in professional, friendly and responsible manner. Instructors do day today activities, conduct regular meeting dealing with specific course issues, share ideas and have open discussions. Team work among instructors is very good; and one can say the management and leadership of the BCD is exemplary. The delivery is good and the management of the University is well organized. However, student frequent qualitative response on the questionnaire also revealed that students have been facing mistreatments by registrar officers and said *"There is problem in registrar office; staff lack willingness and mistreatment"*.

3.2 Analysis/Discussion of the Findings

3.2.1 Learning

The aforementioned description of the finding revealed that students' learning practice and performance in SMU's freshman program, in general, is going in line with the expected knowledge and skills in the field. Naong (2009) explained that first year university students should be prepared for independent learning that requires lecture note taking and intensive reading of the given references; and need to adopt a new style of learning and cover wide range of basic concepts in a number of new fields.

Accordingly, *first* the teaching method is difference from that of the high school, as confirmed students and teachers, though 31% students and 10% teachers differed. Similarly, the FGD results complemented, as participants confirmed there is difference, though there were debates as sometimes there is resemblance of that emanates from the students' situation: inability of the students to adopt independent learning that forces instructors for extra efforts (that depend on the nature of specific subjects) to help students in a similar way as with the high school.

Secondly, the findings on independent learning and adoption practice revealed that about 65% of the students and 60% instructors confirmed that students were practicing independent learning, whereas about 40% didn't. The qualitative response (FGD & other) substantiate the quantitative response, estimating that about **half of the students** can be said prepared, independent learners, while the other half were not. However, in relation to reading references, FGD participant instructors explained that some students could not even read and understand the modules. **Thirdly**, student preparedness can also be partially seen in students class participation, which was also limited to as only 42% student and 35% instructors confirmed in class participation. FGD participants also substantiated saying that except in large groups, the majority were not participating in asking and answering questions. Moreover, lack of preparedness was also accompanied by lack of interest as some student were hearsaying that they learn only to fulfill the interest of their parents. Therefore, the above findings revealed in general for most students SMU's freshman program independent learning has been a challenge to considerable students. This requires extra efforts of instructors/university to realize the standard first year university education.

3.2.2 Teaching

In relation to this, the 2nd research question/objective, teaching practice and methods, educationalists and psychologists (Marton, Booth, 1997 & Fry Heather, 2008) recommended that higher education lecturers should appear enthusiastic and interested, organized and take control of the lecture room. That also deploys different teaching methods, practical activities other than lecture and the use of examples. Where possible, use examples that could be a link to their personal experience and link the lecture to some current activities. Accordingly, the SMU's freshman program teaching practices in most cases align with the claims of the aforementioned existing knowledge and skills of the field. That apparently manifest in about half of (48% students) confirmation and all instructors claim that most of the instructors are passionate, enthusiastic and interested who organized the flow of their lecture and take control of the lecture room. However, 52% of the students declined. Similarly, two students FGD confirmed that half of the instructors have aforementioned quality of instructors confirming that *most of the program instructors* do. But at this point, the reliable and acceptable fact is the students' response that was revealed by the quantitative and qualitative methods have shown passion, enthusiasm and interest in their classroom instruction while the other half didn't. Secondly, the practice of instructors in introducing the learning outcomes of a given lesson at the beginning of a unit or a section is in line

with knowledge and orientation in the field as the overall result indicates as most instructors do so. Though the student FGD participants explain few teachers do so, in the questionnaire result, 64.1% of the students agreed that most of the instructors explain learning outcomes. 84.4% of the instructors and FGD discussants claim they introduce the expected outcomes. However, the logical and acceptable fact is students' responses, thus it needs amendment on instructors' side. As such explanation of learning outcomes is believed encourage students for further reading for similar outcome and minimizes student frustration as he/she is on transition stage. **Thirdly**, both quantitative and qualitative findings confirm that most instructors consolidate concepts by example, experience and linking and to some current situation. Moreover, the findings revealed that almost all instructors use example and experience to consolidate their lesson; and deploy different teaching methods, practical activities other than traditional lecture. Hence, the already mentioned teaching practice fully confirms to the expected knowledge and skill in higher education teaching. But in relation to getting regular feedback there is limitation that only 51% students and all groups FGD confirmed the recent final exam electronic correction system created inconvenience/gap in final exam feedback. **Fourthly**, the response on different course instructors' practice of student encouragement and motivation is low, 54% as perceived by students. While teachers claim is higher (94%). The student FGD participants also complement the quantitative response, which is instructors' limitation in advice and encouragement. That would contribute to adoption of independent learning; minimize academic cheating and the like.

3.2.3 Teaching Material/methods, Assessment and Evaluation

In Ethiopia, freshman program modules are the major teaching materials that are believed to give way to competency-based type of curriculum--which stresses identification of professional/vocational skills, job-specific skills and transferable skills (MoE, ESC 2018). Accordingly, the entire SMU freshman program teaching is based on modules. Majority of both the students and instructors, 74% & 90%, respectively confirmed the modules as useful. However, about 30% of both students and teachers complained about the modules 'problems. The modules also guide/ recommend, most instructors to use additional teaching methods (like Group Discussion, Cases, presentation) in addition to lecture.

Most of the students and teachers are satisfied or accepted the process (continuous assessment, quiz, exams) and its results. However, about 40% of all respondents are not comfortable with or not satisfied with the course the continuous assessment. Both students and instructors complained, in group assignments, all group member students are not equally active though instructors have been making efforts in making use of their own control mechanisms. But it is still a challenge along with the attitude problem of considerable students on academic cheating. That has also been observed during the 2nd semester final exam of 2014 EC entrants.

3.2.4 Program/schedule and Administration Support

Concerning the program/schedule and administration support in relation to facilitating teaching and learning, majority of the teachers, 40% of students and all FGD participants confirmed the

subject specific and overall program is good and acceptable with few exceptions. Especially, student FGD participants complained about the inconveniency of learning full day up to 8th period is exhausting. Considerable number of students (above 50%) and teachers (qualitative response- strength) revealed that the University is running strong teaching and learning process that is based on rules and regulation in general and especially the BCD is observed effective/efficient in managing teaching and learning of the Freshman program. Student and instructor key informants, observation, FGD & Open-ended questions revealed that most instructors are overstretched by overtime duties mostly out of SMU. In relation to this, student FGD participants explained that some instructors rush teaching after mid-exam and miss-classes and request for make-up classes.

3.2.5 Major challenges and Problems

Some students faced challenges in adopting independent learning. The *second* related challenge is that instructors face challenges to undertake first year higher education teaching and learning, as per the standard approach and contents due to some students' lack of absorption capacity. As instructor FGD participants said, teaching and assessing unprepared and disinterested students is challenging.

The *third* challenge is in running contentious assessment like group work that needs all group members' efforts and controlling attitude of student on academic cheating. In relation to the later, the researcher remembers, a recent phenomenon, at 2014 entrant freshman final exam in the morning session exam, many students (group) were caught disseminating answers through telegram, within the first thirty minutes, after getting out of the exam rooms.

Participants also raised some manageable problems like unclear and invisible relationship between teachers, department and academic dean; teachers' payment per credit hour-three types of financial management; and toilet facility for BCD teachers.

As per all tools (FGD, open-ended questionnaire,) findings the other problem/challenges repeatedly mentioned by students include the mistreatment of students by officers of the Registrar Office. The mistreatment includes of student representatives who shouldered cases of many students and may visit the registrar.

IV. Conclusion and Recommendation

4.1 Conclusions

One can conclude that, in general, freshman program students learning and related performances have been taking place as per the expected higher education learning practice/standard, except the existing limitation observed in independent learning that had been remedied by extra efforts of the instructors/university.

Half of the instructors of SMU who are teaching in BCD (as observed by students) are passionate, enthusiastic, organized and take control of their lecture room; most of them deploy different

teaching methods; for example, practical activities other than traditional lecture.

The students' teaching material, the module and its approach is fully adopted. Its usefulness is confirmed; however, on some modules, problems are observed, like inclusiveness (reparation), Global (full of irrelevant issues).

Assessment and evaluation has also been well done in the program; however, groupworks results are not of all members efforts though instructors have been making efforts to control and involve all members of a given group.

Some students faced challenges in keeping up the standard of university level education due to lack absorption capacity; and instructors were also challenged in equipping them with necessary knowledge and skill based on the standard teaching methods.

4.2 Recommendations

- i. Departments should be well aware the limitation of some students in independent learning.
- ii. Instructors should provide advices on independent learning and encourage them to work hard and behave accordingly. That would contribute to adoption of independent learning, minimize academic cheating and the like.
- iii. Make efforts to revise modules that have problem or consult responsible authors.
- iv. Instructors should make efforts to properly measure group assignments so that all group members work, contribute equally.
- v. Instructors and the university should make efforts to increase proportion of open-ended questions in exams that encourage students to read more independently that, in turn, discourage academic cheating.
- vi. Make efforts to deploy teaching approach that force, encourage student to read and internalize reading
- vii. Orient registrar staff about student handling, and if possible, provide psychological training to enable them unconditionally handle students in good manner.

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**Determinants of Multidimensional Poverty among Female Headed Households in Kirkos
Sub-City of Addis Ababa
Bethelhem Mesfin, St. Mary's University**

Abstract

The burden of poverty falls disproportionately on female and more on female headed households. The study aims to assess determinants of multidimensional poverty status of female headed households in Addis Ababa. The data for the study is taken from 138 sampled households residing in Kirkos sub-city of Addis Ababa, Ethiopia. Both descriptive and ordered logistic regression model analysis are employed. According to the descriptive analysis of estimation of MPI, 72% of the households in the sample are multidimensional poor. The intensity of poverty is 44% and the adjusted headcount ratio or MPI is found to be 32%. Based on the result of ordered logistic regression model, level of education of female household head, health status of female household head, employment of female household head, saving status of female household head, monthly household consumption, and Household own the house are found to be significant and negatively associated with multidimensional poverty status of household at 5% level of significance. Moreover, household size and dependency ratio are significant and positively associated with multidimensional poverty status of household at 5% level of significance. Besides, reducing unemployment through job creation, concerned government actors shall provide technical assistance for self-employed opportunity to female household heads and to other members in the household. As female is the heart of the household, supporting and enabling them to generate their own income has multi effects to improve the lives of the households.

Keywords: *Female Headed Households, Multidimensional Poverty, Ordered Logistic Regression Model, Kirkos Sub-City, Addis Ababa*

1. Introduction

Our understanding of the extent of poverty and how it is changing depends on which definition we have in mind. In particular, richer and poorer countries set very different poverty lines in order to measure poverty in a way that is informative and relevant to the level of incomes of their citizens. For instance, while in the United States a person is counted as being in poverty if they live on less than roughly \$24.55 per day. In Ethiopia, the poverty line is set more than 10 times lower – at \$2.04 per day, whereas the international poverty line is \$2.15 per day (Hasell, 2022). But it tells only about monetary poverty.

The poverty and shared prosperity 2022 report (World Bank, 2022) shows that almost 4 out of 10 multidimensional poor individuals (39 percent) are not captured by monetary poverty. The multidimensional poverty index captures the percentage of households in a country deprived along three dimensions of well-being health, education and living standard to provide a more complete picture of poverty and a means to capture the complexity of poverty that considers multiple dimensions of well-being beyond just monetary poverty.

The burden of poverty falls disproportionately on female and more on female headed households (Grieve, 2021). In Ethiopia, it is mainly a result of the gender-based division of labor and lack of access and control over resources prescribed not only by tradition and culture but also reiterated in the law. By the end of 2022, around 383 million women and girls live in extreme poverty (on less than 1.90 a day) compared to 368 million men and boys. Many of them have insufficient income to meet basic needs such as food, clothing and adequate shelter in most parts of the world. If current trends continue, in sub-Saharan Africa, more women and girls live in extreme poverty by 2030 than today (UN, 2022). The restraining social norms often cause women relegated to informal, vulnerable, and low-wage employment. Women in developing African countries, and in Ethiopia, in particular, are often in more desperate economic situations than are men.

To empower women economically, is not only a “women’s issue” but it affects everyone. If women are excluded from the formal economies of developing countries like Ethiopia, rates of poverty reduction and economic growth suffer. This study aims to analyze the extent of poverty using some determinants of poverty and using multidimensional poverty index on female headed households in Kirkos sub-city of the capital of Ethiopia. The study is important in a way that to provide some essential inputs for the government, women associations and other concerned organizations on the reduction of women poverty.

2. Statement of the Problem

Poverty as a multidimensional phenomenon attracted the attention of policy makers, development agents and development economics researchers (Foster, 2011) and it is one of the most critical economic and social problems of this century. Despite progress toward eliminating extreme poverty, Ethiopia remains one of the poorest countries in the world. About 68.7 percent of the population in Ethiopia is multidimensional poor while an additional 18.4 percent is classified as vulnerable to multidimensional poverty (UNDP, 2022). Women make up the mass of the poor in both developed and developing countries, accounting for up to 70% of the world have impoverished. Although men, women, and children are all affected by poverty, there appears to be a stronger link between women and poverty.

Poverty has consequences such as hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion as well as the lack of participation in decision-making. In Addis Ababa there are only 44% of the population have access to clean water, and less than 30% have access to sewerage services. Flooding, landslides and fire hazards affect many due to informal housing construction in risk-prone areas, congested settlement patterns, and poor housing quality and the city is challenged by youth unemployment. About a quarter of Addis Ababa's young population (aged 15-29) is unemployed. This is mainly due to the mismatch between the new jobs the economy creates and the increasing number of youth joining the labor market (Weldeghebrael, 2022).

Since eighty percent of Ethiopian population inhabited outside urban areas (UN, 2018) where poverty is generally high and their means of living is dependent on agriculture (Dejene, 2016), most researches on poverty are in rural areas that target both male and female headed households. Furthermore, the objective is on food security and agricultural activities. Rather than one-dimensional poverty, this study provides the quantified impact of determinants of multidimensional poverty in the capital city of Ethiopia targeting female headed households. The method of analysis is ordered logistic regression model. To the best of my knowledge, this method of analysis is not used for the analysis of urban multidimensional poverty on female headed households. This study uses global multidimensional poverty index which mostly has three dimensions that is health, education and standard of living. Hence, the general objective of this study is to assess the status of multidimensional poverty and its determinants among female headed households in Kirkos sub-city of Addis Ababa, Ethiopia. Furthermore, specific objectives are:

- To describe the relationship between some indicators of socioeconomic status of female household heads and multidimensional poverty status of those households;
- To estimate the multidimensional poverty index (MPI) of female headed households in Kirkos sub-city; and
- To examine the determinants of multidimensional poverty status of female headed households.

3. Methodology

To draw valid conclusions from the results, it is critical to carefully decide how a sample is selected and which is a representative of the whole population (McCombes, 2022). Thus, the researcher uses stratified random sampling that is one of the probability sampling methods in order to select the sampled female headed household from all female headed households in Kirkos sub city of Addis Ababa, Ethiopia. There are 11 woredas in the sub city and in this study, four woredas (2, 9, 10 and 11) are selected at first stage sampling and former kebeles or sub-woredas from the selected woredas are selected at second stage sampling. Finally, the female headed households in all selected former kebeles are taken as a sample at the final stage. Therefore, the study uses a three-stage stratified random sampling method through proportional allocation.

The Cochran (1963) formula is used to determine how many female headed households should be in the sample and the formula is (Divakar, 2021):

The study uses 5%, which is 0.05 margin of error (e), 0.9 as the estimated proportion of female headed households with the sum of deprived weights 0.33 and above from own pilot survey (p), 0.1 as q because q is 1 – p (q is the estimated proportion of female headed households with the sum of deprived weights below 0.33) and also the value of Z for 95% confidence interval from Z table equals 1.96. Thus the sample size for this study is:

$$n = \frac{1.96^2 * 0.9 * 0.1}{0.05^2} = 138$$

Primary data is gathered from female headed households using structured questionnaire. The primary data constitute information related to the multidimensional poverty. The secondary data is also collected from relevant government offices such as Kirkos sub-city administration and each woreda offices within the sub-city. In addition, Focus Group Discussion (FGD), Key Informant Interviews and personal observation are used to supplement the limitation of quantitative data.

Ordered logistic regression model is used in the study to analyze the collected data. The model enables the researcher to examine which determinants have statistically significant effect on a dependent variable multidimensional poverty status of female headed households. Ordinal logistic models that consider the ordinal structure of the dependent variable are used in case the dependent variable should have at least 3 categories in which these categories are ordered arranged, i.e. the dependent variable in the study, multidimensional poverty status of the female headed household has four categories or orders (not poor, vulnerable, poor, sever).

Following Alkire and Santos (2011) method of measuring multidimensional poverty, a household's deprivation score (wd) is compared with the multidimensional poverty cut-offs. A house is considered poor if they are deprived in at least one third of the weighted indicators. In

other words, a household is identified as poor if it has a deprivation score greater than or equal to one-third (33 percent) (Alkire & Santos, 2013). Following this, the researcher uses 0.33 cut off point for the study. This is represented by the ordinal variable that takes the value 0, 1, 2 or 3, as:

$$\begin{aligned}
 \text{mdps} &= 0 \text{ (not poor), if } wd < 0.2 \\
 &= 1 \text{ vulnerable, if } 0.2 \leq wd < 0.33 \\
 &= 2 \text{ (poor), if } 0.33 \leq wd < 0.5 \\
 &= 3 \text{ (sever), if } wd \geq 0.5
 \end{aligned}$$

Table 1: Description and Measurement Types of Independent Variables

N_o	Independent Variables	Measurement Type	Expected Sign
1	Age of Female Household Head	Categorical(0= 18-28 years, 1= 29-39 years, 2 = 40-50 years, 3 = 51-61 years, 4 = above 61)	+/-
2	Marital Status of Female Household Head	Categorical(0=unmarried, 1=married, 2=divorced, 3=widowed)	+/-
3	Level of Education of Female Household Head	Ordinal(0=illiterate, 1=primary, 2=secondary, 3=higher)	-
4	Health Status of Female Household Head	Ordinal(0=very poor, 1=poor, 2=good, 3=very good)	+/-
5	Employment of Female Household Head	Categorical(0=unemployed, 1=employed, 2=pensioner)	-
6	Number of Children of Female Household Head	Discrete	+/-
7	Saving Status of Female Household Head	Dummy(0 = No , 1=Yes)	+/-
8	Access to Loan for Female Household Head	Dummy(0 = No , 1=Yes)	+/-
9	Household Size	Discrete	+
10	Dependency Ratio	Continuous	+/-
11	Monthly Household Consumption	Continuous	+/-
12	Household Own the House	Dummy(0 = No , 1=Yes)	-

Source: (Yimer, 2011; Emran & Atta, 2012; Adane, 2017; Tigre, 2018; Hulala, 2020; Chomen, 2021; Ayalew, 2021; Belete, 2021; Kassa et al., 2021; Eshetu, 2022, Alemu, 2022; Modi, 2022; Sultan & Gemechu, 2023)

4. Result and Discussion

Based on the summary statistics of independent variables from the survey result, on average, the female household head had 3 children with Std. Dev of 2. The minimum number of children is 0 that is for female household head with no children and the maximum number of children is 10. On average, there are 4 family members in a household with Std. Dev of 2. The minimum and the maximum household size are 1 and 12, respectively. The average dependency ratio is 0.58 with Std. Dev 0.5. The minimum and maximum dependency ratios are 0 and 2, respectively. The average consumption of a household is 5,442.03Br. with Std. Dev of 4,422.52Br and the minimum and the maximum consumption of the household are 1,500Br. and 20,000Br, respectively.

From the total female household head respondents, 11.59% are aged from 29-39years and 31.16% are aged above 61years that is more respondents have an age above 61years relative to other respondents. A very small proportion of female household heads (7.97%) were married while a large proportion of the respondents (49.28%) were widowed. From the total female household heads, only 17.39% had higher education, whereas a large proportion of the respondents (about 44.93%) were illiterate. Only 7.25% of female household heads had a very good health status while about 26.81% of those respondents had a very poor health status. Out of the total female household head, 47.83% were employed and 38.40% were unemployed and the remaining 13.77% were pensioner. About 18.12% of female household heads were had status, whereas 81.88% of those respondents did not. About 73.91% of the households did not own the house while the remaining 26.09% households owned the house.

Table 2: Number of deprived households in each indicator

Dimensions of MPI	Indicators of each dimension	Global MPI Deprived if	No of deprived households & (%)	Weight
Health	Nutrition	Any person under 70 years of age for whom there is nutritional information is undernourished.	4 (2.9%)	1/6
	Child mortality	A child under 18 has died in the household in the five-year period preceding the survey.	0	1/6
Education	Years of schooling	No eligible household member has completed six years of schooling.	72 (52.17%)	1/6
	School attendance	Any school-aged child is not attending school up to the age at which he/she would complete class 8.	3 (2.17%)	1/6

Living Standard	Cooking fuel	A household cooks using solid fuel, such as dung, agricultural crop, shrubs, wood, charcoal, or coal.	10 (7.25%)	1/18
	Sanitation	The household has unimproved or no sanitation facility or it is improved but shared with other households.	96 (69.57%)	1/18
	Drinking water	The household's source of drinking water is not safe or safe drinking water is a 30-minute or longer walk from home, round trip.	0	1/18
	Electricity	The household has no electricity.	0	1/18
	Housing	The household has inadequate housing materials in any of the three components: floor, roof, or walls.	20 (14.49%)	1/18
	Assets	The household does not own more than one of these assets: radio, TV, telephone, computer, animal cart, bicycle, motorbike, or refrigerator, and does not own a car or truck.	128 (92.75%)	1/18

Source: Own computation (2023)

The above table shows that very large number of female headed households (92.75%) households is deprived of assets. Furthermore, the deprived households in sanitation and years of schooling had a large proportion that is 69.57% and 52.17%, respectively. There is no households deprived of child mortality, drinking water and electricity from the sampled households in this study. Considering the dimensions, a large number of households are deprived of standard of living while only 4 households are deprived in health dimension through nutrition.

Table 3: Summary statistics of multidimensional poverty status (dependent variable)

Multidimensional poverty status	No of households	Percent	Cumulative percent
Not poor	21	15.22%	15.22%
Vulnerable	17	12.32%	27.54%
Poor	80	57.97%	85.51%
Sever	20	14.49%	100.00
Total	138	100.00	

Source: Own computation (2023)

Fig: Multidimensional poverty status of female headed households

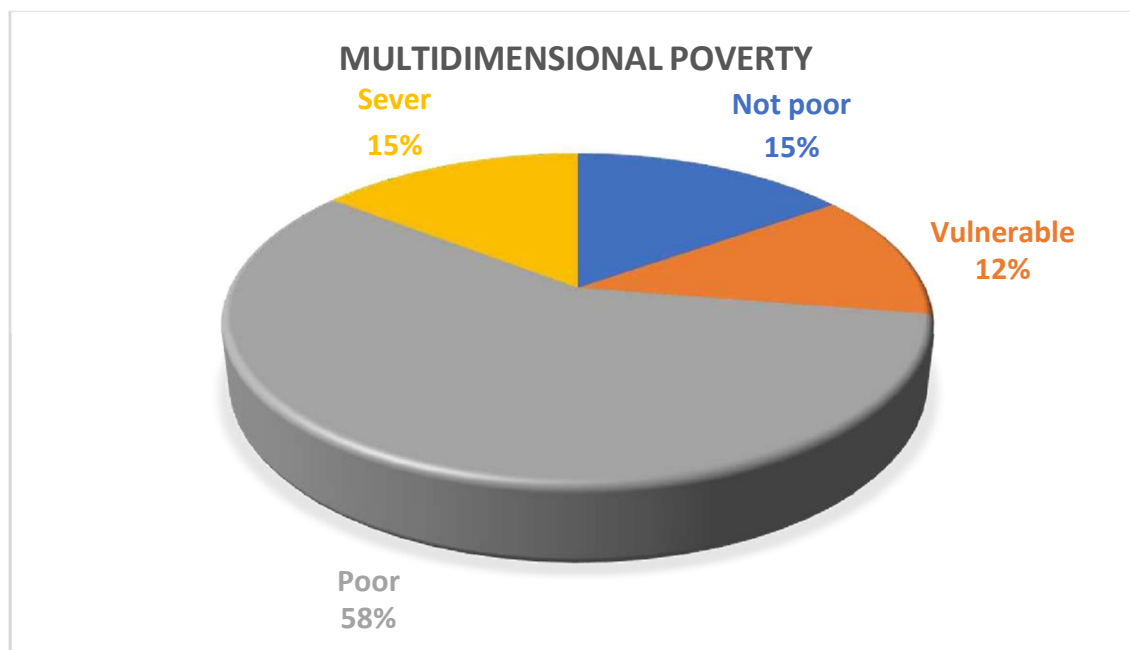


Table 4: Summary of level of education of female household head and multidimensional poverty status of the household.

Multidimensional poverty status	Level of education				Total
	Illiterate	Primary	Secondary	Higher	
Not poor	5	0	8	8	21
Vulnerable	4	2	4	7	17
Poor	37	19	15	9	80
Sever	16	4	0	0	20
Total	62	25	27	24	138

Source: Own survey result (2023)

As observed from the table above, there were a large number of illiterate female household heads with poor multidimensional poverty status, that is, out of 62 illiterates, there were 37 female household heads. Furthermore, there were not respondents with primary level of education with not poor multidimensional status; and respondents with secondary or higher level of education with not severe multidimensional poverty status. This table could enable the researcher to expect the negative relationship between level of education and multidimensional poverty status from the ordered logistic regression analysis.

Table 5: Summary of employment of female household head and multidimensional poverty status of the household

Multidimensional poverty status	Employment			Total
	Unemployed	Employed	Pensioner	
Not poor	14	7	0	21
Vulnerable	12	2	3	17
Poor	41	24	15	80
Sever	6	13	1	20
Total	73	46	19	138

Source: Own survey result (2023)

The above table shows that a large number of unemployed female household heads had households with poor multidimensional poverty status. From the response of most of unemployed female heads, the researcher observed that the source of income for those households is from the social support, and a few number of respondents have an income from house rent. Out of 19 pensioner female household heads, there were 15 pensioner female household heads that had households with poor multidimensional poverty status.

Table 6: Estimation of MPI

Multidimensional poverty cutoffs	H(incidence)	A(intensity)	MPI
$W \geq 0.33$	0.72	0.44	0.32

Source: Own computation (2023)

As can be seen in Table 6, the poverty headcount H was 0.72 indicating that around 72% of the female headed households were multidimensional poor or sever. The intensity (A) which is the average weight of deprived indicators is 0.44. Once this adjusted for the number of deprivations suffered, the MPI was computed as $A * H$ equals 0.32. The MPI value summarizes information on multiple deprivations into a single number. This indicates that 32% of the sampled female headed households had multiple deprivations at the same time. This result was close to the national value from UNDP report in which the MPI value, which is the share of the population that is multidimensional poor adjusted by the intensity of the deprivations, is 0.367 or 36.7% (UNDP, 2022). The variance and standard deviation of weight of deprived indicators were 0.00423 and 0.065, respectively. This implies that, the gap or deviation of weight of deprived indicators for female headed households from the average weight of deprived indicators was 0.065.

Ordered Logistic Regression Analysis

Ordered logistic regression analysis was used to examine the effect of each independent variable on multidimensional poverty status of female headed households. The parameter estimation analysis was done by using Stata software package and the resulting maximum likelihood estimate of model parameters were presented in the table below.

Table 7: Maximum Likelihood Estimates of Model Parameters

	Coef.	Std. Err.	P> z	Odds Ratio
Age of female household head				
40-50	3.72	2.09	0.076	41.3492
51-61	-0.62	2.13	0.771	0.5375
Above 61	0.93	2.36	0.692	2.5458
Marital status of female household head				
Married	2.64	1.803	0.144	13.9792
Divorced	-0.45	1.64	0.783	0.6372
Widowed	0.22	1.65	0.894	1.2454
Level of education of female household head				
Primary	-1.604	1.106	0.147	0.2011
Secondary	-6.47	2.56	0.012**	0.0015
Higher	-3.76	2.24	0.094	0.0233
Health status of female household head				
Poor	-0.709	0.99	0.475	0.4921
Good	-3.49	1.65	0.035**	0.0305
Very good	-12.93	3.97	0.001***	0.00146
Employment of female household head				
Employed	-0.997	1.16	0.390	0.3692
Pensioner	-3.21	1.22	0.008***	0.0402
Number of children of female household head				
Saving status of female household head	-6.64	3.056	0.030**	0.0013
Access to loan for female household head	-4.55	3.01	0.130	0.01052
Household size	0.68	0.24	0.005***	1.9726
Dependency ratio	1.66	0.72	0.021**	5.2484
Monthly household consumption	-0.002	0.0004	0.000***	0.998
Household own the house	-11.66	2.97	0.000***	8.63e-06
Log likelihood = -32.7519				
LR chi2(21) = 249.27				
Prob > chi2 = 0.0000				
Pseudo R2 = 0.7919				

Source: Own survey result (2023)

Note that in Table 7 of the model result, $P > |z|^{***}$ and $P > |z|^{**}$ are at 1% and 5% level of significance, respectively. Estimated ordered logistic regression model $\text{Prob} > \chi^2 = 0.0000$ indicates that the overall model is significant and also Pseudo R^2 indicates that the model explained 79.19% of change of multidimensional poverty status was due to all the independent variables in the model.

Level of education of female household heads, health status of female household heads, employment of female household heads, saving status of female household heads, household size, dependency ratio, household consumption and household owning the house were statistically significant at 5% level of significance. Furthermore, the independent variables ages of female household head, marital status of female household head, number of children of female household head, and access to loan for female household head were not statistically significant at 5% level of significance.

The model result further revealed that from the significant independent variables, household size and dependency ratio had odd ratios greater than one, and their coefficients are positive, which means that these variables were positively correlated with multidimensional poverty status of the household. Moreover, the independent variables' level of education of female household head, health status of female household head, employment of female household head, saving status of female household head, monthly household consumption and household owning the house had odd ratios less than one and their coefficients are negative; therefore, these variables were negatively correlated with multidimensional poverty status of the household.

That the level of education and multidimensional household poverty status had a negative relationship implies that if the level of education of female household head changes from illiterate to secondary education, then the log of odds of multidimensional poverty status decreases by 0.15%, other factors held constant, at 5% level of significance. This is supported by (Hulala, 2020) when he stated that as the increment of year of schooling decreases, household multidimensional poverty. Furthermore, other literature by Emran and Atta stated that education had a great role in the reduction of multidimensional poverty (Emran & Atta, 2012).

Health status of female household head and multidimensional poverty status of the household had a negative association so that, if health status of female household head changed from very poor to good, then the log of odds of multidimensional poverty status of the household decreases by 3.05%, other factors held constant at 5% level of significance. Moreover, if health status of female household head changes from very poor to very good, then the log of odds of multidimensional poverty status of the household decreases by 0.146%, other factors held constant at 1% level of significance. The previous studies showed this result that as poor health could increase multidimensional poverty in a way that sickness could prevent people from working and the impact of caring responsibilities and also poor health status could increase

healthcare expenditure (Modi,2022).

Employment of female household head and multidimensional poverty status of the household was negatively related and based on the model result. The household with pensioner female household head had the log of odds of multidimensional poverty status 4.02% less than compared to unemployed female household head, other factors held constant at 1% level of significance. This result was in line with other literatures. For instance, the research done by Kidane Alemu(2022) revealed that employment opportunities made the household to had income that led sustainable income there to reduce Multidimensional poverty.

Saving status of female household head and multidimensional poverty status of the household were negatively associated that the log of odds of multidimensional poverty status decreased by 0.13% when saving status of female household head changed from not saving to saving, other factors held constant at 5% level of significance. Saving enabled the household to have an ability to afford expenditure for health, education and other demands for the members in the household and this enabled the household to decrease multidimensional poverty. Previous literatures conformed that if households saving improved, the household could decrease multidimensional poverty (Chomen,2021).

Household size and multidimensional poverty status had a positive relationship and this revealed that if one member increased in the household, then the log of odds of the household multidimensional poverty status also increased by 97.26%, other factors held constant at 1% level of significance. According to (Sultan & Gemechu, 2023), increasing household size was associated with increasing the probability of the household being multidimensional poor. The reason for the positive association was the number of unemployed and dependent household members increased and as a result, the household multidimensional poverty also increased.

In the study, dependency ratio and multidimensional poverty status of the household had positive association, that is, if the dependency ratio increased by one, then the log of odds of multidimensional poverty status also increased by 24.84%, other factors held constant at 5% level of significance. The study by (Tigre, 2018) conformed that multidimensional poverty increased while dependency ratio increased. Dependency ratio increased when the number of dependent members not in working age was greater than the number of members of working age in the household. The other study revealed that the household probability of being high in multidimensional poverty status increased if dependency ratio increased (Eshetu, 2022).

Multidimensional poverty status had a positive association with household consumption. The log of odds of multidimensional poverty status decreased by 99.8% as monthly household consumption increased by one thousand birr, other factors held constant at 1% level of significance. It was known that the major factor of consumption was income of the household and this study tried to estimate the income of the household indirectly through consumption (Yimer, 2011).

This indicates that if the household consumption increased while the income of the household increased, then multidimensional poverty of the household decreased.

Household owning the house and multidimensional poverty status of the household had a negative relationship. The log of odds of multidimensional poverty status decreased by 0.00086% for the household that own the house compared to the household that did not own the house, other factors held constant at 1% level of significance. If the household does not own the house, then some of the indicators of living standard of the household may become deprived and this made the probability of the household to be multidimensionally poor increased (Adane, 2017).

5. Conclusion and Recommendation

Conclusion

This paper attempted to identify and analyze the determinants of the multidimensional poverty of female headed households in Kirkos Sub-City of Addis Ababa city using ordered logistic regression model. A primary level data that were collected from 138 households were used for analysis. The study used health, education and living standards as dimensions to compute multidimensional poverty index of the household. The results of the MPI analysis showed that the incidence of multidimensional poverty status of the sample respondents is 72%, the intensity of poverty is 44%, and the adjusted headcount ratio or MPI is 32%; and this value could be used as an estimate for all female headed households in Kirkos sub-city of Addis Ababa. Furthermore, a large number of households were found to be deprived in living standard dimension as compare to health and education dimensions.

The result of the ordered logistic regression model captured independent variables that had significant effects on the multidimensional poverty status. The model fitted results indicated that level of education of female household head, health status of female household head, employment of female household head, saving status of female household head, and dependency ratio were found to be statistically significant variables of multidimensional poverty status of female headed households at 5% level of significance. Furthermore, household size, monthly household consumption, and household owning the house were found to be statistically significant variables of multidimensional poverty status of female headed households at 1% level of significance.

Secondary level of education and good health status of female household head had a result to decrease multidimensional poverty status of the household. Moreover, small number of household size and dependency ratio could decrease multidimensional poverty status of the household.

On the other hand, if the household had lower monthly household consumption and if the female

household head had no saving status, then multidimensional poverty status of the household increased. Furthermore, multidimensional poverty status of the household increased if the household did not own the house.

Recommendation

Based on the analysis made, results obtained, and conclusions drawn, the following recommendation were forwarded to the policy makers, concerned government actors, and other stakeholders.

- About more than half of female household heads were deprived of year of schooling. Therefore, the researcher recommended to stakeholders to take into account empowering women in education because education is a weapon that alleviates multidimensional poverty.
- As urban household do not participate in farming activities like rural households, the researcher highly recommended creating employment opportunities for the female household heads and for other members with working age in the household, if the policy makers aimed to reduce urban multidimensional poverty.
- To minimize multidimensional poverty, policy implications that prioritize living standard components need to be in place, followed by education and health. The policy makers shall take into account to provide access for house ownership to the household.
- Most of the deprivations were from indicators of living standard, and to overcome this problem, policy makers and concerned government actors shall prepare and implement different strategies and economic policies for the supply of housing.
- As like that of other sub-cities of Addis Ababa, in Kirkos sub-city there were more 'kebele' houses and most of the houses had low standard for living and were slums. Therefore, the researcher recommended that to reduce multidimensional poverty of the households, upgrading slums play a great role.
- The stakeholders in financial institutions shall provide strategies to attract the female household heads for saving in order to have financial ability to fulfill the household consumption expenditure.
- Finally this study has used cross sectional data collected from 138 households dwelling in Kirkos sub-city of Addis Ababa city administration and the outcomes may not be able to make generalization for other sub cities over a period of time. Therefore, the researcher recommends to other researchers conducting further studies to explore other factors affecting the multidimensional urban poverty of female headed households that were not covered in this study as well as investigating the dynamics of multidimensional poverty overtime.

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Effects of Business Communication on Employees' Job Performance in Private Higher Education Institutions: The Case of St. Mary's University

Nakachew Enyew, St. Mary's University

Abstract

The study examined the effect of business communication on employee performance at St. Mary's University. The study hypothesized the effects of independent variables (quality of communication channel, content of communication, frequency of communication, openness of supervisors, and communication barriers) on the performance of employees. This research used an explanatory research design within the framework of quantitative approach. Primary sources of data are used in the study. Primary data was collected from 84 participants by using structured questionnaire. Descriptive and inferential statistics including mean, standard deviation, correlation and multiple linear regression models are employed to analyze the data. Results from the study reveal that business communication dimensions (quality of communication, frequency of communication, openness of supervisor, and barriers to communication) are statistically significant. Furthermore, the findings of multiple linear regression show that employee performance is highly determined by the quality of information or communication, the channels through which business information is addressed to end users, and how many times the message is communicated. On the other hand, the presence of communication barriers during business operations hinders employees' work performance, which, in turn, has a negative effect on institutional business progress. When deciding to improve the overall institutional business communication, St. Mary's University should consider the significant correlates of business communication dimension, which is a guarantee for employee work engagement, and ultimately, an improvement in job performance.

Keywords: St. Mary's University, Business communication, Multiple Linear Regression, Barriers of Communication.

1.1 Introduction

Civilization is unlikely to exist without knowledge or contact since the majority of the essential planning, organization, leadership, and control of the management process cannot be carried out without good communication (Heinrich, 2020).

Modern business calls for more than just developing a good product, rendering service, pricing it attractively and making it available to target customers. They must maintain effective business communication within and outside of the organization (Kotler, 2005). Communication is the lifeblood of all organizations; it is the medium through which companies of any type and size access the vital resources they need in order to operate. It is through communication that organizations acquire the primary resources they need (such as capital, labor, and raw materials) and build up valuable stocks of secondary resources (such as “legitimacy” and “reputation”) that enable them to operate (Cees and Charles, 2007).

According to Miller (2015), communication plays a vital role in the functioning of any organization, whether it is for business, non-profit, educational, or governmental organizations. Communication is commonly described as a process of sending messages through different platforms and it is normally comprised of verbal or nonverbal sentiments (Al-Tokhais, A. 2016).

Stephen (2011) defined business communication as a critical factor in directing and mobilizing the workforce towards the accomplishment of the organizational goals or objectives; by creating understanding, it enhances co-operation and promote effective performance. Business communication is considered very important in enhancing the general performance of different business entities since it influences proper co-ordination between the employees and the employer or between the entity and its customers.

Business communication is a multidimensional concept with four dimensions: communication frequency, communication channel, communication content, and communication direction (Johlke and Duhan, 2000). However, there's another dimension of business communication which is often known as the communication quality or the quality of information. (Maltz, 2000) defined the quality of information as "the value level of the information that an individual can perceives when received it from the provider."

(Kalogiannis, 2020) suggested that when there is a breakdown in communication between employees and management, there are more workplace disputes since less cooperation leads to performance reviews, job promotions, and recognition. The process may be key to improving productivity in relationships, attitudes, environment, behavioral, and technical features, thus it is crucial to stress this.

According to (Ova, 2009), psychological communication includes input and understanding in addition to knowledge interpretation. In such a situation, business communication serves as a source of inspiration for workers to improve organizational performance. With this background,

the study has examined the effects of business communication on the performance of employees in Ethiopian private higher education taking the case of St. Mary's University. In doing this, the study attempted to investigate the effects of business communication (assuming the six dimensions of business communication: quality of communication, channel of communication, content of communication, frequency of communication, openness of supervisors and communication barriers) on the performance of the employees in the stated private university.

1.2. Statement of the Problem

Business Communication is speedily gaining importance in organizations, as employers are realizing its positive effects and its impact on the long-term productivity and progress of organizations (Martey, 2014). More and more organizations are including various tools and channels of business communication within their system to ensure that employees communicate effectively with one another as well as with their supervisors and are well engaged in the organization (Martey, 2014). Hence, communication is among the key factors that have played a key role in influencing business performance in the modern business world (Shackelford, 2018).

Company and public relations scholars are finding that business communication is an increasingly intriguing topic to investigate in recent years (Martey, 2014; Kulachai, 2018; Sharma 2015; Atambo and Momanyi, 2016). Accordingly, there were only a few research works completed in Ethiopia, and none of them were in the field of education (Eden, 2017 and (Biruk, 2018).

In most organizations, organizational conflicts and low achievements at the end of each quarter or fiscal year have been traced to breakage in communication as supported by (Lee, 2003). This is caused when either "employee performance is affected by communication channel", or "when there is only downward communication flow" (Scott, 2004).

There are a number of organizations which have not had a clear understanding about the meaning of business communication and its importance as a component in the creation of mutual understanding between the management and employees (Miller, 2015) and (Martey, 2014). In most cases, inappropriate communication leads to conflict, confusion, unnecessary debates, demotivation, and reduce apathy in performing roles (Hughes, 2012).

In St. Mary's University, the major problem is the absence of clear channel of communication. In addition to this, there is downward flow of business information, even though it is not effectively addressed to all parties. Because of the downward flow of information in the institution, lower-level managers and employees are constrained from expressing their grievances to their supervisors, and mostly strong debate is caused between management members to make decision on business issues. This caused gap on employee management relation, employee's discomfort at their work, and finally affect their work engagement and performance.

Business profitability is influenced by communication technique, employee feedback, and successful communication according to a study conducted by (Kalogiannis, 2021). In this regard, very few researches have been conducted in the context of higher education institutions to study the effects of business communication on the organizational performance in general and performance of employees in particular. (Kalogiannidis and Olympia, 2022) argue that business communication in academic institution has a significant impact on the success of these institutions.

However, little has been researched to this effect. Taking this concern, (Eden, 2017) and (Biruk, 2018) have conducted studies regarding the nature of business communication of organizations in banking sectors in Ethiopian context. However, there is little that has been done about the effects of business communication in higher educational institutions in the country, in general, and in private higher educational institutions, in particular. Moreover, nothing has been conducted in the case of St. Mary's University.

Beyond that, those studies indicated are conducted using a descriptive research design which is just helpful to reporting what happened or what was the feeling of respondents about major research questions. This is another research gap the researcher has identified as a methodological gap. Besides, the researcher has conducted preliminary personal observation to have an insight into the nature of business communication in the university which this study is concerned with. The researcher has observed that due to a number of communication barriers and problems between the top-level managers and academic program office, there are program confusions at both the undergraduate and graduate schools. Much as the problem is severe, most of the supervisors are not ready to confirm the gap, and take accountability. This clearly brings inconvenience both on the academic and administrative staff of the University.

Unlike the previous researches, this study is trying to fill the research gap by providing a detailed analysis on the effect of business communication on employees performance in St. Mary's University, depending on the five dimensions of effective business communication: quality of communication, channel of communication, content of communication, frequency of communication, openness of supervisors, and one additional dimension (i.e., communication barrier).

To this end, the research is motivated in the belief that it fills empirical, methodological and practical research gaps that are found in the existing research works and solves the practical situation of the problem in the studied university.

1.3. Objectives of the Study

The main objective of this study was to examine the effect of business communication on employees' performance in St. Mary's University.

Specifically, this study has six objectives:

1. To examine the effect of quality of business communication on employee performance in St. Mary's University;
2. To investigate the effect of channel of communication on employee performance in St. Mary's University;
3. To determine the effect of content of communication on employee performance in St. Mary's University;
4. To explain the effect of frequency of business communication on performance of employees in St. Mary's University;
5. To investigate the effect of openness of supervisors on employee performance in St. Mary's University; and
6. To examine the effect of communication barrier on employee performance in St. Mary's University.

1.4. Conceptual Framework and Research Hypotheses

A research conceptual framework was developed to investigate the relationships between business communication dimension and employee performance, based on intensive review of findings of previous studies and literature that addressed various aspects of conceptual framework of the study (Johlke and Duhan, 2000; Maltz, 2000, with little modification).

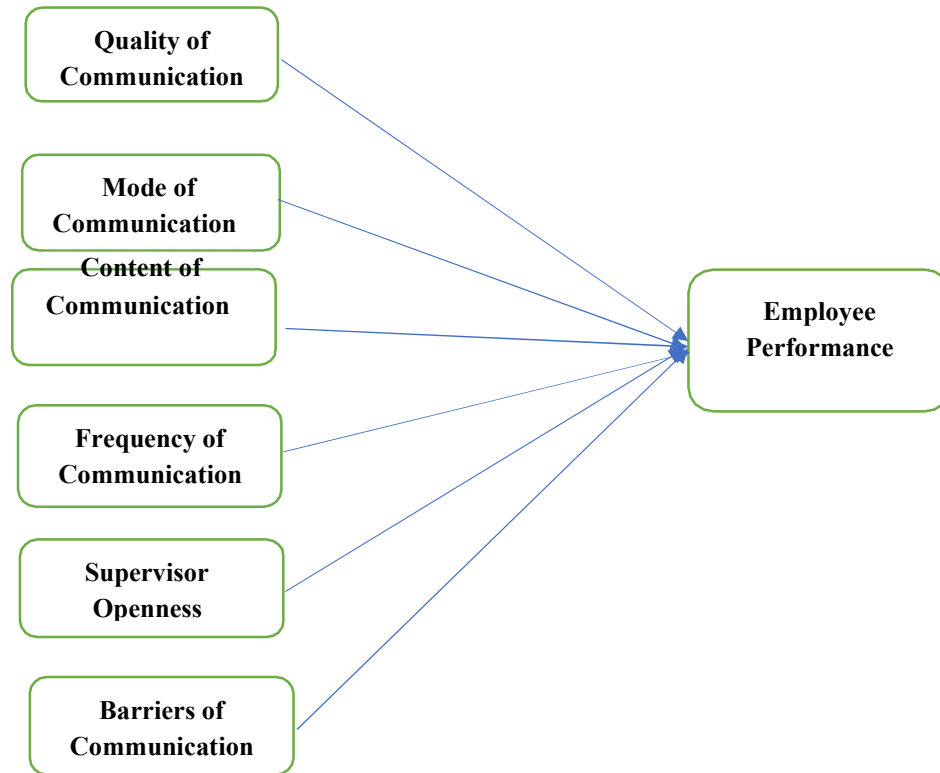


Figure 1: Conceptual framework

Source: (Johlke and Duhan, 2000; Maltz, 2000, with little modification)

1.5. Limitation and Area for Future Research

This study contains a number of limitations that must be noted, just like any research, and these limitations may serve as a foundation for future research. The first is that as stated in the study's scope, a case study methodology was used in this research, which also used an explanatory research design and a quantitative approach. However, due to the precision level used to calculate the sample size, the design should instead be an explanatory sequential design that is suitable to fill some inferential gaps created by the sample size. The second limitation of this study is that it was based on a limited geographic location. This study focused only on St. Mary's University while further studies can be carried on different private higher education institutions.

2. Methodology

This study employed descriptive and explanatory types of research and employed a survey research strategy to capture the relevant information from the respondents. In order to meet the predetermined objectives of the study, quantitative types of data are used. In addition to this, to generate valuable and relevant data, the researcher employed primary sources of data through

structured questionnaire. The subjects of this study were all permanent staff of St. Mary's University, and were 507 employees at the time of the study. Since the subjects of the study were very large, the researcher selected 84 respondents for the study by applying stratified random sampling with proportional allocation from the two strata named administrative and academic staffs.

The instrument used for data collection was structured questionnaire. The questionnaire was designed in the form of Likert scale, and adapted from the work of previous studies of (Johlke and Duhan, 2000) with minor modification. Finally, the collected data were analyzed through descriptive statistics, correlation analysis, and multiple linear regressions.

3. Results and Discussion

3.1. Descriptive Analysis on the Extent of Current Business Communication Practices

Table 1: Current business communication practices of St. Mary's University

Descriptive Statistics			
	N	Mean	Std. Deviation
Quality of Information	80	3.80	.639
Communication Channel	80	3.91	.459
Frequency of Communication	80	3.79	.718
Openness of supervisor	80	3.39	.926
Barriers of communication	80	1.56	.507
Content of communication	80	3.84	.707
Valid N (listwise)	80		

Source: Survey result (2022)

The results of the descriptive statistics showed that St. Mary's University effectively communicates business-related information and resolves disputes using appropriate communication channels as it has the highest mean score value. Followed by a clear and accurate content to achieve goals and objectives, quality message in business communication is specific, free of complaints, supported by facts and figures, and written in appropriate languages. On the other hand, frequency of communication, openness of supervisors, and barriers of communication, are evidenced by low mean score. This implies that these dimensions of business communication practices are practiced to a low extent.

3.2. The Effects of GSCM Practices on Organizational Performance

Correlation Analysis

To determine the existence and level of association, the study used bivariate correlation from which Pearson's correlation coefficient is considered. Pearson's correlation coefficient falls between -1.0 and +1.0, indicating the strength and direction of association between the two variables (Field, 2005). According to Cohen (1988), the value of Pearson's correlation is divided into three areas. A correlation coefficient between 0.10 and 0.29 will indicate a weak correlation; a correlation coefficient between 0.30 and 0.49 will indicate a medium correlation; and a correlation coefficient between 0.50 and 1.0 will indicate a strong correlation.

Table 2: correlations between employees' performance and business communication dimensions

		EP	QoC	ChC	FoC	OoS	BoC	CoC
EP	Pearson Correlation	1						
	Sig. (2-tailed)							
QoC	Pearson Correlation	.662**	1					
	Sig. (2-tailed)	0						
ChC	Pearson Correlation	.503**	.506**	1				
	Sig. (2-tailed)	0	0					
FoC	Pearson Correlation	.662**	.571**	.347**	1			
	Sig. (2-tailed)	0	0	0.002				
OoS	Pearson Correlation	.394**	0.115	0.099	.227*	1		
	Sig. (2-tailed)	0	0.31	0.38	0.043			
BoC	Pearson Correlation	-0.307	0.196	0.146	.264*	-0.035	1	
	Sig. (2-tailed)	0.006	0.082	0.195	0.018	0.755		

CoC	Pearson Correlation	.369**	.293**	0.003	.432**	0.199	0.104	1
	Sig. (2-tailed)	0.001	0.008	0.981	0	0.077	0.359	

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Survey result (2022)

As the table revealed, association between employee performance and communication channel is a strong positive relation, and it implies that the appropriateness of the communication channel leads to improved employee performance. Similarly, there is a Pearson correlation value of 0.662 between frequency of communication and employee performance. The correlation value revealed that there is strong positive association between the dependent variable and frequency of communication.

Openness of supervisor and employee performance have moderate positive association with a correlation of 0.394, meaning that the extent to which supervisors are open to the subordinates improves their performance.

Unlike the other predictor variables, communication barrier has moderate negative association with employee performance with a Pearson correlation value of -0.307. Hence, barriers during business communication affect workers performance negatively. Finally, a Pearson correlation of 0.369 showed that content of communication and employee performance have moderate positive association.

Regression Analysis

Multiple linear regression was used to establish the correlation between the independent variables (quality of information, content of communication, channel of communication, frequency of communication, openness of supervisor, and barriers to communication), and employee performance (the dependent variable). As it is a parametric test, all assumptions (i.e., normality, linearity, multicollinearity, and heteroscedasticity) are checked and found appropriate to analyze the data using multiple linear regression model.

Model Summary

The goodness of fit of the explanatory factors in describing the fluctuations in the dependent variable was measured by R-square.

Table 3: Model summary

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 ^a	.674	.647	.296

Predictors: (Constant), Content of communication, Communication Channel, Barriers of communication, Openness of supervisor, Quality of Information, Frequency of Communication

a. Dependent Variable: Employee performance

Source: Survey data (2022)

As the table revealed, 64.7% of the variation in employee performance is simultaneously determined (explained) by quality, substance, channel, frequency, the supervisor's openness, and communication hurdles. The factors that the study did not take into account accounted for 35.3% of employee performance.

Analysis of Variance

According to (Mugenda and Mugenda, 2003), ANOVA is a statistical method for data analysis that is used to identify whether or not there are any significant differences between two or more groups or samples mean at a specific level of probability.

Table 4: Analysis of Variance (ANOVA)

ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.212	6	2.202	25.122	.000 ^b
	Residual	6.399	73	.088		
	Total	19.611	79			

a. Dependent Variable: Employee performance
b. Predictors: (Constant), Content of communication, Communication Channel, Barriers of communication, openness of supervisor, Quality of Information, Frequency of Communication

Source: survey result (2022)

According to the findings described above, the regression model had a significance level of 0.0%, which indicates that the model is perfect for predicting St. Mary’s University staff members’ performance given business communication variables.

Hypothesis Test

The ultimate objective of the research was to examine the effect of business communication on employee performance in private higher education, as in the case of St. Mary’s University. The study’s hypothesis testing was made based on coefficients (β) and probability values (P). The values of the unstandardized beta coefficients indicate the effects of each independent variable on the dependent variable.

Table 5: Hypothesis test

Hypothesis	Decision	Reason
There is positive relationship between quality of business communication and employees’ performance.	Accept	$\beta = 0.251$, $p = 0.001$
There is positive relationship between channel of business communications and employees’ performance.	Accept	$\beta = 0.214$, $p = 0.016$
The frequency of business communications has positive effect on employees’ performance	Accept	$\beta = 0.191$, $p = 0.003$
There is a positive effect of openness supervisor on employee performance	Accept	$\beta = 0.141$, $p = 0.000$
Communication Barriers has negative effect on employee performance.	Accept	$\beta = -0.14$, $p = 0.04$
Content of Communication has positive effect on employee performance.	Reject	$\beta = 0.062$, $p = 0.252$

Source: survey result (2022)

H1: There is positive relationship between quality of business communication and employees’ performance.

The regression analysis revealed that, employee performance is positively and statistically significantly impacted by information quality ($\beta = 0.251$, $p = 0.001$). As a result, the study does not disprove the research hypothesis. This implies employee performance will increase by 0.25 on average if the predictor variable (information quality) goes up by one unit.

H2: There is positive relationship between channel of business communications and employees' performance.

Channel of communication has a statistically significant impact on employee performance, according to the results of multiple regressions shown in Table 4.12 ($\beta = 0.214$ and $p = 0.016$). As a result, the research hypothesis was not rejected. This suggests that on average, employee performance would increase by 0.214 if the predictor variable (communication channel) is enhanced by one unit. This research supported (Kalogioiannidis's, 2020) results that an efficient company communication channel, conceived as horizontal, downward, and upward communication forms, has a considerable positive impact on employee performance. Businesses are urged to maintain open communication throughout the company in order to boost long-term employee productivity and financial success.

H3: The frequency of business communications has positive effect on employees' performance

According to the findings of multiple regressions presented in Table 5, frequency of communication had a statistically significant effect on employee performance ($\beta = 0.191$ and $p = 0.003$). Thus, the researcher failed to reject the research hypothesis. This implies that if communication frequency increased by one unit, on-average, employee performance would improve by 0.191.

H4: There is a positive effect of openness supervisor on employee performance

The findings of multiple regressions, which are presented in Table above, revealed that openness of supervisors to the subordinates had a statistically significant effect on employee performance ($\beta = 0.141$ & $p = 0.000$). This means that if our predictor variable (openness of supervisor) increases by one unit, employee performance will be improved by 0.141 on average. As a result, the researcher is unable to reject the research hypothesis.

H5: Communication Barriers has negative effect on employee performance.

Communication barriers during business operations at St. Mary's University had a statistically significant negative impact on employee performance, according to the results of multiple regression analysis in Table 5 ($\beta = -0.14$ and $p = 0.04$). This suggests that, on average, employee performance will decline by 0.14 if the predictor variable (communication barrier) rises by one

unit. On the other hand, employee performance will increase by 0.14 if communication barriers are reduced by a unit. The researcher is thus unable to disprove the research hypothesis. This outcome is comparable to (Chui's, 2013) findings, indicating that the variable is a reliable aspect of company communication that influences or decides employee performance.

H6: Content of communication has positive effect on employee performance.

The contents of communication or the message during business operations at St. Mary's University had a statistically insignificant effect on employee performance, according to the results of multiple regression analysis ($\beta = 0.062$ and $p = 0.252$). The researcher is thus able to disprove the research hypothesis.

Besides, the result of this hypothesis test goes against the reality or previous findings. The inconveniency of the result might be due to sample size (a larger sample size might support or detect a significant effect of content of communication on employee performance), and contextual factors (the context of content of communication studied, if the content is related to routine tasks or procedures its impact on employee performance may be limited.).

In conclusion, as content is essential variable, it may not always be significant in every context or situation.

4. Conclusion

The study aimed to examine the effect of business communication on the general performance of employees at St. Mary's University. With regards to the study objectives, different sub-dimensions of communication, particularly quality, channel, frequency, and openness of supervisors, have a great positive influence on the level of employee job performance; on the contrary, barriers to communication during business operations have a significant negative effect on employee performance at St. Mary's University. This, therefore, indicates that the different dimensions of communication has a great impact on employee performance and in turn organizational growth in the long run.

The results of the descriptive analysis revealed that all independent variables of the study have a moderate mean score value on the measuring scale. Based on the perceptions of participants, St. Mary's University has a good business communication system. Moreover, through regression analysis, the researcher concludes that there is a significant positive association and effect between business communication dimensions (quality, channel, frequency, and supervisor openness) and employee performance. Generally, the researcher concluded that quality, frequency, and channel of business communication have greater tendencies to influence the performance of employees in the university.

5.1. Recommendation

The effectiveness of business communication is determined by both parties; hence it becomes

necessary that they pursue the same objective, which is high performance rate in all affairs of the institution. All cadres of staff should be involved in decisions and issues that affect their performance, for it will lead to organizational development and positive outcome. From the findings of the study, the following recommendations should be given consideration by the organizations. These include:

- The development of a more effective business communication system at the foundation heavily depends on the efforts of the management.
- The organization should introduce a feedback mechanism because it is the only way to measure the success of business communication system. Without a feedback mechanism, employees feel they are not being communicated, and it only breeds discontent.
- Besides, the current downward communication, there should be upward communication mechanism put in place by the top management, which enables to know the basic concerns of the staff, in turn, improving employee's performance and retention.
- It is important for both management and employees to understand each other, listen, communication, and maintain a positive and healthy relationship. St. Mary's University can improve communication by providing opportunities for training programs and workshops for continuous improvement with the focus on effective business communication.
- More research study should be done on the possible methods (sequential mixed method) used to bring about effective business communication in other private higher education institutions.
- A study can be carried out in the future to determine if management styles and employees' attitudes affect effective communication in organizations.
- Similar research can be carried out in government higher institutions to compare if they face the same challenges.

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The Factors that Affect Online Purchase Intention of Consumers in Addis Ababa: The Case of General Wingate Polytechnic College

Seble kassa, St. Mary's University

Abstract

Electronic commerce, in a broad sense, is the use of computer networks to improve organizational performance, increase profitability, gain market share, improve customer service, and deliver service in a speedy way. Though it has many usages, it has also its own pitfalls. The study examines determinants of purchasing intention of online consumers in the case of General Wingate Polytechnic College Institute in Addis Ababa. There are 195 selected questionnaires that are qualified for data processing. Study factors include consumers' attitude, subjective norms, perception of behavioral control, perception of usefulness, E-payment perceived risk, and trust. The study's outcomes are expected to provide e-commerce firms with insight into the determinants of the purchase intention of consumers' online shopping behavior, allowing them to develop appropriate business strategies tailored to the consumers' purchase intention and preferences, thus ensuring a competitive advantage over competitors in various ways.

Keywords: *Attitude, Behavioral Control, Ease of Use, Online Shopping Intention, Subjective Norm, payment system*

Introduction

Today, people are living in a digital environment. Earlier, the internet was used as a source for information sharing, but now life is somewhat impossible without it. Everything is linked to the World Wide Web, whether it is business, social interaction, or shopping. The world's e-commerce industry is growing quickly. The World Wide Web (www) has had a significant global impact on people's opinions and behavior. Online shopping has become more user-friendly and accessible in recent years thanks to increased internet access, smartphone adoption, mobile internet usage, falling smartphone prices, and faster internet speeds (Bhatt, 2019). In order to save time and take advantage of the large selection of goods and services available, consumers purchase their essential goods online (Rahman et al., 2018). Additionally, they favor online shopping in order to avoid the difficulties of conventional offline markets or to find better prices (Bhatt, 2019). The operation and success of powerhouses such as Alibaba, Tencent, Amazon and Groupon, etc. have set as an example for corporates to shift the model of their business from brick-and-mortar to brick-and-click.

Moreover, the changed lifestyle of individuals has changed their way of doing things from traditional to digital ways in which shopping is also being shifted to online shopping. Online shopping is the process of purchasing goods directly from a seller without any intermediary; or it can be referred to as the activity of buying and selling goods over the internet. Online shopping provides the customer with a variety of products and services, wherein customers can compare them with deals from other intermediaries; it also chooses one of the best deals for them (Sivanesan, 2017).

The phenomenal growth of Internet shopping is driven by greater emphasis on consumers' efficient use of time, together with an increasing number of computer trained consumers (Kim and Kim, 2004). Since it began in 1995, e-commerce has grown to a 1.2 trillion Euros business to-consumer and 12.4 trillion-Euros business-to-business (B2B) juggernaut (Laudon and Trevor, 2015). This has had a major effect on business firms, consumer behavior and markets. Businesses all over the world: in Europe, in Latin America and in Asia are affected as much as the massive North American market. From the beginning, e-commerce was only a mechanism for online retail sales but now it has turned in to being something much broader (Laudon and Trevor, 2015). New unique services and capabilities have emerged that is physically impossible to achieve in the physical world.

The reasons why consumers choose online shopping are studied from the point of view of various aspects. This means that the business developers, who can quickly grasp and understand the consumer behavior and factors influencing their shopping habits, will have an opportunity to attract more consumers, stabilize their position on the market, and increase revenue. Moreover, online technological progress caused a remarkable growth of online trade and improved the level of web interaction: a possibility of online communication, posting and searching for information, and sharing experience on social networks, as a consequence of consumers' expectations an

equivalent response for online shopping (Lai et al, 2014).

In Ethiopia, the use of electronic commerce is still in its infancy. Regardless of the flourishing e-commerce on a global scale, Ethiopia is ranked 116th out of 121 nations in terms of E-commerce trade (Methods-x.com). To regulate e-Commerce, the Ethiopian government is drafting a national law. Banks in Ethiopia use debit cards and ATMs, but they have not yet started issuing credit cards. The majority of Ethiopians do not use credit cards, and internet connections are unreliable, costly, and slow. However, due to Ethiopia's connection to Seacom's undersea fiberoptic cable through Djibouti, internet service has recently improved

According to the Digital in 2021 report published by We Are Social, data on Ethiopia shows that the number of internet users grew by 37% in one year, while the number of active social media users also grew significantly (20%). The majority of Ethiopians access the internet from a mobile device. The most popular web search engines in Ethiopia are Google (92.9%), Yahoo and Bing 3.2% and 3%, respectively. According to IWS' statistics on Ethiopia, out of a population of 119.3 million, only 29.83 million have access to the internet.

Statement of the problem

In Ethiopia, the rate of consumers who participated in online shopping is still lower than other countries in the same region and in the world (Ministry of Industry and Trade, 2021). Consumers do not have direct interaction with sellers as well as products they intend to. Possible risks consumers may encounter in online shopping are evident. For this reason, marketers and especially retailers should know what makes the consumers' purchase of a product by using the internet.

However, in previous studies, there are still many conflicting conclusions about the consumers' online shopping intention. Not many studies are done on determinants of consumers' online purchase intention in developing countries like Ethiopia. The studies carried out with the Technology Acceptance Model in the country focus more on mobile banking, e-learning, and e-Health systems. Specifically, this study focuses on how perceived behavioral control, perceived usefulness, attitude-payment, and trust affect the purchase intention to use online.

According to a Kepios' analysis, the number of internet users in Ethiopia increased by 731 thousand (+2.5%) between 2021 and 2022. 25.0% of Ethiopians used the internet at the beginning of 2022, but e-commerce is still in its infancy and is hardly ever used. The online market is anticipated to benefit when the factors are understood and put into practice.

The most popular online marketplace in the nation, Jumia, along with marketplaces Qefira.com, Sheger.net, Sheba Shopping, and Delala, are the main places to shop online and many others in Addis Ababa, but the number of users is still not at a satisfactory level

Since the retailers are not specifically aware of the consumer attitudes towards the online market

and also the determinants of consumer purchase intention, the sellers are unable to implement the proper strategy to attract consumers to use the internet shopping system.

Without learning the factors affecting online customers' purchase intention, it is complicated to improve E-commerce, specifically business to consumer and also to recognize what is required to attain and what criteria the concerned companies should be steady with. This study analyses the determinants of the purchase intention of online consumers in Addis Ababa in the case of General Wingate Polytechnic College. Variables such as attitude, subjective norms, perceived behavioral control, perceived usefulness, trust and E-payment are studied.

Significance of the study

First and foremost, this study will provide great importance to the student researcher in doing the cross-match of the theoretical aspect with the real marketing practices. This study is hoped to be useful for other researchers who may be interested to conduct research in similar topics mainly the factors that affect the consumers' online purchasing intention. In addition, this study has an importance to electronic marketers to know the customer attitudes and factors that affect them not to buy online; and the findings can be used as input for decision making.

The study serve as a stepping stone for further studies to be conducted in the fields of CRM, relationship marketing, and customer loyalty. Therefore the findings of the study add value to the existing literature. Furthermore, an understanding of the relationships between online relationship marketing constructs, customer satisfaction and loyalty was reveal further research problems to future researchers to embark upon, by considering the findings of this study as a benchmark. Alongside, the study guides the management of the retailers who sell their products online to critically evaluate their strategy, especially in selling strategy and CRM strategy and make the necessary adjustments (if any are required) to ensure customer loyalty and business profitability.

Limitations of the Study

This study was delimited to investigate eight determinants of customer purchasing intention. There are various other variables that may affect online purchase intention, so these should not be the only focus of the businesses while considering online purchase intention.

The study did not include all poly-technic colleges in Addis Ababa. The reason is, it is difficult and unmanageable from point of view broadens, time, money, and experience constraints.

Description of the Study Area

The study area will be General Wingate Polytechnic College. It was established in April, 1946 as a secondary school by Emperor Haile Selassie I, to commemorate Major General Arde Charles Wingate's gallantry against the Italian invasion. By the year 1949, and later in 1981, it was transformed into a construction & vocational training institute with the change of the education policy. It was then upgraded to the college level in 2004. It started to perform at a polytechnic

level in February 2011. In its long years of being a prominent school in Ethiopia, Wingate has produced many national scholars, renowned politicians, scientists, doctors, celebrities, and senior military officers. Former Prime Minister Meles Zenawi, former Derg Prime Minister Tesfaye Dinka, the then-aid coordinator Shimeles Adugna, Professor Akilu Lemma, Lauret Tsegaye Gebremedihin, Lauret Afework Tekle, and Doctor Ahmed Rejana were a few of the former students of Wingate who went to achieve great things for our country and the world through the 79 years of its existence.

Research Approach

The study utilized a deductive research approach. Deductive research represents the most common perception of the relationship between theory and practice when doing research (Bryman and Bell, 2011). By using the theoretical knowledge from previous studies and literature within a certain area the researcher deduces one or several hypotheses to be empirically scrutinized, which means that a deductive research approach receives its starting point from existing theories (Bryman and Bell, 2011).

Research Method

To analyze the factors affecting online consumers purchasing intention in Addis Ababa, this study used a quantitative type of research methodology. Researchers use quantitative tools, integrate findings, and draw conclusions from the quantitative components in quantitative methods research. According to Kumar (2011), there are overall a lot more alternatives of study designs within quantitative research than within qualitative research. Researchers have been using quantitative techniques study for decades, but it has only lately gained popularity as a research tool. Quantitative research fields are more established and researchers have agreed upon designs, sampling techniques, and so on

Research Design

To respond to the problem statement and achieve the objectives of the study, the study used explanatory research to find out the determinants of consumer online purchase intention. The methodology employs a system to obtain information about their decision behavior in purchasing a product online through a survey. The survey questionnaire was designed and distributed to target respondents.

Study population

In this study, the population was General Wingate College staff both the trainers and administrative staff who use the internet. They are 369 and 136, respectively. The Trainers of the College are professionals with A level 38 trainers, B level 242 trainers and 68 trainers at C level of higher education. In the carrier staff, there are 70 males and 100 females in the compound. A total of 505 staff was the population of the study, excluding the contract workers and the blue-collar workers to fit the objective of the research.

Trainers Data

level	male	female	total
A-level	44	7	51
B-level	191	60	251
C-level	41	26	67
Total	276	93	369

Carrier stuff Data

male	female	total
70	100	170

Source: College’s human resource manager

Sampling methods

This study utilized non-probability convenience sampling technique. This technique, drawing a sample from the targeted population, was chosen because of the expected large number of sample unit, time and cost constraint. Yamane (1967), a simplified formula to calculate sample sizes was used. According to Yamane for any sample, given the level of precision of 0.05 and 95% confidence level, the sample size is given by:

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{505}{1 + (505)(.05 * .05)}$$

$$n = 222$$

Where n is the sample size, N is the population size, e is the level of precision (5%)

Following the above formula, for a defined population of 505, at 95% confidence level and 5% margin of error the sample size was 222. Therefore, after getting the size of the sample based on the nature of the population and the aims and objectives of the study, the researcher used a convenient sampling technique in order to get the respondents.

Collection Methods

This research used primary data from respondents who use the internet. The data collection activity began with a pilot test in General Wingate Polytechnic College, to check the validity of the tools and methodology as well as to assess the challenges for data collection in collecting information. The tools and methodology were revised more than once based on the findings and feedback received from the pilot test. The researcher used close-ended interview questions and gathered primary data from available respondents in the College who use the internet as input for this research. Analysis and Results Reliability of scales

The reliability of scales is determined by Cronbach's Alpha coefficients equal to or greater than 0.7. According to Hoang and Chu (2008), Hair et al. (2014), and Nunnally and Bernstein (1994), the condition for accepting variables is that the Corrected item-total Correlation is equal to or greater than 0.3. Then in this study, the result of Cronbach's Alpha is larger than 0.7 and the total variable correlation coefficients is greater than 0.3. It means scales of all definitions assure the requirements of reliability (Hoang & Chu, 2008).

Reliability statistics

Factors	Cronbach alpha	Observed variables
purchase intention	0.830	3
Attitude	0.830	3
Subjective norms	0.889	3
Perceived behavioural control	0.755	3
Perceived usefulness	0.800	3
Trust	0.850	3
E-payment	0.822	3

Perceived risk	0.745	3
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Source: Own survey result 2023

After analyzing the Cronbach's Alpha coefficient of the scale, based on the statistical results table shows Cronbach's Alpha coefficient of scales Attitude, Subjective norms, Perceived behavioral control, Perceived usefulness, Trust, E-payment, Perceived risk, and Customer buying intentions have values greater than 0.7 and the correlation coefficient of the total variables of all measurement variables of the factors is greater 0.3 should reach the reliability and validity since all the variables in the scale meet all of the requirements of reliability.

Data Description

Out of the 222 questionnaires distributed, 209 questionnaires were collected back and 24 were incomplete. 195 of them were valid to be included in the analysis which is 80.73 response rates. Data collected from the sample respondents were analyzed on the basis of both descriptive and inferential statistics. All the calculation was carried out with SPSS (version 29.0).

Before conducting the research on a large scale, the questionnaires were sent to 30 respondents for testing. After testing, some questions were modified to avoid misunderstanding the meaning of questions and to encourage the response.

After three months of conducting the survey and doing data analysis in the first two weeks of June, the author collected 195 valid respondents, and the following table describes the data:

Characteristics of Research Samples (n = 195)

		Total	percent
Online purchase	Purchased	87	44.6%
	unpurchased	108	55.4%
Gender	Female	86	44.1%
	male	109	55.9%
Age	18-28	52	26.7%
	29-38	70	35.9%
	39-48	40	20.5%
	49-58	24	12.3%
	Above 58	9	4.6%
Education level	certificate	5	2.6%
	Diploma	19	9.7%
	First degree	125	64.1%
	Masters and Above	46	23.6%
Marital status	Single	88	45.1%
	Married	98	50.3%
	divorced	8	4.1%
	Separated	1	0.5%
Monthly income	Below 4000	7	3.6%
	4000-8000 ETB	78	40.0%
	9000-14,000 ETB	85	43.6%
	15,000 ETB and Above	25	12.8%
Frequency of browsing	Every day	165	84.6%
	Once a week	2	1.0%

	Twice a week	6	3.1%
	Once a month	1	0.5%
	Occasionally and when needed	21	10.8%
No. of shopping		109	55.9%
	Once	29	14.9%
	2-5 times	45	23.1%
	6-10 times	6	3.1%
	More than 10	6	3.1%
E-commerce site		100	51.3%
	Social media	67	34.4%
	shien	3	1.5%
	Jiji.com	11	5.6%
	Sheba shopping	7	3.6%
	Qefira.com	5	2.6%
	Other	2	1.0%
Purchased product type			
	Not yet	102	52.3%
	Daily need items	19	9.7%
	Books and magazines	3	1.5%
	Apparels and Accessories	27	13.8%
	Electronics and Gadgets	30	15.4%
	Travel Booking	5	2.6%
	Other	9	4.6%

Source: Own survey result 2023

In these research samples, as indicated above, the majority of the respondents were male, as their ratio is 55.9% (109 respondents), and the female ratio is 44.1% (86 respondents).

The majority of the respondents who use the internet were aged between 29-38 which was 35.9% of the ratio (70 respondents); the second highest was 26.7% (52 respondents) and aged between 39-48 accounting for 20.5% (40 respondents). Only 12.3% were aged between 49-58 (24 respondents) and 4.6% were aged 58 or above.

Furthermore, the majority of the respondents had a bachelor's degree, with 64.1% of the respondents being educated at a bachelor's level, 23.6% educated at a master's level and above, and the remaining 2.6% and 9.7% had (certificates and diplomas, respectively).

In this research, 50.3% of the respondents were married, which is 98 respondents and the ratio of divorced respondents was 4.1% (8 respondents) while only 1 respondent was separated which was 0.5%

The income level of the majority of the respondents (43.6%) ranged between ETB9000-14000. The second highest was ETB 4000-8000, which was 40% of the total respondents. Then, 12.8% of respondents were ETB15000 and above, and only 3.6% of respondents were earning 4000 or below.

The majority of the respondents who use the internet every day were 84.6% (which was 165 respondents); the second highest number of respondents who use the internet occasionally and when needed was 10.8%; 3.1% browse the internet twice a week; and few respondents were using the internet once a week 1.0% and the ratio of the respondents who use the internet once a month were only 0.5%.

The next category was a preference of an E-commerce site. The highest chosen site was social media which was 34.4% and the remaining chosen sites were Shien, Jiji.com, Sheba shopping, Qefira.com with 1.5%, 5.6%, 3.6%, and 2.6%, respectively. But unfortunately, the majority of the respondents did not use any of them (51.3%).

The last category was the type of product they purchased online. The highest chosen category was Electronics and Gadgets (15.4%), apparel and accessories (13.8%), daily need items (9.7%), and books and magazines, travel booking and other were (1.5%, 2.6%, 4.6%, respectively).

Multiple regression

Bivariate and multiple regression equations, associated statistics and plots are calculated by regression. It allows easy examination of the difference between the observed value of dependent variable and the value predicted by the regression equation or residuals. The most frequent and commonly used method for analyzing the connection between a single continuous dependent

variable and numerous continuous categorical independent variables is multiple regression (George et al, 2003).

Once the study satisfied the regression hypothesis, multiple regression analysis was then used to examine the influence of consumer orientation variables on their online purchase intention. The study tested seven hypotheses that were initially posed on the basis of regression analysis.

The researcher hopes that companies or organizations (governmental and non-governmental) involved in the E-commerce world would be able to use the results of the regression analysis to make future decisions by determining the determinants of the online consumer's purchase intention and which indicators have the most influence on the consumer's purchase intention. The study tried to answer the research question about the effect of each variable (related to attitude, subjective norms, perceived behavioral control, perceived usefulness, Trust, E-payment, and perceived risk) on the dependent variable online purchase intention.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.944 ^a	.891	.887	.10031
a. Predictors: (Constant), Perceived risk, E-Payment, Attitude, Perceived usefulness, Subjective norms, Perceived behavioural control, Trust				

Evaluating the Model of R-square

Source: Own survey result 2023

The Model Summary as shown above provides the R (.944) and R square (.891). R square value is 'corrected' using Adjusted R square statistics to provide a better indication of the underlying population value. The R square value indicates how much variance in the dependent variable (customers' online purchase decisions) is described by the seven independent variables in the model. In this case, the value is .891 expressed as a percentage which becomes 89.1%. This indicates that the model explains 89.1% of the variance in customers' behavioral intention to use online to purchase a product or service. This means that the independent variables account for 89.1 percent of the dependent variable. When a small sample is involved, the R square value in the sample tends to be a rather optimistic overestimation of the true value in the population (Kline, 2005). But in this case, the researcher has taken enough samples and the adjusted R square value is not an optimistic overestimation.

Analysis of variances (ANOVA)

The one-way ANOVA procedure produces a one-way analysis of variance for quantitative dependent variable by a single factor independent variable. ANOVA test compares the means for the different variables. In addition to determining that differences exist among the means, one

– way ANOVA can also be used to calculate means of two or more groups are significantly different.

Model significance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.326	7	2.189	217.603	<.001 ^b
	Residual	1.882	187	.010		
	Total	17.208	194			
a. Dependent Variable: Online purchase intention						
b. Predictors: (Constant), PR, EP, AT, PU, SN, PB, TR						

Source: Own survey result 2023

To measure the statistical significance of the end outcome it is crucial to look in the table above. This examines the null hypothesis that the population's multiple R equals zero. As can be seen from the above table, Customers' Behavioral intention to use an online purchase intention is notably predicted by the independent variables, $F = 217.603$. To measure the statistical significance of the end outcome, it is crucial to look at the table above. This examines the null hypothesis that the population's multiple R equals zero. As can be seen from the above table, customers' online purchase intention is predicted by the independent variables, $F = 217.603$, $p < .001$. The F statistics depicts the model's general significance. The independent variables strongly predict customers' online purchase intention at high degree of significance, with an F value of 217.603, $p < .001$. The F statistics depicts the model's general significance. The independent variables strongly predict customers' online purchase intention at high degree of significance, with an F value of 217.603.

Regression coefficients

The next step is to determine which of the model's variables contributed to the dependent variable's prediction. Looking at the following table, for the column labeled beta under standardized coefficients.

Coefficients of the Independent Variable

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.676	.136		4.973	.001
	AT	.111	.024	.139	4.655	.001
	SN	.166	.034	.180	4.934	.001
	PB	.194	.039	.194	4.996	.001
	PU	.097	.025	.126	3.813	.001
	TR	.339	.037	.382	9.162	.001
	EP	.040	.022	.053	3.785	.036
	PR	-.019	.005	-.120	-4.092	.001

a. Dependent Variable: PUR

Source: Own survey result 2023

The standardized beta coefficient, shown in the table above, indicates the unique contribution of each element to the model. A high beta value and a small p-value (0.05) imply that the predictor variable makes little or no difference in the model (Geoffrey M., David D, & David, F, 2005). The table also indicates that all the independent variables: attitude, subjective norms, perceived behavioral control, perceived usefulness, trust, electronic payment, and perceived risk have a significant effect on online purchase intention.

The regression function would be: $Y = \beta_0 + \beta_1(\text{Attitude}) + \beta_2(\text{subjective norms}) + \beta_3(\text{perceived behavioral control}) + \beta_4(\text{perceived usefulness}) + \beta_5(\text{Trust}) + \beta_6(\text{Electronic payment}) + \beta_7(\text{perceived risk}) + e;$

Where Y is the dependent variable (online purchase intention)

- =X1, Attitude
- =X2, subjective norms
- =X3, perceived behavioral control
- =X4, perceived usefulness
- =X5, Trust
- =X6, Electronic payment
- =X7, perceived risk

Purchase intention = $0.676 + 0.111(\text{Attitude}) + 0.166(\text{subjective norms}) + 0.194(\text{perceived behavioral control}) + 0.097(\text{perceived usefulness}) + 0.339(\text{Trust}) + 0.040(\text{electronic payment}) - 0.019(\text{perceived risk})$

The result of this study indicates that all explanatory variables except perceived risk have a positive and significant effect on purchase intention. Looking at the beta value of the standardized coefficient of each, the beta value predicted on the coefficient table shows the degree of influence of each variable on the online purchase intention of the dependent variable;

- Consumers Trust $\beta = 0.339$ has the highest significance and positive relation. It implies that when consumers trust online shopping, vendors, and the quality of the product then it positively and greatly affects the consumers' purchase intention.
- Perceived behavioral control $\beta = 0.194$ has the second highest significance and positive relation which implies that when consumers have time to purchase a product and are able to solve difficulties in time of purchasing a product online, then it highly impacts their purchasing intention
- Subjective norms 0.166 has the third highest significance and positive relation. It implies that when the consumers' families and friends recommend purchasing a product online, then the consumer online purchase intention will increase.
- Attitude $\beta = 0.111$ has significance and positive relation. This indicates when the positive attitude towards online purchase increases, then their online purchase intention increases. This implies that the number of customers who compare the prices and worthiness of the clothes for what they paid is not small. Therefore, firms need to consider the price they set and the value of the product.
- Perceived usefulness $\beta = 0.097$ has significance and positive relation. This indicates that when the consumers believe online purchasing helps them to save time and is easy to find products, then their intention to buy a product online increases.
- Electronic payment $\beta = 0.040$ has significance and positive relation. This implies that when retailers provide an electronic payment system, the consumer's online purchase intention will increase.
- Perceived risk $\beta = -0.019$ has significance and negative relation. This indicates that when the financial, time, and other risks increase, then online purchase intention decreases.

Hypothesis Testing Hypothesis	Direction of relationship	Result
H1: Attitude has a positive significant impact on consumers' online purchase intention.	+ve	Accepted
H2: Subjective norms have a positive significant impact on consumers' online purchase intention.	+ve	Accepted
H3: Perceived behavioral control has a positive significant impact on consumer online purchase intention.	+ve	Accepted
H4: Perceived usefulness has a positive significant impact on consumer online purchase intention.	+ve	Accepted
H5: Trust has a positive significant impact on consumer online purchase intention.	+ve	Accepted
H6: E-payment has a positive significant impact on consumer online purchase intention.	+ve	Accepted
H7: Perceived risk has a negative significant impact on consumer online purchase intention.	-ve	Accepted

Summary

On the descriptive analysis, customers differ on perceiving on the factors influencing online buying intention. Trust is the most important determinant in the mind of consumers in the online buying decision followed by perceived behavioral control, attitude, perceived usefulness subjective norms, electronic payment, and perceived risk.

Correlation analysis was conducted to determine whether the variables are correlated among themselves. There is a significant positive relationship between dependent and independent variables: There is a positive relationship between all the variables except perceived risk which has a significant negative association with online purchase intention. This tells us that perceived risk has a large degree of negative association with online purchase intention, and trust has a low but significant association with other independent variables. Consumers' purchase intentions range and has a very high positive correlation with trust and moderate association with attitude, electronic payment and perceived usefulness.

The Model provides the R (.944) and R square (.891). R square value is 'corrected' using Adjusted square statistics to provide a better indication of the underlying population value the model explains 89.1% of the variance in customers' purchase intention to use online to purchase a product or service. This means that the independent variables account for 89.1 percent of the dependent variable.

Based on the data analysis, the entire hypotheses made were tested. From the regression result, the seven factors: attitude, subjective norms, and perceived risk, perceived behavioral control, trust, E-payment, and perceived usefulness orientation have an effect on online purchase intention.

Therefore, the entire hypotheses made were accepted.

Conclusion

The research is based on the expansion of Theory of Planned Behavior (TPB), Theory of Reasoned Action and Technology Acceptance Model (TAM). Variables "trust" and "perceived risk and E-payment" are added to find out factors that influence the shopping intention of online customers in Addis Ababa. Results confirm the reliability and suitability of the research model. Besides testing factors by original models of TPB and TAM, factors: "trust, E-payment, and perceived risk" are found to have direct and significant impact on shopping intention of online consumers. On the otherhand, this research also tests some correlations that were unclear in previous studies. Therefore, this study has some important theoretical and practical contributions. This study shows the consistency with previous studies in using TPB and TAM to explain different behavior of consumers. Furthermore, this research re-confirms the relevance of TPB and TAM in researching consumers' behavior in the online shopping context of transforming markets like Addis Ababa.

The results of this research have proved that the trust of consumers to online shopping has a

positive impact on their shopping intention. This study shows that shopping intention of online customers is also affected by subjective norms. Subjective norms are personal perception of one individual about social pressure to perform a behavior. In e-commerce, subjective norms reflect consumers' perception about the influence of reference group on online shopping ability. Research results show that the opinion of reference group has a positive relationship with shopping intention of online customers. It also means the more reference groups encourage online shopping; the higher online customers tend to shop online and vice versa. On the other hand, research results prove that shopping intention of online customers is also positively affected by perceived behavior control. When customers perceive that they have all the necessary conditions for online shopping, their shopping intention would improve and vice versa. This result is similar to the research of Lin.

Along with these above factors, shopping intention of online consumers is also positively affected by perceived usefulness that online shopping can provide to consumers. The benefits of online shopping include time-saving, cheaper prices, easier product comparison and the removal of geographical barriers. Shopping intention of online customers is also higher if they can perceive the benefits that shopping online can bring to them.

Other researches could not find any relationship between perceived risk, and E-payment with online shopping intention. The results of this study show that perceived risk has a negative impact on online shopping intention of customers.

Recommendations

Firstly, retailers need to enhance trust of consumers. As the research has proved, trust is the most influential factor to online shopping intention. Therefore, retailers need to find suitable solutions to make consumers to count on them that will increase consumers' online shopping intention.

Retailers need to find suitable solutions to reduce perceived risks to improve consumers' shopping intention. For financial risks, many consumers are concerned whether they can lose their money without receiving their products as they have to pre-pay. So retailers can apply safety way of payment and cash-on-delivery method (COD). This payment method would provide consumers the same shopping experience as traditional shopping. Consumers are no longer concerned of losing money without receiving products with this payment method.

Secondly, online retailers should design their website with user-friendly and beautiful interface so the consumers can easily understand and manipulate (Giao, 2020). The research shows that the perception of behavioral control has positive impact on online consumers' attitude and shopping intention; therefore, shopping intention of one consumer will be enhanced if that website has a friendly and convenient interface that allows consumers to shop online without extra help of another person. Shopping websites need to have reasonable arrangement, integrate searching and comparing tools to help consumers find suitable products that satisfy their needs most. Moreover, in current globalization context, online retailers may have both domestic and foreign consumers,

so websites need to be displayed in multi languages to fit with the needs to different consumers.

Thirdly, to minimize the consumers' perception of financial risks in online shopping, the government needs to fulfill the law system to protect online consumers. The better the law can protect consumers' interests, the more online consumers are encouraged to make online shopping (Sadi & Al-Khalifah, 2012).

In this current situation, there are many cases consumers are cheated by online sellers (like making payment but not receiving goods, or receiving poor quality products which are different from sellers' original commitment). However, consumers don't know the person they can claim, or claiming time can be lengthened. In some cases, consumers don't have enough evidences to sue. Therefore, fulfilling the law system plays a critically important role as it is the basis to change the traditional buying habits of consumers (Tran, 2008)

The sellers should build trust with customers by ensuring a real quality source. At the same time, if any complaints occur, respond immediately and handle complaints about customers so they can be assured of the money they have spent. The positive attitude of customers towards cultural clothing is the main key factor that leads to purchase intention. Therefore, marketers must pay attention to creating a good attitude by producing products in a way that suits the interests and happiness of consumers.

At last, row meet the requirements such as quality products, beautiful forms, affordable prices, fast delivery time, and thoughtful after-sales mode, and so on, the E-commerce site must recruit a large and professional staff. Besides, they need to check the information carefully; the sales history of the registered sales units should ensure that from the first stage, the *products* they sell are a quality product. The businesses should commit to say no to counterfeit goods and comply with what is committed. Because if the company loses the trust of the customer, then there is no next time the customer comes back to the page.

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