

## ASSESSMENT OF CHALLENGES AND OPPORTUNITIES OF WOMEN OWNED MICRO AND SMALL ENTERPRISES: A CASE OF ASELLA TOWN

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### ABSTRACT

This study was aimed to assess the challenges and opportunities of women-owned micro and small enterprises in Asella town, Oromia National regional state, Ethiopia. By applying census on the area, primary data were collected through questionnaires from 107 women-owned micro and small enterprises. Face-to-face interview from the management of micro and small enterprise development office and randomly selected 10 women entrepreneurs were made. The collected data was processed and analyzed using both inferential and descriptive statistical techniques. The result of the study revealed that tax levied on the business, lack of promotion facilities, lack of entrepreneurship training, technology expensiveness and shortage of working capital need more attention by micro and small enterprise development office and other stakeholders were main factors that hinders the growth of women-owned micro and small enterprises whereas Business consultation services, premises, training at the beginning of the business, loan facility, moral or encouragement from society, peace and security, area specific features, support, and reward were the opportunities for women entrepreneurs in the town.

**Keywords: MSEs; Women Enterprises; microfinance institutions; business development services**

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## 1.0. Introduction

Micro and small enterprises appear to be important means that contribute greatly toward the growth of Gross Domestic Product (GDP) and provide job opportunities for both developing and developed countries (Khattab, 2010) and appeared as major sources of income for poor in developing countries (Parsons, 2007). Olu (2009), portrays MSEs are a prerequisite to developing the nation by creating job opportunity for individuals, especially for developing countries i.e. like Ethiopia.

In Ethiopia the number of people earning their livelihood from micro and small scale manufacturing industries are eight times larger (739,898 persons) than those engaged in the medium and large scale manufacturing industrial (90,213 persons) (MOTI, 1997) and the government of Ethiopia has paid an attention to promote MSEs by providing priority for women to participate in business activity to alleviate poverty and unemployment problem since 1997 (Stevenson and St-Onge, 2005). Meanwhile, *many economists have argued that* developing women entrepreneurs are a prerequisite for economic growth and poverty alleviation (Eshetu & Zeleke, 2008), they argue that if we help women to generate income the welfare of the whole family will improve (Cheston & Kuhn, 2011). Also, a survey conducted on 123 women entrepreneurs in Ethiopia shows; they created 852 jobs for themselves, their families and others (Allal, 2003). Study show that lack of business management skill, lack of female role models, lack of timely business information (Mwobobia, 2012), lack of education (Sandberg, 2003), lack of training (Bowen, M. et al... 2009), fear of risk (they are risk averter), dual responsibility (Lebakeng & Merwe, n.d), negative attitude of the society toward women-owned business (ILO, 2003) are the major challenges women face in the world despite it varies from country to country

On this regard, in Asella town more than 22,158 (60 %) of the total females population are within the age category of 15-64 years, which is a productive age, out of them only 4,293 (11.6%) females are engaged in productive activities. This is very low compared with 10,500 male (44.18%), who are engaged in productive activities from the total of 23,763 males of the same age (CSA, 2011) Despite there are little research or statistics that provides broad

information about women business owners, their contribution to economic development and challenge face when they set up and run their business (ILO, 2003).

### **1.1. Statement of the Problem**

Study show that Micro and small enterprises play a key role in the global economy by adding value to the gross domestic product and creating sustainable employment and means for poverty alleviation and job creation, especially for developing countries, where no other options are available (Khattab, 2010).

The finding of various studies may differ as an area of study, time and methodology employed varies. I.e. tax levied on the business was a constraint for micro and small enterprises in Mekelle town (Yissa, 2010), but was not in Debre Markos (Simachew, 2011). Merwe and Lebakeng (n.d) on an empirical investigation of women entrepreneurship in Lesotho have tested business management, marketing, business development service, financial and socio-cultural were factors that affect women-owned MSEs. Similar to the above study, Mulugeta (2010) summarizes his findings on factors affecting the performance of women entrepreneurs in micro and small scale enterprises in Dessie town into three areas. This are, economic factors ], legal and administration and , socio-cultural factors were the major one Though no study is still conducted in Asella town .in addition the above studies were using descriptive statistics to analyze the challenging factors of women-owned MSEs, which is less likely to measure to what extent the identified factors challenge women-owned MSEs. Moreover, they did not see the opportunities, and challenging of the following variables like a lack of freedom of mobility from family, lack of promotion facilities, the cost of technology and know-how or skill related to technology. Therefore, this study has an objective *to*;

- ✓ Describe the currently available opportunities of women-owned micro and small enterprises in the study area.
- ✓ Identify the major challenging factors of women-owned micro and small enterprises in the study area.
- ✓ Examine to what extent the women-owned micro and small enterprises are challenged by the identified problems.

## 2.0. Literature review

### 2.1. Introduction

There are no clear and universally accepted definitions for MSEs, which differ depend on their purpose and level of economic development. In developed countries like the US, business with fewer than 500 employees is considered as small enterprises, while in developing countries like South Africa from 20 to 50 are considered small enterprises (Agupusi, 2007).

### 2.2. The Revised Definition of Micro Enterprises in Ethiopia

**Industrial sector** (includes manufacturing, construction, and mining sub-sectors).A business enterprise which employs equal or less than five labor force including business owner and family labor and /or the monetary value of the enterprise's total asset is equal or less than Br.100,000 (FDRE MSEs Development, Support Scheme, & Implementation Strategies, 2011).whereas ,**Service sector** (includes retail trade, transport, hotel and tourism, information technology and repairs).A business enterprise which employs equal or less than five labor force including business owner and family labor and/or the monetary value of the enterprise's total asset is equal or less than Br.50,000 (FDRE MSEs Development, Support Scheme, & Implementation Strategies, 2011).

### 2.3. The Revised Definition of Small Enterprises in Ethiopia

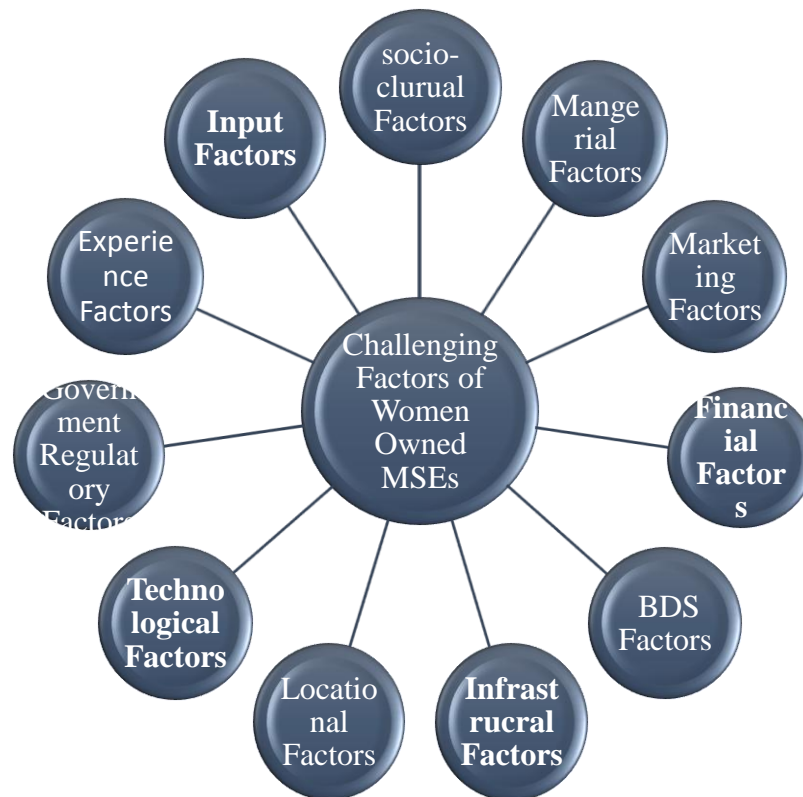
**Industrial sector** ,they should employs 6-30 labor force including business owner and family labor and /or the monetary value of the enterprise's total asset from Br.100,001-1,500,000 (FDRE MSEs Development, Support Scheme, & Implementation Strategies, 2011).where as **Service sector have to** employs 6-30 labor force including business owner and family labor and /or the monetary value of the enterprise's total asset from Br.50,001-500,000 (FDRE MSEs Development, Support Scheme, & Implementation Strategies, 2011).

### 2.4. Challenging Factors of Women-Owned Micro and Small Enterprises

**Socio-Cultural Factors:** Women are subjected to a number of social and cultural barriers that affect them to participate in business activities as compared to male. Moreover, women's dual responsibility productive and reproductive responsibilities are also a major hindering factor for their success. (UNDP, n.d). Although most Ethiopian MSEs face challenges in accessing plots of

land and facilities to produce and market their products, women entrepreneurs often challenge by sexual harassment when an attempt to conduct their business activities on street corners (Stevenson & St-Onge, 2005).

In general different studies show that Managerial ( Eshetu & Zeleke ,2008); Marketing Factors( Mulugeta,2010);Financial Factors (Stevenson & St-Onge, 2005; Mulugeta 2010 & UNDP,n.d); Business Development Services Factors (Stevenson & St-Onge, 2005);Infrastructural Factors (MOTI, 1997 & UNDP, n.d); Location factor (ILO, 2003; Mulugeta, 2010, Stevenson & St-Onge, 2005); Technological Factors (UNDP, n.d); Regulatory Factors (Stevenson & St-Onge, 2005); Experience Factors (USAID, as cited in Solomon, 2004);Input Factors (Mulugeta, 2010) are the major factor that affect performance of women micro and small enterprise owner in Ethiopia.



Source: Adopted from UNDP, n.d.

**Figure 2.1: Conceptual Framework of Challenging Factors of Women-Owned Micro and Small Enterprises**

Although in addition to the above challenges there are also different programs in different countries that encourage women to participate in business activities like Women opportunities resource center (WORC) in Philadelphia promotes social and economic self-sufficiency primarily for an economically disadvantaged group like women. This program provides training like entrepreneurship training, an incentive like certificate, job placement, and financial resources. Additionally, WORC encourages community awareness and responsiveness concerning issues impacting economic equity and independence. These opportunities encourage women to participate in business activities, which help them to be free from economic dependent (Yunus, 2011; Msomi, 2002; Hibret, 2009 & Msomi, 2002).

### **3.0. Method and material**

#### **3.1. Description of the study area**

The study was conducted in Asella town, Arsi zone, Oromia region and located on the Adama Bale main road. It is located 166 km from the capital city of Ethiopia, Addis Ababa. The attitude climate 2210 to 2700 meters above mean sea level and cool weather condition with the highest amount of average annual temperature 17.3 °c and annual average minimum temperature 10.5 °c. The surface area of the town is 4,623 heck. (46.26 km<sup>2</sup>), which is located at 7.96° N latitude and 39.13° E Longitude (Asella city administration, 2011).

#### **3.2. Sampling data collection and analysis**

A blend of Cross-sectional design and explanatory research was used to study challenge and opportunities of micro and small enterprises in Asella, Ethiopia. A total number of 107 micro and small enterprises were taken using census techniques. Both primary and secondary primary source of data were used in the study and collected using both closed ended and open ended questionnaires) from women-owned MSEs. Closed-ended questionnaires were structured for women-owned MSEs to select their choices of the given alternatives based on five liker's scale also interviews were conducted with the management of MSEs Development office (Lancaster, 2005). And the collected data were edited coded and presented using both descriptive and inferential statistics (Guo, 2004) and STATA version 11 and SPSS version 16 were used

#### 4.0. Data analysis and discussion

#### 4.1. Demographic information

##### 4.1.1. Age and educational level of the Respondents

**Table 4.1.1.: Age and educational level of the Respondents**

	Response	Age of the respondents					Total		
		18-30	31-40	41-50	51-60	> 60	No. of respondents	%	
Level of education	Illiterate	0	5	4	1	3	<b>13</b>	<b>12.74</b>	
	Grade 1-8	5	10	0	2	0	<b>17</b>	<b>16.67</b>	
	Grade 9-12	26	24	6	0	0	<b>56</b>	<b>54.9</b>	
	Diploma	13	3	0	0	0	<b>16</b>	<b>15.7</b>	
	<b>Total</b>	<b>44</b>	<b>42</b>	<b>10</b>	<b>3</b>	<b>3</b>	<b>102</b>	<b>100</b>	

Source: Own survey result, 2012

Table 4.1 shows, 44(43.1%) of the total respondents within the age category of 18-30 years, followed by 42(41.2) respondents whose age category is from 31-40 years and 10(9.8%) under the age category of 41-50 years.

Also table 4.1. Shows that the majority of respondents 56 (54.9%) of the total respondents are grade 9-12, followed by 17(16.67%) respondents of grade 1-18. The remaining respondents are 16(15.7%) and 13(12.74%) of the total respondents whose education level is diploma and illiterate, respectively.

**Table 4.1.2. : Cross Tabulation of Marital Status with the Age of the Respondents**

	Response	Age of the respondents					Total	
		18-30	31-40	41-50	51-60	> 60	No. of respondents	%
Marital status	Married	19	16	1	1	0	<b>37</b>	<b>36.3</b>
	Unmarried	23	11	0	0	0	<b>34</b>	<b>33.33</b>
	Divorced	2	14	9	2	3	<b>30</b>	<b>29.4</b>

	Windowed	0	1	0	0	0	<b>1</b>	<b>0.97</b>
	<b>Total</b>	<b>44</b>	<b>42</b>	<b>10</b>	<b>3</b>	<b>3</b>	<b>102</b>	<b>100</b>

Source: own result survey, 2012

As shown in the above Table 4.2 the number of married women entrepreneurs are 37(36.3%) of the total respondents, followed by unmarried 34(33.3%) of the total respondents. The remaining 30(29.4%) and 1(0.97%) are divorced and widowed, respectively. From this finding, one can understand that the majority of women entrepreneurs are married.

**Table 4.2. : Cross Tabulation of Number of Employees in the Enterprise with Level of Education and Ownership with Types of Enterprises**

	Response	Level of education				Total	
		Illiterate	Grade 1-8	Grade 9-12	Diploma	No. of reps.	%
Number of employees in their enterprise	Less than 5	8	13	48	15	<b>84</b>	<b>82.4</b>
	6-10	5	4	7	1	<b>17</b>	<b>16.7</b>
	11-20	0	0	1	0	<b>1</b>	<b>0.98</b>
	<b>Total</b>	<b>13</b>	<b>17</b>	<b>56</b>	<b>16</b>	<b>102</b>	<b>100</b>
	Response	Types of enterprises				Total	
		Wholesaler	Retail trade	Services	Manufacturing	No.of rest.	%
Form of ownership	Sole proprietorship	1	38	1	0	<b>40</b>	<b>39.2</b>
	Partnership	0	2	2	0	<b>4</b>	<b>3.9</b>
	Cooperative	5	37	10	6	<b>58</b>	<b>56.8</b>
	<b>Total</b>	<b>6</b>	<b>77</b>	<b>13</b>	<b>6</b>	<b>102</b>	<b>100</b>

Source: Own survey result, 2012

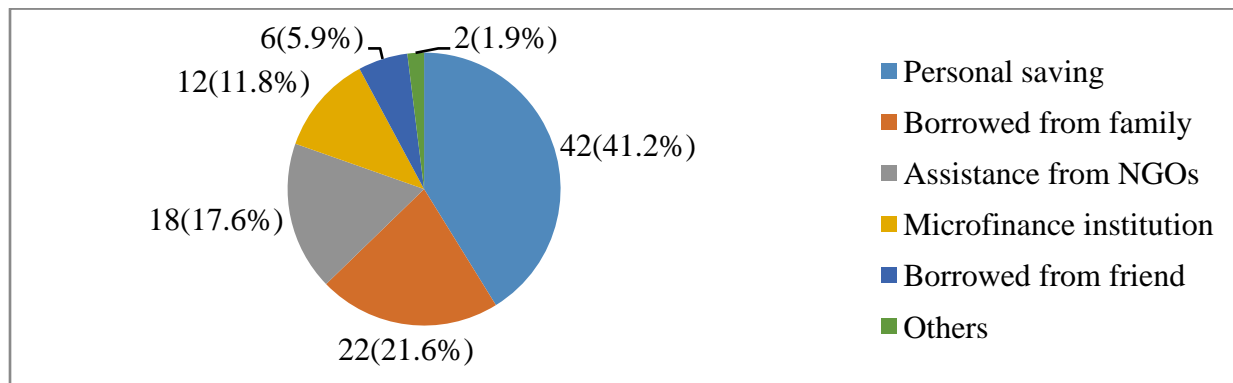
As can be seen from the above Table 4.2, 84(82.4%) of the total respondents hired less than 5 employees, followed by 17(16.7%) of the total respondents hired 6-10 employees. The remaining respondent 1(0.98%) hired 11-20 employees and there is no respondent that hired greater than 20



employees. This finding indicates that the majority of women entrepreneurs hired less than 5 employees. Similarly from the total respondents 58(56.8%) are cooperative and the remaining 40 (39.2%) and 4(3.9%) are sole proprietorship and partnership, respectively. This indicates that the majority of the enterprises owned by women entrepreneurs are a cooperative form of ownership also 77 of the total respondents are retail traders, followed 13 of the total respondents are services providers showing Women preferred retail trade than other types of enterprises like manufacturing and construction industry.

#### 4.3. Main Source of Fund to Start their Business

The source of fund for women entrepreneurs to start their business was from personal saving, borrowed from family, a loan from a friend, microfinance institutions, NGOs and/or others like a gift from friends. The detailed analysis and discussion of the source of fund of the respondents are showed below.

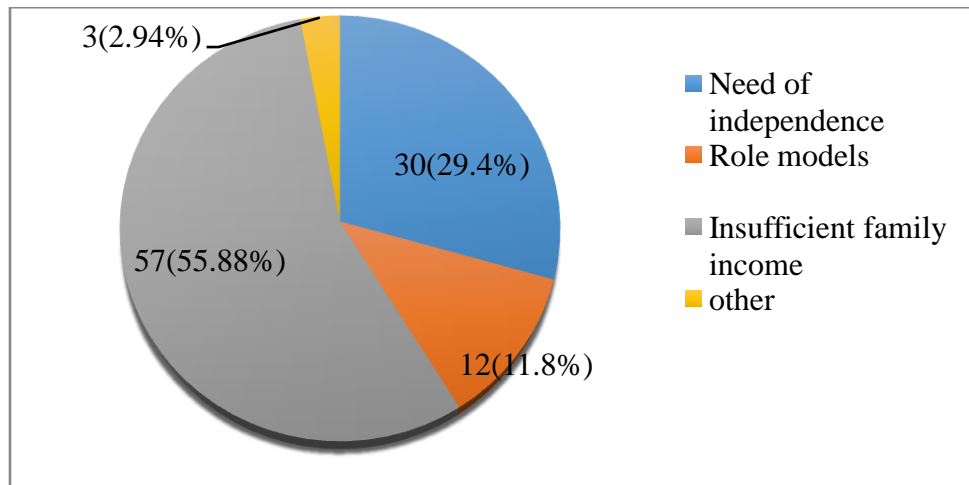


**Figure 4.1: Main Source of Fund to Start their Business.**

Source: Own survey result, 2012

As it is stated in Figure 4.1, 42(41.2%) of the total respondents main source of fund are personal saving, 22(21.6%) respondents are borrowed from household, 18(17.6%) respondents are assisted by NGO's, 12(11.8%) respondents are from microfinance institutions, 6(5.9%) are borrowed from friend and the remaining respondents are from other sources like gift from friend. This indicates that the majority of women entrepreneurs in the town of Asella obtained fund to start their business from personal saving.

### Motivation of Respondents for Self-Employment



**Figure 4.2: Motives of Self-Employment**

Source: Own survey result, 2012

Figure 4.2 indicated that insufficient family income is the reason for 57(55.8%) women entrepreneurs to establish a business, followed by 30(29.4%) and 12(11.8%) of total respondents established their business for the need of independence and by role models influence, respectively. The remaining 3(2.94%) respondents are motivated by other reasons like job redundancy (lost of the job). This implies that the majority of the respondent's motivation for self-employed is insufficient family income (Lebakeng & Merwe,n.d; Mulugeta,2010).

### 4.3.Factor Analysis for Challenging Factors of Women-Owned Micro and Small Enterprises

**Table 4.3: Total Variance Explained before and after Extraction.**

Comp onent	Initial Eigen-value			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cum. %	Total	% of Variance	Cum. %	Total	% of Variance	Cum. %
1	8.476	19.264	19.264	8.476	19.264	19.264	4.77	10.841	10.841
2	6.154	13.986	33.25	6.154	13.986	33.25	4.489	10.202	21.043
3	5.143	11.688	44.938	5.143	11.688	44.938	4.383	9.962	31.005
4	2.935	6.67	51.608	2.935	6.67	51.608	3.507	7.972	38.977

5	2.396	5.445	57.053	2.396	5.445	57.053	3.416	7.764	46.741
6	2.091	4.752	61.804	2.091	4.752	61.804	2.7	6.136	52.877
7	1.734	3.941	65.745	1.734	3.941	65.745	2.688	6.109	58.985
8	1.544	3.509	69.254	1.544	3.509	69.254	2.055	4.671	63.657
9	1.429	3.247	72.501	1.429	3.247	72.501	1.954	4.44	68.097
10	1.147	2.606	75.107	1.147	2.606	75.107	1.882	4.277	72.375
11	1.11	2.523	77.629	1.11	2.523	77.629	1.757	3.993	76.368
12	1.012	2.3	79.93	1.012	2.3	79.93	1.567	3.562	79.93
13	0.807	1.834	81.763						
14	0.748	1.699	83.463						
15	0.69	1.569	85.031						
16	0.637	1.449	86.48						
KMO	.615								
X <sup>2</sup>	3.90E1								
P	.000								

Source: Own survey result, 2012

Factor analysis extracted twelve factors based on Eigenvalue more than one (Kaiser Criteria). Table 4.4 above presented Eigenvalue, percent of variance attributable to each factor, and cumulative variance. These twelve factors together account 79.93% of the total variance in the variables. The total cumulative percentage of the variance before and after rotation remains the same (79.93%). In principal components analysis, the total cumulative percentage of the variance before and after rotation is always the same and the result from this finding supports the idea though the percentage and the Eigenvalue accounted by each factor are different.

#### 4.4. Descriptive Statistics

Variable that has a highest mean value from 25 variables (which were extracted from 44 variables), was the most challenging variable and vice versa. Interval measure for this rank calculated as follows:  $\underline{5-1} = 0.80$

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The mean score of ranging within **0.80** differences used to classify the mean scores from not challenging up to very highly challenging; Ranges between 1.00-1.79= Not challenging; Ranges between 1.80-2.59= Little challenging; Ranges between 2.6-3.39= Moderately challenging; Ranges between 3.4- 4.19= Highly challenging and Ranges between 4.2- 5.00= Very highly challenging Wickramasinghe study (as cited in Wendemagenge, 2011).Therefore, challenging factors of women-owned MSEs based on descriptive statistics are showed below:

**Table 4.4: Descriptive Statistics result**

<b>Descriptive Statistics</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Degree of challenge</b>
Sexual harassment	2.04	1.23	Little challenge
Household responsibility	2.24	1.319	Little challenge
Reproduction	2.01	1.541	Little challenge
Lack of freedom of mobility	1.85	1.52	Little challenging
Bias by ethnicity, religion, language, sex	2.54	1.732	Little challenging
Attitude of the society	1.78	1.06	Not challenging
Lack of positive relationship with employees	1.97	1.226	Little challenging
Lack of business management skills	2.66	1.558	Moderately challenging
Lack of demand for products/services	2.44	1.604	Little challenging
Bad price for product/services	2.33	1.531	Little challenging
Poor customer relationship and handling	1.78	1.268	Not challenging
Lack of timely market information	3.02	1.463	Moderately challenging
Lack of promotion facilities	4.38	1.003	Very high challenging
Shortage of working capital	3.48	1.605	Highly challenging
Interest rate charged by lending institution	3.27	1.556	Highly challenging
Expensiveness of raw material	4.28	1.083	Very highly

			challenging
Lack of entrepreneurship training	3.43	1.472	Highly challenging
Lack of planning and financial reporting training	3.23	1.51	Moderately Challenging
Lack of machine maintenance training	2.75	1.459	Moderately challenging
Lack of customer service training	3.15	1.708	Moderately challenging
Lack of marketing training	3.19	1.419	Modestly challenging
Interruption of water supply	2.2	1.421	Little challenging
Interruption of telecommunication service	1.79	1.233	Little challenging
Lack of road facilities	1.8	1.255	Little challenging
Interruption of electric power	2.28	1.303	Little challenging
Shortage of transportation	2.02	1.333	Little challenging
Shortage of education centers that encourages business in the town	2.79	1.282	Modestly challenging
Lack of education	2.55	1.417	Little challenging
Long distance to sell the product or service	2.35	1.553	Little challenging
Long distance to buy raw materials	2.64	1.649	Moderately challenging
Lack of business premises	2.69	1.686	Moderately challenging
Lack of appropriate technology	3.22	1.353	Moderately challenging
Lack of know-how or skill related to modern technology	2.87	1.482	Moderately challenging
Expensiveness of technology	3.47	1.389	Highly challenging
Length of license renewal	2.51	1.586	Little challenging
High license fee	2.96	1.385	Moderately

			challenging
Lack of awareness about rules and regulations	2.57	1.444	Little challenging
Poor administration	3.04	1.669	Moderately challenging
Tax levied on the business	4.36	1.185	Very highly challenging
Lack of support from government	4.12	1.305	Highly challenging
Lack of experience in owning business	2.77	1.651	Moderately challenging
Lack of well trained and experienced employees in the market	2.59	1.59	little challenging
Shortage of raw material	3.17	1.729	Moderately challenging
Lack of quality raw material	3.37	1.6	Moderately challenging

**Table 4.5: Summarized the Results of Rotated Component Matrix (Orthogonal Varimax Rotation).**

No.	Name of factors and variables	Factor loading	Eigenvalue
<b>Factor 1</b>	<b>Factors related to experience and socio-cultural</b>		4.77
1	Lack of well trained or experienced employees in the market	0.806	
2	Lack of experience in owning business	0.763	
3	Lack of freedom of mobility from family	0.759	
4	Shortage of raw material	0.739	
<b>Factor 2</b>	<b>Infrastructural factors</b>		4.489
1	Interruption of electric power	0.821	
2	Interruption of water supply	0.767	

3	Lack of road facilities	0.749	
4	Interruption of telecommunication service	0.704	
<b>Factor 3</b>	<b>BDS factors</b>		4.383
1	Lack of marketing training	0.8	
2	Lack of customer service training	0.8	
3	Lack of entrepreneurship training	0.785	
4	Lack of planning and financial reporting training	0.772	
<b>Factor 4</b>	<b>Factor related with administration and marketing</b>		3.507
1	Poor administration	0.797	
2	Bad price for product/services	0.772	
<b>Factor 5</b>	<b>Locational factors</b>		3.416
1	Long distance to sell the product or to give service	0.82	
2	Shortage of education centers that encourages business in the town(like TVET)	0.778	
<b>Factor 6</b>	<b>Factor related with tax and finance</b>		2.7
1	Tax levied on the business	0.71	
2	Shortage of working capital	0.7	
<b>Factor 7</b>	<b>Technological factors</b>		2.688
1	Lack of appropriate technology	0.826	
2	Expensiveness of technology	0.8	
<b>Factor 8</b>	<b>Regulatory factor</b>		2.055
1	Lack of awareness about rules and regulations of government concerning to their business	0.71	
<b>Factor 9</b>	<b>Marketing factor</b>		1.954
1	Lack of promotion facilities	0.766	
<b>Factor 10</b>	<b>Managerial factor</b>		1.882
1	Lack of business management skills	0.736	
<b>Factor 11</b>	<b>Cultural factor</b>		1.757
1	Household responsibility	0.838	
<b>Factor 12</b>	<b>Social factor</b>		

1	The negative attitude of the society toward the women business	0.798	1.567
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Source: Own survey result, 2012

Table 4.5 indicated that the factor loading of 25 individual variables categorized under 12 factors. **Factor1: Factors Related with Experience and Cultural** and the maximum Eigenvalue of factor one is 4.77, which means factor one explain all variables by 10.841% of the total variance as shown in the above table 4.4. **Factor 2: Infrastructural Factors** which explain interruption of electric power, interruption of water supply, lack of road facilities and interruption of telecommunication service have the maximum Eigenvalue of factor two is 4.489, means that factor two explain all variables by 10.202% of the total variance as shown in the above table 4.4. **Factor 3: Business Development Services Factors** that explain four variables, i.e. lack of marketing, customer service, entrepreneurship, and planning and financial reporting training have Eigen -value of factor three is 4.383, means that factor. **Factor 4: Factor Related with Administration and Marketing** and it explain poor administration in the town (lengthy or time taking to get services like identification card, which used to coordinate and getting credit, and bad price for their product and service with Eigen-value of factor four is 3.507, means that factor four explain all variables by 7.972% of the total variance. **Factor 5: Location Factors;** which explained by factor two variables, namely long distance to sell the product and service, and a shortage of education centers that encourage business in the town has maximum Eigenvalue of factor five is 3.416, mean that factor five explain all variables by 7.764% of the total variance. **Factor 6: Factor Related with Tax and Finance** and explained with two variables, i.e. tax levied on the business and shortage of working capital and has the maximum Eigenvalue of factor 6 is 2.7, which means factor six explain all variables by 6.136% of the total variance as shown in the above. **Factor 7: Technological Factors** contains two variables, i.e. lack of appropriate technology and expensiveness of technology and explained by Eigen-value of factor seven is 2.688, which means factor seven explain all variables by 6.109% of the total variance. **Factor 8: Regulatory Factor** contains only lack of awareness about the rules and regulations of government related with MSEs like tax system /procedure/of the country and explained by Eigenvalue of factor eight is 2.055, which means factor eight explain all variables by 4.671% of the total variance. **Factor 9: Marketing Factor** contains only lack of promotion



facilities as a variable and has maximum Eigenvalue of factor nine is 1.954, which means factor nine explain all variables by 4.44% of the total variance. **Factor 10: Managerial Factor that explained by the** lack of business management skill like managing of revenue, the cost of their business have maximum Eigen value of factor ten is 1.882, which means factor ten explain all variables by 4.277% of the total variance. **Factor 11: Cultural Factor** that contains only household responsibility variable have maximum Eigenvalue of factor eleven is 1.757, which means factor eleven explain all variables by 3.993 % of the total variance, and finally **Factor 12: Social Factor** that explained by negative attitude of the society toward have maximum Eigenvalue of factor twelve is 1.567, which means factor 12 explain all variables by 3.562 % of the total variance .

## 5.0 Discussion and conclusion

### 5.1. Conclusion

The study shows 86(84.3%) of the total respondents are within the age category of 18-40 years, showing women-owned MSEs in Asella town were dominated by productive age generation. And more than half of 56 (54.9%) of the total respondents are grade 9-12 and this finding is deviated from the finding of (CSA,1995) found that the maximum education level of women entrepreneurs in Ethiopia was grade 8. This finding indicates that the maximum education level of women entrepreneurs is diploma 16 (15.7%) of the total respondents.

This finding indicates that the majority of women entrepreneurs hired less than 5 employees due to lack of sufficient profit from the business. According to Tulandhar (1996), the main objective of business is to earn a profit for the owner of the business. Also, it indicated that insufficient family income is the reason for 57(55.8%) women entrepreneurs to establish a business which is also supported by other study conducted in Ethiopia in a different area (Lebakeng &Merwe,n.d; Mulugeta,2010).

Factor analysis was employed for 44 variables to determine major factors and only 25 variables that have explained higher than the rest of the variables and further extracted 12 factors based on their Eigenvalue and the twelve factors together account 79.93% of the total variance in the variables. The total cumulative percentage of the variance before and after rotation remains the

same (79.93%), also lack of well trained or experienced employees in the market and lack of freedom of mobility from family were little challenging variables for MSEs, and lack of experience in owning business and shortage of raw material had moderate challenging variables for MSEs for growth and survival, which consistent with the finding of (Mulugeta, 2010).

Meanwhile, **Infrastructural Factors have little or no effect** with the maximum Eigenvalue of factor two is 4.489, means that factor two explain all variables by 10.202% of the total variance which is contrary to study ILO (2003) and UNDP (n.d). also, **Business Development Services Factors have little impact** with maximum Eigenvalue of 9.962% of the total variance which makes this finding consistent with liberal feminist theory (Stevenson & St-Onge, 2005 and Mulugeta (2010). **Locational** Eigenvalue of 3.416, explain all variables by 7.764% of the total variance were little and moderately affects women entrepreneurship, also **Tax and Finance** has significantly affected their performance of MSEs, which is consistent with the finding of Mulugeta (2010) and Tulandhar(1996). Lack of promotion facilities (very highly challenging) and lack of business management skill (moderately challenging) variables for women-owned MSEs.

## 5.2. Recommendations

### Currently Available Opportunities of Women-Owned Micro and Small Enterprises

This study identified the following opportunities; business consultation services, premises, training for the beginner, loan facilities, moral or encouragement, peace and security, area specific features, support and reward like training, fund, and certificate. These opportunities play a role for expansion and growth of women entrepreneurs. Therefore, these opportunities should be ongoing/continuing/process.

### Challenges of Women-Owned Micro and Small Enterprises

The result of the survey indicated that bad price for the product and service/selling at less price compared with others similar enterprises/, shortage of raw material and lack of experience in own business were challenging factors for women entrepreneurs. MSEs Development office can reduces these problems by preparing bazaar at least one in a year, because these promotion techniques helps to share experiences among different women entrepreneurs, meet different

suppliers and demanders of the product and also used to decrease the costs of the products, because there will no need intermediary when they exchange the product, in addition to need for considering the distance of the premises, before they provide or construct premises and has to supply technology at least by less price or lease or through installment payment after it makes need assessment in order to reduce the problem of technology.

And to tackle the problem of infrastructure, the city mayors have to work with basic Water and energy supply office of the town to reduce cost in addition to small industry center development with better infrastructure. And need to work with education development centers specially TVET to build their business and marketing skill have to work on awareness on tax and regulation and create linkage with microfinance need to strengthen poor administration. Moreover, need to support on business leadership and management skill and even have to work with concerned bodies to bring significance change on attitude toward female entrepreneurs in the town.

#### **6.0. Limitation of the study and Direction for Further Research**

Getting literature directly related to challenges and opportunities of women-owned MSEs were difficult, especially related to opportunities. Therefore, the study reviewed literature were derived from various related literature such as assessment of the problem that affects the success of MSEs, an empirical investigation of women entrepreneurship and factors affecting the performance of women entrepreneurs in MSEs.

This study identified challenges and opportunities of women-owned MSEs without considered men owned MSEs and each sector. In addition, the study was conducted only in Asella town on women-owned MSEs, so it could not be used to generalize to a region or a country. Therefore, a further research has to be conducted by considering men owned MSEs and each sector. Because the variable that was a challenge or opportunity for women entrepreneurs may not be for men entrepreneurs. Or the variable that was a challenge or opportunity for one sector may not be for another sector.

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