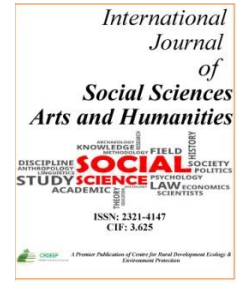


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Full Length Research Paper

# Assessment of factors affecting women participation on Micro and Small Enterprises in Gambella Town, Gambella Region, Ethiopia

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ARTICLE INFORMATION	ABSTRACT
<p><b>Corresponding Author:</b> Kueth Lul Ruach</p> <p><b>Article history:</b> Received: 14-01-2022 Revised: 21-01-2022 Accepted: 30-01-2022 Published: 02-02-2022</p> <p><b>Key words:</b> Micro Enterprise, Small Enterprise, Women Entrepreneurs</p>	<p><i>The study found out that there are different factors affecting participation of women on micro and small enterprises in Gambella town these are lack of access to finance, lack of access to the markets, lack of access to the training, lack of access to the network, lack of access to policy/administrative issues, lack of access to the loans from finance institutions, lack of access of necessary equipment's and machineries, lack of access to the working licenses, lack of access to sociocultural factors, lack of access to legal and administrative issues and lack of access to institutions. To tackle the factors affecting women participation the study recommended the followings, the town administrative and regional governments should take the lead for the solution. The regional government should revise some policies like MFI loans lending policy, collateral properties and other related economic issues for women participating on MSEs. Financial institutions like banks should bring new collateral system that benefited women operating on the MSEs to get the credits in easy ways.</i></p>

## Introduction

### Background of the study

Micro and small enterprise sector has widely accepted as the potential sector to provide livelihood for large numbers of people specially women and youth in developed as well as developing country like Ethiopia. It becomes one of the institutions given recognition in the country industry development plan serves as vehicle for employment opportunities at urban center and as it underpins the economic development. The sector serves as source for sustainable job opportunities not only for the poor nations but also for the developed countries, so the prior attention should be given to the micro and small enterprise sector in developing countries like east Africa.

In Ethiopia the sector is considered to change the life of poor in urban and rural areas (women and youth).The poverty reduction and sustainable development in Ethiopia requires a transformation from reliance on a traditional agriculture to a rapid expansion of modern agriculture and the manufacturing sector, which create jobs for the urban unemployment. To this end the government of Ethiopia has taken various policy measures aimed for the creation of enabling environment for boosting the private sector for the generation of the employment an income (FDRE, 2002, Gebrehiot 1997).

According to the Andualem (1997), in Ethiopia micro and small enterprises are considered as the most crucial elements of the private sector. The issuance of Ethiopia industry development strategy and the establishment of the federal Micro and Small Enterprises (MSEs) Development Agency are important instruments for boosting the micro and small enterprises growth. The Ethiopian government considers the development of the sector as the only option for the country economic growth to move from poverty principally for women and youngsters. To make this successful, we need the detail on the factors affecting women participation on the sector development. The micro and small enterprise sector in Ethiopia is appears with various constraints that stifle its rapid growth and development as a means of overcoming poverty and unemployment .It's especially recognized that women who engage on the sector faced multitude problems.

Gambella region like other regions in the countries has been giving more attention to micro and small enterprises sector to create the jobs for unemployed women and youth in the region. It established various micro and small enterprises in different key sectors such as urban agriculture, trade, service, construction, manufacturing and etc. Due to potential of the women in the region or town most of the micro and small enterprises in Gambella town are operated by women but faced many challenges and constraints. Because there has not been study done on these challenges, so the study is particularly focus on the major factors affecting participation of women on micro and small enterprises in Gambella town.

#### *Statement of the problem*

Women contribution to the socio-economic wellbeing of their families and country through their engagement in entrepreneurial activities has received little attention from policy makers and researchers, and has been taken for granted (Buame,2000, Saffu and Takyiwaa Manu,2004).This has resulted in gross underestimation and underutilization of the women socio-economic contribution and potential. Particularly, women engagement in developing countries in entrepreneurship and their experience in self-employment, their contribution to the creation of new business and ability to create new jobs, and the consequences reduction in unemployment and poverty are largely invisible in the literature (Allen and Truman, 1993, ILO, 2000, Lener et al 1997, Still and Timms, 19990). Gambella is one of the least developed regions in the Ethiopia. Large numbers of women with potential to work in micro and small enterprises are found in Gambella and the Gambella region or town government is not yet given a full opportunity for women to participate in micro and small enterprises sector. There was no extensive study conducted on the challenges faced by women in micro and small enterprise sectors in the region. There is lack of awareness/ knowledge on micro and small enterprise policy /strategy, however; there are various challenges and constraints. Most of micro and small enterprises are operated by women in the key sectors in Gambella town while various constraints are faced by women. However no study has been conducted to understand the factors affecting participation of women on micro and small enterprises as well as the major solutions to be taken to encourage the women on the sector.

#### **Objectives of the study**

##### *General objective*

To assess the factors affecting participation of women on micro and small enterprise in Gambella Town

##### *Specific Objectives*

- To identify the factors affecting participation of individual woman on micro and small enterprises in the Gambella Town
- To assess the major factors affecting participation of women on micro and small enterprises in Gambella town.
- To identify the solution to encourage the women to participate actively in the micro and small enterprise sector in Gambella town.

##### *Research questions*

- ❖ What are the major factors affecting participation of women in micro and small enterprises in the Gambella town?
- ❖ What are the main factors affecting participation of individual woman on micro and small enterprises in the Gambella town?
- ❖ What are the solutions to encourage the women to participate on micro and small enterprises in Gambella Town?

##### *Scope/Delimitation of the study*

The study delimited to women operating in micro and small enterprises in Gambella town.

##### *Significance of the study*

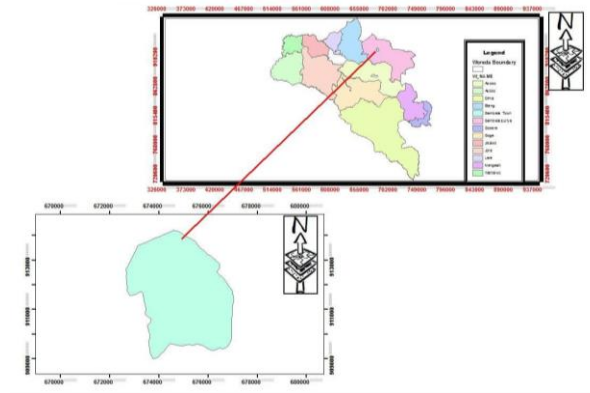
The study will help and clearly understand the micro and small enterprises situation in the study area and also the main factors affecting the women participation on micro and small enterprises. The research document will be used by micro and small enterprise office of Gambella town. There was no specific research done on the factors affecting women participation on micro and small enterprises so the study significantly will be important to investigate the constraints affecting women on the sector.

#### **Materials and methods**

##### *Description of the study area*

This study was conducted in Gambella town which is capital city of Gambella Regional state, that is located in the south western part of Ethiopia which is 777 Km from Addis Ababa the city of Ethiopia and shares National boundary with Southern Nations, Nationalities and people, Oromiya, Benishangul Gumuz and international boundary with South Sudan. According to the FDREPC, 2008 the Gambella town lies between the latitude of 08 degrees, 17minutes north and longitude of 35degrees, 02minutes east, with elevation of 485masl.The town is situated at the river bank of Baro with an area of 1,202 Ha. The town has a total population of 62,093 people in which 46% male and 54% female and the majority of the population is from Nuer trine followed by Anywa, Majang, Opo and Komo (CSA, 2007).Economically the town is rely on agriculture,

trades, services. Additionally the town has other natural resources such as forest, land, rivers and Gold and mining. It has high potential for agricultural production both crops and livestock’. Recently, based on estimation total population of Gambella town is 124,000(Gambella Administration council Report, 2016).The town has five Kebele administration from Kebele 01 to Kebele 05.The altitude of the Gambella town is extremely low land which is less than 500 meters above sea level. The landscape formation of the town is flat and yearly affected by flash flood from the high land rain falls. The mean annual temperature range is from 18\_38 Degree Celsius with high peak at 45 degree Celsius during March of the year. The rain fall regularly start in April and end in October with the maximum peak in July and August. The annual rain fall is in the range of 900-1200 millimeters.



**Fig. 1** Study Area Map

*Research Methodology and design*

Under this chapter the research methodology is elaborated in detail specially the study area, design used, method of data collection, sample techniques, procedures and way of data analysis used are below discussed in detail

*Research Design*

A descriptive survey research design was employed in the study to assess the key factors affecting women participation on Micro and small enterprises in the town of Gambella. The reason of using such research design was to get the reliable information on different factors affecting women participation on the existing micro and small enterprises in the Gambella town.

*Target Population*

The targeted populations were only women working on micro and small enterprises in Gambella town.. Women operating in other than MSEs or unemployment will be included. The gender issue also was taken as the important point on the MSE key sectors to see the gender situation during data analysis. Based on information obtained from Gambella town Micro and small Enterprise Office there have been 250 women recognized in MSEs at different key sectors and 125 MSEs women were taken as a sample for interview.

*Sample size and technique*

From total sample of 250 Micro and Small Enterprises operating in different key sectors in Gambella town, only125 MSEs women were taken as a sample selected from five kebeles by using both probability and non-probability sampling. For selecting sample, stratified sampling was used in which each Kebele was taken as strata, to give equal representation. From each kebeles 25 respondents were selected randomly using lottery method by taking list of respondents from the list obtained from Micro and Small Enterprise Office in Gambella town.

**Population of 5 key sectors using strata sampling**

S/No	Sector	Total Population	Sample Population
1	Urban Agriculture	31	16
2	Trade	83	40
3	Service	51	26
4	Construction	45	23
5	Manufacturing	40	20
Total	5	250	125

Source: Gambella town micro and small enterprises office, 2021, Report

*Data source and type*

Both the primary and secondary data were collected and accurate information that answer the research questions and objectives were collected. Qualitative and quantitative data also was collected from secondary and primary sources. The secondary data include information from different region or town agencies/institution reports, literatures, bulletins and websites. The primary data such as Household survey, key informant interview and Focus Group Discussion (FGD) were conducted to get more relevant information for the research questions and objectives. Questionnaires also were developed and distributed to 125 respondents. The interview used was accurate to identify the factors affecting the participation of women in Micro and Small Enterprises in Gambella town. Both questionnaire and interview questions were included close and open-ended formats during data collection.

*Method of data analysis*

The collected data from different sources were organized, coded, put in tabular forms and analyzed using IBM SPSS statistic Version 20. The demographic profile of respondents was analyzed using tables and percentages. To analyses the factors affecting participation of women in Micro and small enterprises the descriptive statistics was used. After all the results were interpreted, discussed and finding was summarized in a form of answering research objectives. Other supportive/related data were analyzed using descriptive statistical tools such as tables and percentage for data that was collected through research questionnaires and interview.

**Results**

*Demographic Characteristic of the Respondents*

As shown in the following figure, the majority of the samples respondents are married 80%, second single with 12.8% followed by widowed 5.6% and least divorced 1.6%. The level of education of the respondents is dominated by high school completed with 47 (37.6%) followed by certificate and above with 28(22.2%), Read and write 13(10.3%), primary incomplete 8(6.3%), high school incomplete 6(4.8%) and only 1(0.8%) for illiterate. This imply that the majority of college and University graduates of women are not interested to work in micro and small enterprises they want the government work only. In regarding to the age of respondents the majority are in the age category of 27-37 with frequency of 75(60%) followed by the age category within 16-26 with frequency of 31(24.8%) while the remaining ages are above 38 olds with frequency of 19(15.2). This indicated that, the women with in age category above 38 years are not participated well in Micro and small enterprises.

**Table:1** Demographic characteristics of the Respondents

S/N	Variables	Status	Frequency	Percent
1	Age of the respondent	age 16-26	31	24.80%
		age 27-37	75	60%
		age 38-48	19	15.20%
		Total	125	100%
2	Households' Family size	size 1-5	18	14.40%
		size 6-11	39	31.20%
		Size 12-17	60	48%
		Size 18<	8	6.40%
3	Marital Status of respondent	Total	125	100%
		Married	100	80%
		Single	16	12.80%
		Divorced	2	1.60%
4	Educational Status of respondent	Widowed	7	5.60%
		Total	125	100%
		Illiterate	1	0.80%
		Read and write	13	10.40%
		Primary school completed	22	17.60%
		Primary incomplete	8	6.40%
		High school complete	47	37.60%
High school incomplete	6	4.80%		
5	Educational Status of respondent	Certifies and above	28	22.40%
		Total	125	100%

Source: Own Survey, 2021

*Family size*

According to the focus group discussion with women association in Gambella town family size in Gambella natives has negative impact in the household economy not only for the business grow but also for the livelihood of the household. Since

in the culture of Gambella people one man can married more than two wives and the family size becomes high. As shown in the table below most of the respondents 60(47.6%) are in the range of family size from 12-17, followed by 39(31%) in the range of 6-11 family size, only 18(14%) have family size below 5. This implies that the influence of family size in the business is very high and has negative impact to the business of the women. In the interview with 01 Kebele chairman social interaction of the society is very strong specially the residence of 01 Kebele are Nuer tribe and can married more than two wife by using cattle's. Also the people living in one household is not only the family but also the relatives are invited to live with and are members of that family. In the interview with women leader in the town when women took the loans from micro finance institution the use the money not only for business matter but also for household consumption and now most of the women failed to pay back the loan to micro finance and this leads the institution not to believe the women to take the loans again from micro finance institution.

*Micro and small enterprise sectors*

**Table: 2** Result of the selected key business sectors of MSE

S/No	MSE Business sector	Frequency	Percent
1	Urban Agriculture	16	12.8
2	Trade	40	32.0
3	Service	26	20.8
4	Construction	23	18.4
5	Manufacturing	20	16.0
	<b>Total</b>	<b>125</b>	<b>100.0</b>

Source: Own survey, 2021

There is a lot of micro and small enterprises women are operating in the town but only a few sectors are taken as a sample. As shown in table above the majority of the women respondents are operated in Trade sector 40(32%) followed by Service sector 26(20.8%), construction 23(18.4%), manufacturing 20(16%) and the Urban agriculture only 16(12.8). This implies that the majority of the women in Gambella town are operating in trade and service sectors since there are easy to operate in this sectors such as commodity and construction materials shops, cereal trading, vegetable and fruits sell, charcoals and wood sell, beef houses, beauty salons electronics shoe polishes etc. But in the other sectors like urban agriculture and manufacturing due to lack necessary equipment and machineries most of the women are not operated in this sector and also lack of access of finance from the micro finance institution they have no capital for machineries procurements.

*Business Characteristics of the Respondents*

**Table: 3** Characteristics of the Respondents Business

Variable	Status	Frequency	Percent
Role of the respondents in the business	Owner	7	5.6
	Manager	14	11.2
	Manager and owner	104	83.2
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Nature of the enterprise	Retailers	49	39.2
	Whole sellers	8	6.4
	Producers	66	52.8
	Others	2	1.6
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Life /age of the business	4 months to 1 year	7	5.6
	1 to 4 years	110	88.0
	5 to 10 years	8	6.4
	<b>Total</b>	<b>125</b>	<b>100.0</b>

Source: Own survey, 2021

As businesses get larger, most business will employ additional workers. The lion share is taken by owner and managed all the activities in the business as shown in the table above, the majority 104(83.2%). This indicated that the lion's share of the most of the business is run and managed by owners themselves. Most of the sample business are involved in production and selling with frequency of 66(52.8%) followed by retailers with 48(38.1%) while the whole sellers taken only least share of 8(6.3%). This indicated that most of the business in Gambella town are production and selling while no more business as a whole sellers since women are not get any chance to be a whole sellers owner. Regarding to the life/age of respondent

business seven percent of the business are established with in a less than a year while 110(88%) of the business are aged from 1 to 4 years which indicates that, the recent increment of the business knowledge of the women in Gambella town.

*Characteristics of Business Determinate Factors*

**Table: 4** Characteristics of Business Determinant Factors

<b>Variable</b>	<b>Status</b>	<b>Frequency</b>	<b>Percent</b>
Alternative source of income	Yes	13	10.4
	No	112	89.6
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Monthly income in birr	1 to 500	62	49.6
	501 to 999	35	28.0
	1000 to 2000	16	12.8
	2001<	12	9.6
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Working place of respondents business	Residence	10	8.0
	Family gift	13	10.4
	Rented	95	76.0
	Government	7	5.6
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Suitability of the working place	Suitable	13	10.4
	Unsuitable	111	89.0
	Average	1	0.8
	<b>Total</b>	<b>125</b>	<b>100.0</b>

Source: Own Survey, 2021

As reflected in the literature, there are various determinant factors in the business that lead it to the success and failures. One means of business survival is diversification of business to different sectors for development and expansion. But this approach is not much practiced now in Gambella town that is why, as shown in the table above, almost 112(89.6%) of the respondents have no alternative source of business income to expand their business development. The majority of those respondents involved in the other alternative source of income lays in between 1 to 500 birr per month while a very few respondents have relatively high additional income from 5001 to 999 birr per month. Regarding to the suitability of the business most of the business sell their products in a rented house 94(74.6%) which influences by reducing their monthly income that is why the unsuitability frequency becomes 111(88%) of the sample business respondents. This also contradicts with government policy direction of the creating conducive environment for the MSEs market to organize and built the production and selling sheds in all cities of the country. Only a few respondents 13(10.3%) think that their businesses are on the right places and one is in average location, whereas the majority of the respondents 111(88%) think that their business are located in unsuitable location.

*Transaction Records (Bookkeeping) and means of saving*

**Table: 5** Transaction Records and Means of Saving

<b>Variable</b>	<b>Status</b>	<b>Frequency</b>	<b>Percent</b>
Respondents transaction record	yes	4	3.2
	no	121	96.8
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Respondents bank account	yes	118	94.4
	no	7	5.6
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Respondents involvement in Ekub	yes	11	8.8
	no	114	91.2
	<b>Total</b>	<b>125</b>	<b>100.0</b>

Source: Own Survey, 2021

The recording and registering of the daily/monthly income and expenditures is very important task in the business development. As shown in the table above most of the business respondents 121(96.8%) do not have bookkeeping record for registering the income and expenditure of the business. Most of them think traditional that we can manage the business

income and expenditure orally as far as the business transaction is not large. Here the concern is not read and write but less understanding of the usefulness of the activity. The most truthful institution to save the money in this modern world is the bank, so most of the respondents saving their business money in the bank and have bank account 118(94.4%) only 7(5.6%) respondents have traditional way of saving using grouping with other people and they do not have bank account to save their business income in the bank. As shown in the table below only 11(8.8%) of the respondents are members of Ekub and most of them 114(90.5%) are not members this indicated that the Ekub is not practiced more by Gambella women due to the cultural condition.

Source of business fund, number of employ and reason to start the business

**Table: 6** Source of business fund, number of employ and reason to start the business

Variable	Status	Frequency	Percent
Source of business fund of the respondents	Own saving	89	71.2
	Credit from family/friend	6	4.8
	Micro finance institute	26	20.8
	Local lenders	4	3.2
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Number of persons employed in the business	1 to 5	112	89.6
	6 to 10	6	4.8
	11 to 15	5	4.0
	16<	2	1.6
	<b>Total</b>	<b>125</b>	<b>100.0</b>
Respondents reason to start own business	To be self employed	99	79.2
	To bring high income	2	1.6
	To bring small investment	8	6.4
	No other alternative source of income	16	12.8
	<b>Total</b>	<b>125</b>	<b>100.0</b>

Source: Own survey, 2021

*Source of fund/ finance of the business*

Based on the national strategy of MSE access to finance is important variable for the business success. As shown in the table most of the respondents run their business through their own saving. Almost 89(70.6%) of respondents source of the business is own saving followed by Micro Finance Institution figured to be 26(20.6%) this imply that the community is less engaged in taking credit/ loan from microfinance institution in the town. The rest use credit from family/friends, gifts and local lenders.

*Number of employee in the business*

Based on the country strategy on micro and small enterprises creating jobs for large number of people is one direction. In regards to this most of the business enterprises employed only 1-5 persons 112(89%) while only 2(1.6%) employee above 11 persons this is due to lack of awareness of the jobless people to be employee in the MSEs business.

*Reason to start the business*

According to the focus group discussion, interview of the elders /leaders and response from the respondents, there are different ideas from different people to start their own business. As shown on the table most of the respondents start their own business in way that to be self-employ 99(78.6%) followed by those who have no other alternative source of income 16(12.7%) and to bring small investment contributed to 8(6.3%) and to bring high income has shown no result.

Major Factors Affecting Participation of Women in MSEs

**Table: 7** Factors Affecting Participation of Women in MSEs

S/No	Variables	Measure	Yes = 2	No = 1	Total	Total of Rank Range
1	Respondent access to finance	#	32	93	125	157
		%	25.60%	74.40%	100%	5th
2	Respondent access to market	#	17	108	125	142
		%	13.60%	86.40%	100%	6th
3	Training of respondent for the last 12	#	17	108	125	142
						7th

	months	%	13.60%	86.40%	100%		
4	Respondent access to network with others	#	13	112	125	138	11th
		%	10.40%	89.60%	100%		
5	Respondent access to policy/administrative issues	#	17	108	125	142	8th
		%	13.60%	86.40%	100%		
6	Respondent access to loan from finance institutions	#	17	108	125	142	9th
		%	13.60%	86.40%	100%		
7	Respondent access to necessary equipment or machineries	#	16	109	125	141	10th
		%	12.80%	87.20%	100%		
8	Respondent access working licenses	#	81	44	125	206	4th
		%	64.80%	35.20%	100%		
9	The respondent socio-cultural challenges in business	#	125	0	125	250	1st
		%	100%	0%	100%		
10	Legal and administrative factors in the business	#	125	0	125	250	2nd
		%	100%	0%	100%		
11	Institutional challenges in the business	#	125	0	125	250	3rd
		%	100%	0%	100%		
<b>Total Sum</b>			<b>53</b>	<b>72</b>			

Source; Own survey, 2021

During interview with Gambella town Micro and small enterprise office head, most of the women operating in MSEs faced different economic factors such as access to finance, access to market, access to network, access to necessary equipment's/machineries access to policy makers and loans from the finance institutions and all are discussed below

According to the respondents answers from the above table, most of the business have no access to finance 93(73.8%) and only 32(25.4%) have access to finance from own or other family sources. The reason for this is that most of the respondents have no collateral properties to take the loans from the MFI 110(87.3%) so have no chance to get the money from the bank and only 9(7%) fear of high interest rate of the loan from the micro finance institute.

In case of market only 17(13.5%) respondents have access to the market and all the remaining 108(85.7%) have no access to the market which can contradict to the country policy direction on MSEs. When we see the network, only 13(10.3%) have got access to the network with other outsiders but the rest 112(89%) have no access to network with in and outsiders in their business. According to the discussion with MSE officers and interview of the experts with response of respondents almost all 109(86.5%) have no necessary equipment or machineries in their business only 16(12.7%) respondents have some equipment's or machineries for their business these are among trade and service sectors MSEs operating in the town. Regarding to the training almost 108(86.4%) did not get the training for the last 12 months periods which very difficult for the women in MSEs to promote their business knowledge.

In general various factors affecting participation of women in MSEs in Gambella town after the analyzed of each variable, the rank of each variable has been determine to know the dominant factor by using ranking system to see the severity of each variable based on this approach the first one is sociocultural challenges has taken the lead followed by legal and administrative factors, institutional challenges, lack of working licenses and lack of access to finance are very sever challenges and the others have small impact on the participation of women in micro and small enterprises. The details of these economic factors affecting the women participation in micro and small enterprises are discussed in detail with key informants, officials, experts, leaders/elders, women associations and focus group discussion below.

#### *Lack of access to finance*

According to the National strategy on Micro and small enterprises, the essential area for government intervention to promote the MSE is provision of financial support. This strategy is applying in different regions in the country because they established Micro finance institutions for people with no capital to get the loans from those institutions. Micro and small enterprise at the start-up stage are required to save 20% of the loan within six months period. For those who cannot afford saving 20% from their own sources or from their parents, the government provides them with job opportunities to raise seed money for example coble stone work. But in Gambella region there is only one Micro financial institution for the loans.

Most of micro and small enterprises operated in different sectors in Gambella town have no access to finance to start their business. As shown in the table above the majority of the respondents have no access to finance 74.4%. Since some are getting the money from family not government institution due to this problem most women fail to progress on their business. According to focus group discussion at 01 and 02 kebeles the same thing was recognized by the Kebele peoples that is lack of access to finance in the town is a big challenge.



*Lack of access to market*

The main challenge that hampers the growth and development of Micro and Small Enterprises in country is lack of access to sufficient, suitable and sustainable market. In Gambella region due to awareness problem of the MSEs markets, as indicated in the table above 86.4% have no access to the markets, there is no arrangement for markets in the town especially for those who are working on the service sector (food and drinks) according to the discussion with official in the town the market issue become the main challenges for women working on the sector.

The regional trade and industry bureau has given priority to the small and micro enterprises to get sub contract for sugar, oil and floor to the community as retailers and sometimes prepare a bazaar trade exhibition to encourage the market of MSE in the town.

*Lack of access to training and Technology*

To support the growth and development of micro and small enterprise skilled man power and the use of appropriate technology are critical inputs. As a result the national Micro and small enterprise promotion and development strategy paid due attention to human resources and technological development. Since in Gambella town most of the enterprises have no access to training for the last five years and trying to get some knowledge by themselves.

As indicated in the tables above the majority of the respondents have no access to the training for the last 12 months 86.4%. This cause the owner and manager to have only traditional knowledge specially the concepts of micro and small enterprises (Entrepreneur) and also the sectorial knowledge to be active in the business. According to the interviews with different respondents only urban agriculture sectors has get some training from the regional agriculture and natural resources bureau by Sustainable Land management Project(SLMP) in collaboration with town micro and small enterprise office in 2008 E.C.

In regarding to the technology most of the MSEs in cities of Ethiopia have many technological materials such as machines, construction and mining instruments but in Gambella town there is no support of machines' to the MSEs. The Gambella Openo Poly Technique College has not been given training or support of modern technology to MSE in the town.

*Lack of access to network*

Most of the women in any business environment have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Most of the existing networks are male dominated and sometimes not particularly welcoming to women but prefer to exclusive. In Gambella town of women to network is very low that shown in the table above 89.6% respondents have no access to the network.

*Lack of access to policy makers*

Most of the women have little access to policy makers or representation on policy making bodies. In large companies men more easily can influence policy and have access to policy makers, who are seen more as their peers. Most women tend not to belong to, and even less reach leadership positions in the mainstream business organizations, limiting their input in to policymaking through lobbying. Women lack of access to information also limits their knowledgeable input into policymaking (UNECE, 2004).According to Robertson (1998), OECD (2002), ILO (2008) added that the key factors that affect women entrepreneurs performance in developing countries like Africa are vulnerability of women to adverse effects of trade reform, restraints with regard to assets, lack of information to exploit opportunities, and poor mobilization of women entrepreneurs; lack of management skill.

The awareness problems among young women of entrepreneurship as a career option, conflicting gender roles, gender inequality inappropriate technology and constraints as legal, institution and policy levels. The situation of micro and small enterprises in Gambella town is very difficult because the politicians/official are not accessed easily by women that is why the table shown 86.4% of respondents have no access to the policy or administrative issues, unless you are relatives to concerned official this becomes as the big challenges to the MSEs sectors.

*Lack of access to working and sale spaces*

According to the national strategy on micro and small enterprises the working and sales spaces are very important to reduce the challenges on the sector that is why most cities in the country have built the various shades in their areas for business but now in Gambella town not more than 10shades are built in the town. In a focus group discussion with concerned sector heads the regional government has built only 14 shades in all 14 woredas in the region and only 9 are found in Gambella town (GPNRS MSE Agency 2017 Report). Even though the regional government pay due attention on the construction and expansion of working shades the implementation was very weak specially the construction budget was from SDG budget but the progress is very low from the regional Micro and small enterprises that has taken the construction mandate. Most of the micro and small enterprises are using rental systems and this has get impact on Graduation criteria. Many micro and small

enterprises meeting the graduation criteria but do not graduated for the fear of when they graduate they will not get the spaces for sale. In Gambella town there is problem of working and sale space in most of the business association specially women who are operating in micro and small enterprises are always claiming of working and sale space till now no solution for this issues .Another problem is there is no master plan or survey conducted in all five kebeles in the town and women are using their home around which is no suitability for the access of business place and most of the customers are not coming usually. According to the discussion with all five kebeles leaders/elders they always complaints to the town municipality to survey the areas and identify the business areas in all five kebeles but not yet started. Due to this constraint there is a very big gap between kebeles administrators, municipality managers and town mayors.

#### *Collateral properties challenges*

According to the article 626/2001 on the establishment of Micro Finance Institution (MFIs), MFIs could lend to individual and cooperatives borrowers and also could disburse loans without collateral or using properties, dominant group guarantees or individual guarantees. Collaterals are crucial to ascertain that MSEs serve their debt on time. Such collaterals are living and business buildings, post-dated cheque, fixed business, house hold equipment's, salary guarantees and sake outlets etc.

In Gambella town most of the women have no properties to be used as collaterals so no way of borrowing loan from MFI in the town. As depicted in the table above most of the respondents have no collateral properties 88% and do not get the loan from the banks. Based on the country policy on MSE the basic finance source of MSE is the micro finance institution. Most of the MSE try to get the loan from micro finance institution in their respective region but the situation of Gambella is very difficult.

#### *Lack of Capital goods and machineries*

Capital and machineries are very important for the growth of micro and small enterprises according to the Ethiopia MSE strategy. For example according to the recently amended proclamation number 807/13 capital addressed the shortage of capital goods and the collateral requirements of MSEs, A capital good is defined as any equipment or machine that may be used to produce goods or provide services and includes accessories. The regional Micro Finance Institution (MFI) has provided capital financing to 32 MSEs in different sectors including construction and urban agricultures in Gambella town. But there is problem in loan proving system/policy most of them they do not return the money back to the Institution.

In a focus group discussion with regional MFI manager, it was indicated that the institution has disbursed some loans for the purchase of machineries using the machine as collateral for the milk production and bread producing. In Gambella town most of the micro and small enterprises have no capitals since they do not meet the criteria for borrowing from Micro Finance Institute especially the women are not getting loans from the institution.

Most of the Micro and Small enterprises at different sectors are operating by women and they need machineries but only a few have the majority of respondents have no access to machineries 87.2%. In a focus group discussion with women from kebeles 04 and 05 they have food with breads and local Genfo these need machineries for the breads and also milk production for urban agriculture

#### *License and registration challenges*

According to the tax proclamation (Article 686/2002) of the country, all MSEs must have formal license and registration subjected to pay tax to the government. But in Gambella most of the MSEs are informal. According to the above table most of the respondents 64.6% have working licenses while 35.2% have no working licenses and are informal MSEs business. For informal business, many reasons are outlined by women associations in the town during interview, like high transaction cost during licensing, contraband from south Sudan and Kenya, illegal under invoicing of other goods. So the Regional Micro and Small Enterprise are not given any support to informal MSEs but trying to organize them for formality.

#### *Attitudinal challenges*

Micro and small enterprises are central in creating massive employment opportunities while reducing poverty in any economy development of the country. On top of these, MSEs forms the basis for a number of developments in technology where new breakthroughs are made, MSEs serve as a spring board for industrial aspiration of the country so this concepts is not aware to all people in the country. In Gambella town there is no awareness on the role of MSEs in the economic development of the region.

#### *Institutional coordination problem*

Micro and Small Enterprise policy is a multi-agency contribution in the country. Different agencies are members of the MSEs council in Gambella region but most of them are not active in formulating and structured the MSEs. So the implementation and coordination of the MSE strategies become a big challenge. The council has to be well-mandated and structured so that it addresses not only policy issues but also follow up implementation issues on the ground and for this, the

council needs to have smaller units that can regularly monitor and follow up the implementation issues.as indicated in the table above 100% of the respondents faced institutional challenges in the town.

#### *Socio-cultural factors*

During interview with deputy head of women and children affairs in Gambella, most of the women operating at MSEs faced various sociocultural challenges in their business like using loans from the micro finance institution for home consumption since high number of family size, marriage of husbands more than two wives, interest of women to get more children during business periods, strong social tied in the household with relatives, using loans to relative wedding ceremony represent cattle's/cows.

The other problem is the loans that woman borrows from micro finance will be used by her husband for drinks, lack of transparency of women to men counterpart, lack of commitment of women themselves and lack of extra business plan out of MSE.As shown in the table above all the respondents faced sociocultural challenges in their business 100%.

Conclusion and Recommendation

#### **Conclusion**

The general objective of the study has been targeted the major factors affecting the participation of women in micro and small enterprises in Gambella town. The data were collected through different techniques and tools. IBS SPSS version 20 used to analysis the data. A total of 125 sample respondents were interviewed using questionnaires'', Focus group discussion and interview has been conducted. Based on the findings, the study concluded that: The majority of the respondents are in the age category between 27-37 with 60% and only 15% are above 38 age groups this imply that the older the age the lower the participation in micro and small enterprises in the town.. The household family size has high impact to the participation of women in micro and small enterprise in Gambella town has majority of the respondents have family size in the range of 12-17 with 48% while the least is in the range of below 5 family size. Regarding to the marital status almost 80% of the respondents is married only 1.6% has divorced. It indicated that only married has get support for MSE but divorced not actively participated. Based on the selected 5 key sectors of MSEs most of the respondents are participated in trade sector 32% followed by service sector and the least is urban agriculture 12.8%.due to lack of access to finance and machineries many women are not participated in manufacturing, urban agriculture and constructions sectors. Most of the business are in the life time or age of 1-4 years 87.3% while only 7% are formed less than a year this shown the high increment of the business knowledge to the societies in the town. Most of the respondents have no other alternative source of income 89% while other with income are lied between 1 to 500 birr per month while other with additional source of income are getting monthly income of 501 to 999 birr.

The majority of the business respondents have no suitable working place for the markets and use the rented houses 74.6% which influence by reducing their monthly income that is why around 88% of the respondents think that their business are situated in unsuitable places only 10% respondents think that their business are in a suitable place .This contradicted with country policy direction on the creating conducive environment for MSEs markets like constructing different sheds for MSEs markets in all cities and towns. The majority of the businesses have no transaction records for income and expenditures registering 96% they simply use traditional oral system of remembering the income and expenditure daily, weekly and monthly. Most of the respondents have bank account for saving 93% only 5.6% have no bank account for saving.

The majority of the businesses are using their own saving 70.6% followed by MFI 20.6% this implies that the community are not aware of taking the credit/loans from the micro finance institution. For the man power of the business most of the business employed less than 5 persons 89% while only 1.6% employed 11 above this is the one business with necessary equipment's and technologies. Most of the respondents start their business in the reason to be self-employ 78.6% followed by other with no alternative source of income.The participation of women on micro and small enterprises in Gambella town are affected by lack of access to finance, lack of access to the markets, lack of access to the training ,lack of access to the network, lack of access to policy/administrative issues, lack of access to the loans from finance institutions, lack of access of necessary equipment's and machineries, lack of access to the working licenses, lack of access to sociocultural factors, lack of access to legal and administrative issues and lack of access to institutions.

#### Recommendations

The study has summarized the major factors affecting the participation of women on micro and small enterprises. The government should revise the national policy and strategy on micro and small enterprises has to be over look again to see the progress of the women in the sector. Based on the findings of the study the followings issues are recommended as follows:

The regional and town governments should give priority to awareness creation of whole communities on micro and small enterprises policy at all levels.To tackle sociocultural factors affecting participation of women in micro and small enterprises the town administrative and regional governments should take the lead to solve the problem In order to address the need of working places, stakeholders like town administration, municipalities, micro and small enterprise office, trade and industry and kebeles should have a joint plan. The Federal Micro and Small Enterprise Agency and regional Micro and Small

Enterprise should give support to the building of shades for the MSE markets in the town. The regional and town Micro and Small Enterprises should deliver various training to the women operated at MSEs.

As the economy is growing high which the investment is the skeleton for boosting it the policy of MFI need to be revise in a way that MSE should get the loans without complicated collateral properties particularly women. The sociocultural factors that affecting the women participation on micro and small enterprises has ranked first from various variables and further awareness creation need to be addressed by the regional government and further study is also needed in the sector to see the detail impacts of the sociocultural challenges to the Micro and small enterprises and economic development in Gambella Region.

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