

## CAN WOMEN BE EMPOWERED THROUGH ENTREPRENEURSHIP? A LESSON FROM THE EXPERIENCE

V.O.Kavitha<sup>1</sup>, N.Subha<sup>2</sup>, M.Ramesh Raja<sup>3</sup>, Shreedharan M.D<sup>4</sup> and Jeganathan M<sup>5</sup>

<sup>1,2&3</sup>Assistant Professor – MBA, Nehru Institute of Technology, Coimbatore.

<sup>4</sup>Associate Professor, Excel College of Architecture & Planning, Komarapalayam, Tamil Nadu.

<sup>5</sup>Assistant Professor, Department of Environment and Herbal Sciences, Tamil University,  
Thanjavur, Tamil Nadu.

[vokavi@gamil.com](mailto:vokavi@gamil.com) [jegann1978@gmail.com](mailto:jegann1978@gmail.com)

### **Abstract**

*Women in Ethiopia account for the large share (60%) of the informal economy operators and running Micro and Small Enterprises (MSEs). Beyond participating in productive activities such as agriculture, trade and industry, women have multiple roles in the society. As a result of empowering women, there will be a development in the human capital whereby a continuity of the enterprises can be ensured. Though more number of women is engaged in MSEs at Hawassa town, how far these MSEs have contributed to achieve the empowerment of women is unknown due to dearth of studies. Hence, this paper examines the role of MSEs in women empowerment.*

*To address the objectives, primary data was collected through pre tested interview schedule from 121 enterprises owners who were identified by stratified random sampling technique. Different indicators such as economic improvement, social improvement, skill development, political improvement were used to assess the impact of entrepreneurship on women empowerment. The collected data was compiled and analyzed by using appropriate statistical tools and the results obtained are presented in the form of tables and graphs for easy understanding. In addition, multiple liner regression analysis was carried out to identify the influential factors which affect the participation of women in MSEs.*

*The results of the research show that MSEs provide employment opportunities to the poor, house wives, students and unemployed who have no other means of income and opportunity in the formal sectors. Women entrepreneurs gained ability to make decision on family expenditure and money utilization after their involvement in MSEs. Also they benefited in terms of securing family livelihood, freedom from domestic domination, sanction for social involvement, acquiring skill and knowledge of business which support them for empowerment. Although women entrepreneurship is significant in terms of reducing the household vulnerability in terms of nutrition, cloths, education and other expenses, they are also facing some problems. Many of them are not reaching their growth potential due to various factors mainly lack of market linkage, business premises, high material cost, lack of finance and others. Based on the findings policy options are forwarded.*

**Key words:** Women Empowerment, Micro and Small Enterprises, Vulnerability, Livelihood

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*Associate Professor, Hawassa University, Email: [afianand@gmail.com](mailto:afianand@gmail.com)*

## **(1) Background and Rationale**

Ethiopia (Horn of Africa) is the least developed country which suffers from poverty, lowest GDP per capita in the world, and faces a number of serious structural problems. Her economy is based on agriculture, which accounts for 41% of GDP and 85% of total employment (African Economic Outlook, 2012). According to 2005 -2010 estimation, the urbanization rate of Ethiopia was 4.3% which ranked the country 14<sup>th</sup> in the world and also the urban population was 17% (CIA World Fact book, 2010).

Different studies indicated the low status of women in developing countries in general and Ethiopia in particular (Almaz, 1991; Hirut, 2004; Mukuria et al., 2005) as cited in UNFPA (2008). Lack of access to productive resources such as land; lack of access to education, employment opportunities, basic health services, and protection of basic human rights; low decision making; violence and harmful traditional practices are some of the indicators of the socioeconomic marginalization of women in the country.

The contribution of women in economic activities is high in Africa even if not recognized as male. Women have multiple roles in the society: productive, reproductive and social that not fully recognized as economic contribution. However, their economic activities have focused primarily on meeting basic needs, yet lack of resources and control of resources has been common in Ethiopia like other developing countries (UNPFA, 2008). Government makes policy on women involvement in every activity especially in business but not benefited as expected. Women do not enjoy the right over the property of any form and they have limited access over external sources of funds.

Empowerment is defined as “the process of enhancing an individual’s or group’s capacity to make purposive choices and to transform those choices into desired actions and outcomes” (Ruth, 2005). Also describes as “the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable the institutions which affect them” (Bennett, 2002) as cited in Roshani Dangol (2010). Women empowerment has dimensional focus and envisages greater access to knowledge, social and economic resources and greater autonomy in economic and political decision making process (Kabeer, 2005). Empowerment of women has become a significant topic of discussion and entire nations, businesses, communities, and groups can benefit from the implementation of programs and policies that adopt the notion of women empowerment.

Supporting micro and small enterprises (MSEs) is one of the strategies of government expected to increase the empowerment of women by providing different options such as employment, income as well as assets creation, which will pave the way for achieving Millennium Development Goals (MDGs). The development of MSEs contribute for empowerment in terms of job creation, economic stability, and economic self sufficient, improve family livelihood and improve their decision making on house hold expenditure. Ultimately their empowerment increase in terms of economy and social as well.

Women in Ethiopia account for the large share of the informal economy operators as well as those running MSEs. About 60% of the total population engaged in the informal sector is female urban work force (Gebrehiwot and Woldy, 2006). Beyond participating in productive activities such as agriculture, trade and industry, women have multiple roles in society. By scaling up, women’s role in the economy will be enhanced. In Hawassa town, more number of women is

engaged in micro and small enterprises. However how far they have contributed to achieve the empowerment of women is unknown due to dearth of studies. Hence, this paper is indispensable to measure the level of success in empowering women through MSEs. (Vasanthi and Jeganathan 2007, Vasanthi et.al., 2008, Raajasubramanian et.al., 2011, Jeganathan et.al., 2012, 2014, Sridhar et.al., 2012, Gunaselvi et.al., 2014, Premalatha et.al., 2015, Seshadri et.al., 2015, Shakila et.al., 2015, Ashok et.al., 2016, Satheesh Kumar et.al., 2016).

## **(2) Objectives of the study**

The overall objective of this research paper is to assess the role of entrepreneurship in women empowerment at Hawassa town, Ethiopia. In line with this, following specific objectives are framed.

- To examine the role of entrepreneurship in improving socio-economic condition of women.
- To identify the factors influencing the participation of women in entrepreneurship in the study area.
- To trace out the facilitating factors and challenges for the development of micro and small enterprises in the study area.

## **(3) Methodology Adopted**

To accomplish the research, Hawassa town in Ethiopia has been selected purposively as the study area. For the selection of sample enterprises and respondents, stratified random sampling technique was used. At the beginning, the existing enterprises are classified in to three categories such as manufacturing, service and trade sectors. Then 121 sample enterprises units were selected randomly from three sectors. Both primary and secondary data were used to address the objectives from different sources. Primary data was collected through pre-tested structured interview schedule. Different indicators of empowerment such as economic improvement, social improvement, skill development, political improvement, protection from discrimination were used to assess the impact of entrepreneurship on women empowerment. The collected data was compiled and analyzed by using simple tools, such as averages, percentages, chi-square test etc. and the results are presented in the form of tables and graphs for easy understanding. In addition, multiple liner regression analysis was also carried out to trace out the factors influencing the participation of women in MSEs. (Manikandan et.al., 2016, Sethuraman et.al., 2016, Senthil Thambi et.al., 2016, Ashok et.al., 2018, Senthilkumar et.al., 2018).

## **(4) Results and Discussion**

**5.1 Profile of the Women Entrepreneurs:** The profile of the sample MSEs owners reveals that most (34.71%) of the sample women found within the age of 26-30 years, followed by 31-35 years (23.14%). 60.33% of MSEs are run by married women and 22.31% are by unmarried women, 39.67% of the respondents have completed their secondary school education followed by junior grade (28.10%). Around half (48.76%) of the sample women owners have the family size of 4 to 6 which implies their burden in searching livelihood options. It is also evident from the survey results, one third (33.88%) of the enterprise owners have engaged in service activities such as selling snacks, tea and coffee, secretarial service, beauty salon, managing pension, bar and restaurants etc. Other 33.06% are engaged in manufacturing activities such as handicrafts, textile and garments, flour mills, bakery, production of building materials and oven etc. Remaining 33.06% have engaged in trade activities such as ready-made clothes, sale of computer accessories etc. Most of the sample women are engaged in service activities due to the easy

availability of inputs, raw materials, markets and working place etc. Manufacturing sector needs suitable space and more investment as well.

**5.2 Economic Empowerment through Entrepreneurship:** The MSE sector is also described as the national home of entrepreneurship. It provides the ideal environment enabling entrepreneurs to exercise their talents and attain their goals. In all successful economies, MSEs are seen as an essential springboard for growth, job creation and social progress at large. Even though their contribution vary with the paid up capital, employment capacity and other factors, MSEs play a greater role in assisting the government through job creation and poverty reduction. Every government including Ethiopia encouraging such industries due to the favorable impact expected from these. Also this sector is crucial to improve the living condition of the women folk so as to empower themselves. Hence this paper made to assess the impact of such enterprises owned by the sample women by looking their previous and present status in terms of their social and economic aspects.

**5.2.1 Previous status of sample women:** It is imperative to assess the previous position of the women to compare with present position so that the change in position takes place among the them can be understood and is one of the elements of empowerment.

**Table 1: Position before establishment of MSEs**

Sl. No.	Position before MSEs	Number of Respondents	Percentage
1	House wife	36	29.75
2	Students	30	24.79
3	Hired labors in ventures	28	23.14
4	Other related business	24	19.84
5	Unemployed	03	02.48
	<b>Total</b>	<b>121</b>	<b>100</b>

The survey results as portrayed in table 1 indicate that 57% of the total sample had not engaged in any activities and they were having the position as house wife/student/unemployed. Only 43% have engaged as labours or other type of works. Now all of them are the owners of their ventures and fully engaged without unemployed.

**5.2. 3. Employment generation through MSEs:** Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fair distribution of the benefits of growth. Women economic participation and empowerment are fundamental to strengthening women rights and enabling women to have control over their lives and exert influence in society. MSEs are crucial intervention to solve unemployment problem in any economy. To this end, the author tries to emphasize how MSEs create job opportunity for the respondents, family members and others in this paper.

**Table 2: Employment generation in the sample Enterprises**

Sl. No.	Type of self employment	Number of Respondents	Percentage
1	Full-time employee	110	90.91
2	Par time employee	11	9.09
	<b>Total</b>	<b>121</b>	<b>100</b>
Sl. No.	Labor employed	Number of Respondents	Percentage
1	Yes	54	44.63

2	No	67	55.37
	<b>Total</b>	<b>121</b>	<b>100</b>

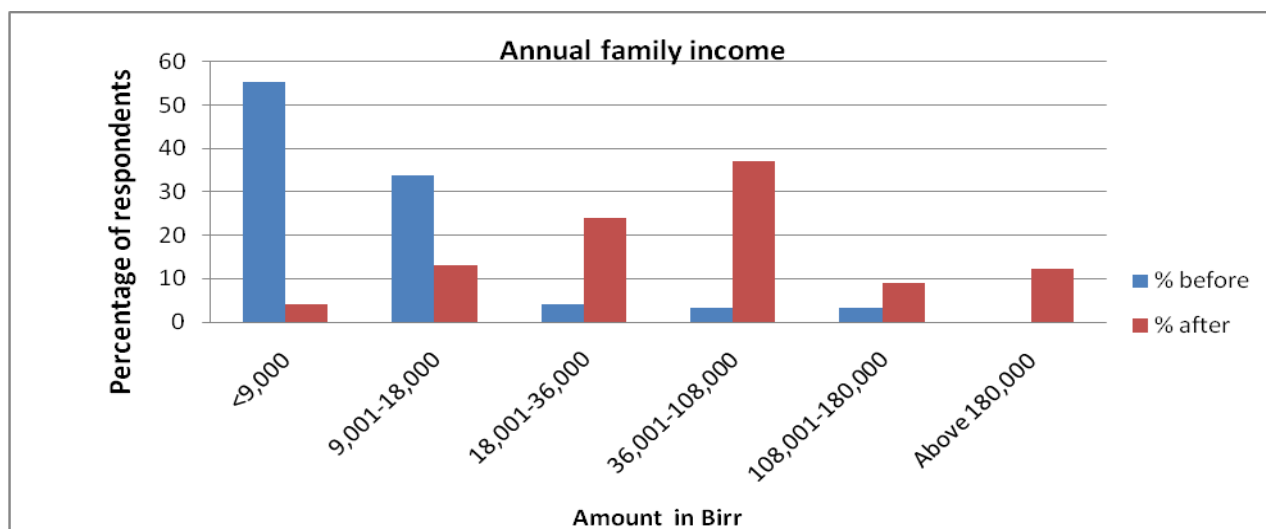
**Self employment:** Most important motivating factor for entrepreneurship is self employment. In the study area women who participate in MSEs create job opportunity for themselves and others. As the result of the survey (table 2) indicates, 90.90% of women have got full time employment due to starting the business. The remaining (9.10%) works in their business as part time basis since they engaged in other sectors. This indicates that MSEs are playing a significant role in creating employment for women which will pave the road for women empowerment. These results are in line with ILO (2003) study which indicates that, majority of the women entrepreneurs (85%) are engaged in full-time in their businesses.

**Labors employed:** As indicated earlier, MSEs are not only creating employment opportunities for the business owners but also creating jobs for outsiders. The present study found that the sample SMEs created 184 jobs for others including full-time employment for 83 people and part-time employment for 68 employees and 33 family members who are unpaid.

**5.2.4 Income from MSEs:** The main aim of entrepreneurship is income generation and employment creation for the marginalized people especially women to improve their standard of living ultimately they will be empowered. Income is the means of self help and family for securing family livelihood. Through income generation with the business initiation and development, women empowerment takes place. In this background, this paper intends to assess the change of income for the sample women who have involved in SMEs.

As it is evidenced (Figure 1), majority of the sample women’s annual family income has increased compared to their previous income before establishment of the ventures. For instance before establishment of the venture, only 4.13% of them had income between Birr 18,001-36,000. The percentage increased to 23.97 after they involved in the ventures. Hence it is possible to infer that, MSEs has positive role in empowerment of urban women due the change of income due to entrepreneurship. This is supported by the finding of Malik and Luqman (2005), as cited in UNFPA, (2008) there is obvious impact of MSEs on women empowerment.

**Figure 1: Family Annual income before and after Enterprises**



**4.2.5. Saving habit:** Saving is an important aspect in any economy especially the developing country like Ethiopia. Saving habit inculcate the people to use it for further investment and expansion of existing business and to generate income. But it depends on their surplus income they earn either from venture or from other sources.

**Table 3: Source of saving for sample Respondents**

Sl. No.	Source of saving	Number of Respondents	Percentage
1	Business income	89	96.74
2	Others	03	3.26
	<b>Total</b>	<b>92</b>	<b>100</b>
Sl. No.	Frequency of saving	Number of Respondents	Percentage
1	Daily	07	7.61
2	Weekly	58	63.04
3	Monthly	25	27.17
4	Quarterly	01	1.09
5	Semi annually	01	1.09
	<b>Total</b>	<b>92</b>	<b>100</b>

In this paper saving is more crucial to see the empowerment aspects i.e. if the women entrepreneurs have surplus income they can save and make them more empowered. It is interesting to observe that (table 3), majority (76.03%) of the sample women are having saving habit and vast majority (96.74%) of them stated that income from the venture is the major source of savings. This indicates that due to the income generated from the venture they are able to save money after meeting their family expenditure as well as venture costs. Further, 63.04% of them having weekly saving and 27.17% saved monthly.

**5.2.6. Household Expenditure:** The role of entrepreneurship can be explained in enhancing women contribution to household income and family welfare, increasing women participation in household decisions about expenditures and other issues which leads to women welfare. This impact is also associated with risks that female entrepreneurs have experienced, women's increases in income are leading to a decrease in male contributions to certain types of expenditures like; buying clothes and school stationery for young children and medical treatments.

**Table 4: Distribution of Respondents on the basis of Annual Household Expenditure (Birr)**

Annual house hold expenditure before SMEs				Annual house hold expenditure after SMEs		
Sl. No.	Range	Number	%	Range	Number	%
1	Below 5,000	56	46.28	Below 5,000	8	6.61
2	5,001-10,000	24	19.83	5,001-10,000	25	20.66
3	10,001-15,000	21	17.36	10,001-15,000	11	9.09
4	Above 15,000	20	16.53	15,001-20,000	21	17.36
				Above 20,000	56	46.28
	<b>Total</b>	<b>121</b>	<b>100.0</b>	<b>Total</b>	<b>121</b>	<b>100</b>

Women entrepreneurs were asked to report expenditures before and after establishment of ventures and the results (Table 4) regarding before starting the business, majority (46.28%) of them spent only below 5,000 Birr while after the involvement in the venture number of households spent this amount is reduced to 6.61%. Moreover, it is heartening to notice that after the involvement in ventures, majority (46.28%) of them spent more than Birr 20,000 annually which shows an incremental growth. The minimum amount spent was 3,240 Birr and maximum Birr 56,000. Overall result shows that due to entrepreneurship, the sample women could spent relatively higher amount of money for their day to day family expenditure. This is supported from their argument that due the incremental income earned after engaging in the business activities which will have direct relation to their economic empowerment by fulfilling.

### 5.3. Social Empowerment through Entrepreneurship

According to feminist empowerment paradigm, empowerment also needs to deal with change in intra-household relations. Many microfinance institutions focus their attention on women use of the loan and ability to make decisions about her business as the most direct impact of their program (Klasen, 2005). Thus, the measure of women empowerment in the household decision making was constructed to capture women status within their household. It was measured by the extent of their participation and role in making decisions on issues such as visiting family and relatives, deciding on how to spend money they earns, repairing or constructing houses, children schooling and clothing, buying small items etc.

**5.3.1. Decision making on family expenditure:** The most important factor in women empowerment is decision making on family expenditure. As results (Table 5) indicates, majority (57.85%) of the sample women entrepreneurs decide on family expenditure by themselves and with their husbands (39.67%) respectively after they involved in MSEs. Also involvement of husbands in making joint decisions also observed from the results of the survey. This indicates that involving in the enterprises create the opportunity for decision making in a partnership basis which is a sign of getting recognition for women in the family with their husbands. Similarly Roshani (2010) found in her study (in Nepal) that women business owners of MSEs make decision independently regarding on personal and family house hold expenditure as well as their business by themselves and involve husbands. Therefore, when ever decision making increase ultimately women seems to be empowered.

**5.3.2. Decision making on health:** Normally in Ethiopia, if women are dependent without any earning, she cannot take her own decision regarding her medication. Before entrepreneurship, only 23 women took decision by alone and 16 women said that it was done jointly by the husband and the woman.

**Table 5: Decision making on health care**

Deciding responsibility	Pre- MSEs	Post - MSEs	Percentage Increase/Decrease
Myself alone	23	71	39.67
Mostly Myself	04	29	20.67
Jointly- Myself & my husband	16	18	1.65
Mostly my husband	69	03	-54.55
My husband alone	09	0	-7.44
<b>Total</b>	<b>121</b>	<b>121</b>	

Majority (69) respondents stated that the decision concerning their health was determined mostly by the husbands only due to their economic weakness. But after starting MSEs there was a change in the women's participation. As it can be seen from the results (table 6), decision was made by the husband alone reduced from 69 to only 3. Similarly decisions made by them alone increased from 23 to 71. Moreover the decision making by their husband alone on medication reduced tremendously (54.55%). Hence it is inferred that entrepreneurship play a vital role in empowering the women in taking care of their health aspect by providing opportunity to improve their economic status.

**5.3.3. Decision making on mobility:** Freedom of mobility is also yet another important variable of women empowerment as established by many studies. Hence an attempt also been made to assess the freedom of sample women in taking decision to participate social events and other activities by raising different questions.

**Table 6: Decision making on mobility**

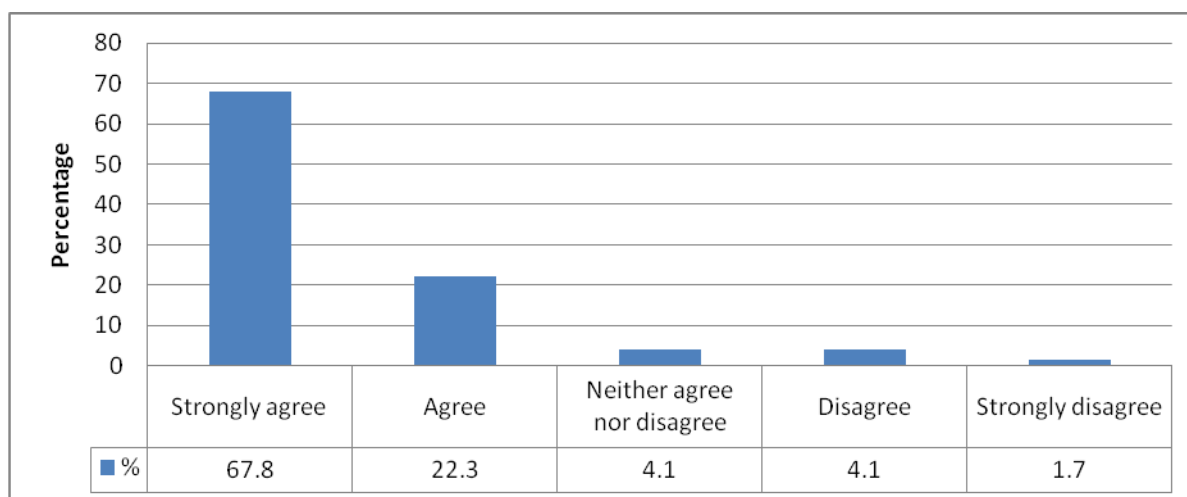
Sl. No	Decision making on mobility	Pre-MSEs	Post - MSEs	Percentage of Increase/Decrease
1	<b>Visit to relatives family</b>			
	• Myself	15	74	393.33
	• Myself & family	23	20	-13.00
	• Mostly/husband/ family	83	27	67.47
	<b>Total</b>	<b>121</b>	<b>121</b>	
2	<b>Going to market</b>			
	• Myself	20	63	215
	• Myself & family	22	30	40
	• Mostly/husband/ family	79	28	64.56
	<b>Total</b>	<b>121</b>	<b>121</b>	
3.	<b>Participating social activities</b>			
	• Myself	11	61	454.55
	• Myself & family	27	33	22.22
	• Mostly/husband/ family	83	27	67.47
	<b>Total</b>	<b>121</b>	<b>121</b>	
4.	<b>Participation in local institutions</b>			
	• Myself	15	46	206
	• Myself & family	29	37	27.5
	• Mostly/husband/ family	77	38	50
	<b>Total</b>	<b>121</b>	<b>121</b>	
5.	<b>Decision on saving</b>			
	• Myself	32	55	175
	• Myself & family	20	32	45.45
	• Mostly/husband/ family	69	34	56.96
	<b>Total</b>	<b>121</b>	<b>121</b>	



A cursory look in to the survey results (table 6) indicates that there is a vast change in freedom of taking decision related to movement has been observed from sample women entrepreneurs. Decision making on visiting their relatives, going to market, participating different social events such as marriage, attending funeral ceremony etc, participation in local institutions such as Edir, Iqub and women association, they have got much freedom of decisions after their involvement in entrepreneurship and this is a good sign of empowerment.

**5.3.4. Freedom from domestic domination:** During the survey, most of the women reported that they have overcome from domination from the family. Previously most of them engaged in household activities such as caring their children, cooking food, cleaning the house and serving the elderly people etc. Also importance was given to the male and such situation has been changed after generating income from MSEs reported by sample women. To understand the exact situation, their opinion was collected through five points Likert Scale and the results obtained are portrayed in figure 2.

**Figure 2: Freedom from domestic domination**



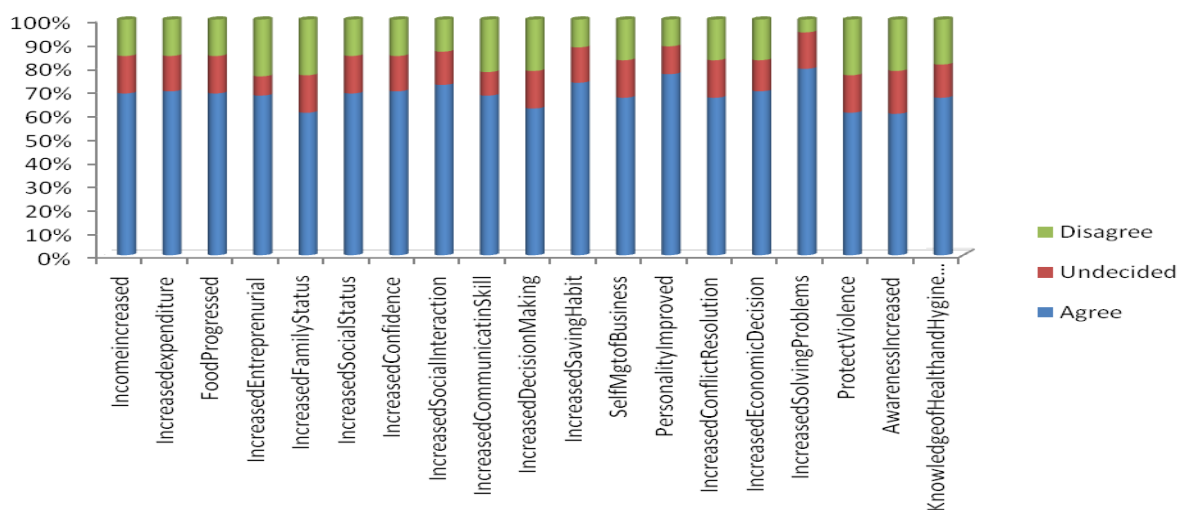
As it is evidenced from figure 2, 67.8% of the sample women strongly agreed that they have got freedom from domestic dominance in terms of; securing family livelihoods, saving, expenditure, decision making, social involvement etc. Only insignificant percentage of them disagreed the argument. Hence it can be inferred that most of the sample women entrepreneurs have over come from such dominancy.

**5.4. Overall Impact of Entrepreneurship on Women Empowerment:** Review of literatures show that women entrepreneurship will pave the way for improving women’s status in many ways such as general economic improvement, skill development and self confidence. Also it facilitates the promotion of livelihood options for the poor women by their access to development agencies, credit and markets. Livelihood comprises of capabilities, asset building and social resources and activities required for means of living. The different activities and businesses in which the members engaged and promoted based on local resources availability bears testimony for livelihood options.

In this research paper, to find out the overall benefit of entrepreneurship among women entrepreneurs, 19 statements were forwarded and their opinion was collected through five point Likert Scale and then converted in to three point scale and the results are presented in figure 3.

Different empowerment indicators were grouped under headings such as (i) Economic Aspect (Employment generation, Increase in Household Expenditure, Increased Income, Increase of consumption level, Increase in saving habit), (ii) Social Aspect (Increase self-confidence, Interaction with other members, Increase of social status, Economic decision making, Participation in social ceremonies), (iii) Skill Development (Access to education, training and seminars, Improvement in the technical and managerial skills, Acquire income generating Skills, Ability to tackle problems), Political Aspect, (Law enforcement, Increases the women influence, Conflict resolution skill, Protection from violence and other crimes, protection from discrimination) were used to assess the impact of entrepreneurship on women empowerment. More than 60% of the women entrepreneurs have agreed that the improvement has been observed in all the 19 variables forwarded before them as evidenced from figure 3.

**Figure 3: Impact of Entrepreneurship on Women Empowerment**



Finally to see the real impact of entrepreneurship among women entrepreneurs, the answers for 19 questions were grouped under different headings (indicators) as discussed above and percentage analysis and Chi-square test were carried out to see whether such improvement have been statistically significant or not. The arrived results are presented in tables 7 and 8.

**Table 7: Impact Indicators of Social Capital**

	Improvement Indicators				Total
	Economic Aspect	Skill Development	Social Aspects	Political Aspect	
<b>Agreed</b>	100 (82.7%)	75 (62.3%)	85 (70.5%)	100 (82.7%)	360 (74.5%)
<b>Undecided</b>	02 (1.8%)	19 (15.5%)	17 (14.1%)	02 (1.8%)	40 (8.3%)
<b>Not Agree</b>	19 (15.5%)	27 (22.3%)	19 (15.5%)	19 (15.5%)	84 (17.2%)
<b>Total</b>	121 (100%)	121 (100%)	121 (100%)	121 (100%)	484 (100%)

**Table 8: Chi-Square Results on Impact Indicators**

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	58.114 <sup>*</sup>	6	.000
Likelihood Ratio	64.119	6	.000
Linear-by-Linear Association	.421	1	.517
No. of Valid Cases	484		
*significant at 1% level			

**Note:** Table value 5%=12.59, 1%=16.81

The output of analysis shows that 74.5% of the sample members duly acknowledged that overall improvement has been observed among them in line with the framed indicators like economic aspects, skill development, social aspects and political aspects due to entrepreneurship. The Chi-square results also proved that the calculated value (58.114) is higher than the table value (16.81) which is significant at 1% level. From this it can be inferred that there is empowerment among women entrepreneurs due to their involvement in micro and small enterprises. Thus it is concluded that entrepreneurship plays a vital role in empowerment of women in the study area.

#### **6. Factors determine the participation of women in Entrepreneurship (Regression Analysis)**

One of the objectives of this paper is to identify the influential factors which are responsible for participation of women in entrepreneurship. For this, data gathered from 121 women entrepreneurs were subjected to Multiple Linear Regression analysis by using SPSS (version 16.0). Prior to running the regression model, both the continuous and discrete explanatory variables were checked for the existence of multi-collinearity problem. Based on the variance inflation factor (VIF) and contingency coefficient results, the data were found to have no serious problem of multi-collinearity and therefore continuous and discrete explanatory variables were retained in the model.

Multiple Linear Regression tells us how much of the variance in the dependent variable (Business Initiation) can be explained by the independent variables. It also indicates the relative contribution of each independent variable. Eleven independent variables such as business experience, marital status, employment status prior to SMEs, training availed, educational status, access to market, capital available, family income, access to credit, number of dependents and age of the respondents were included in the model.

**Model Output:** The regression analysis (table 9) with the estimate parameters of variables indicate that out of eleven explanatory variables were hypothesized to explain factors affecting participation of women in MSEs, only three variables (previous business experience, marital status and position before business) are found to be significant, while the remaining eight variables are less significant in explaining the variations in the dependent variable (Business Initiation).

**Table 9. Regression Results of the factors determine the participation of Women in Entrepreneurship**

Sl. No.	Explanatory variables	Standardized Coefficients Beta	Sig	Correlations R= part	Collinearity Tolerance	Statistics VIF
1	Business experience	.220	.019	-.035	.735	1.361
2	Marital status	.219	.014	.039	.817	1.224
3	Employment status prior to MSEs	-.215	.014	.039	.859	1.164
4	Training availed	-.179	.072	-.021	.647	1.546
5	Educational status	-.163	.082	-.019	.724	1.381
6	Access to market	-.103	.323	-.006	.580	1.724
7	Capital available	-.100	.277	-.756	.752	1.330
8	Family income	.082	.372	.005	.747	1.338
9	Access to credit	-.060	.470	-.003	.926	1.080
10	No. of dependents	-.045	.625	-.001	.738	1.355
11	Age	-.045	.649	-.001	.652	1.724
Sub total				.925		

From the analysis output in table 9 labeled “beta” under standard coefficients was looked in and the values were arranged in descending order. Therefore, the largest of all values (ignoring any negative signs out of the front) were detected. In this case, the first three largest beta coefficient values represent previous business experience, marital status and position before business. And this three predictor variables have also shown statistical significant values less than .05 (sig value). This means these three variables are highly significant and unique contribution in explaining and to predicate criterion variables. From sub- total the value of R-Square (square of part correlation coefficients and add up) is 0.925 that shows that 92.5 per cent of total variance explain the dependent variable (Business Initiation). This indicates social factors are more influential than economic factors for the participation of women in the MSEs.

## 7. Facilitating factors of MSEs

**7.1. Availability of credit services:** The major difficulty for entrepreneurs, especially for women, is access to finance due to their poor economic background and lack of collateral requirements. To solve this problem, micro finance institutions (MFIs) and cooperatives are established in the country to provide credit services to the women without any collateral, and enable the women in participating in the MSE business activities.

According to this survey, only 32.23% of them have availed the credit from different sources such as relatives, NGOs and MFIs. Among this, the sample women availed credit from friend/relatives is higher. Only 14.87% out of total availed loan from MFIs due to lack of awareness and they were not able to meet the requirement of collateral.

**7.2. Support extended by MFIs:** There is no special support for women who participate in MSEs even though majority of the clients are women in all MFIs in the study area. However, 46.15% of the women got loan and 20.6% availed training service from MFIs.

**7.3. Sources of training and its components:** Training is an important ingredient to improve the skill of the women to carry out the activities efficiently. Also training facilitate the women to utilize their resources appropriately for the purpose for which it was indented and leads to run a profitable venture. Moreover, training session will help them to interact with other members as well as outsiders so that they improve their confidence level since they have inferiority complex to mingle with others. The survey results indicate that out of the 121 women, only 24.79% of them acquired training. Majority of them were trained through MSE promotion office (44.82%) and NGOs (31.03%). This indicates that involving in MSEs create the opportunity of training for women which is significant for empowerment. Also this paper assessed the different components of training so as to understand whether the components will have any influence on improvement of their ventures as well as their empowerment.

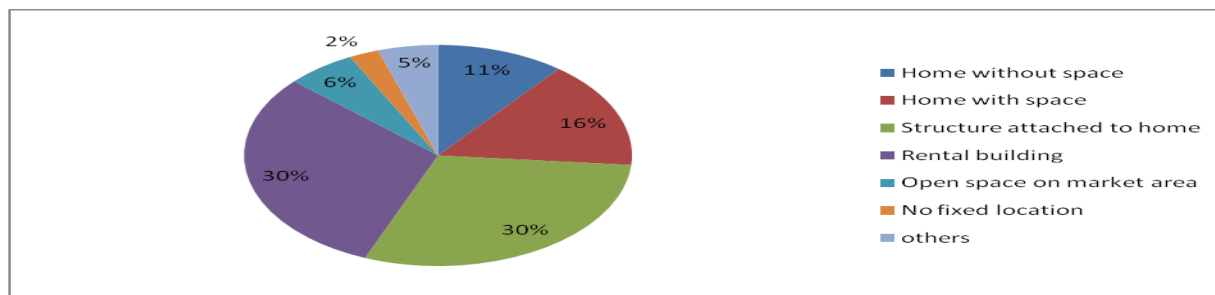
**Table 10: Training Components**

Sl. No.	Components of training	Number of Respondents	Percentage
1	Solving technical problems	19	63.33
2	Strengthen business skills	17	56.67
3	Business extension	15	50.0
4	Saving related	13	43.33
5	Business management	11	36.67
6	Entrepreneurial knowledge	05	16.67
7	Improving organizational capacity	05	16.67
8	Employee management	01	3.33

The results (table 10) shows that among the respondents who have training opportunity, 63.33% of them got the training on solving technical problems, strengthen business skills (56.57%), expansion of business (50%), ways and means of saving (43.33%) and business management (36.67%) respectively. Training components enable women in the MSEs to develop their new skill and knowledge that support their specific ventures.

**7.4 Availability of Business premises:** Working place is one of the main components that are needed for a successful and sustainable growth of enterprises because it is essential in creating access to resources and the necessary markets. Most of the sample women in the study do not have their own working premises. Equal numbers (30% each) of women run their business in the rental building and structure attached to home. The remaining are doing their business in the home with space (16%), home without space (11%), open space (5.8%), no fixed location (2%) respectively. Therefore the premises are one of the problems for the expansion and development of their business which indicates in figure 4. The reason mentioned for non availability of premises are high bureaucracy for getting land, high cost of construction materials and needs huge capital. ILO (2003) study also brought the same finding that the majority of women entrepreneurs do not own their own working premises. In addition to this, Rahel and Isacc, (2010) also pointed out that the majority of the respondents (71.5%) claimed that their working place is shared with other members in the cooperative.

**Figure 4: Business Premises**



**7.5. Access to Market linkage:** Marketing their products or services effectively as well as accessing and acquiring information on business opportunities are the major bottlenecks that MSEs face all over the country (Ethiopia). Formal and informal linkages of business cooperation through networking are not common. It is essential that the marketing of products be linked to quality, price and timeliness of delivery and services. It is observed that, 79.3% of women entrepreneurs have not access to market linkage and they produce and market their products and services around the homestead, thereby limiting their market to individual buyers or the immediate neighborhood. Often, such practices stem from lack of information about market opportunities or access to markets. Only 20.7% of them have access to market linkage and from this 64% were facilitated through MSEs promotion office. The remaining 20% and 16% were facilitated by financial institutions and trade and industry offices respectively. According to them, market linkage increase sale of products and services which makes them profitable enterprises and also support them in terms of reliable source of inputs and customers.

### 8. Challenges of women business owners

It is common that there are so many problems face by women business owners of MSEs which hinder their venture. In this paper the main problems that highly influence women entrepreneurs that affect in different sectors (manufacturing, service and trade) were identified and presented in table 11. Raw material is a basic input for the sustainable functioning of any venture and creates bottleneck linkage and demand for other sector products.

**Table 11: Main constraints of Women Business Owners**

Sl. No.	Main problems	Number of Respondents	Percentage
1	High material cost	95	78.51
2	Access to market	62	51.24
3	Lack of working place	48	39.67
4	Lack of finance	40	33.06
5	Lack of adequate supply of raw materials	33	27.27
6	Lack of business skill	24	19.83
7	Government rules and regulations	18	14.87
8	Lack of up to date business information	16	13.22
9	Production problem	15	12.39
10	Others	13	10.74

High costs of key raw materials are the main problems for the growth of enterprises. This study also found that high raw material cost reported by 78.51% of the sample that affect their purchasing power and level of competency. The other important factor that affects business owners is lack of access to market for produce and service.

Most (51.24%) of the women entrepreneurs indicated that marketing and business information are the main constraints to the growth of their enterprises. Business premises have great impact on the development of venture and 39.67% have complained on this which affects the enterprises in terms of input, customer service, production and others. As many researches stated, limited access to the credit services has been identified as one of the key constraints facing by women entrepreneurs. Women entrepreneurs in the study area (33.06%) also faced the problem in terms of lack of finance that supports for their business. Lack of adequate skills is other constraints faced by 19.83% of female entrepreneurs that put in question for the sustainability of the business. Women's high illiteracy rate also limits the types of vocational and skills training they could be obtained. Other problems are government rules and regulations in terms of registration, license etc.

## **9. Conclusion and Recommendations**

Entrepreneurship through micro and small enterprises provide employment to the poor, house wives, students and unemployed who have no other means of income and opportunity in the formal sectors. Women entrepreneurs have ability to make decision on family expenditure and regarding money utilization after their involvement in MSEs. Also they benefited in terms of securing family livelihood, freedom from domestic domination, sanction for social involvement, acquiring skill and knowledge of business which support them for empowerment. Although women entrepreneurship is significant in terms of reducing the household vulnerability in terms of nutrition, cloths, education and other expenses, they are also facing some problems. Many of them are not reaching their growth potential due to various factors mainly lack of market linkage, business premises, high material cost, lack of finance and others.

Many of the constraints of women entrepreneurs face cannot be addressed with single intervention. Therefore, greater attention needs to be paid to the development of the sector in general and promoting women entrepreneurs in particular by taking appropriate policy measures to reduce the problems to ensure women's empowerment as a way to reducing poverty, achieve MDGs and promoting development of country. Based on the findings of this paper, following policy implications are forwarded.

- To address the need for premises, as consistently expressed by women entrepreneurs, local government shall be encouraged to set aside land for the location of women's enterprises.
- To support women in their efforts to expand businesses, fully equipped business incubator units shall be established in key sectors.
- Governments and other stakeholders need to facilitate market linkage for manufacturer, service provider, whole sale and retailer specifically.
- Local government, NGOs and other concerned body should give attention to have access to up to date information to the women entrepreneurs.
- To address the need for finance /credit, micro finance institutions should reconsider the pre requisite of collateral for loan. The other government offices (MSEs promotion and

Trade and Industries office) have to with private micro finance institutions together to set for women who have low income and no collateral for loan.

- Concerned body (MSE Promotion Office) should facilitate need based training with the collaboration of TVTE that help them to run their business with appropriate skill and to cope up with recent information and technologies.

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