The Roles of Micro and Small Enterprises in Empowering Women: The Case of Jimma Town, Ethiopia

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Abstract

The main aim of this study was to assess the roles of Micro and Small Enterprises in Empowering Women in Jimma Town. The researchers employed purely qualitative research approach. Purposive sampling technique was employed as appropriate sampling technique to select research participants. In addition to this, the researchers used data gathering tools such as semi-structured interview, Focus Group Discussion and non-participant observation check lists. The study found out that Micro and Small enterprises in Jimma Town have played significant roles in empowering some women entrepreneurs economically and socially by improving their livelihoods, enhancing their self-confidence, decision making capacity, financial autonomy, freedom of mobility and also boosting their social-interactions. The study also found out that women entrepreneurs have been facing serious challenges against their business such as lack of appropriate working and selling places, market linkages, loan, and shortages of raw materials and frequent interruptions of electric power supply. So, the researchers recommended that all concerned government institutions shall try their level best to address such problems to advance women’s empowerment through micro and small enterprises to the best level.

Keywords: Women; Micro and Small enterprises; Empowerment; Jimma Town

1. Introduction

1.1. Background of the Study

Micro and Small Enterprises (here after, MSEs) are one of the corner stones for the socio-economic improvement and poverty reduction through the creation of job opportunities and income generations for the majority of the peoples particularly youngsters and women in a given society or state. This is why more attention is given by the governments of different states in the world in general and in developing countries in particular where the issue of high unemployment rate is one of their serious

In Ethiopia also the growth of women operated MSEs has been given a great attention to reduce poverty and curve problems of unemployment which is one of the serious problems of the country currently. So, in order to change this into reality the Ethiopian government introduced the National Micro and Small Enterprises Strategy in 1997 and the Establishment of the Federal Micro and Small Enterprises Development Agency (Mebrahtu, 2014, Gebreeyesus, 2007).

According to the Ethiopian Central Statistical Authority (2004), micro and small businesses enterprises have played pivotal roles in creating around 50% of all employment opportunities in the country. Accordingly, women own 73.5 percent of microenterprises, 13.7 percent of small enterprises in manufacturing industries, 14 and 30 percent of medium and large enterprises in industrial activities. Furthermore, among 1.5 million employment opportunities created by MSEs between 2005/2006 and 2009/2010, more than half were created job opportunities for women. This indicates that how much MSEs have the potential of empowering women economically and socially through the creation of employment opportunities and income generations (Kipnis, 2013; Mebrahtu, 2014; Gebremariam, 2017). Thus, this is why the main aim of this study needs to assess how MSEs can promote women’s socio-economic empowerment in Jimma Town of Ethiopia.

1.2. Statement of the Problem

Empowering women is empowering the family, the society and fostering the overall economic growth and development of a particular state at large. However, it is the existing fact on the ground that although women occupy around half of the world population, they are unlucky to be empowered economically and socially equally as of their male counterparts due to the long aged existing negative societal attitudes towards them. For example, they are not given equal opportunities in terms of getting equal employment opportunities, equal access to education, health, and justice, participating on decision making process, owning and controlling their own property and others due to the negative socio-cultural frameworks of the society. This situation has highly affected the majority of women not to come out from household wife to the field of employment opportunities to improve their basic living conditions and empower themselves (United Nations, 2006, Admasu, 2016, Mebrahtu, 2014).

Thus, to address these problems from the grass root level the governments of different states have attempted to adopt different intervention mechanisms into their development policies and strategies. Similarly, the Ethiopian government has also taken gender equality and women’s empowerment as one of its priority goals to reduce poverty and ensure sustainable development. In order to achieve this goal one of the priority areas taken by the Ethiopian government as a policy measure is the expansion of MSEs. Because, it is assumed that MSEs are the preferred and easy ways or mechanisms for creating employment opportunities for large and poor as well as marginalized sections of the society specially women and youths with less cost (Mebrahtu, 2014).

Regarding women owned MSEs different researches were also conducted in some cities of Ethiopia. For example, the study conducted by Wasihun and Paul (2010), assessed about the constraints and key determinants of growth, particularly in employment expansion in the case of women operated MSEs in Addis Ababa City. This study focused on the challenges and key factors affecting the growth of women’s employment opportunities through MSEs and it didn’t assess about the real contributions of MSEs in enhancing women’s socio-economic empowerment. Similarly, the study conducted by Chane (2010) also emphasizes on the factors that affect the performance of women entrepreneurs in MSEs and their enterprises and the supports they acquire from Technical and Vocational Education Trainings colleges/institutes in Dessie Town. Gebremariam (2017), also conducted study on ‘The Factors Affecting
the Growth of Women-Operated Micro and Small Enterprises in Ethiopia.’ Both of the above studies assessed about the factors affecting the performance of women in their enterprises and the expansion of MSEs owned by women respectively. However, these studies did not assess the actual impacts of these enterprises in promoting women’s social and economic empowerment. In addition to this, there is also an acute shortage of studies conducted with a specific objective of assessing the roles of women owned MSEs in promoting women’s economic and social empowerments in selected study area as far as the knowledge of the researchers is concerned.

Therefore, this research was conducted to fill the above gaps and to contribute for the current knowledge regarding the issue under study.

1.3. Objectives of the Study

The specific objectives of this study are:

➢ To identify reasons motivating women to engage in MSEs;

➢ To assess the roles of MSEs in enhancing the socio-economic empowerment of women; and,

➢ To identify the existing challenges to the socio-economic empowerment of women through MSEs in Jimma town, Ethiopia.

1.4. Leading Research Questions

This research was designed in such a way to address the following questions. These include:

❖ What motivates women to engage in MSEs?

❖ What are the roles of MSEs in enhancing the socio-economic empowerment of women?

❖ What are the existing challenges to the socio-economic empowerment of women through MSEs?

1.5. Materials and Method

In order to achieve the objectives of this research or address the research questions indicated above, qualitative approach was employed as an appropriate research method. By this research approach, researchers were able to assess the real contributions of women-owned and operated MSEs in empowering women economically and socially based on the experiences, views and histories of research participants or on their real life situations of the research subjects in general in the study area. So, in this study, the researchers analysed what are the views of women towards MSEs, What and how they are benefited from MSEs and what kinds of challenges they have been facing by conducting non-participant field observation, semi-structured interview and focus-group discussion. Accordingly, the researchers conducted semi-structured interview with four (4) women entrepreneurs and one focus group discussion with 6 discussants. Besides, key informant interview was held with an executive director of Coordinating and Development Team in the office of Micro and Small Enterprises Development of Jimma Town, Ethiopia. All of these research participants were selected through purposive sampling techniques which is based on the knowledge of the researchers. In addition to this, the researchers collected relevant data through non-participant field observation by going to the work and selling places of women owned MSEs to observe the nature and the performances of the enterprises and the existing challenges they have been
facing. The primary data obtained through these tools were analysed qualitatively and relevant literatures on the area were also consulted.

1.6. Description of Study Area

Jimma Town is one of the oldest town in Ethiopia founded by King Abba Jiffar II in 1837. It is located to the South-West of Addis Ababa at 360 km in Jimma Zone of Oromia National Regional State. Jimma Town has different governmental and non-governmental institutions and it has also around seventeen Kebeles(Wakene, 2014).

According to Statistical Report On the 2013 National Labour Force Survey by Ethiopian central statistical Agency, the town has an estimated total population of 157,432 of whom 75,451 were males and 81,981 were females. A large portion of the population of the town engaged on trade activities due to its location in cash crop areas, while some of them employed in different governmental and non-governmental organizations (Gebremariam, 2017).

2. Results and Discussion

This study analyzes the data obtained through interview, focus group discussion and non-participant observations exhaustively as per the objectives of the study mentioned above. Accordingly, reasons that motivated women to join MSEs, the roles of MSEs in enhancing women’s economic empowerment and the challenges or constraints faced by women owned MSEs are discussed in detail.

2.1. Reasons for the Women to Engage In MSEs

2.1.1. Problem of Unemployment

Women have engaged in MSEs due to various reasons. According to the finding of this study one of the main reasons motivated women to join MSEs is the misery of unemployment. As indicated in many studies especially in developing countries like Ethiopia the livelihoods of most women are totally dependent on the shoulder of their male counterparts. The patriarchal nature of the society tied women to housewife, caring children, cooking food and subordinate to men rather than providing them with equal access to different opportunities that can improve their life to the best level. Thus, the only source of income for the livelihood of most women is their husbands or their families (Admasu, 2016). Regarding this, for example one of our informants from women entrepreneur said:

*I had been a house wife for a long period of time. For an extensive stretch of time my jobs in the house were caring child and giving family unit administrations. Amid this time I viewed myself as essentially as an object. In this way, being jobless was hopeless life for me. Opportunity from the hopelessness of joblessness is over everything for me and for the remainder of women. This is the reason why I joined this business endeavor. Ladies ought to not exclusively be constrained inside family unit errands rather they ought to be offered chance to work connected at the hip with the general public.*

From the above quote, it is possible to understand that women engaged in MSEs in order to liberate themselves from indignity of poverty and unemployment that has troubled their life for a long period of time. They don’t want to depend in all respects on the decisions of others. Self-employment is
the only way out for them from this miserable life. So, they were organized in MSEs to use employment opportunity created by the efforts of this sector to improve their livelihoods.

2.1.2. Low level of income

Based on the data obtained from our respondents, another reason why women preferred MSEs is to get better income than their previous jobs. Respondents said, before joining MSEs, some of the women participants had their own jobs like beauty salon, selling tea and coffee and others. But, they preferred to join MSEs by assuming that MSEs may generate better income than their previous jobs.

2.1.3. Better Working Premises

Another reason that motivated women to engage in MSEs is to use the opportunity of better working premises provided by the government for those poor and unemployed sections of the societies under MSEs. The data we obtained from the study area revealed that, women are attracted to join MSEs by assuming that the government shall provide them with easy access to business training, both working and selling places, access to credit, material and financial supports and infrastructural facilities such as electric power supply.

2.2. The Roles of MSEs in Enhancing the Socio-Economic Empowerment of Women

As explained in different literatures women’s empowerment refers to increasing women’s capacity to make decisions and act independently in sociocultural, familial/interpersonal, economic, and political spheres by eliminating all forms of oppression and inequalities perpetrated on them. Women’s empowerment is also described as the process of empowering powerless peoples by enhancing their autonomy, choice, self-confidence and self-esteem. On the other hand, empowerment of women is also conceptualized as a process of making women better off by giving them the capacity to resist their subordination to men and control over resources as well as realizing their rights and responsibilities effectively. Economic empowerment has also significant roles in promoting women’s rights by capacitating them to resist unjust treatment inflicted on them from home up the wider communities. According to Sida (2009), women’s economic empowerment refers to the process of enhancing women’s real power over economic decisions that enables them to have control over their lives and exert influence in society.

Thus, MSEs sector is one means of expelling out women from house wife to the field of employment outside home. It plays significant roles in the economic empowerment of women by providing them with the opportunity of generating their own incomes independent of men. Accordingly, MSEs enhances women’s economic independence, business skills, self-reliance and decision making capacity on all matters concerning their day to day life activities by increasing their incomes as compared to their previous livelihood (Admasu, 2016).

As indicated by Gebremariam (2017), MSE has around five sectors in Ethiopia. These are Manufacturing, Construction, Service, Trade and Agriculture. However, the majority of entrepreneurs engaged on trade, service and followed by a third on production sectors because these sectors relatively require small amount of initial capital and easy to start as compared to other sectors (Abagissa, 2013). Similarly, according to Mulugeta, an executive director of Coordinating and Development Team in the office of Micro and Small Enterprises Development of Jimma Town, the majority of entrepreneurs engaged on trade, service and production sectors in Jimma Town mainly for the same reasons. However, regarding women owned MSEs in Jimma Town, he attested that that moderately fruitful women operated MSEs engaged on trade (selling wood products) and production (baking enjera and leather products)
sectors. Thus, based on the data we obtained from our key informant, the findings obtained from women owned MSEs engaged on the two sectors (trade and Production sectors) mentioned above are discussed as follows.

2.2.1. Trade sector

As the data acquired from study area indicated, the majority of informants detailed that MSEs have assumed noteworthy roles in improving their livelihoods as compared with the time before going along with it in numerous regards. For instance, one of our informants said:

*I have started this business since 2000 Ethiopian Calendar together with five peoples. Before that personally I was unemployed or household wife. But, after engaging on this business I have started generating my own income through our enterprise. As you can see, this shop is full of wood products which are unique to Jimma Town & its surrounding areas. This business has improved our livelihoods significantly as compared to our previous life. For instance, together with my husband we constructed home by sharing all of its costs. Before this, this was unthinkable. In addition to this, this job has also boosted my social interaction with other peoples.*

The above discussion indicated that, MSEs has significant roles in promoting both the economic and social empowerment of women through generating their own income. Regarding this, Hasan (2013) stated that one of the indicators of women’s empowerment is their opportunity to participate in household decision making process particularly in terms of financial and resource allocation. Empowerment is about improving the livelihoods of women through the expansion of their capabilities.

Figure 1: shows women entrepreneur engaged in trade sector (selling wood products)

![Image](image-url)

Source: Picture taken from field work in Jimma Town, February 10, 2017

2.2.2. Production Sector

Production sector is also one of the sector under which women were organized through MSEs. This study found out that in Jimma Town some of women owned MSEs engaged on production sectors
The Roles of Micro and Small Enterprises in Empowering Women: The Case of Jimma Town, Ethiopia

such as, for example baking and selling *enjera*¹ and leather productions. As it was revealed by our study, those women entrepreneurs who engaged in baking and selling *enjera* have been benefited a lot from their enterprises in terms of improving their livelihood and boosting their social status. For instance, the income they generated from their enterprises enabled them to construct home, to cover different household expenditures and other extra costs, to cover children’s school fees and closes, to be independent economically and to be happy in their life as a whole. In addition to this, one of our women respondents engaged on this business enterprise also said:

*In addition to fulfilling the basic needs, I also covered all of my costs for the journey I made to Saud Arabia for pilgrimage last time. In addition to this, we have also created job opportunity for 12 women.*

From the above discussion revealed that, MSE has significant contributions in creating the financial autonomy for women. This has enabled them to improve their livelihoods, change their social status and develop self-confidence. Furthermore, this business enterprise helped women to have strong financial capacity to the extent that they can visit other country and create job opportunities for other peoples.

![Figure 2: Shows women baking Enjera](http://example.com/image.jpg)

Source: Picture taken from field work in Jimma Town, April 17, 2017.

As specified above, some women owned MSE have also engaged on leather products like shoes, bags and belts. What makes those women engaged on this sector unique and attracts ones attention from the rest of women owned MSEs is, they are peoples with disabilities. The name of their business enterprise itself is called ‘*Nu Ilaalaa*’ which means ‘Visit us’ in *Afan Oromo* (Oromo language). This name has the message for other peoples to encourage and support those women by giving attention to them and their works.

The main reason that huge number of disabled people is living in destitution is due to an extensive variety of exclusions or marginalization that exists inside society and successfully banishes them from opportunities to participate as productive citizens. Hence, the need to address poverty and achieving sustainable development cannot be feasible in the absence of the economic empowerment of peoples with disabilities. Empowering a disabled person cannot only enhance the net economic benefit of that person to the society, but also it has significant contributions in discharging the families from the

¹ *Enjera* is a thin, round traditionally Ethiopian flatbread prepared by fermenting batter made from teff [very thin or fine grain] flour and cooking it on a griddle, usually eaten by placing servings of accompanying dishes on top of one flatbread and breaking off pieces of another to scoop up bite-sized morsels. (URL: http://www.yourdictionary.com/injera accessed on 14/12/2017).
heavy burden of helping them throughout their life. So, focus on the person is more important than
disability (Stephen, 2011).

As the finding of this study indicated, disabled women owned Nu Ilaalaa MSEs started their
business activities in 2007 with the help of non-governmental organization called Ethiopian Center for
Disability and Development (ECDD, here after). Before joining this business, they were totally out of site
and did not have any job. Rather they were dependent on their families and close relatives. The
discusants said that they have been faced many barriers due to the negative societal attitudes towards
them for the mere reason that they are peoples with disabilities. They didn’t get opportunity to come out
of home and being employed equally as of peoples with non-disabilities. They are considered as peoples
who are incapable of doing anything. Later, thanks to ECDD, it organized them under micro-and small
enterprises by providing them with all necessary trainings and material support to start their business
enterprise.

Regarding the economic and social empowerment they have got from their business, the focus
group discussants asserted that, they haven’t been benefited from their enterprise economically so far, due
to different constraints such as lack of appropriate working and selling places, poor market linkages,
shortage of raw materials and others. However, they believed that joining this business has certain
contributions on their livelihood, particularly in terms of acquiring work skills and experiences, freedom
of mobility and social interactions. For example, according to the views of the respondents, they have
acquired the skills of doing leather products through the training offered to them. They are freely moving
from their home to the work place and other places in the town for work purposes without any fear and
sense of inferiority. Their employment opportunity has also enabled them to have a good social
interaction with other peoples. Thus, this is a great opportunity for them to be self-confident and
psychologically strong enough to improve their livelihoods with the belief that disability is not inability.

Figure 3: Shows women owned micro and small enterprise engaged on leather products which
practically indicates that disability is not inability.

Samples of thier products

Disabled women making leather products

Source: Picture taken from field work in Jimma Town, March 5, 2017.
2.3. The Existing Challenges to the Socio-Economic Empowerment of Women through Micro and Small Enterprises.

Women who have engaged in different sub-sectors of MSEs have been faced different constraints. According to Gebremariam (2017), women-operated MSEs in Ethiopia have been facing various challenges such as lack of appropriate working and selling premises, poor infrastructures, inadequate knowledge about market, lack of power supply, unpredictable supply of raw materials and others. Similarly, the data obtained from our respondents revealed that women-operated MSEs in Jimma Town have been faced those challenges discussed below.

2.3.1. Lack of Appropriate Working and Selling Premises

According to the data we obtained from our women respondents and non-participant observations, women-operated MSEs engaged in production sectors faced serious challenges due to lack of appropriate working and selling premises. Women owned MSEs engaged in baking and selling enjera and leather production discussed above do not have separate working and selling places for their business enterprises. Both working and selling places for their products are the same. So, this situation has great impacts for the effectiveness of their business activities. Regarding this issue, one of the participants from women owned MSEs engaged in leather put her statement:

*We are working at a very small room which is completely unsuitable not only for peoples with disabilities like us, even for those non-disabled peoples. It is very difficult for us to move here and there by wheelchair. In addition, this place is found at a hidden place from market access and due to this most people cannot easily get us. To get solutions for such challenges we have knocked the doors of each concerned government offices, but there is not any response for our problems.*

Figure 4: Shows disabled women engaged on leather products in a very confined or narrow class.

2.3.2. Lack of Power Supply

Problem of electric power supply was also raised as one of serious problems by our respondents’ engaging on production sectors particularly those who are baking and selling injera. Our respondent’s from these enterprises stated that they have preferred to use wood stoves, because there is frequent interruption of electric power supply in the town. They further expressed that baking injera with firewood is very traditional and challenging in terms of health and wood costs as compared to electric stove. For
example, they bought firewood with high costs and the smoke coming out of wood stoves has great problems on their safety, health and the health of their children as well. It has also a great risk of fire accident.

Figure 5: Shows the situation of the work place of women owned MSEs engaged on baking and selling enjera

Source: Picture taken from field work in Jimma Town, April 17, 2017.

2.3.3. Lack of Access to Markets

As this study shows some women’s enterprises have faced serious difficulties in marketing their products or services. Particularly, those women with disabilities have been facing serious problems with lack of market accessibility for their products. Because, no one has the information about the products produced by their business activities. They have not been provided with different means of promoting their products to markets like bazaars and others. As a result, they are becoming despondent to continue their business unless they may get solutions to such problems.

2.3.4 Scarcity of Raw Materials and Financial Related Problems

Some women owned MSEs faced the scarcity of raw materials to run their business enterprises successfully. For example, women with disabilities who engaged on leather production raised this as a great barrier to continue their business. As discussed above women in this business enterprise started their business with the help of one non-governmental organization called Ethiopian Center for Disability and Development which quitted all of its supports after they started the business for the reason that they could run their business by the income generated by them thereafter. However, things are not just like they already expected, since there is no adequate access to markets. So, they could not have any capital to buy additional raw materials and expand their business. They also stated that they couldn’t get loan from different local financial institutions due to the perceptions that they are disabilities and cannot pay back the loan.
Conclusion

This study revealed that micro and small enterprises have certain roles in promoting the socio-economic empowerment of women by creating employment opportunities and income generations. In Jimma Town women owned micro and small enterprises have enabled women in improving their livelihoods by boosting their decision making capacity, financial autonomy, social interactions, freedom of mobility and others. So, those women who were successful in their business enterprises are highly motivated to expand their business to the medium enterprises.

However, while some women were relatively successful and benefited from their business enterprises, others particularly women with disabilities are becoming liquidated due to lack of supports from the concerned government institutions. Empowering women through micro and small enterprises requires strong interventions of the government particularly in providing all necessary infrastructures like both working and selling places, facilitating market linkages, power supply, financial support and others.

This study found out that, although there are certain activities by the government in creating employment opportunities for women through micro and small enterprises in Jimma Town, it is not as such satisfactory in engaging large number of women to this sector. Even those women entrepreneurs who were relatively successful in their business are successful in non-conducive working environment mainly by their own strong efforts in the absence of adequate facilities provided by the government. So, unless the government shall effectively discharge its obligations to support those women operated micro and small enterprises by all necessary means based on availability of resources, it is totally difficult to create employment opportunities and enhance the socio-economic empowerment of the majority of women.

Recommendations

Based on the findings of this study the following recommendations are forwarded by the researchers.

As the case of some women enterprises indicated, if women are provided with all necessary facilities, they can be highly benefited and empower themselves through their enterprises. So, concerned government offices should give due considerations on such issues to strength women owned enterprises. Especially, government shall support women owned MSEs by facilitating appropriate working and selling places; Facilitating market linkages; facilitating financial support through the provision of access to loan; addressing the problem of electric power supply; Organizing different business skills development training and giving special attention to those MSEs owned by disabled women.

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