



Challenges and Prospects of Women Entrepreneurs in Ethiopia

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ABSTRACT

Since Mid 2000s, Ethiopia has been one of the fastest growing countries in the World. However, productive entrepreneurship n high – value added activities has made limited contribution of this growth because of a weak business environment. Moreover, women in the informal sector still account for a large share of employment. But their entrepreneurial knowledge, skill, managerial ability are very low. Because of reflecting these facts, this research paper access the problems, challenges and prospective of women in entrepreneurs in Addis Ababa. By fostering productive start up and skilled employment, creation of an enabling business environment could help move the Ethiopian economy into high-productivity equilibrium. The main aim of this study is to assess the problems, challenges and prospects of Women entrepreneurs in Ethiopia. This study has conducted after circulating questionnaires to collect the appropriate data from the respondents. Random sampling method is used. The data collected was subjected to descriptive statistical analysis and the results were represented in tables and percentage method. The findings of the research have showed Government should create convenient situation for sufficient working place, credit policy and loan for capital. Entrepreneurship training to improve their skills is very important. Women Entrepreneurs has to improve their education level for their business improvement.

KEYWORDS : Women entrepreneurs, business, challenges, opportunities.

Introduction

Ethiopia has been a victim of drought, famine, war and a discouraging environment of business which lead to economic and social problems and the economy has been marked by a slow growth. Success in today's creative and innovative environment is increasingly a function of effective entrepreneur activity. Even though so many factors force the economy of the country to have a slow growth, one of the factors attributed to slow growth of the economy and lack of entrepreneurial development could be the main one(Konji, 1972). To overcome the poor economic development and to eradicate the country's poverty, the entrepreneurs can contribute a lot by creating employment opportunity and increasing country's national income. Entrepreneurship has a far reaching role in socio-economic development studies based on this area has been neglected in Ethiopia, which left a strong impact on the economy (NuriKedir, 1976).

Ethiopia is a country, which approximately as a population of 83 million. In spite that women make up more than 50% of the population. The participation of women has been under serious obstacles both at the operation and at the start up level. Some of the most critical constraints raised at different forms includes access to finance, access to premises and land, infrastructure, training in entrepreneurial and management skill and information availability in business opportunities(Andualem, 2004). Micro and Small enterprises are important for women. This can be justified because they are easily changed to suit new conditions and pose small limits on the firm of employment that that of formal sector. They can be carried out on apart time basis and require relatively small amount of capital, (Shapero, 1975)

Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financials, physis, social risks and receiving the resulting rewards of monetary and personal satisfaction (Robert D.Hisrich 1989). Entrepreneurship is the process of discovering, evaluating and exploiting opportunities, which go on to verify them in the form of new business venture (Stevenson 1986).

Statement of the Problem

A growing body of reports and statistics have started documenting women's tasks in agricultural production, house hold food preparing, supplying household food production and family health care. Howev-

er, due to several factors includes oppressive cultural attitude of the society including women themselves assertion the incapability of women in business field, low availability of capital, lack of access to land and property right, lack of access to decision making and lack of access to information network, etc., Even though these are the problems for both male and female entrepreneurs, there are more bottleneck for females. Therefore, this study will assess the environment, identify the opportunities to improve women entrepreneurs and also implement action to maximize these opportunities to organize, manage and assume the risk for running an enterprise.

Research Objectives

To identify the problems and challenges of women entrepreneurs in Ethiopia.

To evaluate the prospects for women entrepreneurs.

To create awareness by providing innovative ideas to women entrepreneurs.

Research Methodology

The Primary data has collected though questionnaire method. Also interview was conducted to some women entrepreneurs in the Addis Ababa women entrepreneurs association. The Secondary data was collected from review of relevant theoretical literature, bulletins, publications, books and other relevant materials.

Sampling Technique

The target population of this study is Addis Ababa women entrepreneur association members. The association comprises 150 members and 30 respondents were selected for the study.

Women Entrepreneurs in Ethiopia

In Ethiopia, the role of women in economic development has been tremendous through largely unaccounted in agricultural sector. They are engaged in crop production, food processing, and preservation, buying and selling of crops. Because of heavy responsibilities women cannot participate in activities that would promote their entrepreneurial capacity lack of access to land ownership, early marriage, and illiteracy are some of the factors that have crippled the development and expansion of women entrepreneurship in the country (Chamber

of Commerce news paper 1993)

Women in rural Ethiopia are engaged in the production of hand craft products like tailoring, pottery, carpet manufacturing and weaving. Most of these women are found in the informal sector (working at home or some other places without the formal licence). In Ethiopia, the appeal for enhancing entrepreneurial capabilities would be fruitful, if it aims at entire population in general and women in particular. For women constitute half of the economically active population of the country and have been treated. As marginal to development, it pays if special attention is given to use their potential.

Problems for Women Entrepreneurs

Women play different roles and hold different status in the society and face several problems as female business owners. Women entrepreneurs face more problems because of socio-economic barriers. Most potential and existing women entrepreneurs face certain obstacles like lack of capital, insufficient entrepreneurial, managerial and technical training and experience, economic and technological problems. The major constraints faced by women entrepreneur to start and manage business are the cumulative manifestation of various characteristics expressed in terms of economic, social and cultural and political environment.

Entrepreneurship Opportunities in Ethiopia

- Availability of wide range of International institutions in Ethiopia in the age of Globalization, business may no longer be restricted to local or community business and the fact that Ethiopia is the seat of many International organizations is an opportunity with this regard.
- Increase in government support for innovative business. The Ethiopian government provides several supports and protections to encourage innovative business.
- The number of micro finance institutions is increasing every year in Ethiopia together with various new products offers which in turn reduces the financial barriers (Terblanche 2003)
- Ethiopia experiences high level demand which is a big opportunity for entrepreneurship.
- Ethiopia is characterized by large pool of young population which could be an input as a work force to new ventures and also be open to accept innovative ideas and products.
- The expansion of technical and vocational education in the last few years is becoming an opportunity to find skilled man power.

Micro and Small Enterprises Development Strategy in Ethiopia

Ministry of Trade and Industry in Federal Democratic Republic of Ethiopia has developed Micro and Small Enterprises Development Strategy. The general support, like better access to finance, training, marketing, place, technology would benefit women entrepreneurs. Specific target activities will be prioritized on the basis of tailor-made support packages. Diversity and complexity of issues, problems and support needs required by women entrepreneurs, the government in cooperation with the private sector, NGOs will facilitate its support. It is important to list the full range of funding sources for Micro Small Enterprises support programs.

- Community self-help programs to facilitate self-employment or the start-up of enterprises (e.g. youth schemes in rural villages or urban neighbourhoods).
- Private-sector- funded (profit-orientated) services to MSEs. (e.g. credit through micro banks or specialized institutions partnerships, franchises, sub contracting).
- NGO involvement in support programs, funded from own revolving funds or grants from other aid agencies. (e.g. mini-loan schemes, training schemes, marketing support, etc.)
- Wholesale funding agencies for MSE loans or other programs

(e.g., concessionary loan finance, grant fund). These agencies can tap government funds as well as capital-market sources and foreign donor funds.

- Regional governments fund from regional sources, loans or federal government transfers to support regional MSE-support programs and regional agencies or the designated organs and local support service centres operating cost.

Conclusion

From the study lack of working place is the major problem that all women entrepreneurs faced. The respondents required exhibitions and bazaar centres to create awareness about their products and services for their potential customers. The study found that shortage of working capital is another problem following by lack of working place. In Ethiopia women entrepreneurs start up capital is own savings due to lack of loan facilities from banks and other financial institutions. Women entrepreneurs are expecting credit facilities for their business activity. Banks are charging high interest rates. The negative attitude of the society towards women entrepreneurs is also a major problem which is pointed out from the study. The Government of Ethiopia has embarked on the Growth and Transformation Plan (GTP) with the aim of meeting the Millennium Development Goals (MDGs) targets by 2015 and elevating Ethiopia to a middle income country by 2025 through industrialization and achieving WTO accession status with the GTP period. Women entrepreneurs felt the present economic policy of the government of Ethiopia encourages private capital and clearly attracts and encourage entrepreneurs for national economic development.

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