

# Determinants of Microenterprises Targeting Youth Group in Addis Ababa, Ethiopia

Markos Kidane<sup>1</sup>, Dugassa Mulugeta<sup>2</sup>, Addis Adera<sup>3,\*</sup>, Yonas Yimmam<sup>3</sup>, Tigabu Molla<sup>4</sup>

<sup>1</sup>Department of Economics, Faculty of Business and Economics, Unity University, Addis Ababa, Ethiopia

<sup>2</sup>Department of Economics, Faculty of Business and Economics, Addis Ababa Science University, Addis Ababa, Ethiopia

<sup>3</sup>Department of Nursing, Faculty of Health Sciences, Woldia University, Woldia, Ethiopia

<sup>4</sup>Department of Economics, Faculty of Business and Economics, Woldia University, Woldia, Ethiopia

## Email address:

markos.kidane@yahoo.com (A. K. Markos), addisaderagebru@gmail.com (G. A. Addis), yonasyimam@gmail.com (A. Y. Yonas), jenetoforum@yahoo.com (M. Tigabu)

## To cite this article:

Markos Kidane, Dugassa Mulugeta, Addis Adera, Yonas Yimmam, Tigabu Molla. Determinants of Microenterprises Targeting Youth Group in Addis Ababa, Ethiopia. *Journal of World Economic Research*. Vol. 4, No. 3, 2015, pp. 71-82. doi: 10.11648/j.jwer.20150403.13

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**Abstract:** Back Ground: The current over all development objective of Ethiopia is achieving end poverty through accelerated and sustained economic growth by giving greater emphasis for the improvement of employment opportunities for youth and women. Objective: The main objective of this study was to determine the targeting youth group in microenterprises and assess the status, challenges and its prospects in the case of Addis Ababa, Ethiopia. Method: A cross sectional survey of 120 micro enterprises which operated by youth groups in Addis Ababa, Ethiopia. The major micro and small enterprise activity identification was based on the available information from MSE packages and selected randomly. The sampling method was involved in ten sub-cities of Addis Ababa. Data analysis was made by using descriptive statistics. Results: From the different supports provided by youth targeting microenterprises, psychological and financial supports are the major supports to female operators. Moreover, majority of microenterprises were undertaking quality control and quality standards and most of these microenterprises, were undertaking controls over production; however, absence of testing facilities, attitude of operators, lack of technical skills, and high cost were the major reasons for not undertaking quality control and quality standards. Conclusion: Hence, majority of such enterprises source of their initial capital were obtained from microfinance institutions, they are playing a great role in terms of poverty reduction, employment and growth of micro enterprises especially for youth targeting micro enterprises and it has to be strengthened.

**Keywords:** Targeting Youth Group, Microenterprises, Addis Ababa

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## 1. Introduction

The definition of micro enterprises is slippery and not universally agreed. However, according to the Ethiopia micro and small enterprises development strategy, which cited in different packages of MSEs, the working definition of MSEs in Ethiopia is based on capital and number of employees (MSE., 2006; ADB., 1997). The terms Microenterprise and micro business have the same meaning, though traditionally when referring to a small business financed by micro-credit the term micro-enterprise is used. Similarly, when referring to a small, usually legal business that is not financed by micro credit, the term micro-business is used (Micro and Small Enterprise., 2011) Micro enterprises are those business enterprises with a paid up

capital of not exceeding birr 20,000 and less than 5 employees excluding high tech consultancy and high tech establishments (MSE., 2010; AdCSI., 2010). Moreover, this study intends to identify micro enterprises target youth group as a group of young people (15-29 years old) who are participating in those business enterprises with a paid up capital of not exceeding birr 20,000 and less than 5 employees excluding high tech consultancy and high tech establishments, and which is the reality of Addis Ababa (Addis Ababa Youth Association., 2011; Tegegne., 2005). "Development, in its essences must represent the whole gamut of changes by which an entire social system tuned to the diverse needs and desires of individual and

social groups within that system tuned to the diverse needs and desires of individual and social groups within that system moves away from a condition of life widely perceived as unsatisfactory toward a situation or condition of life regarded as materially and spiritually better'. It is against this backdrop that we study the human goal of economic development, in terms of a new approach presented by the 1998 Nobel Laureate economist Amartya Sen, perhaps the most influential writer and the leading thinker on the meaning of the term 'economic development'. This approach is known as Sen's "Capabilities" Approach. Economic development cannot be truly meaningful unless there is participation and involvement of people at the grass root level (Raj. Felix *et al.*, 2006; CSA., 2008). Ethiopia is a least developing country with an average GDP per capita income of USD 235 and real GDP growth rate 10.1% between the periods 1997-2003. The population size, which is 80.1 million, is increasing at rate of 2.79% per annum. The total poverty related expenditure from total GDP accounts 12.5%. According to ministry of finance and development, the proportion of people under poverty was 29.2 % and the proportion of people that are under food poverty accounted to 28.2 % (MOFED., 2010; Vasant, 2001). According to CSA employment unemployment survey report, the unemployment rate of Addis Ababa city Administration expected to 26.1 percent (CSA, 2010; Ageba and Amha., 2001; Abebe and Belay., 2005). The unemployment rate of youth group is 31.46% in Addis Ababa. Micro and small enterprises may target different parties of the society. Despite, the overall development objective of the government of Ethiopia is to end poverty through accelerated and sustained economic growth and thus to improve employment opportunity for youth and women. In order to achieve the Ethiopian end poverty objective, the growth and transformation plan conceived women empowerment and youth capacity development as a pillar of strategies (MOFED., 2010; Damodar., 2004; Abdulahi., 2005). Thus, for the sake of better method, there have to be an assessment to the current- status, shortcomings and prospects of micro enterprises. In Addis Ababa the status, shortcomings and prospects of micro-enterprises particularly youth group target- micro enterprises are not well studied. The main objective of this study was to determine the targeting youth group in microenterprises and assess the status, challenges and its prospects in the case of Addis Ababa; Ethiopia. This study has been organized in to four chapters. The first chapter deals with the problem and its approach such as objective of the study, research methodology, scope of the study, significance of the study, definition of used terms, and limitation of the study. The second chapter is concerned with presenting the review of related literature, which is vital for the further look of the subject matter and for the accomplishment of the study. Moreover, this part comprised of both theoretical and empirical related literature reviews. The third chapter treats the data collection, the analysis of the data collected and its interpretation. This part is

undertaking by using both primary and secondary data that were collected by the researcher of this study. The fourth chapter is an end to this study, which consists of summary of findings, conclusion and recommendation. Lastly, necessary documents attached at the end of this study such as references and annexes. An enterprise is group of people with a common goal, having resources (money, manpower, materials, machines, technologies etc.) to achieve that goal (Altekar, 2007; Jaccob., 1989; MOE., 2009; Abdulai., 2014; Khalil., 2013).

#### *Operational Definitions*

The term "micro-enterprise" connotes different entities and sectors depending on the country. Generally speaking, in developing countries comprise the vast majority of the small business sector - a result of the relative lack of formal sector jobs available for the poor. These micro entrepreneurs operate micro enterprises not by choice, but out of necessity, where as in developed countries, micro enterprises comprise the smallest end (by size) of the small business sector.

Micro enterprise development: - refers to the package of services, policies, programs, and institutions intended to develop micro enterprises.

Micro finance: - refers to the package of micro financial services including lending and saving.

Micro finance institutions:-refers to institutions that provide micro finance services. These may include non-governmental institutions, credit cooperatives, credit unions and banks.

Non-financial services:-refers to the collection of programs and services that deliver inputs other than finance. They are sometimes referred to as business development services. Examples are technical skills, training, business training, marketing information and assistance, design and other forms of product development, technology transfer, assistance in the procurement of raw materials, the development of organizations of micro entrepreneurs, and so on.

Social intermediation: - describes training and other support that may be provide to prospective poor borrowers to help them acquire skills and values which they need to initiate micro enterprises. Social intermediation services include training in credit norms and procedures, saving discipline, and assistance in organizing in to groups. Because it is the other coin of credit delivery, it is not generally regarded as a non-financial service.

## **2. Methods and Methodology**

### **2.1. Method of Data Collection**

In order to gather the necessary data and information, the researcher undertakes the following methods:

#### **2.1.1. Interview**

The study undertake interview to the concerned governmental, non-governmental, social, financial organizations in order to gather the necessary data. The

selection of these organization held on the basis of information available in Addis Ababa micro and small enterprise agency in which, participating in terms of micro and small enterprises promotion in different aspects. Interview method undertakes the use of organized interview guide, which attached at the end of this study under the annex part. This method enabled the researcher of this study, to have a further look on the heterogeneous micro-enterprises, and to their overall understanding through implementing it in the study sample focus group. This in turn resulted to obtain sufficient inputs to data analysis.

### **2.1.2. Questionnaires**

This study have undertaken by accompanying structured and unstructured questionnaires, which believed as essential for investigating the necessary information, and in turn enabled this researcher to achieve its general and specific objectives.

### **2.1.3. Direct Observation**

This study undertook direct observation for the sake of further understanding to micro enterprises undertaken by youth groups in Addis Ababa. The available data on micro enterprises specifically to youth group is limited, scattered and not organized. This study collected pieces of information from various sources, in order to analyze the status, shortcomings, and prospects of micro enterprise target youth group in Addis Ababa.

## **2.2. Method of Analysis**

This study used descriptive analysis. The data analysis were made by using descriptive to describe the characteristics of the sample and to make judgments about the characteristics of whole population i.e. Addis Ababa. The analysis was based on the available essential documents, published or unpublished (i.e. on the basis of primary and secondary data). Additionally, the study was used statistical measures, flow diagrams, flow charts, tables, graphs, and pie charts for effective data analysis and presentation purpose. Moreover, Microsoft Excel 2007 and Microsoft Word 2007 were used for effective analysis purpose.

Statistical measures such as measures of arithmetic mean, and count were used as per the need during data analysis and presentation. In addition, other techniques such as frequency and percentile were implemented in it.

## **2.3. The Study Area and Period**

Addis Ababa is the highest city in terms of size, microenterprise concentration, and urban population in Ethiopia. The unemployment rate is expected 31.46% according to CSA Statistical Report on the 2010 Urban Employment Unemployment Survey.

In Addis Ababa, Micro and Small Enterprise Program started before 7 years (2004). This program targeted different parties of the society (Ministry of Industry and Trade, 2005; Ministry of Finance and Economic

Development., 2010). Despite, this study covers micro enterprises targeting youth group in Addis Ababa.

## **2.4. Description of the Study Design**

This study was used both qualitative and quantitative approaches. The quantitative approach used survey method in order to form a database from which to infer relationships of population. This study practiced a survey method by using sampling techniques such as stratified, random and, purposive sampling techniques.

## **2.5. Research Design**

Generally, under economic, social, and business researches: importance is given to historical, case study, and survey research methods. Each of the above methods has their own advantages and disadvantages. However, the researcher has to have a priori knowledge to their advantages and disadvantages of each methods stated before. However, understanding of the research area subject matter is critical in selection of a research method. The researcher of this study tried to understand the various aspects of micro-enterprises through gathering different information to the various aspects of micro enterprises and youth groups specifically in Addis Ababa. Thus, by accompanying the above stated factors and other advantages of the specified method together with the presence of the available information to micro enterprises targeting youth group in the case of Addis Ababa, the researcher of this study intended to select a survey method. However, the selection of this method dictated by taking in to consideration factors such as techniques of investigation. Hence, survey method is the technique of gathering data from population by applying personal contact, and interview when adequate information about a certain problem is not available in records, files and other sources. To this end, the availability of data to micro enterprises targeting youth group in Addis Ababa is very limited. Thus, the limitation of organized data, specifically to the aspects of this study, the researcher of this study intended to use a survey method. Despite, a survey research is an organized attempt to analyze, interpret, and report the present status of social institution group area, thus, the researcher of this study believed it as the better method to undertake this study effectively and to look beyond. The researcher used interview, questionnaire and direct observation techniques for the sake of data collection.

## **2.6. Sampling Method**

Firstly, the sampling method was involved in ten sub-cities of Addis Ababa. The sampling distribution across sub cities of Addis Ababa dictated by, the available financial and time resources.

Secondly, the major micro and small enterprise activity identification was based on the available information from MSE (Micro and Small Enterprises) packages prepared by Addis Ababa MSE Agency and selected randomly. Then,

the sample of 120 micro enterprises were selected and distributed across all sub cities randomly.

### **2.7. Types of Data**

This study used both primary and secondary data, which is vital for the accomplishment of this study as it should be. Secondary data included small- scale industry survey of years (2002-2008) undertaken by Ethiopian Statistics Agency and data on microenterprises gathered by Addis Ababa Micro and Small Enterprises Agency. It also included reports of Addis Ababa youth association and other stakeholders which are involving in small and micro enterprise development. Primary data collection was in terms of both quantitative and qualitative forms. This researcher believes that the inclusion of primary data enabled this study to accompany the necessary information in realities of Addis Ababa, specifically, micro enterprises targeting youth group, which in turn results to look this study, as it should be.

### **2.8. Sampling Procedure and Data Collection**

This study used a survey method in order to gather the primary data from youth group microenterprises in Addis Ababa. In order to gather the necessary data, the researcher also used interview, observation, and both organized and non-organized questionnaires. The interview method were under taken by interviewing workers of Addis Ababa City Administration Micro and Small Enterprises Agency, Addis Ababa Youth Association, CSA, Addis Ababa Credit and Saving institutions, and some micro enterprise operators who belongs to youth category. Additionally, an interview were held by using interview guide which is attached in the annex part of this study see annex number 1. Observation method were done by observing Cobble Stone projects, Micro and small enterprises promotional exhibition in Arada and Gullele sub-cities, and other micro enterprise activities such as urban agriculture, food processing and construction activities specifically undertaking by youths. This study also used questionnaire method, which has been performed in two stages. First, the questionnaires were prepared in English language for the sake of fulfilling academic medium of instruction. Then, the questioners interpreted in to Amharic language for the sake of simplification (easiness) for respondents. Since, the respondents academic background differs, the researcher believed that being the questionnaires interpreted in to Amharic language, respondent of youth micro enterprise operators can respond easily which in turn enables to gather the necessary data and information. The Amharic questioner-form attached at the annex part of this study. Despite, the questioners were prepared by using organized and non- organized questionnaire methods. After the questionnaire interpreted and prepared by Amharic language, distributed to ten selected sub cities randomly.

Then, while the questionnaires were distributed, it was done by finding “Keble” offices in each sub cities and thus through asking information ” Keble” workers to the location of youth target micro enterprises. After the location of youth group micro enterprises identified, the questionnaires were provided to youth micro enterprise operators-owners, then, the questionnaires were collected after they were filled by youth micro enterprise operators (respondents of questionnaires), immediately, the questionnaires were checked for errors and were returned back for respondents to correct errors. After the above-mentioned steps, the questionnaires became ready to data encoding stage. After the results of the questionnaires were collected and became ready for data encoding stage, the collected questionnaires were coded from one to one hundred twenty. This task was made for the easiness of correcting data encoding errors. After that, the coded questionnaires also coded, in a manner to be easy for SPSS data encoding purpose (i.e. each questions and choices). Then, the collected data encoded to SPSS version 13.0. The data encoding activity were made in two steps. First, the coded questions and their respective choices were encoded under variable view category of SPSS version 13.0 software, furthermore, name of variable, data type, label, and values of each question were encoded. Second, the values of each coded question and their respective choice were encoded to the data view category of SPSS version 13.0 software. Next, the encoded data checked for data encoding errors .Afterwards, the encoded data became cleaned and ready for analysis purpose.

#### **2.8.1. Data Quality Control**

Pretest was conducted in 5% of the study population in Addis Ababa selected for study to assess the reliability of data collection instruments. The questionnaire was prepared in English and translated to Amharic for interview. The completeness of the questionnaire was checked during and after collection.

#### **2.8.2. Ethical Considerations**

Formal letter written from Unity University, Faculty of Business and Economics and permission from Addis Ababa Sub cities administrative office were obtained to conduct the study. The study participants were informed about the purpose of the study and informed verbal consent was obtained from each participants before data collection. Finally confidentiality was assured and the data was kept by avoiding personal identifiers. The result of the study was disseminated to Department of Economics, office of Unity University, Faculty of Business and Economics. In addition to this the finding of the study provided and disseminated to local Department of Economics, the nearby Business and Economics institutions and to update information and make use of it for intervention.

### 2.8.3. The Model

#### (i) Youth Groups' Micro Enterprises Model (YGMEsM.)<sup>6</sup>

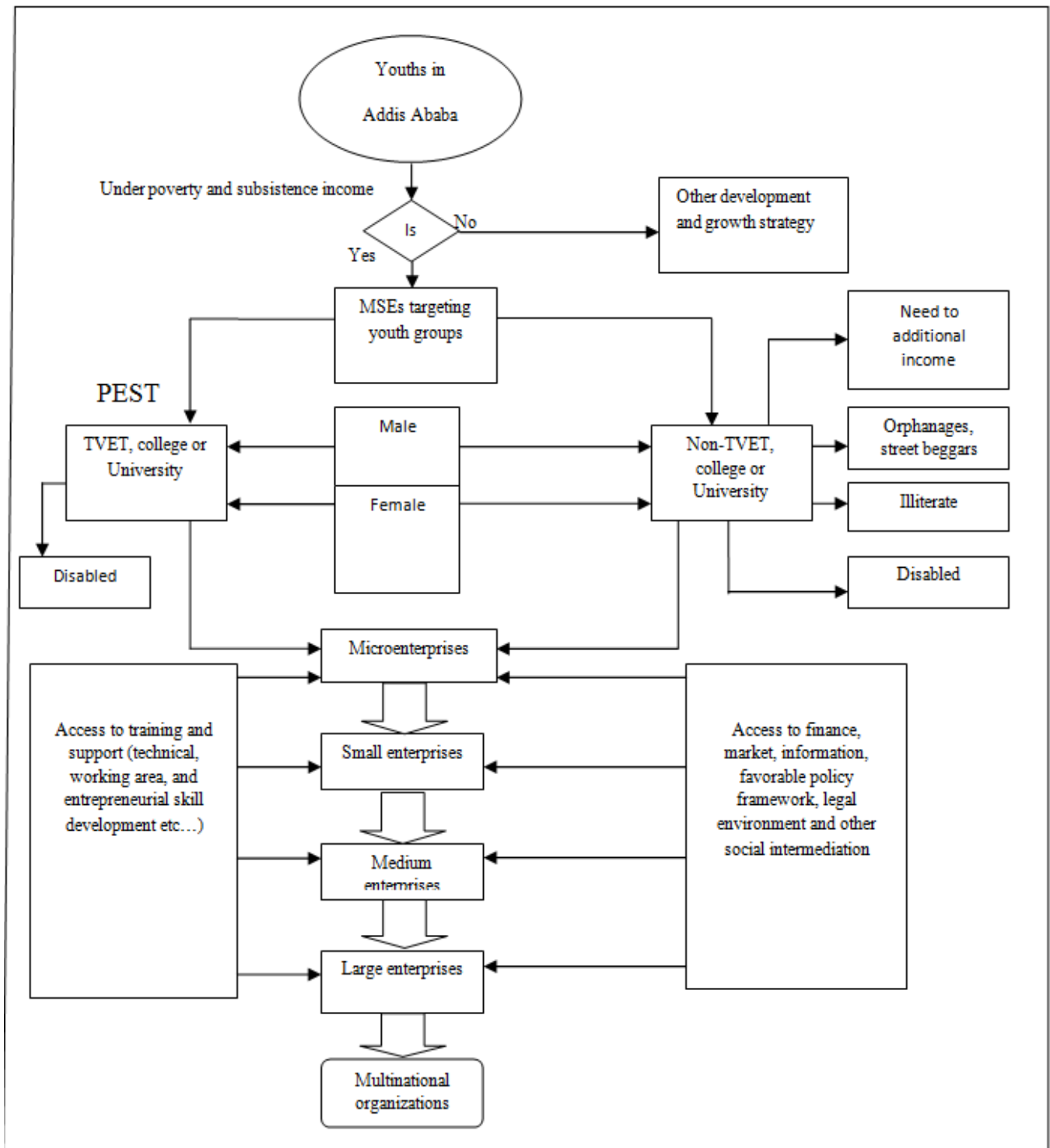
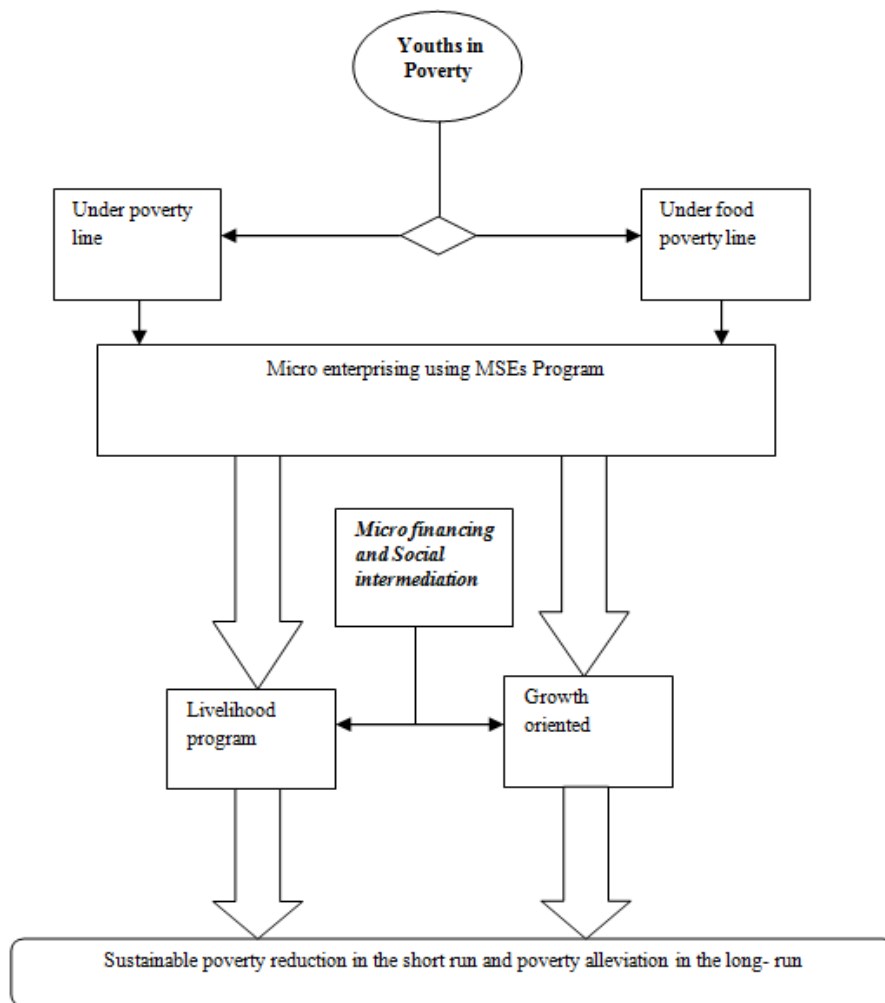


Fig. 1. Youth Groups' Micro Enterprises Model (YGMEsM.).

Key:-PEST: P=Political legal environment, E=Economic, S=Socio-cultural, T=Technological

<sup>6</sup> Adopted from different related empirical and theoretical literature reviews and using data flow diagram tool.

(Hoffer, Jeffery; System Analysis and Design)

(ii) Micro Enterprises Development to Poverty Reduction Model (MEDPRM) <sup>7</sup>

<sup>7</sup> Own model based on the available MSE programs and the financial capacity of youths.

**Fig. 2.** Micro Enterprises Development to Poverty Reduction Model (MEDPRM).

### 3. Results

#### 3.1. Profile of Respondents

The total of 120 participants was selected for this study. From the primary data gathered in the survey sample for analysis purpose 59.2% of them were male and 40.8% of them were female respondents. All of the above respondents were belongs to youth (15 - 29 years old) category. However, 7.5% of them were from 15-19 years old, 28.3 % of them were from 20-24 years old, and 64.2% of them were from 25-29 years old. The total respondents 60.8% of them were not having related educational background to their current job. Since, relatedness of educational background have appositve effect for the growth and development of micro enterprises, they have to have trainings that could be technical, expertise and other essential supports, in order to increase their productivity. However, for those who have related educational background also be given technical, expertise and other related things which in turn enables them to grow

in to small, medium, large and even to multinational enterprises in a faster rate. Moreover, technology related trainings could let these enterprises to cope up with imported products in terms of competition and to satisfy domestic market demand. These in turns to have the following advantage to the national economy:-They can minimize currency out flow through replacement of imported products. In the long- run, these enterprises could grow in terms of their financial capacity and thus by having different strategies they could export their products. As a result, these enterprises can be sources of currency. Due to their relative fast growth, they could be also sources of small enterprises incubations. Since, the growth and expansion of enterprises positively related to the growth of employment opportunities; they could minimize the unemployment rate. Thus, they can facilitate the Ethiopian transformation and growth plan by reducing poverty especially for the active poor's i.e. unemployed youths. Since most of micro enterprises are using indigenous inputs to their out puts, they are also consumers of domestic products. Thus, the supplier's number

or growth increases as per the number of microenterprises expansion, growth and development. To this respect, indirectly, they are also sources (reasons) for the increments of employment opportunity to their suppliers. As micro enterprises profit increases, the income of youth operators also increases, as a result, per capita income also increases and which intern results for owners as well as employees of microenterprises will have better life standard, education, health, shelter, and clean living environment. It also increases their previous saving amount and thus they could reinvest for the growth and expansion of their enterprises depending on each individual micro enterprises growth strategies. Thus, they are also sources of investment. As the revenue specifically, the profit of microenterprises increases, then the amount of tax also increases. Thus, the government revenue could also increases. Whenever the government revenue increases infrastructures to the society performed in a better way than before. Thus, their contribution to development of the Nation could also increases. They also increase the national domestic product whenever as per the number and growth of micro enterprises increases.

### 3.2. The Distributions of Respondents in Respect of Their Educational Background

From the total respondents, 0.8% of them were illiterates, 1.7% of them were capable of read and write only, 14.2% of them were elementary school, 38.3% of them were secondary school, 15% them were TVET, 23.3% of them were college diploma and 6.7% of them were have College Degree academic background. From these total respondents for each respective percentage of academic background, their gender distribution to male and female respondents presented as follows: 0% and 0.83 % accounts to illiterates, 0% and 1.7% accounts to read and write only, 10.8% and 3.3% accounts to elementary school, 20% and 18.3% accounts to secondary school, 10% and 5% accounts to TVET, 11.71% and 11.71% accounts to College diploma, and 6.7% and 0% accounts to College / university degree to male and female respondents respectively. The survey of these result presented graphically in figure 3 below as follows:-

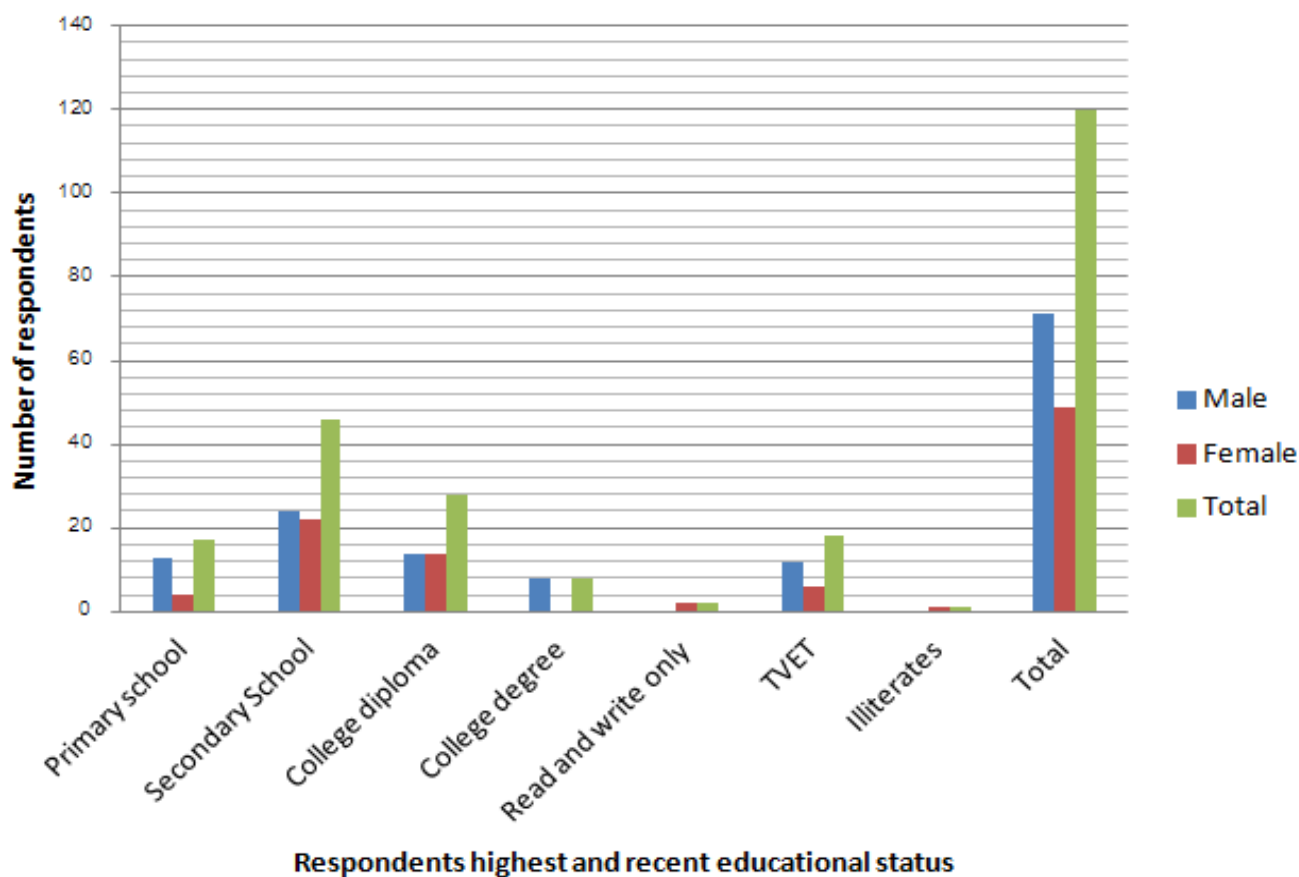


Fig. 3. Profile of youth respondents' in terms of their academic background, and gender distributions.

In terms of the year of experiences in related to their current job, from the total number of respondents that included in the sample survey, the results of this survey study shows that, 26.7% of them have less than one year experience. Moreover, 33.3% of the respondents have from 1 to 3 year of experiences, 14.2% of them have from 4 to 5

years of experience, 15.8% of them have from 5 to 7 year of experiences, and the remaining 10% of them have more than seven year of experiences in related to their current job. The gender distributions of these respondents in terms of related year of experiences for each age category also presented in the following table 2 as follows:-



**Table 1.** Profile of youth respondents in related to their years of experience, gender distributions, and distributions across the sub cities of Addis Ababa City Administration.

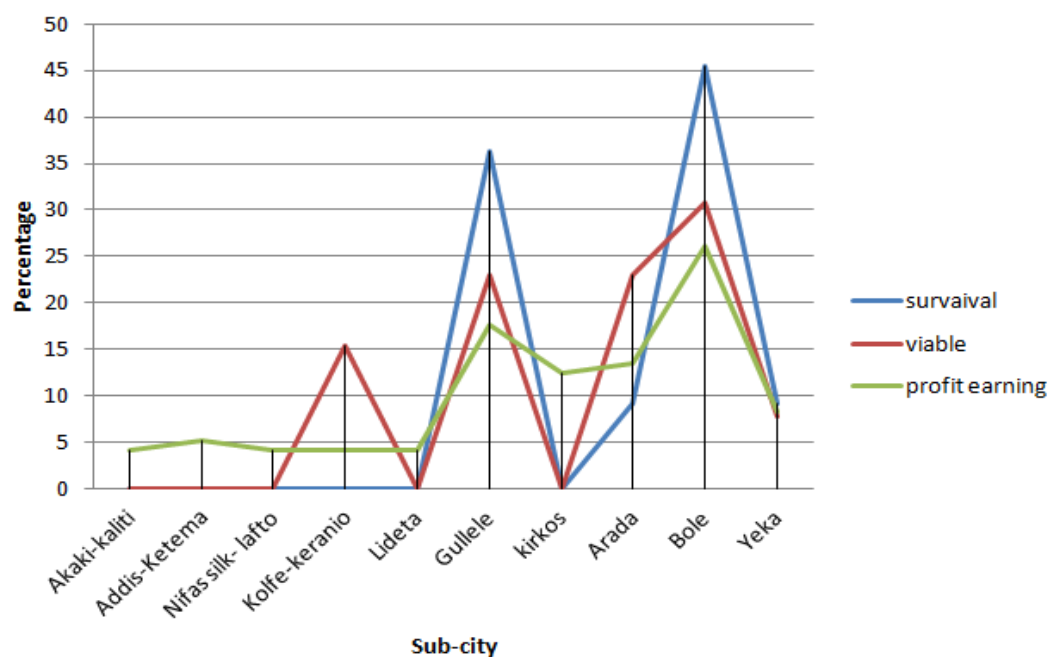
Sub- city	Experiences of youths in current job									
	less than 1 year		From 1-3 years		from 4-5 years		from 5-7 years		Above 7 years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Akaki-Kaliti		1		2					2	
Nifas Silk -Lafto	1	1		2						
Kolfe- Keranio	1		5		1					
Lideta			3				1			
Gullele	2	4	1	5	6	2			1	3
Kirkos		2	1	2		1	5		1	
Arada	2	3	4	1	2	1	1	2		
Bole	2	5	8	1	3	1	8	2	3	
Yeka	2	3		3					2	
Addis Ketema	1	2	2							
Total(120)	11	21	24	16	12	5	15	4	9	3

According to the results of this survey study, the percentage distributions of profit earning microenterprises shows that, from the total number of profit earning types of micro enterprises 4.2% of them belong to Akaki-Kaliti ,8.3% of them belongs to Yeka, 4.2% of them belongs to Nifas silk-Lafto, 4.2% of them belongs to Kolfe-Keranio, 4.1% of them belongs to Lideta, 17.3% of them belongs to Gullele, 12.5% of them belongs to Kirkos, 13.5% of them belongs to Arada, 26% of them belongs to Bole, and 5.2% of them belongs to Addis-Ketema sub cities. Moreover, from the total number of viable micro enterprises, 7.7% of them belong to Yeka, 15.3% of them belong to Kolfe-Keranio, 23.1% of them

belong to Gullele, 23.1% of them belong to Arada, and 30.8% of them belong to Bole sub cities. Similarly, from the total number of survival microenterprises, 9.1% of them belong to Yeka, 36.3% belong to Gullele, 9.1% of them belong to Arada, and 45.5% of them belong to Bole sub cities.

### 3.3. Distributions of Survival, Viable, and Profit Earning Microenterprises Across Sub Cities

The percentage distributions of micro enterprises in each sub cities of Addis Ababa in terms of survival, viable and profit earning presented in figure 4 as follows

**Fig. 4.** Distributions of Survival, Viable, and Profit Earning Microenterprises Across Sub Cities.

As Table 2 described below shows that, from the total number of respondents of youth micro enterprise operators

whose vision were survival, 50% of them were have a strategic plan of diversification, 31.58% them have a



strategic plan of expansion and 18.42% of them were have a organization) for the growth of their enterprises. strategic plan of out sourcing (working with external

**Table 2.** Survival Youth Targeting Microenterprises Strategy for the Growth of Their Enterprises.

Serial no.	Strategy	Frequency	Percent	Valid Percent	Cumulative Percent
1	Expansion	12	31.57895	31.579	31.579
2	Diversification	19	50	50	81.579
3	External source	7	18.42105	18.421	100
	Total	38	100	100	

As table 2 presented above shows that, from the total number of respondents 66.7% of micro enterprises have only permanent youth employees and the remaining 33.3% of micro enterprises have both permanent and part timers youth employees; out of these, 58.54% of them were family members whereas 41.46% were not family members. The results of youth paid/unpaid family members presented in Table 3 below:

**Table 3.** Profile of youth targeting microenterprises in terms of having /not having unpaid family members.

Responses to unpaid family worker	Frequency	Percent
yes	19	16.23932
no	98	83.76068
Total	117	100

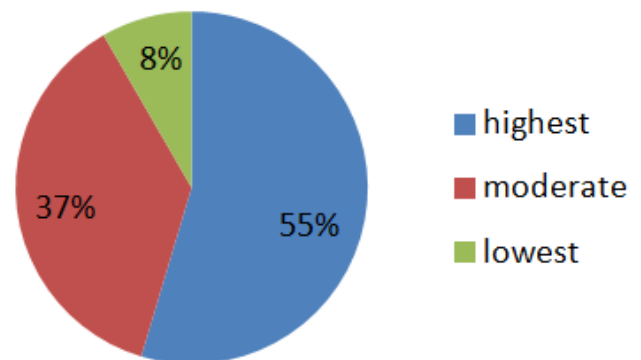


**Fig. 5.** Profile of youth targeting microenterprises in terms of having /not having unpaid family members.

### 3.4. Micro Enterprises in Poverty Reduction

According to the results of this study sample survey, from the total number of respondents which included in the sample 80.8% of them believed that employment in microenterprises can reduce poverty, where as 17.5% of them believed as employment in micro enterprises cannot reduce poverty. However, from the total number of respondents who responded as employment in microenterprises can reduce poverty, 55.14% of them evaluated as high, 36.445% of them as moderate, and 8.41% of them evaluated as low, in terms of poverty reduction for employment in youth targeting microenterprises. On the other hand, microenterprises, which are not undertaking quality control and quality standards, were due to different reasons. These reasons are: Absence of testing facilities, attitude of micro enterprise operators as it is not necessary for their enterprise, lack of technical skills to undertake and high cost. According to this study sample survey, absence of testing facilities accounts to 32.5%,

Attitude of microenterprises operators as it is not necessary for their enterprise accounts to 30%, lack of technical skills to undertake accounts to 22.5%, and high cost account to 15%. This result presented in the following pie chart (fig.6 and 7).



**Fig. 6.** Respondent's perception towards employment in poverty reduction.

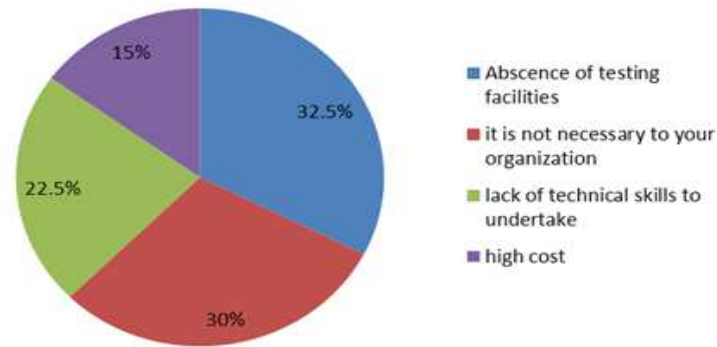


Fig. 7. Reasons of youth group microenterprises for the absences of quality control activities the absences of quality control activities.

### 3.5. Quality Control and Quality Standards in Youth Group Microenterprises

According to the results of this study sample survey, from the total number of respondents 61.7% of from the total number of respondents 61.7% of microenterprises operating by youths were undertaking quality control and quality standards where as 29.2% of them are not undertaking quality control and quality standards. However, from the total number of microenterprises which undertaking quality control and quality standards by youth groups are control

over production, inspection, and statistical quality control methods. The percentage distributions of control over production, inspection, and statistical quality control methods accounts to 54.55%, 16.88% and 20.78 % respectively. The remaining 7.79% of the enterprises are using others, which presented in table 5. Others include control over production and inspection, control over production and statistical quality control, and both methods i.e. control over production, inspection, and statistical quality control methods.

Table 4. Quality control undertakings by youth target microenterprises.

Serial no.	Responses	Frequency	Percent	Valid Percent	Cumulative Percent
1	Control over production	42	54.5	54.5	54.5
2	Inspection	13	16.9	16.9	71.4
3	Statistical quality control	16	20.8	20.8	92.2
4	Others	6	7.8	7.8	100
	Total	77	100	100	

## 4. Discussions

This study was conducted to establish determinants of Targeting Youth Group in Microenterprises in Addis Ababa, Ethiopia. We found that MSE developments has considered as a key to economic development throughout the so-called third world for several decades. Microenterprise development projects can serve for four major objectives: (A) poverty reduction, (B) empowerment of women; (C) employment generation, and; (D) Enterprise development as an end in itself. It believed that, as the major source of social problem to youth group in Addis Ababa is” lowest economic capacity “. According to the results of this survey study, majority of micro enterprises are corporation form of ownership, which accounts to 49.2% from the total number of microenterprises operated by youth groups. In terms of sources of initial capital, majority of youth targeting micro enterprises obtain from microfinance institutions, which accounts to 37.5% out of the total microenterprises included in the sample survey study. Moreover, majority of microenterprises were formed between years 2005 to 2008. Majority of youths were motivated by self-employment and government policy to

start such business activities which accounts to 27.5%, and 20% respectively. In terms of setting vision to their enterprises, majority of youth group microenterprises were set their own vision to their enterprises. Even if majority of youth group microenterprises were set their vision to their enterprises, majority of these enterprises were set their vision during operation rather than before and at start up. Concerning the objectives of microenterprises to their establishment, the result of this survey study shows that majority of youth group microenterprises were belongs to profit earning microenterprises. However, from those microenterprises, which belong to survival microenterprises, majority of them have a strategic plan of diversification for the growth and development of their (young entrepreneurs) enterprises. According to the results of this study survey, 1052 numbers of employees were working in different micro enterprises activities in 120 microenterprises. From the total number of employees, majority of them were male and from which 87.64% of them were belongs to youth groups. Moreover, from the total number of youth employees, majority of them were permanent employees, which accounts to 77.77%. However, out of the total number of part time youth employees working in micro enterprises, majority of

them were family members, which accounts to 58.54 %. In terms of having permanent and part time employee distributions, the results of the survey study shows that majority of youth group microenterprises (66.7%) have only permanent employees. The basis of young entrepreneurs location setting for their microenterprises is due to different factors, however, the results of this study shows that majority of them were set their location because an authorized body provided the current location to their microenterprises. According to this survey study findings, majority of youth group microenterprises are not using consultancy services, which accounts to 68.3% and their major reason were lack of awareness. However, from the total number of microenterprises, which were using consultancy services, majority of them identified as very important for the growth and expansion of their enterprises. Additionally, majority of young entrepreneurs' basis of product selection relies on consumers need and market demand, production, government policy and educational background, idea generation through group discussion, and the location of micro enterprises sequentially.

## 5. Weakness and Strength

### 5.1. Strength

The strength of the article are the survey based study and its interpretation

### 5.2. Weakness

The weaknesses of the article are in its structure and some formality but it has its own important sides.

## 6. Conclusion

The level of Targeting Youth group involvement in Microenterprises in Addis Ababa was very low. The contribution of youths for the achievement of industry-led economic development is critical. This could be done as it is stated in previous chapters, when the educated youths organizing themselves; participating themselves in MSEs; improving their education and technical capacities; entrepreneurial skill development; active participation for technological transfer and trainings; developing and expanding their microenterprises which results in raising per capita income. Moreover, the application of sciences to problems of production to micro enterprise brings for the fast growth of micro enterprises. Despite, the result shows that lack of awareness is the main reason for not using consultancy services. Thus, there should be creating awareness creation, and providing favorable policy framework to the sector. Moreover, low cost and availability of the service in a nearby to this enterprises facilitates the growth of such enterprises. Constraints of the sector such as place (inadequate working area, storage, and sales), and location; shortage of financial resources, and constraints of credit access; misunderstanding, disagreement, and mistrust

among group members, which were identified in this study as the three most serious problems specifically, for youth target microenterprises, have to be solved. This can be achievable through the coordination of the different stakeholders of the sector such as the Addis Ababa City Municipality, Addis Ababa MSE Agency, Addis Ababa Youth Association, Microfinance Institutions, and NGOs. Since, a place cost such as working area, storage, and sales results to higher costs and it in turn affects their profit.

## Author's Contributions

MKA, have made substantial contributions to beginning and design, collection of data, analysis and interpretation of data and in drafting the manuscripts and correcting the comment given by the advisors.

DM has been involved in revising the research paper, and the manuscript critically for important intellectual context. Also, participated in the approval of the final version to be published and participated in its design and coordination. He participated in the approval and funding process, design of the study and in its design and coordination.

AAG had greater contribution in reviewing the manuscript English, topography, and helped to draft the manuscript.

YYA had greater contribution in reviewing the manuscript English, topography, and helped to draft the manuscript.

TM had greater contribution in reviewing the manuscript English, topography, and helped to draft the manuscript.

## Acknowledgements

We are thankful to all our department technical staffs for their excellent technical support. We are grateful to all the participants for their cooperation and all my best friends and my families for financial support during this successful research.

## Funding/Support

This study was supported by only my best friends and families during study. Otherwise I didn't get any fund for this paper.

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