

NAF-IRN

Natural Resources, Agricultural Development and Food Security
INTERNATIONAL RESEARCH NETWORK

NAF

International Working Paper Series

Year 2016

paper n. 16/01

Market Challenges and Opportunities of Micro and Small Scale Enterprises in Dire Dawa, Ethiopia

Yonas Abera

Dire Dawa University

aberayonas2004@gmail.com

The online version of this article can be found at:

<http://economia.unipv.it/naf/>

Scientific Board

Maria Sassi (Editor) - University of Pavia

Johann Kirsten (Co-editor)- University of Pretoria

Gero Carletto - The World Bank

Piero Conforti - Food and Agriculture Organization of the United Nations

Marco Cavalcante - United Nations World Food Programme

Gebrekirostos Gebreselassie - Dire Dawa University

Luc de Haese - Gent University

Stefano Farolfi - Cirad - Joint Research Unit G-Eau University of Pretoria

Ilaria Firmian -IFAD

Ayub N. Gitau - University of Nairobi, Kenya

Mohamed Babekir Elgali – University of Gezira

Belaineh Legesse - Haramaya University

Firmino G. Mucavele - Universidade Eduardo Mondlane

Michele Nardella - International Cocoa Organization

Bekele Tassew - Ambo University

Nick Vink - University of Stellenbosch

Alessandro Zanotta - Delegation of the European Commission to Zambia

Technical Board

Nicola Martinelli - University of Pavia

Alessandra Perneti - University of Pavia

Copyright @ Sassi Maria ed.

Pavia -IT

naf@eco.unipv.it

ISBN 978-88-96189-41-2

Market Challenges and Opportunities of Micro and Small Scale Enterprises in Dire Dawa, Ethiopia

Yonas Abera
Dire Dawa University

ABSTRACT

The progress of the performance of MSEs relies on fulfillment of a number of preconditions; of which availability of favorable market access for products of the sector is the major one. In cognizant of this, the study was undertaken (taking the case in Dire Dawa city) with specific objectives: to analyze the extent of market access of operators engaged in the sector, to identify the major challenges and determinants of market of MSEs, and to figure out the extent of demand for different types of products of the sector across different places of the city. Findings of descriptive analyses of this study came up with a conclusion that majority of the sampled operators of the sector face problem of lack of favorable market access; and the major reasons which are expected to be responsible for the problem were stated in rank based on their extent of seriousness across different types of selected enterprises. In addition, the types of more demandable products across different places of the city were stated based on their rank of demand. A quantitative analysis of this study, involving an ordered probit econometric regression, revealed that ‘types of some businesses’, ‘age of the enterprises’ and ‘variation in concentration of the same types of businesses in a given place’ are the major factors which were found to be significant to influence favorability of market access of the sector. The findings of this study are limited to a sample of only four types of enterprises in the city of Dire Dawa as well as only some variables for which information can easily be accessed were considered (particularly, to analyze the first two specific objectives). Hence, further researches on the issue under consideration are recommended to fill this gap taking all the possible types of enterprises and all the possible variables in to account for the country at large.

ACKNOWLEDGEMENT

First of all, I want to thank the almighty God who owed me his myth to make me stronger to accomplish such a restless task.

Second, I would like to express my deep pleasure to all Dire Dawa University officials (specially, Paulos Asrat and Asmamaw Yesuf) who initiated me to carry out such a practical task which intends to upgrade my personal career in addition to the developmental purpose it is targeted for.

I would like also to express my gratitude filling to my colleague advisor, Abdurezack Hessein, for his constructed comments while I was being dealing with this inquiry.

My great appreciation also goes to all my respectful graduated students and enumerators (Addis Abe, Meron Tilahun, Abduletif Alyan, Kedir Mohammed Adem, Kedir Mohammed Haseno, Eden Kasu, Bethelhem Fantahun, Yasin Husen, and Abinet Wakshum) who had the patience for successful accomplishment of the data collection and data processing with only insignificant and unfitted compensation.

I have also a big thank to manager and staff of Dire Dawa Micro and Small Scale Enterprises Development Agency, Ato Abraham and Ato Daniel, respectively, for their kindhearted cooperation to provide me all the available information pertinent this inquiry.

Finally, I would like to express that accomplishment of this inquiry would have been retarded had I not got my all wonderful colligues of department of Economics and those outside the campus.

ACRONYMS

DED:	Deutscher Entwicklungsdienst
FDRE:	Federal Democratic Republic of Ethiopia
GMP:	Good Manufacturing Practices
GRATIS:	Ghana Regional Appropriate Technology Industrial Service
HACCP:	Hazard Analysis and Critical Control Point
KIE:	Kenya Industrial Estates
LDC:	Least Developed Country
MoTI:	Ministry of Trade and Industry
MSE:	Micro and Small Scale Enterprise
MSME:	Micro, Small and Medium Enterprises
NBSSI:	Cooperation with the Ghanaian National Board for Small Scale Industries
UNIDO:	United Nations Industrial Development Organization
USAID:	United States Agency for International Development

INTRODUCTION

Different economists and scholars state a number of multi-dimensional reasons for the presence of underdevelopment in LDCs. Lack of sufficient capital and investment is expected to be among the major tangible reasons for the underdeveloped economic status of these countries (Todaro, M. P. and Smith S. C., 2003). In consideration of this, a number of policy measures were being taken to increase the rate of capital accumulation and to expand investments across these economies.

However, initially much emphasis was being given to the expansion of investment on large scale economic activities which constitute a very little proportion of the aggregate economic activities of the countries. It is common that, in most LDCs, very large proportion of the people are engaged in small scale economic activities. Hence, all the efforts that were made for decades which neglect the small scale economic activities could not achieve the desired mission of the societies (White S., 1999).

Therefore, different studies started to lay the thought of focusing on small scale economic activities. Consequently; recently, different developing country's governments begin to design economic policies and strategies that can broadly embrace these initially neglected economic activities.

Generally, in most fast developing countries, MSEs by virtue of their size, location, capital investment and their capacity to generate greater employment have proved their powerful propellant effect for rapid economic growth. The sector is also known as an instrument in bringing about economic transition by effectively using the skill and talent of the people without requesting high-level training, much capital and sophisticated technology (FDRE, MoTI, 1997).

In consideration of this, the Government of the Federal Democratic Republic of Ethiopia has recognized and paid due attention to the promotion and development of MSEs for they are important vehicles to address the challenges of unemployment, economic growth and equity in the country. To this effect, the government has formulated a National MSE Development and Promotion Strategy, which enlightens a systematic approach to alleviate the problems and promote the growth of MSEs (Ibid). However, the worthiness and the capability of the

enterprises to realize the desired mission, is conditional on fulfillment of different factors; of which the availability of favorable market condition is the major one.

Theoretically, it is expected that the progress of MSEs relies on their profitability and their ability of capital accumulation. This is, in turn, highly correlated with the availability of sufficient market¹ for their products. The lower the demand for their products, the lower will be the sales and revenue generated by the enterprises. The opposite is likely to hold if the demand for the products is higher with greater access to the market.

Different empirical studies show that small enterprises usually regard market constraints and the inability to sell their products as one of the most serious obstacles to the starting of businesses and growth beyond mere subsistence level.

Access to markets and lack of market information is one of the most critical constraints to the growth of emerging MSEs in Kenya. The policies for addressing this problem do not seem to have achieved much success because access to market and information on competitors continues to be a severe problem for MSEs (Ronge E., Ndirangu L. and Nyangito H., 2002). According to the study of Kayanula D. and Quartey P. (2000), in Malawi, there was a general lack of marketing skills and information by MSEs. Their study shows that processors had little knowledge of their customer preferences regarding product range, taste and packaging.

All these assertions also hold true in the case of Ethiopian MSEs, as revealed from various studies undertaken concerning the MSE sector (FDRE, MoTI, 1997). Accordingly, responsibility for steps to overcome this constraint falls upon many different groups: individual entrepreneurs and groups of small businesses which have to compete with others for the same clients, regional governments, chambers and business associations who should see to it that there are no hindrances to market access of new comers, and big enterprises who should re-orient procurement towards small suppliers and subcontractors (Ibid).

¹ Market demand is one of the sources to increase monetary sale (total revenue) as well as to charge favorable price. Higher revenue coupled with favorable price has a tendency to increase profitability of firms (Varian H., 1992).

Hence, keeping the upper mentioned understanding in mind, the researcher analyzed the existing marketing phenomena empirically thereby an attempt was made to identify the major challenges and determinants of favorability of MSEs' market, taking a case study on operators of the sector in Dire Dawa city. In addition, the researcher undertook a multi-dimensional need assessment of demand for the products to figure out the compatibility between the existing actual situation of the businesses and what ought to be.

Basic research questions of the study include:

- How does the extent of favorability of market access for MSEs in the city of Dire Dawa look like?
- What are the major possible challenges and determinants of demand for products of MSEs in the city?
- What are the more demandable and less demandable products of MSEs in the city?

METHODOLOGY

To undertake this study, both primary and secondary data were taken into account. The secondary data was gathered from different organizations which are concerned with the activities of MSEs, such as both regional and national agencies of MSE, Ministry of Trade and Industry and others. To collect the primary data, questionnaires were systematically designed and distributed to both the MSE operators and the individuals who use the products of MSEs (or consumers of the products) in the city of Dire Dawa.

Note that, the rationale to consider the users of the products of MSEs as a category of respondents is that they are very important to undertake the need assessment and to analyze the demands for the products of the MSEs in different places of the city. Moreover, we have to note that information was also collected through observations and focus group discussions in addition to the use of the questionnaires.

For this study, a sample of associations of some selected major categories of micro and small scale enterprises were considered, purposively. The major categories of associations of MSEs

that were selected for this study include: operators of metal and wood works, operators of building and construction materials, operators of cobble stone paving, and suppliers of cobble stone.

The justification behind to select these categories of associations is the ease to access information and their high concentration in number. Sampling procedures (specifically, probability sampling) require sampling frame. It is only these kinds of associations which are greater in number and under the control of Dire Dawa MSEs Development Agency for which information related to the sampling frame can easily be accessed.

Area² sampling (proportional cluster sampling) method was employed as a primary tool to identify the appropriate and relevant respondents of operators of these sub-sectors. Accordingly, all the areas of the city were categorized into different clusters (9 kebelles) based on the new administrative classification of the city; and respondents for which the questionnaires were distributed identified randomly under each cluster.

The total number of these associations is 320. Initially, the researcher had the intention to select a sample of 180 of these associations. However, due to some inconsistencies in information, the researcher was forced to use only 122 of these associations; of which, 23 are associations of operators of metal and wood work, 36 are associations of operators of construction, 25 are associations of operators of cobble stone paving, and the rest 38 are associations of suppliers of stones to be paved.

We have to remind that the respondents are both the operators of MSEs and the individuals who use the products of MSEs (customers of the products). Hence, data collection was undertaken for each category, separately. The researcher was expected to face difficulty while using random sampling method for identifying respondents under the category of users of the products; hence, he was enforced to use purposive and accidental sampling method to select the specified respondents from each cluster (kebelle). Accordingly, 180 respondents of users (customers) of the products were purposively selected where each kebele constituted 20 respondents of

² It is theoretically viable to use cluster (area) sampling technique if our parameters of interest (elements of the population) are distributed geographically. And, once the sample size is determined, proportional cluster sampling technique is one of the mechanisms to identify our parameters of interest (Kothari C. R, 1994).

customers. However, 168 of the total 180 respondents were considered for the analysis due to lack of sufficient information for the remaining 12 respondents.

Descriptive ways of analysis was used to analyze the extent of favorability and challenges of market access of the sector. In relation to this, the degree of favorability of market access was categorized into high favorability, medium favorability and unfavorable market access based on the responses of respondents. And, to identify the more demandable products of MSEs, a need assessment targeted on the users (consumers) of the products of MSEs was carried out, in all areas of the city.

Both descriptive and quantitative ways of analysis were used to discuss the issues related to the major determinants of demand (market access) of products of MSEs in the city. The major possible determinants of demand for the products were identified, quantitatively, using econometric model. In particular, ordered probit econometric regression was applied taking the possibility of occurrence of the three categories of favorability of market access as a dependent variable, while the major possible variables that are expected to affect favorability of the market access were taken in to account as explanatory variables.

The justification to use an ordered response model (ordered probit regression, in this case) is that there is a logical ordering of the three market access alternatives as an independent variable. The major indicator of market access of the operators (associations) is their qualitative responses over the three possibilities of favorability of market access. As additional tool to overcome problem of subjectivism in responses of the respondents, the associations' average per capita monthly income was considered.

As it was explained above in the sampling design part, some of the associations which were found to respond inconsistent answers compared to their per capita monthly income were removed from the sample. These include those who reported that they have unfavorable and medium market access having higher per capita monthly income. We have to note here that the associations were categorized in terms of their extent of market access through the following steps.

First, the minimum per capita monthly income of those who reported that they have high favorability of market access was taken as a boundary to high favorability of market access. The

justification for this is that there is no any rational business man who claims that he/she has highly favorable market access having lower level of monetary sale.

Second, those who reported that they have no or medium market access having per capita monthly income of equal or greater than the boundary to high favorability of market access were removed from the sample.

Third, the minimum per capita monthly income of those who reported that they have medium favorability of market access was taken as the lowest boundary to medium favorability of market access.

Finally, those who reported that they have unfavorable market access having per capita monthly income of equal or greater than the lowest boundary to medium favorability of market access were removed from the sample.

Accordingly, the minimum per capita monthly income as the boundary for high favorability of market access was found to be 4230.76 birrs whereas the minimum per capita income as the boundary for medium favorability of market access was found to be 1666.67 birrs. In other words, those who have per capita monthly income of greater than 4230 birrs were categorized as those with high favorability of market access; those who have per capita monthly income of greater than 1666 birrs and less than or equal to 4230 birrs were categorized as those with medium favorability of market access; and those who have per capita monthly income of less than or equal to 1666 were categorized as those with unfavorable market access.

Functional specification of the ordered response model

We can express the ordered probit regression model as:

$$y_i^* = x_i' B + e_i; \quad y_i = j \text{ if } \gamma_{j-1} < y_i^* \leq \gamma_j; \quad j = 1, 2, \dots, M$$

For unknown γ_j s with $\gamma_0 = -\infty$, $\gamma_1 = 0$ and $\gamma_M = \infty$, the probability that alternative j is chosen is the probability that the latent variable y_i^* is between two boundaries γ_{j-1} and γ_j . In this particular study, we have three possibilities of y_i or $M = 3$. Hence, the implied probabilities are obtained as:

$$\begin{aligned} P \{y_i = 1/x_i\} &= P \{y_i^* \leq 0/x_i\} = \Phi(-x_i' \beta), \\ P \{y_i = 3/x_i\} &= P \{y_i^* > \gamma\} = 1 - \Phi(\gamma - x_i' \beta) \end{aligned}$$

$$P \{y_i = 2/x_i\} = P \{0 < y_i^* \leq \gamma\} = \Phi(\gamma - x_i'\beta) - \Phi(-x_i'\beta)$$

(Verbeek M., 2004).

Where: y_i^* denotes the latent variable (in this case, favorability of the market access)

γ is an unknown parameter that is estimated jointly with B

x_i represents vector of factors determining the three possibilities (in this case, it represents vector of the aforementioned explanatory variables)

B represents vector of coefficients of the explanatory variables

e_i is vector of error terms

$y_i = 1$ if the market access is unfavorable; or if $y_i^* \leq 0$

$y_i = 2$ if the market access is with medium favorability; or if $0 < y_i^* \leq \gamma$

$y_i = 3$ if the market access is with high favorability; or if $y_i^* > \gamma$

$\Phi(-x_i'\beta)$ = the probability density of unfavorable market access

$\Phi(\gamma - x_i'\beta)$ = the probability density of medium and unfavorable market access

Note that in ordered probit regression model, one of the boundaries is normalized to zero in order to fix the location (M. Verbeek, 2004). Thus, in this case, the highest boundary of unfavorable market access (i.e. per capita monthly income of 1666 birrs) is normalized to zero. Hence,

- If $0 < \text{per capita monthly income} \leq 1666$, $y_i^* \leq 0$
- If $1666 < \text{per capita monthly income} \leq 4230$, $0 < y_i^* \leq \gamma$
- If $\text{per capita monthly income} > 4230$, $y_i^* > \gamma$.

Keeping all these necessary procedures into account, the ordered probit regression was computed with the assumption of normalization on the scale of y_i^* (i.e. e_i is NID (0, 1)). And, once the expected determinants are stated in the regression, their significances to influence the favorability of the market access were tested using different statistical tools such as Z-statistic and ch2, at 10%, 5% and 1% levels of significance.

RESULTS AND DISCUSSIONS

Market Access and Challenges of MSEs in Dire Dawa

The Extent of Favorability of Market Access for MSEs

The extent of favorability of the market access of MSEs was assessed based on a qualitative data generated from the responses of the sampled operators of the sector. These sampled operators were made to weigh the extent of the favorability of market access having three possibilities (high favorability, medium favorability and unfavorable). This is indicated in table 1.

Table 1: The extent of favorability of market access for sample MSEs in Dire Dawa

Operators (associations) with high favorability of market access		Operators (associations) with medium favorability of market access		Operators (associations) with unfavorable market access		Total Number	Cumulative percentage
Number	Percentage	Number	Percentage	Number	Percentage		
14	12%	60	49%	48	39%	122	100%

Source: Own survey, 2011

As indicated in table 1, operators with medium favorability of market access constitute the largest percentage (49%) of the total sampled operators followed by operators with unfavorable market access with a percentage of 39%. The assessment shows that only 12% of the sampled operators claimed that they are with high favorability of market access.

If we consider that operators with medium favorability of market access have some reservations on the favorability of the market access, 108 or 88% of the total sampled respondents (the sum of the number of operators with medium and unfavorable market access) are facing problem of market access. This may reveal the significance of the presence of problem of market access for MSEs in the city of Dire Dawa. Even, without consideration of operators with medium favorability of market access, 39% of the sampled operators claiming the non favorability of the market access, by themselves, can be good evidence for the presence of problem of unfavorable market access in the city.

If we assign scales³ for favorability of the market access giving a scale of 1, 0.5 and 0 for high favorable market, medium favorable market and unfavorable market access, respectively, the extent of favorability of the market access will be only 36.5% (i.e., 12% (1) + 49% (0.5) + 39% (0)). Hence, the implication is that the extent of the existence of unfavorable market is very significant.

Severity of Lack of Marketing Access across the Businesses and Major Marketing Challenges of these Businesses

Table 2 shows that operators engaged in coble stone shaping sub-sector, 60.53% of the total operators are claimed to have unfavorable market access and 36.84% were reported to face medium favorability of market access; in cobble stone paving sub-sector, 36% of the selected operators reported that they are with unfavorable market access whereas 48% were claimed to face medium favorability of market access; in construction sub-sector, 11% and 75% of the selected operators were reported to face unfavorable and medium favorable market access, respectively; and in wood and metal sub-sector, 52.2% and 30.4% of the selected operators were found to be with unfavorable and medium favorable market access, respectively.

Table 2: Extent of market access across the selected types of businesses

Type of the business	With high favorability of market access		With medium favorability of market access		With unfavorable market access		Total	
	Percentage	Number	Percentage	Number	Percentage	Number	%	No.
Coble stone shaping	2.63%	1	36.84%	14	60.53%	23	100%	38
Coble stone paving	16%	4	48%	12	36%	9	100%	25
Construction	14%	5	75%	27	11%	4	100%	36
Metal and wood work	17.4%	4	30.4%	7	52.2%	12	100%	23

Source: Own survey, 2011

³ The approach of scaling severity of the market problem was derived from the fact that we have three options of market favorability (high, medium and unfavorable market access). Accordingly, it is logical if we assign 100% of market favorability for high favorable market access, 50% of market favorability for medium favorable market access and 0% of market favorability for unfavorable market access.

If we assign scales for the extent of severity of problem of market access (in such a way that 0 is assigned for high favorable market access, 0.5 is assigned for medium favorable market access and 1 is assigned for unfavorable market access), the extent of severity of problem of market access across the selected types of businesses can be computed as shown below.

For cobble stone shaping: Level of severity = $36.84 \times 0.5 + 60.53 = 78.95$

For cobble stone paving: Level of severity = $48 \times 0.5 + 36 = 60$

For construction: Level of severity = $75 \times 0.5 + 11 = 48.5$

For metal and wood work: Level of severity = $30.4 \times 0.5 + 52.2 = 67.4$

This may reveal that the business of cobble stone shaping is the one that mostly faces problem of lack of market access. The rest of the selected businesses are ranked in terms of their severity of marketing problem in descending order as: metal and wood work, coble stone paving and construction.

As of the responses of the operators, eleven major reasons and challenges which are responsible for the unfavorable market access of each sector were stated. These include:

- Problem of farness from a well known market
- Problem of lack of recognition
- Problem of non attractiveness of the market
- Problem of lack of communication
- Problem of absence of advertisement
- Problem of lack of market place
- Difficulty in payment system and supply of products
- Problem of non attractiveness of prices
- Problem of insufficient private customers, and
- Absence of linkage with other producers

Given these stated problems, the extent of their seriousness was investigated in terms of the number of operators, under each type of business, claiming them to be serious. This was carried out having three major possibilities of seriousness⁴.

4 S1 = the problem is serious S2 = the problem exists but it is not serious S3 = the problem doesn't exist at all

Table 3: Marketing challenges and their extent of seriousness

Type of marketing challenges	Types of the businesses and seriousness of the marketing challenges in terms of number of operators											
	Coble stone shaping			Coble stone paving			Construction			Metal and wood work		
	S1	S2	S3	S1	S2	S3	S1	S2	S3	S1	S2	S3
Problem of fairness from a well known market	0	0	38	0	0	25	4	10	22	9	4	5
Problem of lower status of recognition	1	12	25	4	1	20	3	4	29	0	8	15
Problem of lack of attractiveness of the market	0	0	38	0	0	25	2	15	19	9	8	6
Problem of lack of communication	0	15	23	0	3	22	0	9	27	4	4	15
Problem of absence of advertisement	15	12	11	9	5	11	13	14	9	12	6	5
Problem of lack of market place	0	0	38	0	0	25	1	0	35	1	0	22
Difficulty in payment system and supplying product	8	0	30	7	0	18	0	0	36	0	0	23
Non attractiveness of selling price	6	0	32	0	0	25	3	0	33	0	0	23
Problem of absence of private customers	13	0	25	14	0	11	10	0	26	0	0	23
Absence of linkage with other producers	0	0	38	0	0	25	4	0	32	2	0	21

Source: Own survey, 2011

A) Major marketing challenges of the coble stone shaping sub-sector

Table 3 shows that the major challenges facing the stone shaping type of business include problem of absence of advertisement, problem of absence of private customers, difficulty in payment system and supply of products, non attractiveness of selling price, problem of lower status of recognition and problem of lack of communication. Of these challenges, problem of absence of advertisement was claimed to be the most serious problem on which 15 of the 38 sampled operators of the sub-sector (39.5%) reported that it is a serious problem.

The second major problem is absence of private customers with proportion of 34.2% (13 of the 38 sampled operators indicated it to be a serious problem). According to the explanation of the sampled operators of the sub-sector, this challenge arises for the fact that their product is almost all in all supplied to the government (Dire Dawa City Administration) only. There is little or no tendency to provide their products to private customers in addition to the existing demand. Hence, it is claimed that there is great possibility of their being idle without production by the time the City Administration has little or no construction of coble stone roads. In other words production and supply of operators of coble stone shaping is limited to the demand of the Dire Dawa City Administration.

B) Major marketing challenges of cobble stone paving sub-sector

Some of sampled operators under the cobble stone paving sub-sector stated that absence of private customers, absence of advertisement, difficulty in payment system & to supply their products, lower status of recognition, and lack of communication, respectively, are the major marketing challenges facing the sub-sector, in descending order of their seriousness.

Table 3 shows that problem of absence of private customers was taken to be the most serious marketing challenge of this sub-sector on which 14 of the 25 sampled operators (56%) claimed it to be a serious problem. The second major marketing challenge of the sub-sector is problem of absence of advertisement followed by difficulty in payment system & supply of their products and problem of lower status of recognition with proportion of seriousness of 36%, 28% and 16%, respectively. Problem of lack of communication is among the major challenges but was not claimed to be serious.

As it was explained in the preceding session, problem of absence of private customers arises for the fact that the operators serve almost entirely the public through the order of the government (Dire Dawa City Administration). By the time the city administration has little or no plan of cobble stone road construction, they are likely be unemployed, since there is little or no private demand of cobble stone paving.

C) Major marketing challenges of the sub-sector of construction

The major marketing challenges of the construction sub-sector include problem of fairness from a well known market, problem of lower status of recognition, problem of lack of attractiveness of the market, problem of lack of communication, problem of absence of advertisement, problem of lack of market place, non attractiveness of selling price of the products, problem of absence of private customers, absence of linkage with other operators to which the products may be supplied.

Of these challenges, problem of absence of advertisement was reported to be the most serious for which 13 of the 36 sampled operators of this sub-sector (36%) claimed that it is a serious problem. The second severe marketing challenge of this sub-sector is problem of absence of

private customers for which 10 of the 36 sampled operators of the sub-sector (28%) indicated that it is a serious problem.

D) Major marketing challenges of wood and metal work sub-sector

Major marketing challenges of wood and metal work sub-sector are stated in descending order of their extent of seriousness as: problem of absence of advertisement, problem of lack of attractiveness of the market, problem of farness from a well known market, problem of lack of communication, absence of linkage with other producers to which their products may be supplied as inputs, problem of market place, with proportion of extent of seriousness of 52%, 39%, 39%, 17%, 9% and 4%, respectively. Note that problem of lower status of recognition is among the major marketing challenges of this sub-sector, but it is claimed to be not serious.

Econometric Analysis of Determinants of Market Access of MSEs

The result of the ordered probit regression model is represented in table 4. The result shows that all the variables are jointly significant to influence the probability of favorability of the market access, at 5% and even at 1% level of significance, as revealed by the value of Wald chi2 which is 70.72. It is also indicated that $\text{Prob}>\chi^2 = 0.0000$ which is lower than 0.01 that assures the joint significance of the variables to influence the probability of favorability of the market access, at 1% level of significance.

Individually, only types the businesses (typebusi1 & typebusi3), age of the businesses (agebusin) and concentration of the same type of businesses in a given place (numoperators) were found to be significant to affect the probability of the favorability of the market access, at 10%, 5% and 1% levels of significance, respectively. The individual significance of the stated variables is tested using their respective values of $P>/Z/$. The table shows that the values of $P>/Z/$ for typebusi1 (or the cobble stone shaping subsector), typebusi3 (or the construction subsector), age of the business and concentration of operators are 0.039 (which is lower than 0.05), 0.068 (which is lower than 0.1), 0.013 (which is lower than 0.05) and 0.000 (which is lower than 0.010), respectively.

This implies that, of these four variables, concentration of the same types of businesses in a given place is relatively the most significant to affect the probability of favorability of the market access (which is significant even at 1% level of significance). Engagement in cobble stone shaping type of business and age of the businesses are the other major variables which are significant to affect the favorability of the market access, at 5% level of significance. The table also shows that engagement in construction type of business is a variable which was found to affect the probability of favorability of the market access, at 10% level of significance.

As shown in table 4, the value of coefficient of typebusi1 is -0.8204079 which is negative implying that as individuals are engaged in the business of cobble stone shaping type of business, they face the probability getting unfavorable market access, at 5% level of significance, ceteris paribus. On the other hand, if they are engaged in business of construction subsector, they probably enjoy favorable market access, at 10% level of significance, ceteris paribus; since the coefficient of typebusi3 is 0.8082147 which is positive.

Table 4: Result of the ordered probit regression⁵

Explanatory variables	Coefficients	Robust Standard error	P>/Z/
gework	0.0009455	0.0274638	0.973
educyr	0.0536873	0.0450842	0.234
typebusi1**	-0.8204079	0.3983841	0.039
typebusi3*	0.8082147	0.443652	0.068
typebusi4	-0.7141771	0.4367574	0.102
agebusin**	0.1908124	0.0770204	0.013
currentca	-1.42e-06	1.39e-06	0.305
statrecog1	0.833063	0.7944624	0.294
statrecog3	0.3637942	0.6632454	0.583
statrecog4	0.0943678	0.7692073	0.902
accesscre1	-0.2857686	0.3008687	0.342
numoperators***	-0.0393675	0.0072065	0.000
Number of obs = 122			
Wald chi2 (12) = 70.72			
Prob > chi = 0.0000			
Pseudo R2 = 0.2949			

5 *** significant at 1%,

** significant at 5%

* significant at 10%

The table also shows that coefficient of age of the business (agebusin) is 0.1908124 which is positive implying that as the age of the businesses get older, the probability of having favorable market access increases, other things remaining the same, at 5% level of significance. It is also indicated that the value of coefficient of number or concentration of the same types of businesses in a given place (numoperators) is -0.0393675 which is negative implying that the probability of having favorable market reduces as the number or concentration of the same type of businesses in a given place increases, ceteris paribus, at 1% level of significance.

The table shows that all the rest variables have $P > |Z|$ value of greater than 0.1 implying that they are not significant enough to alter the probability of favorability of the market access, at the specified levels of significance; even these variables are not significant at 10% level of significance (making the level of significance less tight). Hence, it may not be relevant to have detail explanation of their relationships with the market access; rather let us have brief explanation for the aforementioned two variables which were claimed to alter the market access significantly.

Table 5 represents concentration of the four types of sampled businesses in different places of the city of Dire Dawa. As it was explained in the methodology part, the total number of associations of the four types of businesses under the recognition of the Dire Dawa MSEs Agency is 320; of which 105, 32, 128 and 55 are operators engaged in coble stone shaping, coble stone paving, construction, and wood and metal works, respectively.

Table 5: Concentration of operators (associations) of the four selected types of businesses in each kebele

No.	Types of the business	No. of each type of business under each kebele									Total	Variation in concentration
		k01	k02	k03	k04	k05	k06	k07	k08	k09		
1	Coble stone shaping	6	4	12	9	44	4	4	15	7	105	161.75
2	Coble stone paving	-	5	7	9	11	-	-	-	-	32	20.278
3	Construction	4	61	16	12	9	9	3	3	11	128	327.194
4	Wood and metal works	1	34	3	8	2	4	-	2	1	55	114.861
		Total									320	

Source: Compiled from documents of DDMSEDA, 2011

Table 5 shows that, of the 105 operators which are engaged in coble stone shaping business, 44 (45%) are located in kebele 05 whereas the remaining 55% are located in the rest 8 kebelles with very insignificant proportion. With regard to the business of coble stone paving, all the 32 operators are located in only 4 kebelles (k02, k03, k04 and k05) with closely similar proportion.

In the case of the business of construction, 61 (48%) of the 128 operators are located in kebele 02 whereas the remaining 52% are located in the rest 8 kebelles with relatively very lower proportion. Finally, out of the 55 operators of wood and metal works, 34 (62%) are located in kebele 02 whereas the remaining 38% are located in 7 of the other kebelles excluding k07 with relatively very insignificant proportion.

If we recall the result of the severity of the problem of market access across the sampled types of businesses, as it was explained in the preceding session, the four types of the businesses are ranked in terms of the severity of the problem in descending order as: cobble stone shaping, metal and wood works, cobble stone paving, and construction. Taking this and the variation in concentration of the businesses in different kebelles (as shown in table 5), one may claim somehow that the possibility of positive association between severity of the problem of lack of market access and concentration of the same types of businesses in a given place.

Disregarding the sub-sector of construction, there seems positive association between severity of the problem and variation in concentration of the businesses, as shown in table 5. The table shows that the sub-sector of cobble stone shaping is with largest value of variation in concentration (next to construction, i.e. 161.75) which is also ranked first in terms of severity of the market problem, the sub-sector of metal and wood works is with the second large value of variation in concentration (i.e. 114.861) which is also ranked second in terms of severity of the market problem, and the sub-sector of cobble stone paving is with the third value of variation in concentration (i.e. 20.278) which is also ranked third in terms of severity of the market problem.

Unlike these three types of businesses, the sub-sector of construction is with largest value of variation of concentration (327.194) but with least rank of severity of market problem. The justification for this is likely that the sub-sector of construction is a business which currently has relatively larger demand for its products. It is currently observed that the construction sector is registering large level of increment in annual output all over Ethiopia. Hence, it is justifiable to treat this case as a special case.

Demand for Products of MSEs across Different Places of the City of Dire Dawa

The major possible types of businesses (products) of MSEs existing in the city of Dire Dawa include:

- | | | |
|-----------------------------|---------------------------------|--------------------------|
| a) Textile and Garment | i) Leather and leather products | p) Food & beverage |
| b) Chemical products | j) Wood including furniture | q) Metal products |
| c) Cultural products | k) Agricultural products | r) Building materials |
| d) Precious stones | l) Cobble stones | s) Café and restaurants |
| e) Store service | m) Service of tourism | t) Service of lamination |
| f) Hair cut/beautification | n) Service of repair | u) Internet café |
| g) Products of animal | o) Service of garmenting | v) Fruits |
| h) Cultural mining products | | |

(DDMSEDA, 2010)

Analysis of the need assessment was made through tabular presentations to show:

- The extent of demand for each type of product across different places of the city in terms of number of selected customers using the product, and
- Non-accessibility of demandable products in different places of the city

Demand for Each Type of Product across Different Places of the City

The extent of demand for each type of product across different places of the city was measured using the number of selected customers using the product. Table 6 shows the number of selected customers using each type of product frequently in different kebelles of the city. It is indicated that all (100%) of the selected customers use agricultural products and service of hair cut & beautification in all the specified kebelles. This implies these two types of products (businesses engaged in these types of products) take the leading position in terms of the availability of demand. These are followed by products of food & beverage, fruits, café & restaurant, and products of animal, for which there are 134, 117, 102 and 93 (78%, 70%, 61% and 55%) users from the selected customers, respectively.

The rest of the products are with relatively insignificant demand for which there are only less than 50% users from the selected customers. These are ranked in terms of users of the products (from the selected customers) in descending order as: wood including furniture (with 43% of

users), textile and garment (with 40% of users), chemical products (with 30% of users), service of repair (with 30% of users), cultural products (with 27% of users), metal products (with 24% of users), internet café (with 23% of users), building materials (with 19% of users), leather and leather products (with 18% of users), service of garmenting (with 17% of users), cobble stone (with 4% of users), store service (with 2% of users), precious stones (with 1% of users), cultural mining products (with 1% of users), service of tourism (with 0.5% of users) and service of lamination (with 0.5% of users).

Table 6: Types of products consumed and number of selected customers using the products in each kebele

No.	Types of the products consumed	Number of customers using the products in each kebele									Total
		K01	K02	K03	K04	K05	K06	K07	K08	K09	
1	Textile and Garment	12	14	9	3	2	4	9	7	7	67
2	Chemical products	0	4	2	10	15	13	3	2	1	50
3	Cultural products	1	5	2	7	1	3	13	11	2	45
4	Precious stones	0	0	0	0	0	0	2	0	0	2
5	Store service	0	0	0	1	2	1	0	0	0	4
6	Hair cut/beautification	15	19	18	19	20	20	20	19	18	168
7	Products of animal	13	12	14	11	8	6	8	12	9	93
8	Cultural mining products	0	0	0	0	0	0	0	2	0	2
9	Leather and leather products	1	6	1	1	0	2	7	7	5	30
10	Wood including furniture	4	14	14	2	6	3	11	8	10	72
11	Agricultural products	15	19	18	19	20	20	20	19	18	168
12	Cobble stones	0	0	1	0	2	1	1	1	0	6
13	Service of tourism	0	0	0	0	0	0	0	1	0	1
14	Service of repair	5	10	9	2	7	2	7	5	3	50
15	Service of garmenting	10	9	7	0	0	0	1	0	1	28
16	Food and beverage	7	13	14	15	18	20	15	17	15	134
17	Metal products	0	4	3	2	11	5	7	4	5	41
18	Building materials	2	2	5	5	0	3	6	4	5	32
19	Café and restaurants	7	15	7	15	10	9	14	14	11	102
20	Service of lamination	0	0	1	0	0	0	0	0	0	1
21	Internet café	1	6	7	5	0	2	6	5	6	38
22	Fruits	14	17	17	14	8	6	18	11	12	117
No. of selected customers from each kebele		15	19	18	19	20	20	20	19	18	168

Source: Own survey, 2011

Rank of demand for some products vary across different places of the city for reasons such as differences in culture and religion of the people. Table 6 shows that products of agriculture and service of hair cut & beautification are remaining leading in availability of demand in all

kebelles of the city. But for the rest of the products, the rank of demand varies across the kebelles.

Non-Accessibility of Demandable Products in Different Places of the City

Table 7 shows the types of demandable products and their extent of non-accessibility in different kebelles of the city. These products were ranked based on their extent of non-accessibility. The extent of their non-accessibility was measured using the number of selected customers (who claimed so) as a unit of analysis.

As shown in the last column of table 7, service of internet café was found to be the leading demandable product with little accessibility, for which 47 (28%) of the 168 selected customers reported that it is a service they need but cannot get easily, in the city as a whole. This is followed by textile and garmenting, wood and furniture, and café and restaurants for which 46 (27%) of the selected customers so.

Rank of non-accessibility of the rest demandable products is stated in descending order as: agricultural products, products of animal, leather and leather products, cultural products, metal products, products of fruit, food and beverage, building materials, hair cut and beautification, service of repair, service of tourism, service of garmenting, chemical products, precious stones, store service, service of lamination and cultural mining products; for which 22%, 21%, 20%, 18%, 17%, 14%, 13%, 11%, 10%, 10%, 7%, 5%, 3%, 2%, 2%, 2% and 1% of the selected customers from the city as a whole reported so, respectively. Note that none of the selected private customers mentioned cobble stone as a non-accessible demandable product. This is likely due to the fact that it is not familiar for private customers to use cobble stone for their private purpose.

Some of the reasons for non-accessibility of the aforementioned products, according to the responses of the selected customers, include: facing higher prices of the products and lower supply of the products. Even, the existing supply of these products is expected to be with uneven concentration across the different kebelles of the city as revealed by the variation in non-accessibility of the products in different kebelles. Table 7 also clearly reflects that the extent of non-accessibility of the aforementioned demandable products vary across different kebelles of the city.

Table 7: Types of demandable products and the extent of their non-accessibility in different kebelles of the city

No.	Types of the products for which demand is higher but cannot be accessed easily	Number of selected customers who mentioned the products for which their demand is higher but cannot be accessed easily in different kebelles of the city									Total
		K01	K02	K03	K04	K05	K06	K07	K08	K09	
1	Textile and Garment	12	6	5	1	9	3	3	3	4	46
2	Chemical products	1	1	1	0	0	0	1	1	0	5
3	Cultural products	1	6	1	6	1	2	4	4	5	30
4	Precious stones	0	0	0	0	0	0	3	1	0	4
5	Store service	0	0	2	1	0	1	0	0	0	4
6	Hair cut/beautification	1	2	6	3	1	1	1	0	2	17
7	Products of animal	3	5	5	5	2	1	1	6	7	35
8	Cultural mining products	0	0	0	0	0	0	0	1	0	1
9	Leather and leather products	1	4	1	4	7	2	4	6	4	33
10	Wood including furniture	4	4	0	4	3	3	9	8	11	46
11	Agricultural products	7	7	10	4	3	1	2	1	2	37
12	Cobble stones	0	0	0	0	0	0	0	0	0	0
13	Service of tourism	0	0	0	1	4	2	1	1	2	11
14	Service of repair	0	3	2	4	4	1	0	1	2	17
15	Service of garmenting	0	4	2	0	0	0	1	1	0	8
16	Food and beverage	3	1	1	0	1	2	3	7	4	22
17	Metal products	0	3	0	3	3	4	5	4	6	28
18	Building materials	0	0	0	4	4	2	4	1	3	18
19	Café and restaurants	2	2	2	3	11	10	4	9	3	46
20	Service of lamination	0	0	0	1	0	1	1	0	0	3
21	Internet café	0	4	2	9	12	9	3	3	5	47
22	Fruit	1	5	4	0	1	1	2	6	4	24
Number of selected customers from each kebele		15	19	18	19	20	20	20	19	18	168

Source: Own survey, 2011

CONCLUSIONS

Result of the analysis, shows that about 39% of the selected businesses face unfavorable market access; 49% of the selected businesses face medium favorability of market access; and only 12% of the businesses enjoy high favorability of market access. This is likely to reveal that majority of the businesses have reservation on the extent of their market access. This implies that problem of marketing is one of the major challenges that need to be considered.

Of the four types of selected businesses, the business of cobble stone shaping is the one which mostly faces problem of lack of market access. The rest of the selected businesses are ranked in terms of severity of the problem in descending order as: wood and metal works, cobble stone paving and construction.

Much attempt was made to find out the major challenging factors for lack of market access.

In the sub-sector of cobble stone shaping, five of the stated problems were found to be serious. These problems are ranked in terms of their extent of seriousness in descending order as: problem of absence of advertisement, problem of absence of private customers, difficulty in payment system and supplying products, non-attractiveness of selling price and problem of lower status of recognition.

For the sub-sector of cobble stone paving, four of the stated problems were found to be serious. These problems are ranked in terms of their seriousness in descending order as: problem of absence of private customers, problem of absence of advertisement, difficulty in payment system and supplying products, and problem of lower status of recognition.

For the sub-sector of construction, eight of the stated problems were found to be serious. The problems are ranked in terms of their extent of serious in descending order as: problem of absence of advertisement, problem of absence of private customers, problem of fairness from a well known market, absence of linkage with other producers, problem of lower status of recognition, non attractiveness of selling price, problem of lack of attractiveness of the market, and problem of lack of market place.

Finally, for the sub-sector of metal and wood works, six of the stated problems were found to be serious. These problems are ranked in terms of their extent of seriousness in descending order as:

problem of absence of advertisement, problem of fairness from a well known market, problem of lack of attractiveness of the market, problem of lack of communication, absence of linkage with other producers, and problem of lack of market place.

Of all the stated problems, problem of absence of advertisement was found to be the major serious marketing challenge which was reported to be more serious for all of the selected businesses. The other major marketing challenge which was reported to be more serious by the first three types businesses is problem of absence of private customers. It is explained that this problem arises for the fact that the products of the first three types of businesses are mostly and primarily supplied to government body. This is likely to make the operators of these sub-sectors to lose customers in case there are no tendencies from the government to demand their products.

The ordered probit regression was computed taking favorability of the market access as a dependent variable and those factors which are expected to influence the favorability of the market access as explanatory variables. The result shows that engagement in the business of cobble stone shaping has the tendency to result in the possibility of facing unfavorable market access whereas the construction sub-sector creates favorable market access, *ceteris paribus*. The result also indicates that with a rise in the age of the businesses, the probability of having favorable market access increases, other things remaining constant. On the other hand, the result indicates that the probability of having favorable market access reduces with a rise in the concentration of the same type of businesses in a given place, *ceteris paribus*.

Result of analysis of the need assessment shows that products of hair cut & beautification and agricultural products take the leading position, in all places of the city, in terms of demand, which are used by all the selected customers. Rest of the products are ranked in terms of their demand in descending order as: food & beverage, fruit, café & restaurant, products of animal, wood including furniture, textile & garment, chemical products, service of repair, cultural products, metal products, internet café, building materials, leather & leather products, service of garmenting, cobble stone, store service, precious stones, cultural mining products, service of tourism, and service lamination.

The result also shows that there are differences in rank of the rest of the products in terms of the availability of demand across different places of the city. This may arise from the differences in culture and religion of the people living in different kebelles of the city.

Under this specific session, analysis was carried out to figure out types of demandable products which cannot be easily accessed in different kebelles of the city. These products are ranked in terms of their non-accessibility in descending order (all over the city) as: internet café, textile & garmenting, wood and furniture, café & restaurants, agricultural products, products of animal, leather and leather products, cultural products, metal products, products of fruit, food and beverage, building materials, hair cut & beautification, service of repair, service of tourism, service of garmenting, chemical products, precious stones, store service, service of lamination, and cultural mining products. However, the result also indicates that there are differences in non-accessibility of the products in different kebelles of the city.

RECOMMENDATION

The possible ideas of recommendation follow the findings of the study. The findings of this study show that majority of the four selected associations are facing problem of lack of market access. Hence, problem of marketing should be considered as one of the major constraints of the sector which needs much attention.

The major challenges which are expected to be responsible for the existence of the problem of lack of market access were stated with their rank of seriousness, in general. These challenges, thus, have to be treated in priority of their rank of seriousness. The challenges were also ranked with their extent of seriousness across the four selected types of businesses so that priority of treatment of the challenges is also required across these four types of businesses.

Of the stated major marketing challenges of the sector, problem of absence of advertisement and problem of absence of private customers for products of the sectors are the more special ones. Problem of absence of advertisement arises because the enterprises face lack of capital; hence, Dire Dawa MSE Development Agency is expected to exert its effort to create a system how products of these enterprises are advertised. With regard to problem of absence of private

customers to some products such as cobble stone and construction materials, it is important to create a connection between the producers and private customers.

The study also reveals that problem of lack of market access arises from variation in concentration of the same types of businesses across different places (kebelles) of the city of Dire Dawa. This possibly arises for the fact that producers mostly decide to establish a business only for it is convenient to establish, without undertaking a need assessment as well as disregarding the existing concentration of the same type of businesses in the place where they operate. Hence, much attention should be given to application of need assessments in consideration of the concentration of the existing types of businesses before the decision of establishing a business.

Finally, analysis of the need assessment has come up with findings of the types of products which are frequently used (consumed) by the customers with their rank in terms of the number of their customers (or demand). Hence, the quantity of the supply of each type of product should be prioritized according to their rank of demand. The priority should also be in consideration of the products' rank across different places (kebelles) of the city. Moreover, the study also indicated that there are demandable products with unease of accessibility across different kebelles of the city. Therefore, attention should be given to these types of products with the place where they are not easily accessible.

REFERENCES

Amyx C. (2005): "Small Business Challenges – The Perception Problem: Size Doesn't Matter"; Washington Business Journal.

Arthur P. (2003): "The Implications of State Policy for Micro Enterprise Development"; Critical Perspectives on Politics and Socio-Economic Development in Ghana.

Aryeetey E. and Ahene A. (2004): "Changing Regulatory Environment for Small-Medium Size Enterprises and Their Performance in Ghana"; Institute of Statistical, Social and Economic Research; University of Ghana, Legon.

Bowen M., Morara M. and Mureiti S. (2009): "Management of Business Challenges among Small and Micro Enterprises in Nairobi-Kenya"; KCA Journal of Business Management: Vol. 2, Issue 1, Nairobi, Kenya.

Clancy J. & Skutsch M. (2005): “Concepts in Gender and Energy”; Module 1 Version 2 Revised June 2005 Energia <http://energia-africa.org/TrainingModules> Viewed on March; Sited in E. Michalowski (2008): “Challenges and Constraints of Micro, Small and Medium Enterprises: A Case Study of GRATIS Foundation’s Clients in the Food-Processing and Metal Sectors”; Master Thesis; GRATIS Foundation, Providing Technological Support to Industry; Ghana.

Dire Dawa Micro and Small Scale Development Agency (DDMSEDA) (2010): “Micro and Small Scale Enterprises Development Strategy”; Dec 25, 2010.

Deutscher Entwicklungsdienst (DED) (2000): “A Handbook on Enterprise Development”; in Cooperation with the Ghanaian National Board for Small Scale Industries (NBSSI).

Federal Democratic Republic of Ethiopia/ Ministry of Trade and Industry (FDRE/MoTI) (1997): “Micro and Small Enterprises Development Strategy”; November 1997; Addis Ababa, Ethiopia.

Federal Democratic Republic of Ethiopia (FDRE) (2011): “Micro and Small Scale Enterprises Development Strategy: Supporting and Implementation Methods”; January, 2011, Addis Ababa.

Hawkins D., Best R., Coney K. and Mookerjee A. (2007): “Consumer Behavior: Building Marketing Strategy”; 9th Edition; Tata McGraw-Hill Publishing Company Limited, New Delhi.

Hunt D. (1983): “The Limited Scope for Poverty Reduction through Non-Farm Employment”; Employment, Peripheral Activities and Development; Manchester Papers on Development, Issue No. 7, May.

Kayanula D. and Quartey P. (2000): “The Policy Environment for Promoting Small and Medium-Sized Enterprises in Ghana and Malawi”; Working Paper No. 15, IDPM, University of Manchester, May 2000.

King K. & McGrath S. (1998): “Rethinking Small Enterprise Development: Between Poverty and Growth”; Paper Presented at the Conference on Enterprise in Africa: Between Poverty and Growth; Centre for African Studies, University of Edinburgh, 29 – 27 May.

King K. & McGrath S. (2002): “Globalization, Enterprise and Knowledge: Educational Training and Development”; International Review of Education, Vol. 50(1).

Kothari, C.R. (1994): “Research Methodology: Methods and Techniques”; 2nd ed., Wishwa Prakashan, New Delhi.

Liedholm C. & Mead D. C. (1998): “The Dynamics of Micro and Small Enterprises in Developing Countries”; World Development Vol. 26 No. 1.

Longenecker J. G., Petty C. W., Moore J. W. and Palich L. E. (2006): “Small Business Management: An Entrepreneurial Emphasis; London: Thomson South Western.

McMillian J. and Woodruff C. (2002): “The Central Role of Entrepreneurs in Transaction Economies”; The Journal of Economic Perspectives, Vol. 16, No. 3.

Mhazo N., Hanyani-Mlambo B., Proctor S. and Nazare R. M. (2003): “Constraints to Small-Scale Production and Marketing of Processed Food Products in Zimbabwe: The Case of Fruits and Vegetables”; Internet Forum of Food Africa, discussion paper, (31 March – 11 April, 2003), University of Zimbabwe, Harare, 2003.

Michalowski E. (2008): “Challenges and Constraints of Micro, Small and Medium Enterprises: A Case Study of GRATIS Foundation’s Clients in the Food-Processing and Metal Sectors”; Master Thesis; GRATIS Foundation, Providing Technological Support to Industry; Ghana.

Morar V. (2006): “Entrepreneurship in the African Context”; Nuffic Project – Discussion Paper.

Murphy J. (2007): “The Challenge of Upgrading in African Industries: Socio-Spatial Factors and the Urban Environment in Mwanza, Tanzania”; World Development, Vol. 35, No. 10.

Romijn H. (2001): “Technology Support for Small-Scale Industry in Developing Countries: A Review of Concepts and Project Practices”; Oxford Development Studies, Vol. 29, No. 1.

Ronge E., Ndirangu L. and Nyangito H. (2002): “Review of Government Policies for the Promotion of Micro and Small Scale Enterprises”; Productive Sector Division, Kenya Institute for Public Policy, Research Analysis; KIPPRA Discussion Paper No. 20; November 2002.

Sievers M. and Vandenberg P. (2007): “Synergies through Linkages: Who Benefits from Linking Micro-Finance and Business Development Services?”; World Development, Vol. 35, No. 8.

Sivakamasundari S. (1995): “Entrepreneurship Development for Rural Women”; New Delhi; Publication for Asian and Pacific Center for Transfer of Technology.

Tarmidi T. (2005): “The Importance of MSEs in Economic Development of Developing APEC Countries”; Paper Presented at the APEC Study Center Consortium Conference 2005; Jeju, Korea, 22-25 May 2005.

Todaro, M.P. and S.C. Smith (2003): “Economic Development”; 8th edition; Pearson: Addison Wesley.

United Nations Industrial Development Organization (UNIDO) (2002): “Rural Enterprise Development Support Project – Entrepreneurial Skills for Group Based SMEs – Trainers Manual”; Accra.

United States Agency for International Development (USAID) (2005): “Integrating Micro and Small Scale Enterprises into Productive Markets”; A Discussion Paper, micro report No. 29, March 2005.

White S. (1999): “Creating an Enabling Environment for Micro and Small Enterprise Development in Thailand”: Micro and Small Enterprise Development and Poverty Alleviation in Thailand, Project ILO/UNDP, Working Paper 3; Thailand, 1992.

Varian H. (1992): “Microeconomic Analysis”; Third Edition, W.W. Norton and Company, Inc., 500 Fifth Avenue, New York.

Verbeek M. (2004): “A Guide to Modern Econometrics”; 2nd Edition; Erasmus University Rotterdam; John Wiley & Sons Ltd.; The Artium, Southern Gate, Chichester, West Sussex PO19 8SQ, England.