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Entrepreneurs in Emerging Towns: Prospects and Challenges: Case of Oromia Regional State South West Shoa Zone, Ethiopia

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Abstract:

Entrepreneurship and entrepreneur are interdependent and interrelated to each other. The existence of one depends and determined by the other. This interdependence brings the economic development of the nations particularly societies live in emerging towns. In emerging town there are different opportunities like grace period (six months to three years) to pay tax, free land (working place), credit facility, and training. On the other hand, access to capital, marketing information, management and technical skill, infrastructure and premises were the major challenges that hinder entrepreneurs from innovating and creating new ideas, products and markets. These were identified through the data obtained from primary (using questionnaires and interview) and secondary sources. Therefore, the study stabilizes the prospects/ opportunities and fills the gap based on the findings of the research. And also, the study will have considerable benefits primarily for emerging towns that were under the survey of the study as well as office whose primary task is setting policies in order to deal with the prospects and challenges in emerging towns.

Keywords: Entrepreneurship, entrepreneur, emerging town

1. Introduction

An entrepreneur is a person who has possession of a new enterprise, ventures or ideas, and assumes significant accountability for the inherent risks and the outcome (Sullivan et al 2002). Meredith, Nelson and Neck (1991) view entrepreneurs as people who have the ability to see and evaluate business opportunities; gather the necessary resources in order to take advantage of them. Saidu (2010) cited Kirzner (1973) who described the entrepreneur not primarily as someone who initiates change but who facilitates adjustment to change by spotting opportunities for profitable arbitrage. It is possible to realize that as each of the views support one another.

In developing countries, the motivation for entrepreneurship is often for survival and not for a business opportunity. According to the Global Entrepreneurship Monitor (2006), it is argued that "early-stage entrepreneurial activity is generally higher in those countries with lower levels of growth domestic product (GDP)" due to the fact that many are pushed into entrepreneurship because all other options for work are either absent or unsatisfactory (necessity entrepreneurs) (Zoltan, 2007). Ethiopia is one of a developing country. This leads to share what all developing countries face, mainly poverty and high rates of unemployment – which is the major challenges.

As cited in the Manual for the Preparation and Implementation of Basic Plans of Small Towns of Ethiopia (2008) in the Small-town development program has been indicated as one of the major activities in one of the five pillars of the urban development agenda of Plan for Accelerated and Sustained Development to End Poverty (PASDEP). Small towns are the tributary of big towns. They minimize the number of immigrants flow to those big towns and cities. Due to this as the ability and capacity permit enhancing and facilitating the growth of emerging town is unquestionable. To achieve these, the roles of entrepreneurs are unlimited.

1.1. Problem Statement and Objectives

Entrepreneurship has been considered as a tool to employment creation and foundation to long-term development objectives. Even though some countries believed to be successful in fully utilizing the potentials in entrepreneurship to achieve better economic development, the voyage of entrepreneurship in Ethiopia has not been an easy ride and task. Still it is backward in exploiting these huge potentials to meet the development objectives (Abiyu, 2011).

Entrepreneurship creates job opportunity for unemployment which is one of the biggest problems and challenging issues in Ethiopia. There are different regions located in different geographical areas. Entrepreneurs have their own contributions to overall of the country in poverty alleviation and eradication especially, in emerging towns. Entrepreneurship plays an important role in the development and improvement of the regions where they are established. Again, regions are the set of cities and towns with different economic status and infrastructures that encourage entrepreneurship or discourage entrepreneurship that contribute to inspiration of entrepreneurs. Entrepreneurship is the driving forces of economic growth. Nowadays there are some entrepreneurs emerging in Ethiopia. Even their number is

increasing from time to time; year to year the consideration given to them was insignificant compared with their importance. In addition, the prospects and challenges of entrepreneurs in emerging towns were not properly identified and addressed through other research in emerging towns. This was one of the main reasons the researcher is initiated to assess the current status, contribution, stage and pace of development of entrepreneurs.

The study assesses the prospects and challenges of entrepreneurs in emerging towns. There are a lot written about entrepreneur's contribution to unemployment reductions; improve the standard of living and fair distribution of resources and on the contrary, the attention paid for entrepreneurs in emerging town seem different. The study identified those gaps and gave primary attention to the condition that facilitates, accelerates and impedes the growth of entrepreneurs. Through assessment and identification of prospects and challenges, it was assumed to fill the gap in enhancing and stabilizing opportunities to be exploited and identifies that tackles entrepreneurs in emerging towns. The researchers' literature search showed that there are opportunities and factors that hinder the growth and survival of entrepreneurs in emerging towns. Therefore, this study identified the prospects and challenges like marketing information, management and technical assistance, access to finance, infrastructure and premises of entrepreneurs in emerging town.

The significance of entrepreneur is unlimited in a nation's economic development. To bring the nation's economic development through entrepreneurs, the researcher gave directions how to overcome the constraining factors of entrepreneur development and critical issues in managing and avoiding the massive failure of entrepreneurs in emerging towns in addressing the following objectives:

- To identify prospects of entrepreneurs in emerging towns.
- To assess the existing policy and programs in promoting entrepreneurs in emerging towns.
- To identify the challenges of entrepreneurs in emerging towns.

2. Review of Related Literature

2.1. Definitions

2.1.1. Entrepreneurship

Several studies debate the definition of entrepreneurship (Howorth, Tempest, & Coupland, 2005). Entrepreneurship is all-pervasive as it occurs in every firm, enterprise, and sector (Collins, Smith & Hannon, 2005). Entrepreneurship enhances talented individuals to realize the rewards and enable them to live better than others. The drive to entrepreneurship is innate to human beings, as they compete in life for profit, similar to what they do in business (Montanye, 2006). At the micro level, while entrepreneurship benefits individuals or teams, at the macro level it creates and catalyzes employment and economic growth (World Bank, 2009). However, as Louw, Eeden, Bosch, and Venter (2003) argue, to find a single appropriate and ubiquitous definition of entrepreneurship is a challenging problem for academic researchers and students of entrepreneurship.

2.1.2. Entrepreneur

The International Labor Organization (ILO) (1984) cited in Islam and Aktaruzzaman (2001) defines an entrepreneur as a person with a set of characteristics that typically includes self-confidence, passion, result oriented, risk taking, leadership, originality and future-focused. This definition gives priority to internal locus of control that motivates and initiates an individual to be an entrepreneur.

2.1.3. Emerging Town

Emerging town – is a small town with a specific number of population, limited infrastructure, and few institutions (government and non-government) i.e.

- Lower order urban center with population of fifty thousand and below
- Economic centers– marketing, administrative, long distance trading service

Centers for domestic trade

- Few small manufacturing
- Light manufacturing or processing
- Markets for agricultural produce with comparative advantages
- Higher order service institutions
- Local trade centers
- Collection centers for high value crops
- Hinterland supply centers

- Marketing centers for foreign goods— electronics, garments (Ministry of Works and Urban Development, 2008) in its structure plan manual (draft).

According to Oromia Industry and Urban Management Bureau (2009) emerging towns are classified as 1st level, 2nd level "A" and "B", 3rd level "A", "B", "C", and "D", 4th level "A", "B" and "C". These categories are primary focus on the number of population and income of the towns with consecutive three years in addition to other criteria like number and type of government and non-government institutions, social service centers and infrastructures. Each category is its own criteria to be called as level.

2.2. Empirical Issues

2.2.1. Prospects

2.2.1.1. Innovation

Developing innovation and entrepreneurship holds great potential for local economies, from helping to diversify the economic base to create businesses that stay local, grow and create jobs (Collins-Williams, Maureen, 2009). Entrepreneurship injects vitality and a competitive spirit into our economic landscape that is not easily available from large business. Entrepreneurs act as a catalytic agent of an economy.

2.2.1.2. Motivation

Gainer (2011) in his study argues that the skills of the entrepreneur are many and varied. It may inherit or acquired. The ability to identify opportunities is one thing, but the motivation to initiate and to follow through on a project is quite different. Some people don't see opportunities at all (they haven't learned how, perhaps), others see but don't act, and others see and act (Gainer, 2011). According to this there are three points to be considered. First, there are individuals who cannot identify opportunities. Second, there are individuals who identify opportunity but cannot act, and thirdly, there are individuals who identify and act an opportunity. The third one is the entrepreneurs—individuals who are not shaken by failures but rather are fast to learn from them and take appropriate action.

2.2.1.3. Economic Development

According to Beck (2005) the small industries have been growing during the last three decades on account of their significant role in attaining the major objectives as under: removal of economic backwardness, attainment of self-reliance, reduction of regional imbalance, reduction in disparities in income, wealth and consumption standards facilitate mobilization of resources, capital and skills and their optimum utilization, create greater employment opportunities and raise levels of output, income and standard of living; and meet substantial part of the economy's requirement of consumer goods and simple producer goods.

2.1.3.4. Job Opportunity

Entrepreneurship creates job opportunity for a society that guarantees the survival of a member of the society. A successful entrepreneurial development program will result in the creation of jobs that tend to have higher salaries, develop greater skills, and be more readily adopted by local residents (Korsching and Allen 2004).

2.2.2. Challenges

2.2.2.1. Access to Capital Related Constraints

Finance has been identified in studies by Ogboru (2005), Onugu (2005), Hussaini (2009) as primary factors determining the growth and survival of entrepreneurial ventures both in developing and developed countries. There is no secret and hidden agenda that entrepreneurs play a crucial role in igniting economic growth in both developing and developed countries. The following are those assumed to be the challenges regarding access to capital: lack of providing a convincing business plan to get a loan, lack of sufficient working capital, lack of financial record keeping & difficulty of getting a loan.

2.2.2.2. Access to Marketing Information Related Constraints

Entrepreneurial marketing has been most often associated with marketing activities in firms that are small and resource constrained, and, therefore, must depend on creative marketing tactics that make heavy use of social networks (Morris, Schindehutte and LaForge, 2002). The following are the major concentration of marketing information challenges in this research: lack of setting a competitive price for products, lack of mentor, lack of identifying target markets and lack of external linkage/network with other businesses

2.2.2.3. Managerial and Technical Training Related Constraints

Training and education is very important as due emphasis given by Ladzani and Van Vuuren (2002) to the effect that very little training and educational programs are assessed, thus highlighting a need for research to be undertaken to assess the content and impact of training programs. Lack of well-rounded experience in basic business activities, lack of multi- skill training to perform multiple tasks, lack of technical competence, lack of management ability in creating an external relationship is the points considered as the challenges in management and technical skill.

2.2.2.4. Infrastructure Related Constraints

According to Ministry of Works and Urban Development plan (2008) to invest in urban infrastructure and other services through inter-agency coordination, to legally authorize and institutionally strengthen local bodies in order to build a clean, safe and prosperous urban environment, and to progressively guide rural settlements towards urbanization by expanding rural-urban interrelationships under the overall notion that urban development promotes rural development. This gives emphasis to the importance of infrastructure in connecting urban to rural – the center of product production. The following issues are assumed as the most influential challenges including absence of infrastructure & poor infrastructure

2.2.2.5. Premises Related Constraints

Facilitating work premises enables both the newly upcoming enterprises and the existing one those want to change to preferable location, and in the same token those which attained higher capital and showed growth need such facility for expansion purpose (Abiyu, 2011). It clearly shows that working place is one component needed for a successful and sustainable growth of enterprises because it is essential in creating easy access to resources and markets. These include non - response for expansion, shortage of working space, lack of loading and unloading space, shortage of expansion space, poor business location.

3. Research Design and Methodology

To achieve the aforementioned objectives, the study had employed descriptive design in which both quantitative and qualitative data were used to produce richer and more complete information to meet the intended goal. Survey study was used to conduct the research. It was difficult to collect data from all population because they are geographically scattered. Purposive sampling of non-probability sampling method was used to select emerging towns as per their classification. This means they were already categorized in different levels. This led to choose towns under similar conditions in infrastructure, distance from the zone capital city and main road, the availability of government and non-government institutions.

3.1. Data Types and Sources

Both quantitative and qualitative types of data were gathered in order to achieve the objectives. Quantitative data types were used to quantify the response of respondents using simple and Likert scales. Qualitative data types were used to get more detailed and intensive information from respondents. Primary and secondary sources were used as a source of data to conduct the research. The primary sources are taken from sampled entrepreneurs in emerging towns. For the sake of simplicity, it was categorized into four major classes: hotel services, retail shops, metal and wood work constructions, and others (beauty shops, photocopy services, photography services, drug shops, tea and coffee services). The data were taken from Trade and Industry Offices of Woreda (Elu, Dawo, Ameya, and Goro). And, also MSE offices (Coordinators') of emerging towns were the primary sources. Secondary sources were circulars and published materials like rules, regulations, manuals, documents, proclamations, articles and related documents from government offices, and journals.

3.2. Sampling Method and Data Collection Tools

Stratified (hotel services, retail shops, metal and wood work constructions, and others) random sampling methods were used to select the business and simple random sampling technique (lottery method) were used for selecting entrepreneurs from emerging towns. This method was preferred to give equal chance for all samples. The sizes of samples were on the basis of Gallup and other survey groups were able to obtain accurate information about the national population by using the samples Newport et al. (1997) as cited in Janet, M. Ruane (2005: 109). These samples were selected from each stratum using relatively proportionate allocation in relation to the percentage of total population. According to this 117 samples were selected from a total population of 232. Questionnaires and interviews were the best and foremost instruments to collect data in order to address this research. Simple rating, five stages Likert scale (it ranges from strongly agree to strongly disagree) and close-ended were used to gather data from respondents through questionnaires that contains issues related to prospects and challenges faced by entrepreneurs in emerging towns.

The interview was used to get intensive information from government officials of MSEs on issues concerning support required by entrepreneurs, policies, programs, challenges and aid provided by the office in order to enhance those entrepreneurs. The questionnaires were translated from English to Afan Oromo as the respondents understand Afan Oromo better than English. The translation was made in consultation with Afan Oromo department of Ambo University.

4. Result and Discussion

4.1. Amount of Business Capital

Amount Of Capital (Birr)	Initial Capital		Current Capital	
	Frequency	Percentage	Frequency	Percentage
Up to 10,000	76	70.37	5	4.63
10,001-20,000	8	7.41	13	12.04
20,001-30,000	8	7.41	7	6.48
30,001-40,000	4	3.70	23	21.30
40,001-50,000	0	0.00	9	8.33
>50,000	12	11.11	51	47.22
Total	108	100.00	108	100.00

Table 1: Initial and Current Amount of Capital

Source: Own Survey Result, 2013

Table 1 showed that 76 (70.37%) of the respondents initial capital is up to 10,000 Birr, 8 (7.41%) in between 10,001 and 20,000 Birr, 8 (7.41%) from 20,001 - 30,000 Birr, 4 (3.70%) from 30,001 - 40,000 Birr, 0 respondents from 40,001 - 50,000 Birr, and 12 (11.11%) greater than 50,000 Birr. The table clearly showed that the majority of the

entrepreneurs in emerging towns (Asgori, Busa, Gindo, and Goro) start the business with initial capital up to 10,000 Birr. This appears due to the fact that most of the entrepreneurs are involved in retail shops which require a small amount of capital.

Table 1 implied that 5 (4.63%) of the respondents current capital is up to 10,000 Birr, 13 (12.04%) of respondents current capital 10,001 – 20,000 Birr, 7 (6.48%) of respondents current capital 20,001 – 30,000 Birr, 23 (21.30%) of the respondents current capital 30,001 – 40,000 Birr, 9 (8.33%) of the respondents current capital 40,001 – 50,000 Birr and 51 (47.22%) respondents current capital greater than 50,000 Birr. As the table depicted the majority of respondent's income is exceeding 50,000 Birr. Fluctuation in capital shows increase or decrease in capital but the data in the Table 1 clearly showed that the income of entrepreneurs in selected are increasing that initiates them to stay in the business.

The increase in capital motivates the entrepreneurs to stay in the market and provide better products/ services. And, also attracts other entrepreneurs to the market. The interview conducted among MSE experts also supports the data in the table. The entrepreneur's income was increased and their life style also improved. The increase in capital readily promotes entrepreneurs in emerging towns through expansion.

4.1.1. Current Policy

Policy must be clear, however, that the formulation of favorable policies and issuance of regulations enhance and inspire entrepreneurs. It makes the environment of business more conducive and appropriate. Therefore, it requires a great horizon of considerations. The avoidance of adverse regulatory and bureaucratic tackles, the easy access to resources including land and credit, the availability of information to business opportunities, the easy mobility of entrepreneurs across the whole region and country, stability and business confidence are some of the important issues to be considered in the development of entrepreneurship.

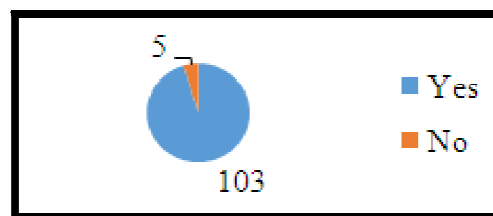


Figure 1: Current Policy
Source: Own Survey Result, 2013

According to the data in the Figure 1 out of the total respondents, 103 (95.37%) of the respondents respond yes (current policy support entrepreneurs) and 5 (4.63%) of the respondents respond no (current policy not support entrepreneurs). From this one can possibly understand that the majority of entrepreneurs in emerging towns believe that the current policy support entrepreneurs to start the business and stay in the market. The interview conducted among MSE experts supplement the data in the Figure 1. The current policy supports entrepreneurs to be better and creative in their business.

4.1.2. Type of Privilege

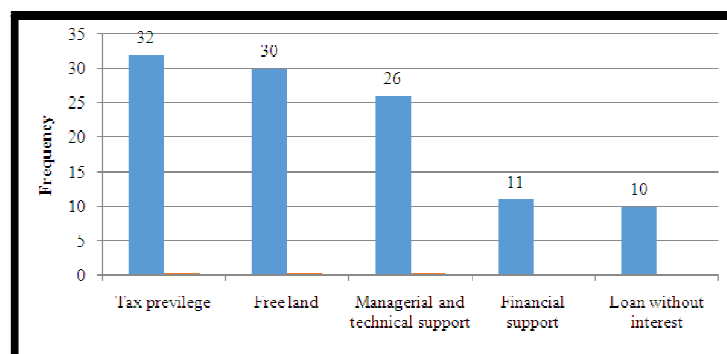


Figure 2: Types of Privilege
Source: Own Survey Result, 2013

The data in the Figure 2 depicted that 32 (29.36%) of the respondents are tax privilege, 30 (27.52%) free land, 26 (23.85%) managerial and technical support, 11 (10.09%) financial support, and 10 (9.17%) loan without interest. There are different support provided by government as clearly identified in the figure but the largest number of entrepreneurs in emerging towns got tax privileges. This means that there is a grace period to pay the tax. The grace period differs from entrepreneur to entrepreneur based on the way they were organized. Entrepreneurs organized in group in micro and small enterprises are free from tax for three years and those who were not organized in group for six months as supported by interview conducted among MSE experts. The governments provide support like tax privilege, free working shops,

managerial and technical support and facilitate how to get a loan. Mainly sheds or working shops were provided for those who were graduated from colleges and universities.

Kessuwan and Muenjohn establishes range for the division (low, moderate, and high) as the attributes found between 1.00 – 2.49 mean grade considered as a low level influence in which an attribute has, attributes found between 2.50 – 3.49 mean point considered as the attribute has a moderate level of influence and attributes found between 3.50 – 5.00 mean score means the attributes have had a high level of effects (Kessuwan and Muenjohn, 2010). Based on this the under mentioned summary is made.

Attribute	Mean
Lack of providing a convincing business plan to get a loan	3.26
Lack sufficient working capital	3.60
Lack of financial record keeping	4.65
Difficulty of getting a loan	3.66

Table 2: Summary of Access to Capital Constraints
Source: Own Survey Result, 2013

As indicated and summarized in the table 4.10 lack of providing a convincing business to get a loan is categorized as moderate factor while lack of sufficient working capital, lack of financial record keeping, and difficulty of getting loan are the highest factor that influences access to capital.

Attribute	Mean
Lack of setting a competitive price for products	3.67
Lack of mentor	3.83
Lack of identifying target market	2.45
Lack of external linkage/network with other businesses	3.12

Table 3: Summary of Marketing Information Constraints
Source: Own Survey Result, 2013

According to the summary in the Table 3 lack of setting a competitive price for products and lack of external linkage/ network with other business as medium factor. Lack of identifying target market and lack of mentor severely affects (high factor) market information.

Attribute	Mean
Lack of well-rounded experience in basic business skill	2.95
Lack of multi-skill training to perform multiple tasks	3.60
Lack of management ability to create an external relation	3.55
Lack of technical competence	2.96

Table 4: Summary of Managerial and Technical Training Constraints
Source: Own Survey Result, 2013

The summary of managerial and technical training constraints in Table 4 indicates that lack of well-rounded experience in basic business skill and lack of technical skill as a medium influential factor while lack of multi-skill training to perform multiple tasks and lack of management ability to create an external relation are highly influential factors in emerging towns.

Attribute	Mean
Absence of infrastructure	2.07
Poor infrastructure	3.82

Table 5: Summary of Infrastructure Constraints
Source: Own Survey Result, 2013

The data in the Table 5 easily summarize the low or medium influencing factors of attributes. Absence of infrastructure categorized as low and poor infrastructure as high that faces entrepreneurs in emerging towns.

Attribute	Mean
Non response for expansion	2.15
Shortage of working place	3.54
Lack of loading space and unloading space	3.24
Shortage of expansion space	3.66
Poor business location	3.63

Table 6: Summary of Premises Constraints
Source: Own Survey Result, 2013

According to Table 6 non-responses for expansion is fall in the category of low influencing factor, lack of loading and unloading space are medium influencing factors. The highest influencing factors shortage of working place, poor business location and shortage of expansion space for entrepreneurs in emerging towns.

In general the interview conducted with MSE offices showed that access to capital, marketing information, management and technical training, availability of infrastructure and premises are the critical challenges that face entrepreneurs in emerging towns.

5. Conclusion and Recommendation

5.1. Conclusion

Based on data collected from entrepreneurs and interviews conducted among MSE experts and the analyses made the following major points were drawn:

There are many opportunities that attract and encourage entrepreneurs. The major ones are tax relief, free land (working space) and loans. These are provided by governments to motivate and inspire entrepreneurs. Even if there were such support from the government, entrepreneurs are in different position and become reluctant to exploit the opportunities. Being with this, the majority of entrepreneurs were not benefited from grace period.

There are different sources of capital for an entrepreneur to start the business. But the majority of the entrepreneurs are limited to their own source. This happened due to lack of information how to get additional capital and fear of loan. Even if, entrepreneurs start the business with own and limited capital, their business shows growing and increasing (in income). These motivate and inspire entrepreneurs to stay in the market and planning for expansion.

When entrepreneurs start the business, the number of employees employed including the owner/ manager is less than three (in average) and gradually increasing especially hiring up to 10 employees. The increase in number of employees directly related to the expansion of business. As the expansion of businesses (similar or different business), the need for employees increase. This plays a major role in reducing the number of unemployment. And, also contribute for improved living styles of an owner/manager (entrepreneur).

The majority of the businesses are started during the regime of the Federal Democratic Republic of Ethiopia. This is the result of appropriate policy design and implementation. The government declares the free market economic system that laid down the cornerstone for the development and expansion of entrepreneurship. Especially, the number of entrances is increasing in these five years. This assured that how much the policy initiates and inspires entrepreneurs. Even if, the government issue enhancing and encouraging policy, there are policies that makes some entrepreneurs more advantageous than others.

Access to capital, market information, management and technical skill, infrastructure and premises play a vital role in the process of entrepreneurship. The availability of these facilitates the extension and expansion of entrepreneurs. Therefore, access to capital, market information, management and technical skill, infrastructure and premises are the major challenges of entrepreneurs in emerging towns.

5.2. Recommendation

Based on the findings of the research the following major issues are recommended to promote and motivate entrepreneurs in emerging towns.

Retailers are dominant in emerging towns. The number of employees involved in the retailers is very few. This limits the intended purpose of entrepreneurship in reducing the number of unemployment because of this the nearby government particularly and the stakeholders in general ought to promote and participate in the extension of entrepreneurship. It requires hard work to improve such involvement through training, educating, policy design and revision, experience sharing, providing sufficient capital and land. In addition, the owner/manager should be open and ready to take the training to be provided and arranged by the government and/or stakeholders. There are different opportunities for the entrepreneurs that play a vital role in the promotion of entrepreneurship and motivating entrepreneurs. But those opportunities are not clearly known by the entrepreneurs to exploit it as indicated in the analysis. Therefore, the nearby government and MSE office should have to disclose those opportunities through awareness creation, meeting and training. Consequently, there are some privileges for entrepreneurs to create and own business. But those privileges were not managed properly. Because of these strict follow up will be required from concerned body specifically from MSE office.

This is obvious that working capital may available from different sources. In the analysis of the research most of the entrepreneurs sourced from their own. This limits the expansion and thins the growth of entrepreneurship. In order to avoid such problems the concerned offices/ stakeholders should have to train, advice, and help entrepreneurs how to get loans and other aid which facilitates the growth of business and entrepreneurs in emerging towns. While these are arranged, it should have to consider entrepreneurs (proprietorship or not organized in groups) involved in the promotion of entrepreneurship in addition to those organized in groups (micro and small business). Past experience showed that when training, awareness creation, and experience sharing carried on more of it focuses on micro and small business owners. It ignores the other entrepreneurs/ business owners who individually (not organized by the MSE office as a group) run a business.

Privilege is provided for those who entered into the business for the first time. But it is not sufficient enough to encourage and inspire entrepreneurs. It lacks continuity and more of focus on successful entrepreneurs. In addition, this support is more of focus on entrepreneurs organized in micro-small business organized under MSE (Micro and Small Enterprise) office. This influences the growth and development of entrepreneurship. Therefore, it is better to expand this

for all entrepreneurs in the same and/ or similar manner. Because the contribution they play in the economic development and unemployment reduction are similar or almost the same. Especially, shed (working shop) was given for college/university graduates to enhance their involvement. This is good and appreciable but it should have to consider or include those who had low income (considered as poor) and initiative to become an entrepreneur. The other most important issue here is that to get loan from micro-finance an initiator must have to save twenty percent (20%) of the loan. This is very difficult for those considered as poor especially for college and university graduates. It is the critical issue that inhibits the participation of those students to become an entrepreneur. The only thing they have is knowledge and skill. Therefore, it requires revision and reconsideration to promote entrepreneurship and full participation of higher institution's graduates.

There are different policies on different issues to enhance and expand the development of entrepreneurship. One is issuing trade license by MSE office and trade office. This means an entrepreneur can get license from one of them where he/she applies. When entrepreneurs are organized in groups by MSE office, the license is issued by MSE office. On the other hand, when entrepreneurs are not organized in groups and MSE office, they are licensed by trade office. It may be designed to reduce red tape and to facilitate the process of licensing. Even, this type of service is good and appreciated but it has its own limitation like duty overlapping, reluctance and pushing responsibility and accountability. To overcome this, it is better to organize as all-in-one (provide all services at one center).

Access to capital, management information, management and technical training, infrastructure and premises were the major challenges of entrepreneurs. It makes the transaction more difficult and complex. To encourage entrepreneurs and smooth the flow of transaction, concerned offices and/or stakeholders should have to stabilize the entrepreneurs through awareness creation, education, training, mentoring and experience sharing.

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